

**Date and Time:** Monday 9 September 2024 16:58:00 CEST

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**Documents (24)**

1. [*Topic Page - Coronavirus and oil price war*](https://advance.lexis.com/api/document?id=urn:contentItem:5YG9-YF41-JCN4-H4F0-00000-00&idtype=PID&context=1516831)

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2. [*Federal Register: Position Limits for Derivatives Pages 3236 - 3493 [FR DOC #2020-25332]*](https://advance.lexis.com/api/document?id=urn:contentItem:61S8-WVG1-JDG9-Y08J-00000-00&idtype=PID&context=1516831)

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3. [*House to Consider Seven-Bill Appropriations Minibus Next Week*](https://advance.lexis.com/api/document?id=urn:contentItem:60DK-0KW1-JDG9-Y0P6-00000-00&idtype=PID&context=1516831)

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4. [*Brazil president fires health minister over Covid-19 stand-off - as it happened Dismissal comes after weeks-long stand-off; almost 700 test positive on French aircraft carrier. This blog is now closed.Follow the latest coronavirus blog for live news and updates*](https://advance.lexis.com/api/document?id=urn:contentItem:5YNV-MP41-F021-637T-00000-00&idtype=PID&context=1516831)

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5. [*Victoria records 43 new cases and nine deaths as NSW reports 10 cases - as it happened Rio Tinto boss Jean-Sébastien Jacques bows to investor pressure over Juukan Gorge debacle and steps down, along with two other senior executives. This blog has now closedFollow today's international coronavirus live blogImpact of Covid slowdown on CO2 in the atmosphere 'not even a blip', Australian scientist saysA day in the life of Victoria's Covid contact tracersAustralian stats interactive*](https://advance.lexis.com/api/document?id=urn:contentItem:60T9-B7F1-F021-64TD-00000-00&idtype=PID&context=1516831)

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6. [*Coronavirus live updates: Ireland closes all schools and universities as two more die in England Stock markets plunge again; death tolls rise around the world; more countries shut down schools, nurseries and universities. Follow the latest news Health expert brands UK's coronavirus response 'pathetic'China pushes conspiracy theory outbreak originated abroadBusiness live: Wall Street plunges againWho does travel ban affect?Are you affected by the ban?*](https://advance.lexis.com/api/document?id=urn:contentItem:5YDC-2WD1-JCJY-G366-00000-00&idtype=PID&context=1516831)

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7. [*Coronavirus update April 25: Police will enforce rules*](https://advance.lexis.com/api/document?id=urn:contentItem:5YDG-3JN1-F0JC-M42D-00000-00&idtype=PID&context=1516831)

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8. [*Victoria reports 51 new cases and seven deaths as NSW records seven cases - as it happened Greg Hunt says Melbourne curfew should be lifted if 'there is no medical basis' for it as two more Sydney healthcare workers test positive. This blog is now closedThere are 51 new cases of Covid in Victoria and seven deathsFollow our global coronavirus live blogAustralian stats interactiveNSW cases map ; NSW hotspots listQueensland hotspots listSign up for Guardian Australia's coronavirus email*](https://advance.lexis.com/api/document?id=urn:contentItem:60T3-C9W1-F021-60P0-00000-00&idtype=PID&context=1516831)

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9. [*Don’t open the floodgates to a nuisance claim Simon Blackburn and Venetia Taylor look at where landowner responsibilities lie in relation to flood*](https://advance.lexis.com/api/document?id=urn:contentItem:5YY5-63X1-DYX4-702C-00000-00&idtype=PID&context=1516831)

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10. [*Traveling by Air With Service Animals (Updated on 10-12-2020)*](https://advance.lexis.com/api/document?id=urn:contentItem:61H3-DT51-JDG9-Y518-00000-00&idtype=PID&context=1516831)

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11. [*Agency, new technological path creation and long waves of local economic growth in Oxfordshire*](https://advance.lexis.com/api/document?id=urn:contentItem:6BNK-C111-DY41-73KR-00000-00&idtype=PID&context=1516831)

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12. [*Australia politics live: emergency warning issued for Perth blaze as city and WA's south-west enter Covid lockdown*](https://advance.lexis.com/api/document?id=urn:contentItem:61WT-07C1-DY4H-K03M-00000-00&idtype=PID&context=1516831)

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13. [*Government approves $500m war memorial redevelopment – as it happened*](https://advance.lexis.com/api/document?id=urn:contentItem:61GG-HVG1-JBNF-W0NJ-00000-00&idtype=PID&context=1516831)

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14. [*Market wrap: Warehouse REIT rises on Covid-19 driven demand*](https://advance.lexis.com/api/document?id=urn:contentItem:5YMJ-CRF1-DYX4-71XW-00000-00&idtype=PID&context=1516831)

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15. [*Positive Australian Covid-19 cases rise to 2,793 and states eye tighter restrictions - as it happened Tasmania tells tourists to go home and closes national parks; SA and Queensland to go pupil-free except for children of essential workers; childcare centres remain open. This blog is now closedFollow the latest Australia coronavirus blog for live news and updates*](https://advance.lexis.com/api/document?id=urn:contentItem:5YH8-3P61-F021-60KG-00000-00&idtype=PID&context=1516831)

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16. [*Business groups and the study of international business: A Coasean synthesis and extension*](https://advance.lexis.com/api/document?id=urn:contentItem:671W-P2V1-F0C0-33VN-00000-00&idtype=PID&context=1516831)

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17. [*ICIS Top 100 Chemical Distributors*](https://advance.lexis.com/api/document?id=urn:contentItem:5YYR-4RD1-JCF2-H000-00000-00&idtype=PID&context=1516831)

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18. [*No Headline In Original*](https://advance.lexis.com/api/document?id=urn:contentItem:5YG9-4S71-JCF2-H2K1-00000-00&idtype=PID&context=1516831)

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19. [*Treasurer hands down federal budget derailed by coronavirus pandemic - as it happened*](https://advance.lexis.com/api/document?id=urn:contentItem:610M-M011-JBNF-W0VT-00000-00&idtype=PID&context=1516831)

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20. [*Protecting women from violence through legislation in Nigeria : Need to enforce anti-discrimination laws*](https://advance.lexis.com/api/document?id=urn:contentItem:61FR-GTN1-JBMY-H003-00000-00&idtype=PID&context=1516831)

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21. [*Senate estimates told 3,000 dead people among those owed robodebt refunds - as it happened*](https://advance.lexis.com/api/document?id=urn:contentItem:615H-SHJ1-JBNF-W2C3-00000-00&idtype=PID&context=1516831)

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22. [*Worksafe to investigate cluster at Cedar Meats abattoir - as it happened Queensland government to bid for Virgin airline; national death toll rises to 98; Josh Frydenberg tests negative to coronavirus. This blog is now closedSign up for Guardian Australia's daily coronavirus emailDownload the free Guardian app to get the most important news notificationsCoronavirus Australia maps and cases: live numbers and statistics*](https://advance.lexis.com/api/document?id=urn:contentItem:5YWG-X461-JCJY-G0VS-00000-00&idtype=PID&context=1516831)

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23. [*LEGISLATIVE SESSION; Congressional Record Vol. 166, No. 59 (Senate - March 25, 2020)*](https://advance.lexis.com/api/document?id=urn:contentItem:5YHK-V621-JDG9-Y3N9-00000-00&idtype=PID&context=1516831)

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24. [*England and Wales High Court (Administrative Court) Decision: The Joint Council for the Welfare of Immigrants v The President of the Upper Tribunal (Immigration And Asylum Chamber) [2020] EWHC 3103 (Admin) (20 November 2020)*](https://advance.lexis.com/api/document?id=urn:contentItem:61C8-TNM1-F0YC-N1BX-00000-00&idtype=PID&context=1516831)

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# [***Topic Page - Coronavirus and oil price war***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YG9-YF41-JCN4-H4F0-00000-00&context=1516831)

Global News + ICIS Chemical Business (ICB)

March 20, 2020 Friday

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**Length:** 20070 words

**Body**

Updated 20 March with latest news, analysis and graphics.

As the coronavirus spreads and an oil price war gets underway, chemical markets are being disrupted. There are restrictions to shipping and industrial production that affect many supply chains. Crude oil futures plunged in March, shaking the entire financial system and markets across the globe.

By 20 March, many chemical prices had fallen sharply, following the oil and stock market rout. However other prices have spiked, especially for those products closely linked to sanitising products.

Macroeconomic growth globally is forecast to fall - probably into a recession - as consumers and workers are forced to stay at home. On this topic page we analyse these effects and bring together the latest news reported by ICIS.

Coronavirus restrictions exacerbate crude falls and chemical prices suffer

Travel restrictions, school and business closures and states of emergency do not only slam stock markets and rattle investors, they hit physical trade, Nigel Davis reports.

Following the most tumultuous week on global markets at least since the 2008/09 great recession it is becoming much clearer that, no matter what actions governments take to combat the spread of the coronavirus Covid-19, the impact of the disease will be strung out over much of this year. It may well persist for years.

Extreme stock market volatility is an indicator of just how little we know and how little we can determine with any degree of accuracy about the spread and impact of the virus.

The UK, for instance, thinks it may have a two to four week window of opportunity before infection levels reach those seen now in Italy. It has become a question of trying to flatten the curve of infection: spread it out over weeks and months until herd immunity builds in the population. That, in effect, should limit the extreme pressure the virus outbreak puts on health services, individuals and the economy.

But what does this, and the much more drastic measures implemented in other countries worldwide designed to limit the spread of the virus mean for physical markets and chemicals trade.

Companies are reacting to events and will be forced to continue to do so. INEOS reiterated the fact that it makes products essential for everyday life. That is what chemical companies do. But the health of its employees comes first. It has introduced a series of measures to ensure continued plant and business operations, sent most office staff to work from home and postponed non-essential work at its sites.

We hear of chemical producers being asked by government to switch some production to make more disinfecting and related chemicals. Other producers are asking more staff to work from home.

This is a fluid situation and companies will seek to protect workers while protecting cash as far as is possible. The virus outbreak has already had an extreme impact on corporate balance sheets given the staggering share price falls seen this week. For petrochemical producers too, the oil price crash threatens sharp product price reductions while it changes margin dynamics.

ICIS analysts estimated earlier this week that petrochemical contract prices in Europe could be down 10-20% month to month in April. The contract mechanisms in place across the industry will see spot price volatility ironed out to some extent.

The chart below of the global monthly ICIS Petrochemical Index (IPEX) against Brent crude illustrates how petrochemical and polymer prices have reacted to previous significant oil price movements.

The index is based on February contract or average prices. The February contract prices would have been agreed at the end of January or at the beginning of February and, therefore, not reflected the market pressure brought about by the coronavirus outbreak in China. Likewise, a monthly oil price is shown for the February value and does not reflect the crash in prices earlier this month.

Petrochemical and polymer prices tend to follow crude oil with a time lag of about six weeks for those used to compile the ICIS Petrochemical Index.

ICIS Consulting Vice President, James Ray, explains that the average time lag usually correlates highly to the days on hand of inventory in the supply chain. Of course, the further down the value change a product is, the less impact the oil price movement has and the longer it takes.

Petrochemical and polymer prices will be under severe downward pressure in the coming weeks from lower priced crude.

And looking at the extent and speed of price falls after the collapse of crude prices in 2008 and the drop in 2014 it would not be unreasonable to expect a similar impact soon.

Producers usually have difficulty holding on to prices in a down market. This time their position will be further weakened by demand side weakness which is developing to a largely unknown extent.

Global petrochemicals face major crisis with coronavirus demand shock

As the coronavirus spread leads global economies to shut down, the petrochemical sector is facing a severe demand shock. Even as central banks rush to slash interest rates and provide liquidity, financial markets are in chaos, further increasing uncertainty.

The US Federal Reserve s surprise move on Sunday to cut interest rates to zero underscores the seriousness of the coronavirus crisis to the economy. The US stock market as measured by the S&P 500 subsequently plunged by 12% on Monday.

While China manufacturing is coming back online, it will face significantly lower demand for exports as its major customer regions go into lockdown in trying to contain the spread of the virus.

On Monday, Jefferies analyst Laurence Alexander cut 2020 earnings per share (EPS) estimates on almost all US and European chemical companies.

Given near-term shocks to EU demand and, to a lesser extent, in the US, we are trimming our estimates for 17 chemical companies. Our estimates are still arguably optimistic compared to the 2-8% GDP headwinds academics have posited, said Alexander.

While chemical company feedback has been that it is premature to estimate impacts, we believe it is prudent to assume [around] a 10% impact to auto-related chemical volumes, 5% in other early-cycle markets, and 2-3% declines in mid-cycle volumes relative to expectations in early February, he added.

The analyst sees the chemical sector facing a wave environment, with a sharp recovery in 2021 and then the risk of a further demand lapse in 2022-2023.

On Friday, Bank of America analyst Steve Byrne slashed 2020 EPS forecasts on much of his US chemical coverage universe. For Dow, he took down 2020 EPS from $3.35, to $2.90 and for LyondellBasell, from $9.75, to $8.75.

However, he noted a buying opportunity in shares of Dow, LyondellBasell, Eastman Chemical and Huntsman, based on dividend yield and price return.

US chemical stocks plunged again on Monday, with many down further than the 12.0% crash in the S&P 500.

As stock prices have declined, dividend yields have exploded to the upside with Dow yielding almost 13% and LyondellBasell over 12% - unheard of levels.

US CHEMICAL STOCKS - EPS OUTLOOK AND P/E RATIO Company Price 16 Mar % Change YTD 2019 EPS E2020 EPS % Change P/E Dow $22.00 -60% $3.53 $3.10 -12% 7.1 LyondellBasell $34.90 -63% $9.58 $9.05 -6% 3.9 Westlake $29.87 -57% $3.26 $3.10 -5% 9.6 Eastman $40.01 -50% $7.12 $7.29 2% 5.5 Huntsman $13.76 -43% $1.79 $1.54 -14% 8.9 Celanese $66.13 -46% $9.52 $10.50 10% 6.3 DuPont $34.25 -47% $3.78 $3.68 -3% 9.3 Chemours $9.14 -49% $2.50 $3.00 20% 3.0 Olin $9.34 -46% $0.76 -$0.08 NA NA Methanex $12.67 -67% $0.93 $1.28 38% 9.9

Source: Yahoo Finance, compiled by ICIS

Hassan Ahmed, analyst at Alembic Global Advisors, calls the sell-off in US-based ethylene names - on the order of 53% through Friday since the start of the year - excessive . The average western chemical company under his coverage has declined 43% in the same period.

Our analysis suggests that in a $35/bbl Brent crude oil price environment, there is, at most, 8.3 cents/lb downside to ethylene/polyethylene (PE) prices and margins. Such margin downside implies a 20% negative hit to consensus 2020 EBITDA (earnings before interest, tax, depreciation and amortisation) forecasts versus current levels, said Ahmed.

He also noted that chemical company balance sheets are far better positioned today than during the downturn of 2008-2009, with cash flow generation much stronger as well .

An [1]ICIS analysis of US and European chemical companies on 12 March showed most balance sheets in relatively strong shape, with debt/EBITDA (leverage) ratios at 2.0x or less based on 2019 levels. However, coming declines in EBITDA will stress these leverage ratios.

Typically, a debt/EBITDA ratio of 3.5x or higher indicates high leverage.

With financing markets in chaos, liquidity concerns are front and centre. For a number of US chemical companies, Moody s Investors Service warned last week that if crude oil persists below $40/bbl, credit ratings are under threat.

€OPE PE MARGINS OVERTAKE US US petrochemical producers are facing the double whammy of lower crude oil prices and demand destruction from the coronavirus.

The collapse in crude oil prices will dramatically weaken US petrochemical producers global competitive advantage as their European and Asian counterparts largely use crude-oil based naphtha while US producers use natural gas liquids (NGL).

As of last Friday, US high density PE (HDPE) spot margins using ethane feedstock were at $617/tonne, down just slightly from $620/tonne, according to ICIS Petrochemical Analytics.

Source: [2]ICIS Petrochemical Analytics

Meanwhile, European margins from naphtha feed surged to $888/tonne versus $631/tonne a week earlier, rocketing past US margins. Asia HDPE margins from naphtha feed likewise jumped to $476/tonne compared to just $282/tonne a week before.

With the US feedstock component a much smaller part of the PE margin equation because of already ultra-low ethane prices, US margins are much more exposed to a price decline. In other words, a further decline in ethane prices would help, but not that much.

In contrast, the oil-based naphtha feedstock component has been a much larger part of European and Asian margins. As such, feedstock declines are having a much greater impact on their overall PE margins.

PANIC BUYING NOT SUSTAINABLE There is always the possibility of PE demand rising because of panic buying of food and other necessities, but this is unlikely to be sustainable, writes Joseph Chang.

Ignore talk about any sustainable benefit to European PE demand, or indeed demand anywhere, from panic buying of food and other necessities. This is temporary stock-building which will be followed by destocking once panic buying comes to an end, said John Richardson, ICIS senior Asia consultant, on the [3]ICIS Asian Chemical Connections Blog.

If the crisis ends in the next few months, we might see just one cycle of panic buying followed by destocking. If it continues for longer than that, we might see several cycles. But each cycle will deliver a lower and lower temporary boost to demand because of the increasing loss of overall economic activity, he added.

There s no getting around the point that even when the eventual recovery arrives, there s a good amount of demand that will be lost permanently, as travel and activities are cancelled, and many employees lose wages.

Assuming that the virus does peak in June, you then have to consider the negative lingering impact on consumer sentiment along with personal wealth because of job losses, cuts in bonuses and losses of income among all the gig economy workers, said Richardson.

INVENTORIES For those attempting to gauge demand - pretty much everyone - inventory levels, and the issue of destocking and restocking are top of mind.

Investors are growing anxious that demand has taken a bigger hit than production, resulting in inventory stockpiling across chemical chains. While it is too early to make a definitive call as to whether or not this has been occurring, we see the concerns as warranted, said Byrne from Bank of America.

We have heard some industries are taking down operating rates in sympathy with demand. The latter is true particularly for more modular operations, he added.

Huntsman noted it was running its China methylene diphenyl diisocyanate (MDI) capacity near 50% in February, while PPG took some China production lines down to around 35% over the first two weeks of February and has been steadily ramping up since, the analyst noted.

However, as China looks to increase production, the rest of the world is likely on the decline, again exacerbating inventory build concerns. We see this build as more of a risk to industries in oversupply where product can be easily stored, such as PE, and less so for industries where storage and shelf-life are concerns, such as chlor-alkali and certain monomeric MDI markets, said Byrne.

AUTOMOTIVE DISRUPTIONS The automotive sector, a critical end market for chemicals and polymers, will be hit especially hard in Europe, as carmakers deal with both components shortages, worker safety amid the coronavirus and deteriorating demand.

Fiat Chrysler [4]said on Monday that it will close sites in Italy, Serbia and Poland until 27 March. On 14 March [5]Ferrari announced it will cease production at its sites in Maranello and Modena until 27 March.

PSA Group, which includes Peugeot, Citroën, Vauxhall/Opel and DS, [6]said on Monday it would also close several European automotive plants until 27 March.

And according to the Financial Times on Monday, Volkswagen may curtail production at several European plants including its Wolfsburg, Germany, headquarters.

Polymers most exposed to the automotive industry include nylon resins (35% of demand), styrene butadiene rubber (SBR, 25%), polymeythyl methacrylate (PMMA, 20-25%), polycarbonate (PC, 18-20%) and acrylonitrile butadiene styrene (ABS, 14%), according to ICIS Analytics.

CHINA SITUATION IMPROVING A bright spot during these dark days is that China appears to have turned the corner - both in terms of coronavirus spread through its draconian containment measures, and in getting its economy back up and running.

In China, industrial activities are broadly back to around 75% of normal, with both production and logistics activities recovering, said industrials analysts at Jefferies.

Chinese manufacturing activity is on the mend, with the Q2 debate likely shifting to tactical shifts in order timing to take advantage of falling input costs, and risks to export demand from decelerating activity in Europe and the US, they added.

But the real issue is demand. Spot prices of key petrochemicals in Asia fell to multiyear lows on Monday, tracking losses in crude oil amid heightened concerns about weakening demand.

China styrene spot prices hit their lowest levels in a decade, at Chinese yuan (CNY) 5,820-6,000/tonne ex-tank Jiangsu as of Friday. Inventories of 323,500 tonnes are near record highs with some warehouses running out of storage capacity. Operating rates have plunged to around 63% from over 89% in late January.

2020 EARNINGS ESTIMATES TO FALL FURTHER Central banks are pulling all sorts of levers to mitigate the economic damage from coronavirus but the demand side needs to be addressed directly. Aggressive government fiscal policy is needed to fill the gaping hole in demand, and that has been slow to materialise.

Along with getting funds in the pockets of people and coffers of businesses most impacted by the crisis, governments should consider ramping up infrastructure spending where feasible.

The US has had various infrastructure bills on the table for some time - it would be hard pressed to find a better time to get this done.

With much of the world s economies in lockdown for an unknown time amid an uncertain fiscal policy response, the earnings outlook will get progressively worse before it gets better.

Even with 2020 earnings estimates having already been cut, chemical companies are trading at single-digit price/earnings multiples. LyondellBasell trades at just 3.9x consensus 2020 EPS estimates and Eastman Chemical at 5.5x. Investors clearly believe Wall Street forecasts are still too high.

The levels of expected EPS declines in 2020 versus 2019 based on today s consensus estimates are rather paltry and some estimates for 2020 are actually higher. They largely appear disconnected from reality.

Fully expect earnings estimates for both 2020 and 2021 to come down further - much further.

Chemical and oil companies to slash capex, slowing investment wave

In the wake of the coronavirus and collapse in crude oil prices, chemical, and oil and gas, and midstream companies will all slash capital spending (capex) for growth projects to preserve cash, writes Joseph Chang. As a result, the US and global chemical investment wave looks to slow considerably in the years ahead.

While major US chemical projects under construction should continue, the fall in Brent crude oil prices and the shrinking of the Brent/US Henry Hub natural gas ratio from the 30s to the mid-teens puts into question the economics long term , said Kevin Swift, chief economist of the American Chemistry Council (ACC).

Swift spoke on an ICIS webinar on the economic outlook on 19 March.

This creates an awful lot of uncertainty, and decision-makers don t like uncertainty, he added.

This year, US-based Dow had already taken down its capex plan to $1.5bn for 2020 from $2bn in 2019. However, on a Monday appearance on CNBC s Mad Money program with Jim Cramer, CEO Jim Fitterling said the company would struggle to meet even the lowered $1.5bn capex target because of limitations on the movement of contractors and engineers given the coronavirus outbreak.

On Wednesday, Shell announced the temporary suspension of work on its 1.5m tonne/year cracker under construction in Monaca, Pennsylvania, to prevent the spread of the coronavirus. No timeframe was given for when work would resume.

For Dow, after having paid down around $2bn in debt in 2019, it would like to pay off another $500m-$1bn in debt in 2020, said Fitterling. At the end of 2019, Dow had net debt of $14.6bn.

Dow is in the process of starting up its Texas-9 cracker expansion adding 500,000 tonnes/year of ethylene capacity in Freeport by mid-Q2. Among other project plans are a 130,000 tonne/year ethylene expansion in western Canada by H1 2021 and a 600,000 tonne/year polyethylene (PE) plant on the US Gulf Coast for an H2 2022 start-up.

Canada-based Methanex on Monday said it is evaluating all capital and operating spending, including its planned Geismar 3 project in Louisiana which would add 1.8m tonnes/year of methanol capacity. Construction on the plant began in late 2019 with planned start-up for mid-2022.

In late January, Methanex announced it was broadening its search for a strategic partner for Geismar 3.

OIL COMPANIES TO PULL BACK Major oil companies will also cut capex plans for 2020 and beyond in response to the collapse in oil prices. Importantly, many of these companies had aggressive plans for petrochemical capacity expansion, as they shifted their focus away from transportation fuel and towards chemicals for future growth.

While oil companies have not yet specifically mentioned cuts to chemical projects, all investments should see an impact.

Saudi Aramco, the world s largest oil producer, is slashing 2020 capex from an expected $35-40bn range indicated in its IPO prospectus, to a level of $25-30bn. This is also down from capex of $33bn in 2019. Aramco s capex plans for 2021 and beyond are also under review.

As yet, no one knows precisely the impact on economic activity and energy demand from the coronavirus outbreak, especially in the longer term, and additional efficiencies may be required, said Aramco CFO Khalid al-Dabbagh, on the company s Q4 earnings conference call on Monday.

Aramco has the most ambitious petrochemical expansion plans of any company, with multiple new cracker and derivative projects in Saudi Arabia, China, India and the US. It had planned to spend around $100bn towards petrochemical expansions over a decade.

US-based ExxonMobil said on Monday it is considering [7]significant cuts to capex and operating expenses. The company is building a 1.8m tonne/year joint venture cracker complex with SABIC in Corpus Christi, Texas, with a planned start-up in H1 2022, and is planning a cracker complex in China as well.

Other oil companies have also announced capex cuts, including [8]ConocoPhillips, [9]Occidental Petroleum, Apache and Marathon Petroleum. More will surely follow.

MIDSTREAM CAPEX CUTS North American midstream energy companies are also busy taking down capex plans.

Canada-based midstream energy and petrochemicals company Pembina Pipeline is chopping 2020 capital spending by between Canadian dollar (C$) 900m to 1.1bn ($625-764m) to a level of C$1.2-1.4bn.

A number of projects will be deferred, including Pembina s investment in the Canada Kuwait Petrochemical Corp (CKPC) petrochemicals joint venture - which involves building an integrated propane dehydrogenation and polypropylene (PDH/PP) complex in Alberta.

Officials previously indicated an H2 2023 in-service timeline for the complex.

A number of other midstream energy companies have announced plans to cut capex, including [10]Targa Resources, [11]Hess Midstream, [12]Enlink Midstream and [13]ONEOK. [14]Enterprise Products is also reviewing its capex program.

Major cuts to capex plans for oil and gas, and midstream energy companies are a long-term problem for the US petrochemical industry, as access to abundant and low-cost natural gas liquids (NGL) feedstocks is its lifeblood.

The US shale gas cost advantage has spurred hundreds of billions of dollars in chemical investment. With the crash in crude oil prices, which has severely diminished this advantage, the investment boom is clearly under threat.

We could see delays in decisions for projects that were going to start up in 2025. Companies can certainly afford to delay a decision by a quarter or two, the ACC s Swift said on the ICIS webinar.

Planned US cracker projects for start-up further down the road in 2023-2025 where final investment decisions (FIDs) have yet to be me made include those by FG LA LLC (Formosa), PTTGC/Daelim, Chevron Phillips Chemical/Qatar Petroleum, and Motiva (Saudi Aramco).

Crude oil collapse, coronavirus to pressure chemical credit ratings

The collapse in crude oil prices and the cratering of global demand from the coronavirus [15]will pressure credit profiles of chemical companies. While all companies will suffer from the impacts, such pressure will differentiate those with healthy balance sheets and those with too much leverage.

Significant oversupply in the global oil markets presages weaker global chemical demand through mid-year and potentially beyond The continued expansion of the coronavirus will slow economic growth, resulting in weaker chemical and plastics demand in 2020, said analysts at credit ratings agency Moody s Investors Service.

Lower oil prices and the spread of coronavirus places additional uncertainty over second-half performance across the chemicals sector, reducing the likelihood of a strong post-virus rebound in 2020, they added.

North American commodity chemical companies will feel the brunt of the impact. Specialty chemical companies will also see lower demand but this should be partially offset by lower raw material costs, noted the analysts.

Credit metrics for most ethylene producers are weaker today than when oil prices fell significantly in 2015-2016 Ratings could be threatened if prices are sustained below $40/bbl, said the Moody s analysts.

US companies facing weaker credit metrics in 2020 include Chevron Phillips Chemical, LyondellBasell, Dow, Westlake Chemical and NOVA Chemicals, Moody s noted.

Lower prices for commodity and intermediate chemicals such as ethylene glycol (EG), acetyls, oxo-chemicals, methanol, phenol and styrene will also hit profits for companies like Celanese, Eastman Chemical, Dow, Trinseo, TPC, Cabot and Methanex.

Clearly few if any companies will be spared the negative impacts. There is no pure play on isopropanol (IPA) - the one chemical surging in price because of use in sanitation products.

While most companies will be able to maintain credit quality, some such as Eastman and possibly Methanex could be vulnerable due to an extended decline in commodity prices lasting more than 18 months, said the Moody s analysts.

Short-term effects related to high-cost inventories that must be sold for lower prices will have an out-sized impact on companies like Cabot and Trinseo, they added.

Chemical companies certainly have levers to pull to preserve or grow cash, and maintain credit quality. Some options such as a dividend cut may not be palatable to shareholders, but in a crisis where the extent and duration of the risk is unknown, strong actions are required.

Also, the point of maintaining a certain dividend level when your stock price loses half its value in a month becomes irrelevant.

More critical is preserving liquidity in a crisis. Cutting dividends and stock buybacks, and pulling back on growth capital expenditures (as opposed to maintenance capex) are options that should be considered.

China chemicals disrupted, but ramping up

Production and trade in China s petrochemical industry is still being disrupted following extensions of the Lunar New Year holiday. Restrictions are being lifted outside of the most affected areas but businesses are only slowly restarting, with operating rates gradually increasing.

Wuhan, which has an 11m population, is the capital of China s central Hubei province. This is where the virus is thought to have originated and remains under lockdown. There are [16]reports that restrictions are now being lifted across parts of Wuhan which should allow industrial production to resume.

Globally by 20 March there were246,275 cases and 10,038 deaths compared to 212, 616 cases and 8,727 deaths on 18 March. Europe now faces the fastest-growing numbers of infections.

Click on the image to make it bigger.

[17]Click here to see a live, interactive version of this dashboard from John Hopkins University, CSSE.

Lockdowns cripple Europe automotive industry, chemicals demand to suffer

Residents of Spain woke up on 15 March to the news that the country is in lockdown for a period of 15 days, likely to be extended until spread of the coronavirus has been brought under control.

The impact is immediate and very visible - with police patrolling the empty streets and most shops, restaurants and many businesses now closed. People are cooped up in their houses, leaving only to buy essential supplies or go the doctor. Although travel for work is permitted, working from home has become the norm for those of us lucky enough to have that option.

Economic activity is decreasing, and may grind almost to a halt over the coming weeks in locked down countries thanks not just to the immediate physical effect of the restrictions but also to a huge impact on consumer sentiment. People are worried about their jobs, so purchase of big ticket items such as automobiles is likely to slow to a trickle.

For citizens of countries in lockdown we are likely to see a reduction in spending to just the essentials.

SUPPLY CHAIN DISRUPTION With European lockdowns now in place in Italy, Spain and the Netherlands, evidence of supply-side disruption to industrial supply chains and downstream demand is becoming clearer.

Several Europe-based car makers are already shutting plants or reducing operations because of disruption to the supply of components from Italy and Spain. Poor demand and worker safety have also played a part in their decisions.

Fiat [18]said on 16 March that it will close sites in Italy, Serbia and Poland until 27 March. On 14 March [19]Ferrari announced it will cease production at its sites in Maranello and Modena until 27 March. The company said it is now experiencing serious supply chain issues which make continued production impossible.

PSA Group, which includes Peugeot, Citroën, Vauxhall/Opel and DS, [20]said on 16 March it would also close several European automotive plants until 27 March: \* March 16: Mulhouse (France), Madrid (Spain) \* March 17: Poissy, Rennes, Sochaux (France), Zaragoza (Spain), Eisenach, Rüsselsheim (Germany), Ellesmere Port (United Kingdom), Gliwice (Poland) \* March 18: Hordain (France), Vigo (Spain), Mangualde (Portugal) \* March 19: Luton (United Kingdom), Trnava (Slovakia)

According to the Financial Times on 16 March, Volkswagen may curtail production at several European plants including its Wolfsburg, Germany headquarters over the coming days. It is suffering from a lack of parts sourced from Italy and Spain.

Ford, Renault and Seat have also reportedly closed production in Spain because of supply chain disruption.

CHEMICALS IMPACT The economic shock caused by the virus is likely to see Europe s economy contract, at least in the second quarter of the year. Earlier in March Oxford Economics forecast a drop in eurozone GDP to 0.6% for 2020, but that now seems optimistic, given the disruption being seen this week.

According to ICIS preliminary forecasts made last week, both [21]polymers and [22]ethylene could take a hit to output this year, thanks to the virus.

There are a [23]few bright spots, however, especially for products such as isopropanol which goes into hand sanitizer.

Panic buying at supermarkets may also provide a temporary stimulant to packaging, food and household cleaning ingredients plus plastic packaging sectors.

For many chemical companies, however, a stalling economy will feed through into lower demand for chemicals as weaker consumer demand is felt up the supply chain.

Whether the economic shock is as bad as China s coronavirus shutdown remains to be seen. China suffered double-digit declines in industrial output and retail sales during January and February. Its Caixin China General Manufacturing Purchasing Managers Index (PMI) plunged to a record low of 40.3 for February from 51.1 in January, indicating steep contraction.

Asia key petrochemical prices hit multi-year lows on crude falls, poor demand

Spot prices of key petrochemicals in Asia fell to multi-year lows, tracking losses in upstream crude market on heightened concerns about weakening demand as a result of coronavirus pandemic, Pearl Bantilllo reports.

Regional prices of petrochemical feedstock naphtha plunged to a [24]17-year low, while those of monoethylene glycol (MEG) fell to an [25]11-year low.

Paraxylene (PX) prices fell to their [26]lowest since 2008, while isomer-grade mixed xylenes fell to an [27]11-year low.

Among other aromatics, [28]benzene, toluene and styrene monomer (SM) posted declines from the previous session.

In China, domestic prices of SM slumped to their [29]lowest in a decade.

The silver lining is that policy makers are generally no longer complacent over COVID19 [novel coronavirus], DBS Group said in a research note.

Amid the gloomy outlook and probably increasing negative news flow on the virus, we should keep in mind that many of the necessary steps to support the economy and limit the worst of the virus has been done. Hopefully, this will blunt the worst of the economic/financial impact in the coming months, it said.

China economic pressure China s economy is under huge pressure with property sales down 79% and apartment sales being heavily discounted, car sales collapsed, ports at a standstill and a number of property developers at high risk of default, said Hodges.

With demand severely depressed and logistics still an issue with travel restrictions and labour shortages, those exporting to China - such as US commodity chemicals and polymers producers - will suffer.

But those importing critical components from China will also take a hit. Shortages in automotive and electronic components are already wreaking havoc on supply chains around the world.

Fiat Chrysler is shutting down a car plant in Serbia while Hyundai and Renault had to halt production lines in South Korea because of parts shortages. US-based Apple announced it will miss Q1 revenue expectations because of both iPhone production shortfalls and lower demand in China.

The impact on the US chemical sector from the China disruptions will be material. China s share of global polymers demand has risen from 22% in 2003 when the SARS crisis hit, to around 43% today, according to ***data*** compiled from the ICIS Supply and Demand Database.

In terms of dollar value, the US exported $10.1bn in chemical products to China in 2019, representing 7.6% of total US chemical exports - this was down 14.4% from 2018, due in large part to tariffs, pointed out Martha Moore, senior director - policy analysis and economics, at the American Chemistry Council (ACC).

In addition, more than $3.4bn in US chemicals were exported indirectly in other products such as ***agricultural*** goods, plastics products and motor vehicles in 2018, she added.

Global recession? In the bigger picture, the coronavirus outbreak could be the catalyst for a global recession.

The global economy has been propped up by more than 10 years of ultra-cheap interest rates, leading to ballooning debt levels. Yet, even with all this stimulus, growth has been anemic because of ageing demographics, International eChem s Hodges contends.

There is going to be a reckoning, and the coronavirus looks as though it is the catalyst. There are so many companies out there with little margin for error because they ve levered up, said Hodges.

February [30]purchasing managers indices plunged, with China's falling to a record low. A reading below 50 indicates contraction in manufacturing.

Shipping restrictions

While the World Health Organization (WHO) has advised against unnecessary restrictions of international traffic, there have been concerns that shipments of material will be impacted.

There are fears that there could soon be shortages of empty shipping containers in the US as exports from China have been delayed or cancelled. This could lead to chemicals being "stranded" because of logistics bottlenecks.

[31]Click here to see an interactive map of shipping restrictions.

One trader dealing in the East African market spoke of delayed vessels, as some shipping firms cancelled shipments for the entire Asian routes.

As confirmed cases of the virus have shot up in South Korea, this could further disrupt vessels to and from northeast Asia.

Sentiment in the US has been more uniform in identifying the coronavirus as the causal factor disrupting shipping cargoes.

There has definitely been an impact. Some cancelled cargoes/voyages. Bunkers have been down considerably. It is also affecting scrubber installations in China I hear, said one US-based ship broker.

Another ship broker in the region advised that vessels berthing and un-berthing in Chinese ports are required to conduct self-inspections.

Most port authorities had required every crew member s temperatures to be taken and crew members had been prevented from disembarking unless necessary.

Charterers had been delaying confirmation of their nominations for vessels sailing into and out of the region as if a port were deemed unsafe, charterers would be made responsible for nominating an alternative port.

As bulk shipping is reliant on China s demand for imports remaining robust, a prolonged shutdown of the Chinese economy and industrial production will deepen the seasonal slump.

According to a shipping source, there has been a significant slowdown in the transatlantic route between Rotterdam and the US Gulf, which the source attributed to a change in sentiment.

Europe ethylene losses

Coronavirus impact could cut Europe ethylene production by as much as 1.68m tonnes in 2020, compared with 2019, with cracker turnarounds and even force majeures common place in the second quarter, according to analysis by ICIS.

These preliminary scenarios assume a drop in operating rates in the second quarter of 2020 as the coronavirus hits downstream demand, pricing, and margins, according to Paolo Scafetta, ICIS Senior Analyst, Olefins.

He said there would be a gradual recovery from the second half of the year as the epidemic is contained.

- With economic growth likely to slow or even contract in Europe until the epidemic abates, Scafetta assumes cracker operators will trim rates or take other measures to maintain profitability.

They could extend scheduled maintenances, cut operating rates or, in the final instance, declare force majeures to avoid losses in the second quarter, especially April and May, he said.

The plummeting oil price will also have an impact.

According to my preliminary forecast, cracker margins will rise in March as feedstock naphtha prices decline against the March ethylene contract price of 920/tonne," said Scafetta.

"But, in April, I expect margins to fall if the ethylene contract price falls heavily while the naphtha decline decelerates.

Output drops In the low scenario, ethylene production dips to 19.37m tonnes, a fall of 8% on 2019 production which is estimated at 21.05m tonnes.

Scafetta also models a base case decline to 20.38m tonnes and high scenario of a rise to 21.46m tonnes.

Scafetta s high scenario increase is based on the fact that 2019 was a tough year for Europe ethylene production, which has been in decline since 2017.

As new ethylene production from the US shale boom ramped up, imports have increased while exports have declined.

There was also a heavy cracker maintenance schedule in 2019.

According to Nel Weddle, Senior Editor, Olefins, at ICIS Europe said: 2019 was heavily impacted by turnarounds and loads of unplanned issues so output will show that. Demand was under pressure from the trade war - otherwise we would have seen more of an impact on pricing.

Weddle said more exports could be possible as low naphtha keeps margins healthy, while at the same time allowing producers to agree to the low netbacks necessary to get product out to Asia.

However the onset of the turnaround season might limit volumes and exports.

The coronavirus is now spreading fast across Europe and is likely to hurt downstream demand as normal economic activity is disrupted by government measures to reduce the speed and level of ***transmission***.

Curtailment of chemicals and industrial production has not yet been reported in Europe.

But Italy the world s eighth largest economy, and number three in Europe is now in lockdown and other countries may follow suit.

Europe polymers demand takes a hit

Europe's lower GDP growth in 2020 [32]could cut demand for polymers, although the destocking effect may be less pronounced than in the 2008-2009 financial crisis, according to analysis by ICIS.

Three interlinked factors are currently impacting polymer demand in Europe and globally: lower crude oil prices, coronavirus, and general economic malaise.

These factors are not independent of each other, obviously: weaker demand from the coronavirus adds to the economic malaise and weak oil prices.

GDP forecasts are being downgraded on an almost daily basis.

The coronavirus outbreak and, more importantly, lockdown efforts by national governments have already led to lower demand.

London-based analysts at Oxford Economics have cut GDP growth forecasts for the eurozone to 0.6% this year, the weakest in seven years, and around 1.3 percentage points lower than forecasts a year ago.

In theory this leads to a cut in demand for plastics across the European region.

The most impacted are polyester fibres which are used for clothing, polyvinyl chloride (PVC) and polypropylene (PP).

Using regression analysis, we can see that for many polymers the 0.6% GDP growth rate could translate as a fall in demand for resin in 2020, with PVC and low density polyethylene (LDPE) likely to be down around 1.5%.

The impact on ICIS current demand forecasts can be seen below

SOURCE: ICIS Supply & Demand Database

However, the actual impacts are likely to be far less, given that the GDP downgrades are not uniform across all sectors.

The nature of the coronavirus crisis is that the worst impacted sectors are services industries, especially travel and tourism.

Panic buying - short-term boost Many sectors like food packaging have seen little impact. In fact, anecdotal evidence is that panic buying may be boosting retail sales including food and freezers.

Oxford Economics recently downgraded some industry forecasts for Europe most noticeably motor vehicles, textiles and ***agriculture***.

However, domestic appliance and consumer durable production numbers were pushed up.

Added to this is the uncertain impact of stocking or destocking through the chain.

The last time oil and chemical prices fell so sharply was in 2008/2009, with the resulting falls in inventory values leading to mass destocking through the chain, further compounding demand reductions.

However, after this time most chemical companies changed inventory policies and reduced stocking.

Most market participants said inventories across mainland Europe are quite low, and the mass destocking occured in 2009 is not expected again.

In the UK and Ireland, fears of trade disruptions after a hard Brexit have led to some stocks and these could be hit by falling asset values.

However, this may not lead to mass destocking due to continued supply risks.

As a result, the impact of these cuts on GDP remains hard to predict.

Clearly, there will be a demand hit with some polymers harder hit than others, but the impact will depend on how each individual end market reacts.

ICIS is developing a new model for polymer demand by looking at individual end markets, using that to predict individual resin consumption.

Value chain impact - virus and oil price war

Many chemical value chains in China have been hit by logisitical and manpower issues, which have also affected downstream customer industries. Although China is gradually returning to higher levels of production, globally, lack of Chinese export material has tightened some markets.

As more countries in Europe and Asia go into lockdown, and with the oil price at multi-year lows, chemical prices are now highly volatile.

See latest story links below for full details.

China is more important than before

In a [33]blog post, ICIS senior consultant for Asia, John Richardson, points out that the impact on global markets of any fall in China's economic growth will be much more severe than during the SARS virus of 2003. Back then, China ***accounted*** for just 4% of the global economy compared with 17% in 2019.

China's consumption of polymers has grown from 22% of global demand in 2003 to reach 43% this year, according to the ICIS Supply & Demand database. Expect hit to polyolefins demand Global polyolefins markets can expect to take a demand hit similar to the 2008 financial crisis, according to John Richardson. Polyproplyene demand [34]could fall by 2.1m tonnes/year globally.

Global PE demand for 2020 could decline by 3.3m tonnes/year, he adds in a [35]separate blog post.

China car market slump worsens

China s vehicle sales in February[36] declined by a sharp 79.1% year on year and 83.9% month on month to just 310,000 units as car shops were shut by the coronavirus outbreak, ***data*** from China Association of Automotive Manufacturers (CAAM) showed on 12 March.

Vehicle sales in the world s biggest automotive market have been contracting for two full years falling by an average of 8.2% in 2019 and 2.8% in 2018, according to the China Association of Automobile Manufacturers (CAAM).

Disruption to car manufacturing operations because of the coronavirus outbreak in China could hit the industry hard, and possibly have a long-term adverse impact on the global automotive market, the association said.

Consumers demand and purchase power are greatly dampened by the disease. Labor shortages are hindering carmakers from restarting production , causing difficulty in delivering orders, CAAM said.

Small manufacturers may face big cash pressure and even go bankrupt, it said.

More than 1m units in output were lost from the extended Lunar New Year holiday in China, the association said, amid efforts to contain the coronavirus outbreak in the country.

China is the biggest automotive market in the world, but the industry has been slumping for two years. Its vehicle sales in 2019 declined 8.2% to 25.77m units, while production fell by 7.5% to 25.72m units.

Image credit Aidan Marzo/Shutterstock

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By Angie Li 20-Mar-20 14:02 SINGAPORE (ICIS)--Pessimism prevails in the China polyolefins market amid weakening supply-demand fundamentals, after circuit breakers were triggered four times on US stocks in March and Brent crude tumbled to an 18-year trough at below $25/bbl.

[42]SE Asia ethylene languishes at more than 11-year lows; Thai demand may provide support

By Yeow Pei Lin 20-Mar-20 13:37 SINGAPORE (ICIS)--Spot ethylene prices in southeast Asia continued their downward trajectory over concerns that falling crude futures and stricter travel and social restrictions imposed by regional governments to slow the spread of the coronavirus could impact downstream demand.

[43]Malaysia plastics plants yet to receive shutdown exemption amid lockdown

By Pearl Bantillo 20-Mar-20 13:32 SINGAPORE (ICIS)--Most plastics manufacturers and downstream converters in Malaysia have yet to receive a government approval to continue plant operations during the two-week lockdown of the country amid the coronavirus pandemic, an industry executive said late on Friday.

[44]Europe R-PP decision making delayed by coronavirus

By Mark Victory 20-Mar-20 12:24 LONDON (ICIS)--Europe March recycled polypropylene (R-PP) values have rolled over as players defer pricing decisions to April when the impact of the coronavirus pandemic and government-led measures to contain it become clearer.

[45]Asia IPA market spurred by Europe s demand surge

By Yuanlin Koh 20-Mar-20 08:25 SINGAPORE (ICIS)--With Europe s spike in isopropanol (IPA) demand amid the coronavirus pandemic, Asia s IPA market turned increasingly bullish as supply tightened.

[46]SE Asia LLDPE hovers near record lows on crude falls, virus controls

By Izham Ahmad 20-Mar-20 04:05 SINGAPORE (ICIS)--Price discussions in the southeast Asian linear low density polyethylene (LLDPE) import market are teetering on the brink of record lows due to recent decline in crude oil prices and as virus control measures in some regions hit end-user demand for PE resins.

[47]ICIS Webinar: US Q2 GDP plunge may reach 8%, crushing chem demand

By Al Greenwood 19-Mar-20 22:08 HOUSTON (ICIS)--The US economy could contract by 8% in the second quarter as a result of the disruptions caused by the coronavirus (Covid-19) and the decline in oil prices, the chief economist of the American Chemistry Council (ACC) said in an ICIS webinar on Thursday.

[48]INSIGHT: The end-use markets for chemicals hardest hit by coronavirus

By Rhian O'Connor 19-Mar-20 18:45 LONDON (ICIS)--New evidence from China shows the impact of the coronavirus lockdown on different end use markets for chemicals and plastics, with some winners and some losers emerging.

[49]Europe SBR March contracts drop double-digits, market faces steep drop in tyre demand as virus pandemic escalates

By Melissa Hurley 19-Mar-20 17:33 LONDON (ICIS)--European styrene butadiene rubber (SBR) market players are braced for a sharp demand drop as containment efforts amid the coronavirus (Covid-19) pandemic escalate.

[50]PODCAST: Europe industrial ethanol demand, prices spike as coronavirus disrupts market

By Will Beacham 19-Mar-20 17:24 BARCELONA (ICIS)--Spot prices for Europe industrial ethanol are spiking and the market is facing disruption as demand soars for disinfectant and cleaning products linked to coronavirus.

[51]Europe methanol spot prices spiral down to near China lows

By Eashani Chavda 18-Mar-20 18:43 LONDON (ICIS)--European methanol spot prices continue to spiral downwards with weak buying appetite pushing prices towards lows recently seen in China.

[52]Europe styrene's demand destruction brought about by pandemic in already fragile market

By Helena Strathearn 18-Mar-20 18:08 LONDON (ICIS)--Daily European styrene spot prices have declined by over 35% since the end of last week on plunging upstream costs, amid demand destruction brought about by a pandemic in an already fragile market.

[53]Europe chemicals prices, stocks sink as stimulus afterglow fades

By Tom Brown 18-Mar-20 15:33 LONDON (ICIS)--European chemicals prices and stocks were trading lower in line with wider financial markets on Wednesday after a modest uptick in values on 17 March from large-scale stimulus packages announced by governments abated in the face of prevailing economic gloom.

[54]Europe olefins margins improve, demand keeps up but problems ahead loom large

By Nel Weddle 18-Mar-20 12:25 LONDON (ICIS)--While the spread of coronavirus continues unabated across the globe, its impacts have so far been rather fortuitous for European ethylene and propylene producers, but none are under the illusion that the status quo will prevail.

[55]Asia petrochemical markets plumb 11-year lows; demand recovery far off

By Pearl Bantillo 18-Mar-20 07:50 SINGAPORE (ICIS)--Prices of key petrochemical markets in Asia fell to their lowest since the 2008 global financial crisis, faced with reality of shrinking demand that may worsen as the year progresses as a growing number of countries impose strict measures to contain a deadly coronavirus pandemic.

[56]Volatile Asia-Latin America freights decline, cheaper PET imports have no takers

By Luly Stephens 17-Mar-20 23:00 HOUSTON (ICIS)--Freight costs remain volatile as vessels are now transporting goods half full impacted by the coronavirus pandemic that has created logistics nightmares.

[57]INSIGHT: Lockdowns cripple Europe automotive industry, chemicals demand to suffer

By Will Beacham 16-Mar-20 17:20 BARCELONA (ICIS)- Residents of Spain woke up on Sunday morning to the news that the country is in lockdown for a period of 15 days, likely to be extended until spread of the coronavirus has been brought under control.

[58]Europe oleochemicals hit by logistics issues, supply limitations

By Samantha Wright 16-Mar-20 17:45 LONDON (ICIS)--The European oleochemicals market has been hit by logistical issues amid the global coronavirus pandemic, causing supply shortages.

[59]Italian vessels delays to Russia to expand to other ports as coronavirus outbreak worsens

By Clare Pennington 16-Mar-20 14:55 LONDON (ICIS)--Coronavirus-related fears are prompting Russian ports to step up controls on vessels coming from Italy which are causing long delays, an Italian shipper said on Monday.

[60]Asia key petrochemical prices hit multi-year lows on crude falls, poor demand

By Pearl Bantillo 16-Mar-20 11:33 SINGAPORE (ICIS)--Spot prices of key petrochemicals in Asia fell to multi-year lows on Monday, tracking losses in upstream crude market on heightened concerns about weakening demand as a result of coronavirus pandemic.

[61]Asian PX falls to record low amid weak macroeconomics

By Samuel Wong 16-Mar-20 11:09 SINGAPORE (ICIS)--Asian paraxylene (PX) prices fell to lows last seen in 2008, amid weaker upstream crude and naphtha values.

[62]Asia MEG prices drop to the lowest since Mar 2009; outlook bearish

By Judith Wang 16-Mar-20 09:55 SINGAPORE (ICIS)--Asia s monoethylene glycol (MEG) plunged to prices last seen in March 2009 in the week ended 13 March.

[63]Asia naphtha touches 17-year low on crude oil rout; poor demand

By Melanie Wee 16-Mar-20 08:52 SINGAPORE (ICIS)--Asia naphtha prices have spiralled down to over a decade-low, pummelled by steep losses in crude oil futures as the global coronavirus pandemic heightened demand concerns that could prevail.

[64]Region-focused petrochemical trades; start-up delays likely amid pandemic

By Pearl Bantillo 16-Mar-20 05:33 SINGAPORE (ICIS)--Petrochemical trades may be localized at regional levels while scheduled start-ups of new capacities are likely to be delayed as global demand takes a strong hit from the combination of a pandemic-induced recession and low oil-price environment.

[65]China SM hits a decade low on supply-demand imbalance; crude crash

By Tina Zhang 16-Mar-20 04:25 SINGAPORE (ICIS)--China s styrene monomer (SM) prices have hit a decade low in mid-March, as the long-lasting coronavirus outbreak has lengthened supply and disrupted demand.

[66]INSIGHT: Coronavirus restrictions exacerbate crude falls and chemical prices suffer

By Nigel Davis 13-Mar-20 16:33 LONDON (ICIS)--Travel restrictions, school and business closures and states of emergency do not only slam stock markets and rattle investors, they hit physical trade.

[67]Europe panic buying of PTA, PET products create 'normal' demand in extraordinary times

By Caroline Murray 13-Mar-20 14:42 LONDON (ICIS)--In extraordinary times, a sense of normality is welcome, and the pull on purified terephthalic acid (PTA) and downstream polyethylene terephthalate (PET) in Europe seems to be "normal" for the time of year.

[68]SE Asia ethylene prices hit lowest level since Dec 2008, demand weak

By Yeow Pei Lin 13-Mar-20 13:32 SINGAPORE (ICIS)--Spot ethylene import prices in southeast Asia fell to their lowest level since December 2008, amid bearish sentiment following a plunge in crude futures, the rapid spread of the coronavirus across the globe and recent strong exports from Europe.

[69]Asia DEG prices plunge to fresh low since 2008; buyers sidelined

By Judith Wang 13-Mar-20 09:53 SINGAPORE (ICIS)--Asia s diethylene glycol (DEG) prices plunged to levels last seen during the 2008 global financial crisis following the sharp drop in the monoethylene glycol (MEG) market, which led to subdued trade and sidelined most buyers.

[70]China s phosphate fertilizer supply to rise on production recovery in Hubei

By Rita Wang 13-Mar-20 08:53 SINGAPORE (ICIS)--Phosphate fertilizer supply in China is likely to increase in line with production recovery in Hubei, the epicentre of the coronavirus outbreak.

[71]NE Asia C2 plunges to lowest since March 2009 on oil rout, pandemic

SINGAPORE (ICIS)--Northeast Asia s ethylene (C2) import prices sank to more than a decade-low as the worst crude oil price crash in 29 years, a worsening global health crisis and equity sell-off soured the sentiment of players in Asia.

[72]Asia chemical stocks plunge as investors weigh economic toll of pandemic

By Nurluqman Suratman 13-Mar-20 05:45 SINGAPORE (ICIS)--Asian stock markets plumbed to new depths on Friday, with shares of chemical firms all in the red following another slump in US equities overnight on deepening worries over the economic toll of the coronavirus pandemic.

[73]IPA Asia-to-Europe arbitrage window opens in coronarvirus pandemic

By Yuanlin Koh 13-Mar-20 05:40 SINGAPORE (ICIS)--Asia-to-Europe arbitrage window for isopropanol (IPA) that goes into making of hand sanitizers opened as coronavirus cases jump in Europe.

[74]INSIGHT: Crude oil collapse, coronavirus to pressure chemical credit ratings

By Joseph Chang 12-Mar-20 23:59 NEW YORK (ICIS)--The collapse in crude oil prices and the cratering of global demand from the coronavirus will pressure credit profiles of chemical companies. While all companies will suffer from the impacts, such pressure will differentiate those with healthy balance sheets and those with too much leverage.

[75]Italy capro, nylon buying up on coronavirus uncertainty, Feb capro contracts rise sharply

By Stephanie Wix 12-Mar-20 13:22 LONDON (ICIS)--March market dynamics in the European caprolactam (capro) market remain mostly unchanged so far with oversupply and low downstream demand continuing.

[76]Europe petchems, crude prices down sharply as coronavirus, oil price war escalate

By Jonathan Lopez 12-Mar-20 12:41 LONDON (ICIS)--Crude oil and European petrochemicals spot prices fell in Thursday morning trading as fears over the spread of coronavirus failed to be offset by extraordinary measures approved by governments and central banks.

[77]Europe ethylene output could decrease up to 8% in 2020 on coronavirus - ICIS

By Will Beacham 12-Mar-20 10:39 BARCELONA (ICIS)--Coronavirus impact could cut Europe ethylene production by as much as 1.68m tonnes in 2020, compared with 2019, with cracker turnarounds and even force majeures common place in the second quarter, according to analysis by ICIS.

[78]China Feb vehicles sales down nearly 80% on coronavirus outbreak

By Fanny Zhang 12-Mar-20 10:36 SINGAPORE (ICIS)--China s vehicle sales in February declined by a sharp 79.1% year on year and 83.9% month on month to just 310,000 units as car shops were shut by the coronavirus outbreak, ***data*** from China Association of Automotive Manufacturers (CAAM) showed on Thursday.

[79]Asian petrochemicals reel; coronavirus pandemic to batter global demand

By Nurluqman Suratman 12-Mar-20 10:03 SINGAPORE (ICIS)--Asia's major petrochemical markets weakened on Thursday, tracking heavy losses in upstream energy and regional stock markets after the World Health Organization (WHO) declared the novel coronavirus a pandemic.

[80]Governments prepare fresh massive fiscal packages amid pandemic

By Pearl Bantillo 12-Mar-20 08:02 SINGAPORE (ICIS)--Governments across the world are scrambling to prepare fiscal stimulus packages worth billions of US dollars as cushion from the economic havoc being wrought by the newly-declared coronavirus pandemic.

[81]China PE pipe grade players optimistic about domestic demand recovery

By Hazel Goh 12-Mar-20 05:43 SINGAPORE (ICIS)--China's polyethylene (PE) pipe grade market players are optimistic about domestic demand recovery, building on the confidence from recent drop in new infections of the coronavirus in the country.

[82]M&A to slow as coronavirus, crude, recession fears hit credit markets

By Joseph Chang 11-Mar-20 04:59 NEW YORK (ICIS)--For chemical mergers and acquisitions (M&A), new sales processes will likely be put on hold, while disruptions in the credit markets - particularly on the high yield side - could severely limit deal activity, an investment banker said on Tuesday.

[83]Dow expects $200m hit to EBITDA in Q1 from coronavirus CFO

By Joseph Chang 11-Mar-20 00:34 NEW YORK (ICIS)--US-based Dow expects the impact from coronavirus to lead to around a $200m hit to first quarter earnings before interest, tax, depreciation and amortisation (EBITDA), its chief financial officer (CFO) said on Tuesday.

[84]China's key petchem markets under intense pressure from weak demand - ICIS analysts

By Fanny Zhang 10-Mar-20 18:08 SINGAPORE (ICIS)--Several petrochemical markets in China will remain under intense pressure in the near term owing to weak demand, slowdown in economy as a result of coronavirus outbreak and the latest plunge in crude oil prices, according to ICIS Analytics.

[85]Coronavirus, oil price war portend tougher times for petrochemical firms

By Pearl Bantillo 10-Mar-20 14:14 SINGAPORE (ICIS)--It s just the first quarter and the world has had a two-punch blow that could knock it off a growth path in 2020, casting a gloomy spell on the petrochemical industry as consumption could take a longer time to recover.

[86]INSIGHT: Crude collapse to crush US petchem advantage, virus spread boosts global recession risk

By Joseph Chang 10-Mar-20 06:06 NEW YORK (ICIS)--The collapse in crude oil prices is wiping out much of the US petrochemical competitive advantage while global demand is being slammed by the continuing spread of the coronavirus. Financial markets are seizing up, throwing a wet blanket on new chemical investment and M&A activity, and ratcheting up the risk of a global recession.

[87]Europe chemicals prices could fall 10-20% in April after crude crash, coronavirus fears

By Tom Brown 09-Mar-20 23:06 LONDON (ICIS)--European chemicals prices could fall as much as 20% in April after the collapse in crude oil prices on Monday and prevailing fears over the impact of the coronavirus outbreak on global economic growth and supply chains, according to ICIS analysis.

[88]Oil rout deals fresh blow to virus-hit demand for Asia petrochemicals

By Pearl Bantillo 09-Mar-20 18:56 SINGAPORE (ICIS)--Asia s petrochemical markets took a heavy beating as Brent crude plumbed to its lowest in more than three years, raising the prospect of an oil price war, which further clouds the outlook on coronavirus-hit demand.

[89]Crude oil, petchem shares plunge on Saudi cuts, coronavirus worries

By Nurluqman Suratman 09-Mar-20 15:11 SINGAPORE (ICIS)--Crude oil plunged by close to 30% while petrochemical shares tracked the rout in commodity markets after Saudi Arabia slashed its official selling price for oil, with investors also rushing to hedge against the economic fallout of the worsening coronavirus outbreak.

[90]Coronavirus causes 'perfect storm' for Europe IPA and ethanol demand

By Morgan Condon 07-Mar-20 00:45 LONDON (ICIS)--Rising concern over the impact of coronavirus has weighed down on sentiment for much of the global manufacturing industry.

[91]INSIGHT: Only slow recovery for China MX demand

By Veronica Zhang 06-Mar-20 23:18 SINGAPORE (ICIS) -Mixed xylenes (MX) demand in China is only likely to be able to recover slowly this year as the coroanavirus outbreak takes its toll of activity in paraxylene (PX) and in the gasoline market.

[92]South Korea methanol outlook bearish on surge in virus cases

By Kite Chong 06-Mar-20 13:22 SINGAPORE (ICIS)--Sentiment in the South Korea methanol market were bearish, largely due to the recent surge in coronavirus cases.

[93]Asia EPS sentiment weakens on slow downstream amid outbreak concerns

By Yaw Min Jie 06-Mar-20 09:06 SINGAPORE (ICIS)--Asia s sentiment of expandable polystyrene (EPS) softened this week because of slow downstream purchasing, a trend unlikely to change as coronavirus worries cast a shadow on business and trade activities globally.

[94]INSIGHT: Chemicals M&A outlook tempered by coronavirus outbreak

By Al Greenwood 05-Mar-20 18:02 HOUSTON (ICIS)--The outlook for chemical mergers and acquisitions (M&A) pointed towards an active year for 2020 before the coronavirus (Covid-19) epidemic began spreading from China to several parts of the world.

[95]Europe fatty alcohols market hit by logistics issues amid coronavirus outbreak

By Samantha Wright 05-Mar-20 17:32 LONDON (ICIS)--The European fatty alcohols market has been struck by logistical issues amid the coronavirus outbreak. Players have encountered problems securing ships for material going into and out of Europe as a number of vessels are currently unable to return from China.

[96]INSIGHT: Spreading virus more likely a demand shock to China polyolefins market

By Lucy Shuai 05-Mar-20 15:42 SINGAPORE (ICIS)--China s polyolefins market is more likely to undergo a demand shock, rather than supply disruption in the second quarter, as the coronavirus Covid-19 sweeps the globe.

[97]INSIGHT: Coronavirus to take heavier-than-expected toll on China economy

By Pearl Bantillo 05-Mar-20 13:12 SINGAPORE (ICIS)--If one of the world s major engines of growth stops churning - albeit temporarily - on a surprise non-economic illness that is widely contagious, the world may well face the grim prospect of recession.

[98]China petchem downstream plants ramp up output as virus spread slows

By Pearl Bantillo 05-Mar-20 06:16 SINGAPORE (ICIS)--China s petrochemical downstream plants are gradually ramping up production in March on increased availability of workers and easing logistics issues, with relatively fewer cases of the novel coronavirus emerging in the country in recent days.

[99]Global January chemical output falls, led by China decline on coronavirus - ACC

By Tracy Dang 04-Mar-20 21:34 HOUSTON (ICIS)--Global chemical production in January fell, reversing gains from December and November, the American Chemistry Council (ACC) said in its Global Chemical Production Regional Index (CPRI) report.

[100]Poland s Orlen joins coronavirus battle with quick move into hand sanitizer production

By Will Conroy 04-Mar-20 18:32 LONDON (ICIS)--Poland s PKN Orlen oil and petrochemicals group on Wednesday announced that it is to move into the production of hand sanitizer to meet growing demand in the face of the coronavirus outbreak.

[101]Speed of undetected coronavirus spread pushing down GDP hopes IMF

By Tom Brown 04-Mar-20 18:13 LONDON (ICIS)--The rate of undetected contagion and wide geographic spread of coronavirus is pushing the IMF s global economic growth expectations towards more dire scenarios, the managing director of the fund said on Wednesday.

[102]India s acetone, IPA buckle under poor end-product demand on coronavirus

By Angeline Soh 04-Mar-20 12:00 SINGAPORE (ICIS)--India s acetone and isopropanol (IPA) market sentiment weakened after a strong performance for most of February, dashing hopes of a similar run-up in March.

[103]China s 2-EH market to remain under pressure on slow downstream resumption

By Sikee Shi 04-Mar-20 08:37 SINGAPORE (ICIS)--China s 2-ethylhexanol (2-EH) market may continue to be hit by weak demand as downstream plasticiser and 2-ethylhexyl acrylate (2-EHA) producers have no confirmed plans to ramp up production or restart their plants yet.

[104]BLOG: Coronavirus: China EG demand could fall by 1.2m tonnes

By ICIS Editorial 04-Mar-20 05:10 LONDON (ICIS)--Read the latest blog post on Asian Chemical Connections. Some value chains are more exposed to the impact of the coronavirus outbreak on China than others and ethylene glycols (EG) serve as a very good example of extreme exposure. No less than 57% of global EG demand is expected to come from China alone in 2020, up from 16% in 2000. China is expected to ***account*** for 72% of the world s net EG imports this year. Producers must therefore prepare for a big hit to demand and sharp fall in China s import requirements.

[105]Coronavirus' shadow spreads over global economies - S&P

By Juhi Varma 04-Mar-20 01:01 HOUSTON (ICIS)--US-based stock market index S&P Global Ratings has lowered its global growth forecasts further, after it became apparent that the global impact of the coronavirus (Covid-19) had doubled since their last update on 11 February.

[106]PODCAST: Chems face demand shock similar to 2008 as coronavirus goes global

By Will Beacham 02-Mar-20 14:41 BARCELONA (ICIS)--As coronavirus goes global, chemical markets can expect a demand shock similar to the 2008 financial crisis, with the prospects of a recession in the first half of 2020 becoming increasingly likely.

[107]Europe polyolefins weather coronavirus storm but April disruption widely expected

By Katherine Sale 02-Mar-20 13:26 LONDON (ICIS)--European polyolefins have so far managed to weather the coronavirus storm that plunged global financial markets into their worst week since the 2008 financial crisis.

[108]Asia industries reel from supply chain woes borne of virus outbreak

By Pearl Bantillo 02-Mar-20 08:01 SINGAPORE (ICIS)--Asia s manufacturing sector indicated sharp contractions in February as a coronavirus outbreak in China forced an abrupt brake on industrial production in the world s second-biggest economy, severely disrupting global supply chains.

[109]Major petrochemical conference in US New Orleans cancelled because of coronavirus

By Tarun Raizada 02-Mar-20 03:44 HOUSTON (ICIS)--A major petrochemical conference scheduled for 24-27 March was cancelled on Sunday because of concerns about the coronavirus (Covid-19), the organiser said.

[110]BLOG: Decline of 2.1m tonnes in 2020 global PP demand now seems best possible outcome

By John Richardson 02-Mar-20 03:38 LONDON (ICIS)--Read the latest blog post on Asian Chemical Connections. Polypropylene (PP) is one of the polymers that is likely to be particularly badly affected by the coronavirus outbreak because it is heavily used in durable goods applications. Durable goods production will take a long time to recover because of disruptions to global supply chains with discretionary spending on big ticket items likely to take a good while to fully recover. But there is a lot that PP producers can do to mitigate the impact on their businesses.

[111]China February PMI drops to historical low at 35.7 on coronavirus

By Fanny Zhang 02-Mar-20 02:41 SINGAPORE (ICIS)--China s official manufacturing purchasing managers index (PMI) fell to 35.7 in February, the weakest in record, ***data*** from National Bureau of ***Statistics*** (NBS) showed over the weekend.

[112]Ripple effects of coronavirus reach LatAm caustic soda markets

By Luly Stephens 29-Feb-20 00:00 HOUSTON (ICIS)--Concerns on the spread of the coronavirus (Covid-19) and its growing impact dominates the Latin American caustic soda market as over a dozen countries have documented their first confirmed cases. Among them, Brazil.

[113]European Petrochemical Luncheon cancelled on coronavirus

By Tracy Dang 28-Feb-20 23:13 HOUSTON (ICIS)--EPL has cancelled its 155th European Petrochemical Luncheon, set for next week in Madrid, Spain, because of concerns regarding the coronavirus (Covid-19) outbreak.

[114]Coronavirus concerns grow, pressure USG-to-Asia freight rates

By Adam Yanelli 28-Feb-20 18:13 HOUSTON (ICIS)--Chemical tanker shipping freight rates from the US Gulf to Asia have declined on a slowdown in activity as uncertainty surrounding coronavirus (Covid-19) disruptions in shipping and logistics continue.

[115]Automotive sector decline in 2020 as pronounced as 2019, chems weak - BASF CEO

By Tom Brown 28-Feb-20 14:21 Ludwigshafen, GERMANY (ICIS)--The decline in automobile production is likely to be as pronounced this year as in 2019, the CEO at BASF said on Friday, while no immediate rebound is expected for the Germany-headquartered chemicals major's chemicals operations.

[116]Turkey's closure of Iranian border exacerbates PE/PP supply situation

By Ben Lake 27-Feb-20 15:17 LONDON (ICIS)--The closure of Turkey's borderwith Iran could exacerbate supply issuesfor Turkish polyethylene (PE) and polypropylene(PP) players.

[117]INSIGHT: Double digit fall in China autos output possible in 2020

By Al Greenwood 27-Feb-20 14:16 HOUSTON (ICIS)--Automobile production in Chinacould fall by 15-20% in 2020, following adecline of 7.5% in 2019, creating morechallenges to chemical companies that providematerials to the industry.

[118]Coronavirus hits Arkema earnings by 20m Jan-Feb, disruption continues

By Tom Brown 27-Feb-20 12:03 PARIS (ICIS)--The impact of the coronavirusoutbreak cut Arkema s earnings by 20m to theend of February this year, with production andsupply chain issues continuing to be felt, theCEO of the France-headquartered company said onThursday.

[119]PODCAST: Asia Special Report - Asia PET

By Jasmine Khoo 27-Feb-20 10:55 SINGAPORE (ICIS)--Asia is a net exporter ofpolyethylene terephthalate (PET) bottle gradechips. With the coronavirus outbreak,uncertainties surrounding China's exportcapabilities and the market's outlook have risen.

[120]Asia melamine prices hit new low; producers to cut more operations

By Judith Wang 27-Feb-20 09:24 SINGAPORE (ICIS)--Asia s melamine prices hit anew low amid the rising inventories and supplyglut after prices plunged to a historical low in late November, whilemajor Chinese producers may further cutoperations to deter the price decline.

[121]China MTBE falls on oversupply, poor demand amid virus outbreak

By Winnie Huang 27-Feb-20 07:20 SINGAPORE (ICIS)--China s methyl tertiary butylether (MTBE) prices have shed about 14% fromlate January caused by surplus supply andcoronavirus-hit demand, and this marketcondition may persist into March.

[122]US ratings agency Moody s negative on global auto sales amid coronavirus disruption

By Juhi Varma 26-Feb-20 22:49 HOUSTON (ICIS)--Moody's Investor Services haslowered its sales projection for global automanufacturers, according to a new reportreleased on Wednesday.

[123]APIC meeting postponed on coronavirus

By Will Beacham 26-Feb-20 14:10 BARCELONA (ICIS)--The Asia PetrochemicalIndustry Conference (APIC) meeting, due to takeplace 28-29 May in New Delhi, India, has beenpostponed because of the coronavirus outbreak.

[124]INSIGHT: China steps up support for business resumption

By Fanny Zhang 26-Feb-20 12:00 SINGAPORE (ICIS)--China will implement moremeasures to support production and theresumption of business to help companiesmitigate impacts from the coronavirus outbreak.

[125]Asia MMA demand outlook subdued as coronavirus disrupts supply chain

By Li Li Chng 25-Feb-20 04:52 SINGAPORE (ICIS)--Asia s methyl methacrylate (MMA) demand may remain subdued as the coronavirus spread continues to disrupt the supply chain.

[126]INSIGHT: Asia chemicals, palm oils freight sentiment turns gloomy as coronavirus outbreak persists

By Yaw Min Jie 25-Feb-20 02:00 SINGAPORE (ICIS)--Freight sentiment in Asia is likely to stay gloomy in the near term, especially in the chemicals and palm oils sectors, on the back of the ongoing coronavirus outbreak.

[127]INSIGHT: Chemical stocks wake up to recession scenario as coronavirus loses containment

By Joseph Chang 25-Feb-20 00:02 NEW YORK (ICIS)--US and global chemical equity prices plunged on 24 February on growing fears about the impact on the worldwide economy from the coronavirus (Covid-19) losing containment. The overall stock market is finally coming to terms with the rising probability of a global recession - something the debt market has been signaling for weeks.

[128]INSIGHT: Virus outbreak to cut China s Q1 apparent fuel demand by 30%

By Yiting Tang 24-Feb-20 16:00 SINGAPORE (ICIS)--The coronavirus outbreak could reduce China s gasoline and gasoil apparent demand in the first quarter of 2020 by about 30% year on year to around 48m tonnes, according to ICIS estimates.

[129]INSIGHT: MEG challenged by coronavirus, downstream sustainability concerns

By ICIS Editorial 24-Feb-20 12:49 SINGAPORE (ICIS)--Uncertainty in key monoethylene glycol (MEG) markets such as China and Europe has risen so far in 2020, due to the coronavirus outbreak and downstream polyethylene terephthalate (PET) sustainability concerns.

[130]Global chems trade slows on coronavirus uncertainty

By Morgan Condon 24-Feb-20 12:16 LONDON (ICIS)--The coronavirus outbreak continues to send shockwaves around the world as markets become bearish on perpetual uncertainty. Efforts to contain the virus have disrupted global trade-flows of material in the petrochemicals industry, which has restrained movement in the shipping industry.

[131]Virus-hit demand, high stocks to further curb China SM production

By Tina Zhang 24-Feb-20 09:51 SINGAPORE (ICIS)--Weak downstream demand caused by the coronavirus outbreak in early 2020 has resulted in mounting inventories of styrene monomer (SM) in China, curbing domestic production, and the situation is likely to persist in the short run.

[132]US styrene market weighed by global oversupply, soft derivative demand

By Adam Yanelli 22-Feb-20 00:00 HOUSTON (ICIS)--The US styrene market remains pressured by soft derivative demand and a global supply glut, and with declining margins because of increased benzene costs, producers could be forced to reduce operating rates.

[133]China chems demand, prices and operating rates suffer as coronavirus persists

By Will Beacham 21-Feb-20 17:15 BARCELONA (ICIS)--Coronavirus continues to wreak havoc on China's chemicals industry, though there are early signs of recovery in demand for the polyolefins sector.

[134]European MA sentiment firms as coronavirus limits Asian imports

By Jane Massingham 21-Feb-20 17:02 LONDON (ICIS)--European players on the maleic anhydride (MA) spot market note that there are some opportunities to raise prices due to limited imports from Asia.

[135]East China xylene prices strengthen on improved sentiment

By Veronica Zhang 21-Feb-20 15:32 SINGAPORE (ICIS)-- East China xylene prices were higher, with stronger market sentiment in the week.

[136]China s SM import demand may stay soft despite seller confidence

By Trixie Yap 21-Feb-20 11:48 SINGAPORE (ICIS)--China s demand for imported styrene monomer (SM) could stay soft until March, extending the current poor buying situation, on slow downstream offtaking in the local market still evident amid the ongoing coronavirus outbreak.

[137]China base oil producers cutting run rates, downstream to remain weak in Q1

By Whitney Shi 21-Feb-20 11:06 SINGAPORE (ICIS)--A growing number of base oils producers in China have cut or even stopped production because of the coronavirus outbreak with downstream demand set to remain weak in the near term.

[138]China s polyolefin market to stabilise on inventory drops

By Aviva Hu 21-Feb-20 10:02 SINGAPORE (ICIS)--China s polyolefin prices are expected to stabilise in the short term on the back of dropping inventories and resumption of downstream production.

[139]ASEAN origin PP offers slump as new suppliers seek to gain market share

By Leanne Tan 21-Feb-20 07:56 SINGAPORE (ICIS)--Southeast Asian origin polypropylene (PP) offers slumped in the week, as new suppliers seek to gain market share by undercutting local producers in other regions.

[140]Asia BD supply in surplus on ABS/SR output cuts, deep-sea cargo influx

By Helen Yan 21-Feb-20 07:39 SINGAPORE (ICIS)--Asia s butadiene (BD) supply is in surplus following steep production cuts at downstream acrylonitrile butadiene styrene (ABS) and synthetic rubber (SR) plants in China amid the coronavirus outbreak; and will be bloated further by inflows of deep-sea cargoes.

[141]Asia maleic anhydride tumbles on sluggish demand

By Ai Teng Lim 21-Feb-20 03:32 SINGAPORE (ICIS)--Import discussions for maleic anhydride (MA) in Asia weakened further this week, as buying interest is eroded by anxieties about potential ramifications from the coronavirus spread.

[142]Covestro Q1 earnings to suffer 60m hit from coronavirus - CFO

By Tom Brown 19-Feb-20 12:46 Dusseldorf, GERMANY (ICIS)--The impact of production restrictions and logistics issues in China brought on by the coronavirus outbreak is likely to reduce Covestro's first-quarter earnings by 60m, the CFO at the German polyurethanes (PU) and polycarbonates (PC) producer said on Wednesday.

[143]Low run rates at downstream units in China limit MLLDPE import demand

By Leanne Tan 19-Feb-20 11:14 SINGAPORE (ICIS)--Persistently low run rates of downstream converters in China continue to limit the country s appetite for metallocene linear low density polyethylene (MLLDPE) imports.

[144]Asia ABS sees downward pressure, China cuts output sharply

By Clive Ong 19-Feb-20 08:40 SINGAPORE (ICIS)--Asia acrylonitrile-butadiene-styrene (ABS) market remained under downward pressure as business activities and sentiment were constrained by the coronavirus outbreak.

[145]BLOG: Global PE demand in 2020 at risk of 2.4m decline because of coronavirus

By ICIS Editorial 19-Feb-20 06:42 LONDON (ICIS)--Read the latest blog post on Asian Chemical Connections.

It looks as if Chinese importers of US high-density polyethylene (PE) and linear-low density PE will be able to apply for exemptions from the 25% tariffs imposed as part of the trade war. Given the overall context of today s market, the only reasonable response to this is So what? . Global supply chains are choking up because of the coronavirus outbreak, with China unlikely to be able to re-stimulate the Chinese economy back to its previous levels of growth. Global PE demand could be as much as 2.4m tonnes smaller this year than in 2019.

[146]Delayed Chinese PET cargoes arrive in South America

By Luly Stephens 19-Feb-20 00:06 HOUSTON (ICIS)--Some delayed Chinese polyethylene terephthalate (PET) cargoes finally arrived at committed destinations on the Pacific coast of South America, but no fresh offers from China have emerged yet due to the logistics issues stemming from the spread of the coronavirus (Covid-19) in said country.

[147]Coronavirus cripples Chinese refinery demand by 2.4m bbl/day

By Richard Price 18-Feb-20 16:05 LONDON (ICIS)--China s unquenchable thirst for oil is exhibiting tangible signs of slowing down as the coronavirus bites. Slashed operating rates at refineries in China have cut the country s demand for crude by 2.4m bbl/day, according to ***data*** from ICIS.

[148]China s PE market facing inventory pressure; some relief expected in March

By Lucy Shuai 18-Feb-20 09:35 SINGAPORE--China s polyethylene (PE) market facing inventory build-up as a result of coronavirus outbreak may see more downstream convertors resuming production in March, thus mitigating the pressure from unsold stocks.

[149]China central bank attempts to cushion economy from coronavirus impact

By Nurluqman Suratman 18-Feb-20 07:37 SINGAPORE (ICIS)--China's central bank has been injecting additional liquidity into the financial system, hoping to ease the blows of a deadly coronavirus outbreak on the world s second biggest economy. The People s Bank of China (PBoC) on 17 February cut the interest rate for its one-year medium-term lending facility (MLF) by 10 basis points (bps) to 3.15%.

[150]Asia IPA highest in 58 weeks as buyers scramble for prompt cargoes

By Yuanlin Koh 18-Feb-20 04:29 SINGAPORE (ICIS)--Isopropanol (IPA) prices in Asia hit its highest in 58 weeks as demand for the product is surging as a result of the ongoing coronavirus outbreak. ICIS ***data*** showed southeast (SE) Asia prices on 14 February at $890/tonne CFR (cost & freight) SE Asia. The number was last recorded on 4 January 2019, the same ***data*** showed.

[151]INSIGHT: Weak demand and logistic woes plague China propylene

By Joson Ng 17-Feb-20 16:28 SINGAPORE (ICIS)--A common sight these days people wearing masks, trying to protect themselves from the highly contagious coronavirus, Covid-19. Governments have moved to restrict human movements and to quarantine people suspected of having the virus. Borders have been shut.

[152]PODCAST: Global impact on SBR, BD from coronavirus and TPC's US outage

By Melissa Hurley 17-Feb-20 15:23 LONDON (ICIS)--Senior Editor Melissa Hurley discusses global market dynamics in the butadiene and downstream styrene-butadiene-rubber (SBR) markets. We take a closer look at the wider impact on logistics and production amid the coronavirus outbreak in Asia, along with the impact from TPC Group's Port Neches outage in the US.

[153]China base oils bear brunt of coronavirus; Europe, US unscathed so far

By Whitney Shi 17-Feb-20 13:29 SINGAPORE (ICIS)--Unsurprisingly, the base oils sector in China has borne the brunt of coronavirus restrictions, although a more cautious approach is being adopted by other countries.

[154]BLOG: Financial markets head for (another) train crash as coronavirus starts to impact

By ICIS Editorial 17-Feb-20 11:13 LONDON (ICIS)--Read the latest blog post on Chemicals & The Economy by Paul Hodges, which suggests financial markets are in denial about the damage being done by coronavirus to China s economy.

[155]China LLDPE futures up 1.1% as more converters resume production

By Angie Li 17-Feb-20 10:53 SINGAPORE (ICIS)--China s linear low density polyethylene (LLDPE) futures increased by 1.10% on Monday as more downstream converters have started to resume production after an extended holiday amid the coronavirus outbreak.

[156]BLOG: Coronavirus: Global PP demand in 2020 could fall by 2.6m tonnes

By ICIS Editorial 17-Feb-20 06:04 LONDON (ICIS)--Read the latest blog post on Asian Chemical Connections. Petrochemical companies need to re-forecast their global demand estimates for 2020. Right now, it is hard to see how any of these forecasts can be anything but down on what had been expected just a few weeks ago. In polypropylene (PP), global demand might end up being as much 2.6m tonnes smaller than in 2019. This could turn out to be way too pessimistic, hopefully. But don t be tempted to underestimate the impact of the coronavirus outbreak given the outsize role that China now plays in the global economy.

[157]US Gulf-to-Asia shipping freight rates drop on coronavirus uncertainty

By Anna Matherne 15-Feb-20 00:03 HOUSTON (ICIS)--Chemical tanker shipping freight rates from US Gulf to Asia fell on a slowdown in activity amid uncertainty surrounding coronavirus (Covid-19) disruptions in shipping and logistics.

[158]Virus spread may erode Europe phenol and acetone market upswing

By Fergus Jensen 13-Feb-20 17:11 LONDON (ICIS)--Europe s acetone spot prices have gained nearly 20 percent so far in 2020, which is in contrast to a downbeat year in 2019. But the gains - largely driven by supply-side disruptions, lower imports and reduced run rates - may slow as skyrocketing coronavirus (Covid-19) infections in Asia have increased market volatility and uncertainty. Lower prices of downstream products in Asia, could also add to pressure on the European market.

[159]PODCAST: Coronavirus impact on China, global chemicals

By Will Beacham 13-Feb-20 16:21 BARCELONA (ICIS)--Restrictions linked to the coronavirus outbreak have caused China s chemical industry to suffer a 15-25% slump in demand during February, with operating rates restricted to 50-70%, according to ICIS analysis. However a recovery should take place from March if the virus is contained, with a rapid rebound expected after that as the country s economy returns to normal. China s 2020 GDP growth is forecast to be impacted by 1% compared to 0.5% for SARS.

[160]Africa PP buyers anticipate re-directed Chinese material, PE/PP price firm

By Ben Lake 13-Feb-20 13:57 LONDON (ICIS)--Talk of polypropylene (PP) originally destined for China, but offered to Africa has begun. Many buyers had been holding onto their positions and waiting for this eventuality - because they expect it to cut upward momentum in the market.

[161]Germany's Evonik resumes operations at China plants

By Jonathan Lopez 13-Feb-20 13:13 LONDON (ICIS)--Evonik has resumed full operation at its 10 plants and four offices in China, the German chemicals producer said in a letter to customers on 11 February. Evonik told ICIS on Thursday it would not comment on operating rates at its China plants, but added that "operations are running as planned".

[162]Coronavirus slashes Q1 crude demand, weakest full-year growth since 2011 - IEA

By Tom Brown 13-Feb-20 12:20 LONDON (ICIS)--China s coronavirus (Covid-19) outbreak has sent shock waves through global oil markets, cutting first-quarter demand by an expected 435,000 bbl/day and pushing projected growth for the year to the lowest since 2011, the International Energy Agency (IEA) said on Thursday.

[163]China January vehicles sales fall 18%; production down 24.6%

By Fanny Zhang 13-Feb-20 11:37 SINGAPORE (ICIS)--China s vehicles sales in January declined by 18% year on year to 1.94m units, with production down 24.6% at 1.78m units, industry ***data*** showed on Thursday. Vehicle sales in the world s biggest automotive market have been contracting for two full years falling by an average of 8.2% in 2019 and 2.8% in 2018, according to the China Association of Automobile Manufacturers (CAAM).

[164]China petrochemical run rates low; downstream plants yet to restart

By Pearl Bantillo 13-Feb-20 06:23 SINGAPORE (ICIS)--China s petrochemical plants are running at reduced rates and may cut production further since most downstream plants have yet to restart after a prolonged outage amid a deadly viral epidemic engulfing the country. Lack of manpower amid restrictions on domestic transportation prevents factories from resuming operations, while the country s entire supply chain is disrupted amid efforts to contain the spread of the new coronavirus (COVID-19).

[165]US SBR expected to face pressure while feedstock logistics constraints persist

By Amanda Hay 13-Feb-20 00:00 HOUSTON (ICIS)--US styrene butadiene rubber (SBR) markets are expected to face pressure while feedstock butadiene (BD) logistics constraints persist through the first half of the year. BD producer TPC Group s outage at its Port Neches production site and logistics hub has limited SBR producers access to feedstock.

[166]AkzoNobel s China plants to be back up this week CEO

By Stefan Baumgarten 12-Feb-20 21:17 LONDON (ICIS)--Most of AkzoNobel s 15 sites in China should be back up towards the end of the week after shutdowns in the wake of the coronavirus outbreak, the CEO of the Dutch paints and coatings major said in an update on Wednesday.

[167]INSIGHT: Coronavirus threatens global GDP, slams China supply chains

By Joseph Chang 12-Feb-20 20:35 NEW YORK (ICIS)--Even as some are projecting that the health effects of the coronavirus will peak in the coming weeks, the outbreak in China is heightening risks for the global economy, especially in areas exposed to the nation's supply chains.

[168]China petchems to recover slowly after coronavirus outbreak - ICIS analysts

By ICIS Editorial 12-Feb-20 17:11 SINGAPORE (ICIS)--Operating rates at China s petrochemicals facilities will recover slowly after the coronavirus (Covid-19) outbreak, with some only recuperating average levels by late March. ICIS analysts have made projections for operating rates at key chemicals plants.

[169]China s MIBK production curtailed by logistical woes

By Angeline Soh 11-Feb-20 10:54 SINGAPORE (ICIS)--China s methyl isobutyl ketone (MIBK) production has been curtailed due to difficulties to secure transport, following the outbreak of the novel coronavirus (2019-nCov).

[170]China s methanol producers cut run rates on restricted logistics

By Susan Kong 11-Feb-20 10:05 SINGAPORE (ICIS)--China's domestic methanol producers have cut their run rates due to constrained logistics on the outbreak of the novel coronavirus pneumonia (NCP). As of 7 February, the average weekly run rate of 40 major domestic methanol producers fell to 62% from 68% seen before the Lunar New Year holiday that started on 24 January, ICIS ***data*** showed.

[171]SE Asia IPA at one-year high on demand surge following virus outbreak

By Yuanlin Koh 11-Feb-20 08:15 SINGAPORE (ICIS)--Asia s isopropanol (IPA) prices surged almost 10% in three weeks, the latest ICIS ***data*** on 7 February showed, as demand hiked for the product amid the ongoing coronavirus outbreak. Demand in the near term is expected to be more than supply while China stays shut amid the epidemic.

[172]Asian PP makers mull raising non-woven grades ops for face masks amid outbreak

By Leanne Tan 11-Feb-20 08:09 SINGAPORE (ICIS)--Polypropylene (PP) producers in Asia are mulling the possibility of ramping up production of non-woven, spunbond grades used in face masks following the spread of the novel coronavirus (2019-nCoV).

[173]China economy to take heavy beating in Q1 from virus outbreak

By Nurluqman Suratman 11-Feb-20 07:48 SINGAPORE (ICIS)--China is expected to take a heavy beating in the first quarter from the ongoing coronavirus outbreak, which severely hampered travel and business activities in the world s second-biggest economy. With various levels of lockdown currently enforced in most provinces, and numerous roadblocks, travel restrictions, and bans on the reopening of factories, offices and shops in place, a high number of people who traveled back to their hometowns during the Lunar New Year holidays could not return to their work sites.

[174]Weak China polyester demand to weigh on Asia PTA market

By Samuel Wong 11-Feb-20 07:28 SINGAPORE (ICIS)--Slower demand recovery in China s downstream polyester sector amid the coronavirus outbreak is likely to weigh down on the purified terephthalic acid (PTA) markets in Asia.

[175]China propylene oxide at 39-month low; demand to stay bearish

By Jady Ma 11-Feb-20 07:22 SINGAPORE (ICIS)--Propylene oxide (PO) prices in east China hit their lowest in more than three years on bearish demand, which will likely persist in the short term on reduced downstream polyols production amid the coronavirus outbreak.

[176]Indonesia PE domestic prices under pressure amid weak demand

By Izham Ahmad 11-Feb-20 02:54 SINGAPORE (ICIS)--Polyethylene (PE) spot prices in Indonesia s domestic market are under pressure as some producers reduced list prices to attract buyers who had developed a bearish view because of the coronavirus outbreak.

[177]Europe methanol spot falls for second week as coronavirus takes toll

By Eashani Chavda 10-Feb-20 15:15 LONDON (ICIS)--European methanol spot prices sank for another consecutive week as uncertainty around coronavirus led to consumer hesitancy.

[178]INTERACTIVE: Global chemicals exposure to China

By Miguel Rodriguez Fernandez 10-Feb-20 14:26 LONDON (ICIS)--The coronavirus outbreak in China is spreading concerns among chemicals buyers and producers around the world: the country has become a key part in the global chemicals value chain.

[179]BLOG: Coronavirus disruptions make global recession almost certain

By ICIS Editorial 10-Feb-20 13:19 LONDON (ICIS)--Read the latest blog post on Chemicals & The Economy by Paul Hodges, which suggests the coronavirus disruptions make global recession almost certain.

[180]China acetic acid plants post lower average run rate of 67%

By Anna Xiang 10-Feb-20 10:06 SINGAPORE (ICIS)--China s acetic acid plants posted a lower average run rate of 67% in the week ended 7 February, ICIS ***data*** showed on Monday.

[181]Some polyolefin converters In China return to work but operating rate low

By Angie Li 10-Feb-20 09:32 SINGAPORE (ICIS)--Some polyolefins converters in China resumed work on 10 February but the operating rate was low because of paucity of labor, some polyolefin factories said.

[182]Plant status: China's Zhongmeng Longxin Chem shuts MMA unit

By Olivia Dai 10-Feb-20 09:26 SINGAPORE (ICIS)--The plant was shut due to transportation issues and limited demand, as a result of spreading coronavirus. Information obtained from company source.

[183]Spreading coronavirus weighs on China s[184] oil, fuel demand

By Fanny Zhang 06-Feb-20 10:39 SINGAPORE (ICIS)--China s demand for oil and transportation fuel is expected take a deep blow from the devastating coronavirus and the biggest pressure will be on the first quarter, industry sources said.

[185]Coronavirus outbreak to weigh on China s polyolefin demand in Q1 2020

By Angie Li 06-Feb-20 10:33 SINGAPORE (ICIS)--China s polyolefin demand is poised to fall sharply in the first quarter of 2020 amid the spreading coronavirus, market players said.

[186]South Korea refining, chemical firms face negative spillover from coronavirus outbreak - Moody s

By Nurluqman Suratman 06-Feb-20 10:08 SINGAPORE (ICIS)--South Korean refining and chemical firms could be among those most affected by a prolonged outbreak of the coronavirus due to their strong exposure to a potential slowdown in economic activity in China, ratings firm Moody s Investors Service said on Thursday.

[187]China s Chongqing Huafon to delay start up of new ADA unit

By Zhi Xuan Ho 06-Feb-20 08:36 SINGAPORE (ICIS)--China s Chongqing Huafon Chemical will delay start-up of its new 200,000 tonne/year adipic acid (ADA) plant, originally due to start in the first quarter of 2020. "With the coronavirus outbreak, all construction activities have stopped, which means we have to delay the start-up date," said a source close to the company.

[188]Asia melamine trade hampered by disrupted logistics

By Judith Wang 06-Feb-20 07:28 SINGAPORE (ICIS)--Trading activity in Asia has been hampered by the disrupted logistics in China amid the deadly coronavirus outbreak.

[189]Asia ABS market stagnant on muted trade amid coronavirus outbreak

By Clive Ong 06-Feb-20 03:14 SINGAPORE (ICIS)--The Asia acrylonitrile-butadiene-styrene (ABS) market remained quiet as trade failed to revive.

[190]Coronavirus spreads fear in Europe's chlorvinyls and chloralkalis markets

By Chris Barker 05-Feb-20 15:50 LONDON (ICIS)--The deadly coronavirus currently ravaging China has already spread fear and disruption throughout Europe's chloralkalis and chlorvinyls markets.

[191]OPEC+ mulls deeper cuts to mitigate coronavirus demand fears

By Richard Price 04-Feb-20 14:19 LONDON (ICIS)--To avert oil s current downtrend, February must be the month OPEC takes action to rebalance the oil market, currently plagued by coronavirus angst.

[192]Coronavirus outbreak to cut global crude demand growth for 2020 BP

By Tom Brown 04-Feb-20 13:41 LONDON (ICIS)--The China coronavirus outbreak could be set to cut global oil consumption by up to half a million barrels a day in 2020, with OPEC set to continue to be the key player balancing supply and demand this year, the CFO of UK-headquartered firm BP said on Tuesday.

[193]Surge in downstream buying of face masks to support demand for some PP grades

By Leanne Tan 03-Feb-20 12:01 SINGAPORE (ICIS)--A surge in downstream buying of surgical face masks is likely to buoy up demand for only some non-woven homopolymer polypropylene (PP) grades amid the novel coronavirus outbreak.

[194]China s styrene monomer prices down 9.2% on delayed demand

By Tina Zhang 03-Feb-20 11:26 SINGAPORE (ICIS)--Styrene monomer (SM) prices in China on 3 February fell 9.2% from the last workday before the Lunar New Year holiday due to ample supply and delayed demand amid the coronavirus outbreak.

[195]Chinese refineries reduce operating rates as coronavirus spread hits fuel demand

By Fanny Zhang 03-Feb-20 11:17 SINGAPORE (ICIS)--Chinese refineries are lowering their operating rates sharply as fuel demand takes a hit from the coronavirus outbreak, industry sources said on Monday.

[196]China polyolefin producers cut output amid coronavirus outbreak

By Angie Li 03-Feb-20 09:30 SINGAPORE (ICIS)--China s polyolefin suppliers have cut their post-holiday production due to logistics restrictions amid authorities efforts to contain the coronavirus outbreak.

[197]Europe chems grow bearish on coronavirus outbreak

By Morgan Condon 31-Jan-20 14:54 LONDON (ICIS)--As the coronavirus reaches a death toll of 213 people in China, uncertainty about the impact the virus will have is fuelling a bearish sentiment across the European petrochemical markets.

[198]China GDP may slow to 5%-5.4% in 2020 on virus outbreak - economic institute

By Fanny Zhang 31-Jan-20 13:42 SINGAPORE (ICIS)--China s economic growth may weaken to 5%-5.4% in 2020 because of the unprecedented coronavirus outbreak, according to a research paper from Hengda Economic Research Institute.

[199]China operations of foreign firms at risk amid virus outbreak

By Nurluqman Suratman 31-Jan-20 06:45 SINGAPORE (ICIS)--Manufacturing operations of foreign firms in China may be severely hit as the epidemic currently gripping the world s second-largest economy could have long-term adverse effects.

[200]China offers force majeure certs to coronavirus-hit businesses

By Tom Brown 30-Jan-20 14:23 LONDON (ICIS)--China s Council for the Promotion of International trade (CCPIT) is offering force majeure certificates for companies in the country unable to meet delivery or export contracts due to the impact of the coronavirus outbreak in Wuhan in the country s central region.

[201]GCC PET demand for regional cargo robust on Chinese delivery delays

By Hazel Goh 30-Jan-20 13:48 SINGAPORE (ICIS)--Some Gulf Cooperation Council (GCC) buyers are turning to regional suppliers for cargo, after receiving notifications that their previously purchased Chinese material will be delayed.

[202]China virus outbreak to hit LNG import demand

By Hendrian Sukardi 30-Jan-20 12:14 SINGAPORE (ICIS)--The rising epidemic of the coronavirus that started in China s Wuhan has triggered further bearishness in the Asian LNG market, with signs of a slowdown in Chinese import demand.

[203]China petrochemical industry faces disruption amid virus outbreak

By Pearl Bantillo 30-Jan-20 07:08 SINGAPORE (ICIS)--Production and trades in China s petrochemical industry will be disrupted following extensions of the Lunar New Year holiday period as the country struggles to contain a deadly epidemic.

[204]US ports to report vessels with China in last five ports of call on coronavirus concerns

By Anna Matherne 29-Jan-20 20:35 HOUSTON (ICIS)--Vessels entering the US and reporting any port in China as one of their last five stops on their Notice of Arrival (NOA) are required to report crewmembers with any symptoms consistent with the coronavirus, or any persons on board who have been to China within the past 30 days, according to a notice from the US Coast Guard sector New Orleans, Louisiana.

[205]Germany's Hoyer warns customers of severe coronavirus impact

By Stefan Baumgarten 29-Jan-20 18:54 LONDON (ICIS)--Hoyer expects its operations in China to be heavily affected by Chinese authorities' actions to contain the spread of the coronavirus, the Germany-based international bulk liquids and chemical logistics company said in a letter to customers on Wednesday.

[206]US PolyOne restricts China travel amid virus, may face extended shutdown

By Stefan Baumgarten 28-Jan-20 18:02 HOUSTON (ICIS)--PolyOne is restricting China-related travel of its employees due to the coronavirus, the CEO of the US-based polymer materials company said in an update on Tuesday.

[207]Coronavirus impact on oil demand could outstrip SARS epidemic

By Richard Price 27-Jan-20 17:22 LONDON (ICIS)--The spread of a new strain of coronavirus (2019-nCoV) could pose a bigger threat to oil demand than the Severe Acute Respiratory Syndrome (SARS) outbreak in 2002-2003 which slashed oil prices by nearly 30%.

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**Body**

Washington: Office of the Federal Register has issued the following notice:Commodity Futures Trading Commission-----------------------------------------------------------------------17 CFR Parts 1, 15, 17, et al.Position Limits for Derivatives; Final RuleFederal Register / Vol. 86, No. 9 / Thursday, January 14, 2021 / Rules and Regulations[[Page 3236]]-----------------------------------------------------------------------COMMODITY FUTURES TRADING COMMISSION17 CFR Parts 1, 15, 17, 19, 40, 140, 150 and 151RIN 3038-AD99Position Limits for DerivativesAGENCY: Commodity Futures Trading Commission.ACTION: Final rule.-----------------------------------------------------------------------SUMMARY: The Commodity Futures Trading Commission (``Commission'' or ``CFTC'') is adopting amendments in this final rule (``Final Rule'') to conform regulations concerning speculative position limits to the relevant Wall Street Transparency and Accountability Act of 2010 (``Dodd-Frank Act'') amendments to the Commodity Exchange Act (``CEA''). Among other regulatory amendments, the Commission is adopting: New and amended Federal spot-month limits for 25 physical commodity derivatives; amended single month and all-months-combined limits for most of the ***agricultural*** contracts currently subject to Federal position limits; new and amended definitions for use throughout the position limits regulations, including a revised definition of ``bona fide hedging transaction or position'' and a new definition of ``economically equivalent swaps''; amended rules governing exchange-set limit levels and grants of exemptions therefrom; a new streamlined process for bona fide hedging recognitions for purposes of Federal position limits; new enumerated bona fide hedges; and amendments to certain regulatory provisions that would eliminate Form 204 while also enabling the Commission to leverage and receive cash-market reporting submitted directly to the exchanges by market participants.DATES: Effective date: This Final Rule will become effective on March 15, 2021. Compliance date: Compliance dates for this Final Rule shall be as follows: January 1, 2022 in connection with the Federal speculative position limits for the 16 non-legacy core referenced futures contracts subject to Federal position limits for the first time under this Final Rule. This compliance date also applies to any associated referenced contracts other than economically equivalent swaps. Such swaps are subject to a separate compliance date noted below. January 1, 2022 in connection with an exchange's requirements under Sec. 150.5, as adopted in this Final Rule. January 1, 2023 in connection with Federal speculative position limits for economically equivalent swaps, as defined under this Final Rule. January 1, 2023 in connection with the elimination of previously-granted risk management exemptions described in Sec. 150.3(c), as adopted in this Final Rule.FOR FURTHER INFORMATION CONTACT: Dorothy DeWitt, Director, (202) 418-6057, [*ddewitt@cftc.gov*](mailto:ddewitt@cftc.gov); Rachel Reicher, Chief Counsel, (202) 418-6233, [*rreicher@cftc.gov*](mailto:rreicher@cftc.gov); Steven A. 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Interpretation of Statute Regarding Whether Necessity Finding Is Required for Position Limits Established Pursuant to CEA 4a(a)(2) B. Legal Standard for Necessity Finding C. Necessity Finding as to the 25 Core Referenced Futures Contracts D. Necessity Finding as to Linked Contracts E. Necessity Finding for Spot/Non-Spot Month Position LimitsIV. Related Matters A. Cost-Benefit Considerations B. Paperwork Reduction Act C. Regulatory Flexibility Act D. Antitrust ConsiderationsI. BackgroundA. Introduction The Commission has long established and enforced speculative position limits for futures contracts and options on futures contracts on nine ***agricultural*** commodities as authorized by the CEA.\1\ These nine ***agricultural*** commodity contracts, which have been subject to Federal position limits for decades, are generally referred to as the ``nine legacy ***agricultural*** contracts.'' Under this Final Rule, the Commission additionally will establish Federal speculative position limits for certain commodity derivatives contracts associated with 16 additional commodities. The Commission refers to these 16 new commodities and their associated commodity derivatives contracts throughout this release as the ``non-legacy'' contracts since they are subject to Federal position limits for the first time under this Final Rule. Accordingly, under the Final Rule, certain commodity derivatives contracts associated with 25 commodities are subject to Federal position limits.--------------------------------------------------------------------------- \1\ 7 U.S.C 1 et seq.--------------------------------------------------------------------------- The Commission's existing position limits regulations \2\ in existing part 150[[Page 3237]]of the Commission's regulations include three components:--------------------------------------------------------------------------- \2\ 17 CFR part 150. Part 150 of the Commission's regulations establishes Federal position limits (that is, position limits established by the Commission) on the nine legacy ***agricultural*** contracts. The nine legacy ***agricultural*** contracts are: CBOT Corn (and Mini-Corn) (C), CBOT Oats (O), CBOT Soybeans (and Mini-Soybeans) (S), CBOT Wheat (and Mini-Wheat) (W), CBOT Soybean Oil (SO), CBOT Soybean Meal (SM), MGEX Hard Red Spring Wheat (MWE), CBOT KC Hard Red Winter Wheat (KW), and ICE Cotton No. 2 (CT). See 17 CFR 150.2 The Federal position limits on these ***agricultural*** contracts are referred to as ``legacy'' limits because these contracts have been subject to Federal position limits for decades.--------------------------------------------------------------------------- First, the Commission's existing regulations establish separate position limit levels for each of the nine legacy ***agricultural*** contracts. These Federal position limit levels set the maximum speculative positions in each of the nine legacy ***agricultural*** contracts that a person may hold in the spot month, individual month, and all-months-combined.\3\--------------------------------------------------------------------------- \3\ See 17 CFR 150.2 --------------------------------------------------------------------------- Second, the existing Federal position limits framework provides exemptions to the Federal position limit levels for positions that constitute ``bona fide hedging transactions or positions'' and for certain ``spread or arbitrage'' positions.\4\--------------------------------------------------------------------------- \4\ See 17 CFR 150.3 --------------------------------------------------------------------------- Third, the Commission's existing regulations determine which ***accounts*** and positions a person must aggregate for the purpose of determining compliance with the Federal position limit levels.\5\--------------------------------------------------------------------------- \5\ See 17 CFR 150.4 --------------------------------------------------------------------------- The existing Federal speculative position limits function in parallel to exchange-set position limits and/or exchange-set position accountability required by designated contract market (``DCM'') Core Principle 5.\6\ As a result, the nine legacy ***agricultural*** contracts are subject to both Federal and exchange-set limits, whereas other exchange-traded futures contracts and options on futures contracts are subject only to DCM-set limits and/or position accountability.--------------------------------------------------------------------------- \6\ 7 U.S.C 7(d)(5); 17 CFR 38.300 Paragraph (A) of DCM Core Principle 5 provides: To reduce the potential threat of market manipulation or congestion (especially during trading in the delivery month), the board of trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators. Position limits generally cannot be exceeded absent an exemption, whereas position accountability allows an exchange to establish a level at which market participants, including those participants who do not qualify for an exemption, are required to: Provide position information to the exchange prior to increasing a position above the accountability level; halt further position increases; and/or reduce positions in an orderly manner. Core Principle 6 in part 37 of the Commission's regulations for swap execution facilities (``SEFs'') contains similar language. 17 CFR 38.600 --------------------------------------------------------------------------- As part of the Dodd-Frank Act, Congress amended the CEA's position limits provisions, which since 1936 have authorized the Commission (and its predecessor) to impose limits on speculative positions to prevent the harms caused by excessive speculation. As discussed below, the Commission interprets these amendments as, among other things, tasking the Commission with establishing such position limits as it finds are ``necessary'' for the purpose of ``diminishing, eliminating, or preventing'' excessive speculation causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity.\7\ The Commission also interprets these amendments as tasking the Commission with establishing position limits on any ``economically equivalent'' swaps.\8\--------------------------------------------------------------------------- \7\ 7 U.S.C 6a(a)(1); see infra Section III.C (discussion of the necessity finding). \8\ 7 U.S.C 6a(a)(5); see also infra Section II.B.1.iii --------------------------------------------------------------------------- The Commission previously issued proposed and final rules in 2011 (``2011 Final Rulemaking'') to implement the provisions of the Dodd-Frank Act regarding position limits and the bona fide hedge definition.\9\ A September 28, 2012 order of the U.S District Court for the District of Columbia vacated the 2011 Final Rulemaking, with the exception of the rule's amendments to 17 CFR 150.2 \10\--------------------------------------------------------------------------- \9\ Position Limits for Derivatives, 76 FR 4752 (Jan. 26, 2011) (``2011 Proposal''); Position Limits for Futures and Swaps, 76 FR 71626 (Nov. 18, 2011) (``2011 Final Rulemaking''). \10\ Int'l Swaps & Derivatives Ass'n v. U.S Commodity Futures Trading Comm'n, 887 F. Supp. 2d 259 (D.D.C 2012) (``ISDA'').--------------------------------------------------------------------------- Subsequently, the Commission proposed position limits regulations in 2013 (``2013 Proposal''), in June of 2016 (``2016 Supplemental Proposal''), and again in December of 2016 (``2016 Reproposal'').\11\ The 2016 Reproposal would have amended part 150 of the Commission's regulations to, among other things: Establish Federal position limits for 25 physical commodity futures contracts and their linked futures contracts, options on futures contracts, and ``economically equivalent'' swaps; revise the existing exemptions from such limits, including for bona fide hedges; and establish a framework for exchanges \12\ to recognize certain positions as bona fide hedges and thus exempt from position limits.--------------------------------------------------------------------------- \11\ Position Limits for Derivatives, 78 FR 75680 (Dec. 12, 2013) (``2013 Proposal''); Position Limits for Derivatives: Certain Exemptions and Guidance, 81 FR 38458 (June 13, 2016) (``2016 Supplemental Proposal''); and Position Limits for Derivatives, 81 FR 96704 (Dec. 30, 2016) (``2016 Reproposal''). \12\ Unless indicated otherwise, the use of the term ``exchanges'' throughout this release refers to DCMs and SEFs.--------------------------------------------------------------------------- To date, the Commission has not issued any final rulemaking based on the 2013 Proposal, 2016 Supplemental Proposal, or 2016 Reproposal. The 2016 Reproposal generally addressed comments received in response to the 2013 Proposal and the 2016 Supplemental Proposal. In a separate 2016 proposed rulemaking, the CFTC also proposed, and later adopted in 2016, amendments to rules in Sec. 150.4 of the Commission's regulations governing aggregation of positions for purposes of compliance with Federal position limits.\13\ These aggregation rules currently apply only to the nine legacy ***agricultural*** contracts subject to existing Federal position limits. Going forward, these aggregation rules will apply to all commodity derivative contracts that are subject to Federal position limits under this Final Rule.--------------------------------------------------------------------------- \13\ Aggregation of Positions, 81 FR 91454 (Dec. 16, 2016) (``Final Aggregation Rulemaking''); see 17 CFR 150.4 Under the Final Aggregation Rulemaking, unless an exemption applies, a person's positions must be aggregated with positions for which the person controls trading or for which the person holds a 10% or greater ownership interest. The Division of Market Oversight has issued time-limited no-action relief from some of the aggregation requirements contained in that rulemaking. See CFTC Letter No. 19-19 (July 31, 2019), available at [*https://www.cftc.gov/csl/19-19/download.---------------------------------------------------------------------------*](https://www.cftc.gov/csl/19-19/download.---------------------------------------------------------------------------) The Commission published a notice of a proposed rulemaking in the Federal Register on February 27, 2020 for a new position limits proposal (``2020 NPRM''). After reconsidering the prior proposals, including reviewing the comments responding thereto, the Commission in the 2020 NPRM withdrew from further consideration the 2013 Proposal, the 2016 Supplemental Proposal, and the 2016 Reproposal.\14\--------------------------------------------------------------------------- \14\ Because the earlier proposals were withdrawn in the 2020 NPRM, comments on the earlier proposals are not part of the administrative record with respect to the 2020 NPRM nor with respect to this Final Rule, except where expressly referenced herein. In the 2020 NPRM, the Commission stated that commenters to the 2016 Reproposal should resubmit comments relevant to the subject proposal; commenters who wish to reference prior comment letters should cite those prior comment letters as specifically as possible. (85 FR at 11597). Accordingly, this Final Rule will not discuss comments submitted in connection with the 2016 Reproposal unless such comments were resubmitted for the 2020 NPRM.--------------------------------------------------------------------------- In the 2020 NPRM, the Commission intended to: (1) Recognize differences across commodities and contracts, including differences in commercial hedging and cash-market reporting practices; (2) focus on commodity derivative contracts that are critical to price discovery and distribution of the underlying commodities such that the burden of excessive speculation in the commodity derivative contracts may have a particularly acute impact on interstate commerce for the underling commodities; and (3) reduce duplication and inefficiency by leveraging existing expertise and processes at DCMs. The public comment period for the 2020 NPRM ended May 15, 2020,\15\ and[[Page 3238]]the Commission received approximately 75 public comment letters.\16\ After reviewing these public comment letters, and for the general reasons discussed in this release, the Commission is adopting the 2020 NPRM with certain modifications in this Final Rule.\17\--------------------------------------------------------------------------- \15\ Comments were originally due by April 29, 2020. Due to the COVID-19 pandemic, the Commission extended the deadline to May 15, 2020. \16\ The Commission states ``approximately 75 relevant comment letters'' since several commenters submitted additional, or supplemental, comments. As a result, the total could change slightly depending on whether one includes these supplemental comment letters in the total. Thus, for the avoidance of doubt, the Commission uses ``approximately.'' The Commission received comments from: American Cotton Shippers Association (``ACSA''); American Feed Industry Association (``AFIA''); American Gas Association (``AGA''); AQR Capital Management, LLC (``AQR''); Archer Daniels Midland (``ADM''); AMCOT; Americans for Financial Reform (``AFR''); Arthur Dunavant Investments (``Dunavant''); ASR Group International, Inc. (``ASR''); Atlantic Cotton Association (``ACA''); Barnard, Chris (Individual); Better Markets, Inc. (``Better Markets''); Cargill, Inc. (``Cargill''); Castleton Commodities International LLC (``CCI''); Chevron USA Inc. (``Chevron''); Choice Cotton Company, Inc. (``Choice Cotton''); CHS Inc. (``CHS Inc.'') and CHS Hedging, LLC (``CHS Hedging'') (collectively, ``CHS''); Citadel; CME Group Inc. (``CME Group''); Commodity Markets Council (``CMC''); DECA Global LLC (``DECA''); East Cotton Company (``East Cotton''); Ecom Agroindustrial (``Ecom''); Edison Electric Institute (``EEI'') and Electric Power Supply Association (``EPSA'') (collectively, the ``Joint Associations'' or ``EEI/EPSA''); Futures Industry Association (``FIA''); Glencore ***Agriculture*** Limited, Glencore ***Agriculture*** B.V (collectively, ``Glencore''); ICE Futures U.S (``IFUS''); IMC Companies (``IMC''); Industrial Energy Consumers of America; Institute for ***Agriculture*** & Trade Policy (``IATP''); Intercontinental Exchange, Inc. (``ICE''); International Energy Credit Association (``IECA''); International Swaps and Derivatives Association, Inc. (``ISDA''); Jess Smith & Sons (``Jess Smith''); Lawson/O'Neill Global Institutional Commodity (LOGIC) Advisors (``Lawson/O'Neill''); Long Island Power Authority (``LIPA''); Louis Dreyfus Company (``LDC''); Mallory Alexander International Logistics (``Mallory Alexander''); Managed Funds Association and Alternative Investment Management Association (collectively, the ``Associations'' or ``MFA/AIMA''); Marshal, Gerald (Independent Trader); Matsen, Eric (Individual--Physical Commodity Risk Management Consultant); McMeekin Cotton LLC (``McMeekin''); Memtex Cotton Marketing, LLC (``Memtex''); Minneapolis Grain Exchange, Inc. (``MGEX''); Moody Compress & Warehouse Company (``Moody Compress''); Namoi Cotton Alliance (``Namoi''); National Cotton Council (``NCC''); National Council of Farmer Cooperatives (``NCFC''); National Council of Textile Organizations (``NCTO''); National Energy & Fuels Institute (``NEFI''); National Grain and Feed Association (``NGFA''); National Oilseed Processors Association (``NOPA''); National Rural Electric Cooperative; Association American Public Power Association; and American Public Gas Association (collectively, ``NRECA''); Natural Gas Supply Association (``NGSA''); Olam International Limited (``Olam''); Omnicotton Inc. (``Omnicotton''); Pacific Investment Management Company LLC (``PIMCO''); Parkdale Mills (``Parkdale''); Petroleum Marketers Association of America (``PMAA''); Public Citizen; Robert Rutkowski (``Rutkowski''); S. Canale Cotton Co. (``Canale Cotton''); Shell Energy North America (US), L.P and Shell Trading (US) Company (collectively, ``Shell''); SIFMA Asset Management Group (``SIFMA AMG''); Skylar Capital Management LP (``SCM''); Southern Cotton Association (``Southern Cotton''); Southwest Ag Sourcing (``SW Ag''); Suncor Energy Marketing Inc. and Suncor Energy USA Marketing Inc. (collectively, ``SEMI''); Texas Cotton Association (``Texas Cotton''); The Coalition of Physical Energy Companies; The Commercial Energy Working Group (``CEWG''); The Walcot Trading Company, LLC (``Walcot''); Toyo Cotton Company (``Toyo''); VLM Commodities (``VLM''); Western Cotton Shippers Association (``WCSA''); White Gold Cotton Marketing, LLC (``White Gold''). \17\ The Final Rule's regulations are discussed in detail throughout this release.--------------------------------------------------------------------------- Before addressing the specifics of the Final Rule, the Commission outlines several themes underscoring the Commission's approach in the Final Rule. First, the Commission believes that any position limits regime must take into ***account*** differences across commodities and contract types. The existing Federal position limits regulations apply only to the nine legacy ***agricultural*** contracts, all of which are physically-settled futures on ***agricultural*** commodities. Limits on these nine legacy ***agricultural*** contracts have been in place for decades, as have the Federal rules governing both the exemptions from these Federal position limits and the exchange-set position limits on the nine legacy ***agricultural*** contracts. The existing framework is largely a historical remnant of an approach that predates cash-settled futures contracts, institutional-investor interest in commodity indexes, highly liquid energy markets, and the Commission's jurisdiction over certain swaps. Congress has tasked the Commission with establishing such limits as it finds are ``necessary'' for the purpose of preventing the burdens associated with excessive speculation causing sudden or unreasonable fluctuations or unwarranted changes in the price of an underlying commodity; and establishing limits on swaps that are ``economically equivalent'' to any futures contracts or options on futures contracts subject to Federal position limits. An approach that is flexible enough to accommodate potential future, unpredictable developments in commercial hedging practices is well-suited for the current derivatives markets by accommodating differences in commodity types, contract specifications, hedging practices, cash-market trading practices, organizational structures of hedging participants, and liquidity profiles of individual markets. The Commission is building this flexibility into several parts of the Final Rule, including: (1) Exchange-set limits or accountability levels outside of the spot month for referenced contracts based on commodities other than the nine legacy ***agricultural*** contracts; (2) the ability for exchanges to use more than one formula when setting their own limit levels; (3) an updated formula for Federal non-spot month position limit levels on the nine legacy ***agricultural*** contracts that is calibrated to recently observed open interest, which has generally increased over time; (4) a bona fide hedging definition that is broad enough to accommodate common commercial hedging practices, including unfixed-price transactions as well as anticipatory hedging practices, such as anticipatory merchandising; (5) a simplified process for market participants to submit a single application to obtain non-enumerated bona fide hedge recognitions for purposes of Federal and exchange-set position limits that are in line with common commercial hedging practices; (6) the elimination of a restriction for purposes of Federal position limits on holding positions during the last trading days of the spot month; and (7) broader discretion for market participants to measure risk in the manner most suitable for their businesses. Second, the Final Rule establishes position limits with respect to 16 additional commodities during the spot month, for a total of 25 core referenced futures contracts, and certain derivative contracts linked thereto, for which the Commission finds that speculative position limits are necessary.\18\ As described below, this necessity finding for the 25 core referenced futures contracts is based on two interrelated factors: (1) The importance of the 25 core referenced futures contracts to their respective underlying cash markets, including that they require physical delivery of the underlying commodity; and (2) the particular importance to the national economy of the commodities underlying the 25 contracts.\19\--------------------------------------------------------------------------- \18\ See infra Section III.C.2 \19\ Id.--------------------------------------------------------------------------- Third, there is an opportunity for greater collaboration between the Commission and the exchanges within the statutorily created parallel Federal and exchange-set position limit regimes. Given the exchanges' obligations to carry out self-regulatory responsibilities, resources, deep knowledge of their markets and trading practices, close interactions with market participants, existing programs for addressing exemption requests, and direct ability to leverage these resources to generally act more quickly than the Commission, the Commission believes that cooperation between the Commission and the exchanges on position limits should not only be continued, but enhanced. For[[Page 3239]]example, exchanges are particularly well-positioned to: Provide the Commission with estimates of deliverable supply in connection with their commodity contracts that require physical delivery; recommend limit levels for the Commission's consideration; and help administer the program for recognizing bona fide hedges. Further, given that the Final Rule requires exchanges to collect, and provide to the Commission upon request, cash-market information from market participants requesting recognition of bona fide hedges, the Commission is eliminating the Form 204 and part of the Form 304, which market participants with bona fide hedging positions in excess of position limits currently file each month with the Commission to demonstrate cash-market positions justifying such overages. Under enhanced collaboration, the Commission will maintain its access to such information from the exchanges, which will result in a more efficient administrative process, in part by reducing duplication of efforts.B. Executive Summary This executive summary provides an overview of the key components of the Final Rule. The summary only highlights certain aspects of the final regulations and generally uses shorthand to summarize complex topics. The executive summary is neither intended to be a comprehensive recitation of the Final Rule nor intended to supplement, modify, or replace any interpretive or other language contained herein. Section II of this release includes a more detailed and comprehensive discussion of all of the final regulations. The final regulations and related appendices and guidance follow Section IV (Related Matters) of this release.1. Contracts Subject to Federal Speculative Position Limits Federal position limits apply to ``referenced contracts,'' which, as described in turn below, include: (i) 25 ``core referenced futures contracts'' (i.e , the nine legacy ***agricultural*** contracts together with the new 16 non-legacy contracts); (ii) futures contracts and options on futures contracts directly or indirectly linked to a core referenced futures contract; and (iii) ``economically equivalent swaps.''i. Core Referenced Futures Contracts Federal position limits under the Final Rule will apply to the following 25 \20\ physically-settled core referenced futures contracts:--------------------------------------------------------------------------- \20\ Reference to, or discussion of, derivatives contracts listed on IFUS, the DCM and subsidiary of ICE, will be referred to herein as ``ICE [Commodity] [IFUS Commodity Code]'' (e.g , ICE Sugar No. 16 (SF)). Additionally, ``CBOT'' refers to the DCM Board of Trade of the City of Chicago, Inc.; ``CME'' refers to the DCM Chicago Mercantile Exchange, Inc.; ``COMEX'' refers to the DCM Commodity Exchange, Inc.; and ``NYMEX'' refers to the DCM New York Mercantile Exchange, Inc.---------------------------------------------------------------------------[[Page 3240]][GRAPHIC] [TIFF OMITTED] TR14JA21.000ii. Futures Contracts and Options on Futures Contracts Linked to a Core Referenced Futures Contract The term ``referenced contract'' encompasses any core referenced futures contract as well as any futures contract and any option on a futures contract that is: (1) Directly or indirectly linked to the price of a core referenced futures contract; or (2) directly or indirectly linked to the price of the same commodity underlying the applicable core referenced futures contract, for delivery at the same location as specified in that core referenced futures contract.22 The term ``referenced contract,'' however, explicitly excludes location basis contracts, commodity index contracts, contracts that are based on prices across a month (i.e , contracts commonly referred to as calendar month average contracts, trade month average contracts, or balance of month contracts), outright contracts that are based on a price reporting agency index price, swap guarantees, and trade options that meet certain requirements.--------------------------------------------------------------------------- \21\ While the Final Rule includes Federal non-spot month limits only for referenced cintracts on the nine legacy ***agricultural*** contracts, the Final Rule requires exchanges to establish, consistent with Commission standards set forth in this Final Rule, exchange-set position limits and/or position accountability levels in the non-spot months for the 16 non-legacy core referenced futures contracts and for any associated referenced contracts. \22\ For clarity, clause (2) is intended to encompass potential physically-settled ``look-alike'' contracts that do not directly reference a core referenced futures contract but that are nonetheless based on the same commodity and delivery location as a core referenced futures contract.---------------------------------------------------------------------------iii. Economically Equivalent Swaps The term referenced contracts also includes economically equivalent swaps, defined as swaps with ``identical material'' contractual specifications, terms, and conditions to a referenced contract. Swaps in a commodity other than natural gas that have identical material specifications, terms, and conditions to a referenced contract are still deemed economically equivalent swaps even if they differ from the referenced contract with respect to one or more of the following: (a) Lot size specifications or notional amounts, (b) delivery dates diverging by less than one calendar day for physically-settled swaps, or (c) post-trade risk management arrangement (e.g , uncleared swaps versus cleared futures contracts). The same general definition applies to natural gas swaps, except that the definition is expanded to include swaps with delivery dates diverging from the corresponding core referenced futures contract by less than two calendar days. Instruments that are exempt from Commission jurisdiction or otherwise not deemed to be swaps under the Commission's regulations (e.g , instruments that are excluded by the CEA's ``swap'' definition or Commission regulations as physically-settled forward contracts) are not ``economically equivalent swaps'' even if they otherwise fall within the ``economically equivalent swap'' definition.2. Federal Position Limit Levels During the Spot Month[[Page 3241]] Federal spot month position limits apply to all 25 core referenced futures contracts and their associated referenced contracts. The Final Rule establishes the spot month position limit levels summarized in the table below. Each spot month limit is set at or below 25% of deliverable supply, as estimated using recent ***data*** provided by the DCM listing the core referenced futures contract, and verified by the Commission. The Federal spot month position limits apply on a futures-equivalent basis based on the size of the unit of trading of the relevant core referenced futures contract.BILLING CODE 6351-01-P[GRAPHIC] [TIFF OMITTED] TR14JA21.001[[Page 3242]][GRAPHIC] [TIFF OMITTED] TR14JA21.002BILLING CODE 6351-01-C --------------------------------------------------------------------------- \23\ As of October 15, 2020. \24\ The Federal spot month limit for Live Cattle adopted herein features a step-down limit similar to the CME's existing Live Cattle step-down exchange-set limit. The Federal spot month step-down limit is: (1) 600 at the close of trading on the first business day following the first Friday of the contract month; (2) 300 at the close of trading on the business day prior to the last five trading days of the contract month; and (3) 200 at the close of trading on the business day prior to the last two trading days of the contract month. \25\ ICE technically does not have an exchange-set spot month position limit level for ICE Sugar No. 16 (SF). However, it does have a single-month position limit level of 1,000 contracts, which effectively operates as a spot month position limit. \26\ As discussed below, the NYMEX Henry Hub Natural Gas (NG) Federal spot month limit for cash-settled look-alike referenced contracts will apply on a per-exchange and per-OTC swaps market basis rather than on an aggregate basis across exchanges. \27\ Currently, the cash-settled natural gas contracts are subject to an exchange-set spot month position limit level of 1,000 equivalent-sized contracts per exchange. As of publication of the Final Rule, there are three exchanges that list cash-settled natural gas contracts: NYMEX, IFUS, and Nodal. As a result, a market participant may hold up to 3,000 equivalent-sized cash-settled natural gas contracts under existing exchange-set limits. The exchanges also have a conditional position limit framework for natural gas contracts. This exchange-set conditional spot month position limit permits up to 5,000 cash-settled NYMEX NG equivalent-sized referenced contracts per exchange that lists such contracts, provided that the market participant does not hold positions in the physically-settled NYMEX NG referenced contract. \28\ The Federal spot month limit for Light Sweet Crude Oil adopted herein features the following step-down limit: (1) 6,000 contracts as of the close of trading three business days prior to the last trading day of the contract; (2) 5,000 contracts as of the close of trading two business days prior to the last trading day of the contract; and (3) 4,000 contracts as of the close of trading one business day prior to the last trading day of the contract.---------------------------------------------------------------------------[[Page 3243]]i. Application of Federal Spot Month Limits to Commodities Other Than Natural Gas With the exception of natural gas, the Federal spot month position limit levels apply in the aggregate across exchanges and the over-the-counter (``OTC'') swap markets. During the spot month, Federal position limits apply ``separately'' to physically-settled and cash-settled referenced contracts.\29\ Accordingly, during the spot month, a market participant is required to aggregate its net physically-settled positions, and separately its net cash-settled positions, across exchanges and the OTC swaps markets, but may not net cash-settled referenced contracts with physically-settled referenced contracts.--------------------------------------------------------------------------- \29\ As discussed further under Section II.B.3.vi, cash-settled NYMEX NG referenced contracts under the Final Rule are subject to per-exchange and per-OTC swaps market Federal position limits. As a result, market participants are not required to aggregate their positions in natural gas referenced contracts across different exchanges and the OTC swaps markets but also may not net such positions across different exchanges or the OTC swaps market.---------------------------------------------------------------------------ii. Application of Federal Spot Month Limits to Natural Gas For the NYMEX Henry Hub Natural Gas (``NYMEX NG'') physically-delivered core referenced futures contract and its associated cash-settled referenced contracts, the Final Rule modifies the 2020 NPRM by providing that Federal position limits apply to NYMEX NG cash-settled referenced contracts on a per-exchange and per-OTC swaps market basis (i.e , cash-settled positions are not aggregated across different exchanges and the OTC swaps market). Specifically, a market participant may hold up to 2,000 cash-settled NYMEX NG referenced contracts (i.e , the NYMEX NG Federal spot month position limit) on each exchange that lists for trading a cash-settled NYMEX NG referenced contract as well as the OTC swap market. Currently, three exchanges (NYMEX, IFUS, and Nodal) \30\ list cash-settled ``look-alike'' NYMEX NG referenced contracts. Thus, a market participant is able to hold 2,000 cash-settled NYMEX NG referenced futures contracts on each exchange, which is 6,000 cash-settled look-alike NYMEX NG referenced contracts in total. In addition, a market participant is able to hold a position of 2,000 cash-settled NYMEX NG equivalent-sized economically equivalent swaps in the OTC swaps markets for a total position of 8,000 cash-settled NYMEX NG referenced contracts across the four markets (i.e , NYMEX, IFUS, Nodal, and the OTC swaps market).--------------------------------------------------------------------------- \30\ ``Nodal'' refers to the Nodal Exchange, LLC.--------------------------------------------------------------------------- As noted above, because Federal spot month position limit levels apply ``separately'' to cash-settled and physically-settled referenced contracts, a market participant further is able to hold an additional position of 2,000 physically-settled NYMEX NG referenced contracts for a total position of 10,000 NYMEX NG referenced contracts. As discussed further below, market participants may hold additional cash-settled NYMEX NG referenced contracts under the Final Rule's Federal spot month conditional position limit exemption as long as the market participant satisfies certain requirements. However, for the avoidance of doubt, the Commission notes that the per-exchange 2,000 contract Federal spot month position limit level for cash-settled NYMEX NG referenced contracts discussed above is not part of the Federal spot month conditional position limit exemption but rather constitutes the default speculative Federal spot month position limit.3. Federal Position Limit Levels Outside of the Spot Month Under the Final Rule, Federal position limits outside of the spot month (``non-spot month'' position limits) apply only to the nine legacy ***agricultural*** contracts and their associated referenced contracts. In contrast, referenced contracts based on the 16 core referenced futures contracts subject to Federal position limits for the first time under the Final Rule are only subject to Federal position limits during the spot month, and are otherwise only subject to exchange-set limits or position accountability outside of the spot month. The following Federal non-spot month position limit levels, summarized in the table below, are set at 10% of open interest for the first 50,000 contracts, with an incremental increase of 2.5% of open interest thereafter, and apply on a futures-equivalent basis based on the size of the unit of trading of the relevant core referenced futures contract:[[Page 3244]][GRAPHIC] [TIFF OMITTED] TR14JA21.003 --------------------------------------------------------------------------- \31\ With the exception of the ICE Cotton No. 2 (CT) contract discussed below, for each of the legacy ***agricultural*** contracts, the single month limit is equal to the all-months-combined limit under the Final Rule. \32\ As of October 15, 2020. \33\ The single month limit for ICE Cotton No. 2 (CT) is set at 50% of the all-months-combined limit, or 5,950 contracts, as discussed more fully below.---------------------------------------------------------------------------4. Exchange-Set Limits and Exemptions Therefromi. Contracts Subject to Federal Position Limits An exchange that lists a contract subject to Federal position limits, as specified above, is required to set its own limits for such contracts at a level that is no higher than the Federal level. Exchanges may grant exemptions from their own limits to a level that exceeds the applicable Federal limit, provided the exemption is self-effectuating (e.g , an enumerated bona fide hedge or a spread that satisfies the ``spread transaction'' definition) or provided the exemption is recognized by the Commission for purposes of Federal position limits (pursuant to an application submitted either directly to the Commission under Sec. 150.3 or indirectly to the Commission through an exchange under Sec. 150.9, as applicable). Exchanges may grant exemptions that are not recognized by the Final Rule; however, such exemptions must be capped at a level that is not higher than the applicable Federal position limit level.ii. Physical Commodity Contracts Not Subject to Federal Position Limits For physical commodity contracts, for which no necessity finding was supported, and which are therefore not subject to Federal position limits, an exchange is generally required to set spot month position limit levels at no greater than 25% of deliverable supply, but has flexibility to submit other approaches for review by the Commission, provided the approach results in spot month position limit levels that are ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index'' and complies with all other applicable regulations. Outside of the spot month, an exchange has additional flexibility to set either position limits or position accountability levels, provided the levels are ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' Non-exclusive Acceptable Practices are included in new Appendix F to part 150 under the Final Rule and provide several examples of formulas that the Commission has determined meet this standard, but an exchange has flexibility to develop other approaches. An exchange has flexibility to grant a variety of exemption types. Exchanges must take into ***account*** whether the exemption results in a position that is[[Page 3245]]``not in accord with sound commercial practices'' in the market for which the exchange is considering the application, and/or ``exceed[s] an amount that may be established and liquidated in an orderly fashion in that market.''5. Limits on ``Pre-Existing Positions'' As discussed above, only swaps that qualify as ``economically equivalent swaps'' are subject to Federal position limits under the Final Rule. However, economically equivalent swaps entered into in good faith prior to the Final Rule's Effective Date, including both ``Pre-Enactment Swaps,'' which are swaps entered into prior to the Dodd-Frank Act whose terms have not expired, and ``Transition Period Swaps,'' which are swaps entered into between July 22, 2010 and the Final Rule's effective date, are not subject to Federal position limits. Other pre-existing positions (i.e , pre-existing positions that are futures contracts or options on futures contracts) will be subject to the Final Rule's Federal position limits.\34\--------------------------------------------------------------------------- \34\ However, as discussed further below, the Commission is providing for a compliance period until January 1, 2022 for the 16 non-legacy referenced contracts that will be subject to Federal position limits for the first time under this Final Rule. Similarly, the Commission is providing for a compliance period for any economically equivalent swaps, as well as in connection with the elimination of the risk management exemption, until January 1, 2023.--------------------------------------------------------------------------- Market participants may net down their post-Effective Date positions in commodity derivatives contracts with any pre-existing swaps (as long as such swaps qualify as economically equivalent swaps) for purposes of complying with non-spot month Federal position limits. In contrast, during the spot month, market participants may not apply these pre-existing swap positions to net down their positions so as to avoid rendering Federal spot month position limits ineffective. The Commission is particularly concerned about protecting the spot month in physically-delivered futures from price distortions or potential manipulation and consequent disruption of the hedging and price discovery utility of the related futures contract.6. Legal Standards for Exemptions From Federal Position Limitsi. Bona Fide Hedge Recognition A bona fide hedging transaction or position may exceed Federal position limits if the hedge position satisfies all three elements of the Final Rule's ``general'' bona fide hedging definition. That is, (1) the position represents a substitute for transactions or positions made or to be made at a later time in a physical marketing channel (``temporary substitute test''); (2) the position is economically appropriate to the reduction of price risks in the conduct and management of a commercial enterprise (``economically appropriate test''); and (3) the position arises from the potential change in value of actual or anticipated assets, liabilities, or services (``change in value requirement''). The Final Rule makes several changes to the existing bona fide hedging definition, including those described immediately below: First, the Commission is expanding the existing list of ``enumerated'' bona fide hedges to cover additional hedging practices, including adding a bona fide hedge for anticipated merchandising.\35\ To provide greater certainty, the list of enumerated bona fide hedges is now incorporated into the regulation. In contrast, in the 2020 NPRM, this list of enumerated bona fide hedges was proposed in the form of non-binding acceptable practices in Appendix A to part 150. While the enumerated bona fide hedges will remain listed in Appendix A under the Final Rule, Appendix A to part 150 is now explicitly incorporated into Commission regulations and is part of the regulatory text rather than acceptable practices.--------------------------------------------------------------------------- \35\ The existing definition of ``bona fide hedging transactions and positions'' enumerates the following hedging transactions or positions: (1) Hedges of inventory and cash commodity fixed-price purchase contracts under 1.3(z)(2)(i)(A); (2) hedges of unsold anticipated production under 1.3(z)(2)(i)(B); (3) hedges of cash commodity fixed-price sales and (4) hedges of fixed price sales of their cash products and byproducts contracts under 1.3(z)(2)(ii)(A) and (B); (5) hedges of unfilled anticipated requirements under 1.3(z)(2)(ii)(C); (6) hedges of offsetting unfixed price cash commodity sales and purchases under 1.3(z)(2)(iii); and (7) cross-commodity hedges under 1.3(z)(2)(iv). The following additional hedging practices are not enumerated in the existing regulation, but are included as enumerated hedges in the Final Rule: (1) Hedges of anticipated merchandising; (2) hedges by agents; (3) hedges of anticipated royalties; (4) hedges of services; and (5) offsets of commodity trade options.--------------------------------------------------------------------------- A person who holds a position that qualifies as a bona fide hedge and that is one of the enumerated hedges in Appendix A to part 150 is not required to request prior approval from the Commission to hold such bona fide hedge position above the Federal position limit. That is, the enumerated bona fide hedges are ``self-effectuating'' for purposes of Federal position limits. A person with an enumerated bona fide hedge position, however, would still need to request an exemption from the relevant exchange for any exchange-set limits.\36\--------------------------------------------------------------------------- \36\ The processes for obtaining bona fide hedge recognitions and non-enumerated bona fide hedge recognitions are summarized in Section 7 below of this executive summary (Processes for Requesting Bona Fide Hedge Recognitions and Spread Exemptions).--------------------------------------------------------------------------- Second, with respect to the treatment of unfixed-price forward transactions and bona fide hedging under the Final Rule, the Commission clarifies that a commercial market participant may qualify for one of the Final Rule's enumerated anticipatory bona fide hedges (i.e , enumerated bona fide hedges for unsold anticipated production, unfilled anticipated requirements, and anticipated merchandising) with respect to an unfixed-price forward transaction. The Commission believes that an unfixed-price forward transaction should not preclude a commercial market participant from qualifying for one of these enumerated anticipatory bona fide hedges, because such unfixed-price forward transactions do not give rise to outright price risk for a commercial market participant and do not otherwise fix an outright price. Accordingly, unfixed-price transactions do not ``fill'' or ``address'' the hedging need for which the enumerated anticipatory bona fide hedges are predicated. The Commission notes that an unfixed-price forward transaction does not itself allow a market participant to qualify for one of these enumerated anticipatory bona fide hedges, and that a market participant must still satisfy the requirements of the applicable anticipatory bona fide hedge to qualify (e.g , as an initial matter, by the commercial market participant being able to demonstrate its anticipated unsold production, anticipated unfilled requirements, and/or anticipated merchandising). Third, the Final Rule clarifies whether and when market participants may measure risk on a gross basis rather than on a net basis. Instead of only being permitted to hedge on a ``net basis'' except in a narrow set of circumstances, a market participant is also able to generally hedge positions on a ``gross basis,'' provided that the participant has done so over time in a consistent manner and is not doing so to evade Federal position limits. Among other items, the Final Rule differs from the 2020 NPRM in that the Final Rule: (1) Eliminates the requirement that exchanges document their justifications when allowing gross hedging; (2) clarifies that market participants are not required to develop written policies or procedures that set forth when gross[[Page 3246]]versus net hedging is appropriate; and (3) clarifies that gross hedging is permissible for both enumerated and non-enumerated hedges. Fourth, market participants are permitted to hold bona fide hedges in excess of Federal position limits during the last five days of the spot period (or during the time period for the spot month if less than five days). While the Final Rule does not include a Federal restriction on holding bona fide hedging positions in excess of Federal position limits during the spot period, exchanges continue to have the discretion to adopt such restrictions (commonly referred to by market participants as the ``Five-Day Rule''), or similar restrictions, for purposes of exchange-set limits. The Final Rule also includes guidance on the application of spot-period restrictions, including factors for exchanges with such restrictions to consider when determining to grant exemptions that are not subject to any such restrictions for purposes of their own limits. Finally, the Final Rule modifies the ``temporary substitute test'' to require that a bona fide hedging transaction or position in a physical commodity must always, and not just normally, be connected to the production, sale, or use of a physical cash-market commodity. Therefore, a market participant is generally no longer allowed to treat positions entered into for ``risk management purposes'' \37\ as a bona fide hedge, unless the position qualifies as either: (i) An offset of a pass-through swap, where the offset reduces price risk attendant to the pass-through swap executed opposite a counterparty for whom the swap qualifies as a bona fide hedge; or (ii) a ``swap offset,'' where the offset is used by a counterparty to reduce price risk attendant to a swap that qualifies as a bona fide hedge and that was previously entered into by that counterparty.--------------------------------------------------------------------------- \37\ The phrase ``risk management'' as used in this instance refers to derivatives positions, typically held by a swap dealer, used to offset a swap position, such as a commodity index swap, with another entity for which that swap is not a bona fide hedge.---------------------------------------------------------------------------ii. Spread Exemption A transaction or position may also exceed Federal position limits if it qualifies as a ``spread transaction,'' which includes the following common types of spreads: Intra-market spreads; inter-market spreads; intra-commodity spreads; inter-commodity spreads; calendar spreads; quality differential spreads; processing spreads (such as energy ``crack'' or soybean ``crush'' spreads); product and by-product differential spreads; and futures-options spreads.\38\--------------------------------------------------------------------------- \38\ The Final Rule expands the 2020 NPRM's list of exempt spread transactions by also including intra-market spreads, inter-market spreads, and intra-commodity spreads.--------------------------------------------------------------------------- Spread exemptions may be granted using the process described in Section 7 below of this executive summary (Processes for Requesting Bona Fide Hedge Recognitions and Spread Exemptions).iii. Financial Distress Exemption This exemption allows a market participant to exceed Federal position limits if necessary to take on the positions and associated risk of another market participant during a potential default or bankruptcy situation. This exemption is available on a case-by-case basis, depending on the facts and circumstances involved.iv. Conditional Spot Month Limit Exemption in Natural Gas As long as a market participant holds no physically-settled NYMEX NG contracts, the Final Rule allows that market participant to exceed the NYMEX NG Federal spot month position limit level of 2,000 cash-settled referenced contracts per exchange (and an additional 2,000 equivalent-sized economically equivalent OTC swaps) by holding 10,000 cash-settled NYMEX NG referenced contracts per DCM that lists cash-settled NYMEX NG referenced contracts, as well as an additional 10,000 equivalent-sized cash-settled economically equivalent NYMEX NG swaps. The Final Rule clarifies that market participants may not use a spread exemption to exceed the aforementioned conditional spot month limit for natural gas.7. Processes for Requesting Bona Fide Hedge Recognitions and Spread Exemptionsi. Self-Effectuating Enumerated Bona Fide Hedges A position that complies with the bona fide hedging definition in Sec. 150.1 and falls within one of the enumerated bona fide hedges is self-effectuating for purposes of Federal position limits, provided the market participant separately applies to the relevant exchange for an exemption from exchange-set limits. Such market participants are no longer required to file Form 204/304 with the Commission on a monthly basis to demonstrate cash-market positions justifying Federal position limit overages. Instead, the Commission will have access to cash-market information that such market participants submit as part of their applications to an exchange for an exemption from exchange-set limits, typically filed on an annual basis.ii. Bona Fide Hedges That Are Not Self-Effectuating The Commission may consider adding to the list of enumerated bona fide hedges at a later time, as the Commission may find appropriate. Until that time, all bona fide hedge positions that are not enumerated in Appendix A to part 150 must be granted pursuant to one of the processes for requesting a non-enumerated bona fide hedge recognition, as explained below. A market participant seeking to exceed Federal position limits for a non-enumerated bona fide hedging transaction or position is able to choose whether to apply directly to the Commission or, alternatively, apply indirectly to the Commission through the applicable exchange using a new streamlined process. If applying directly to the Commission, the market participant must also separately apply to the relevant exchange for relief from exchange-set position limits. If applying to an exchange using the new streamlined process, a market participant may file an application with an exchange, generally at least annually, which will be valid both for purposes of Federal and exchange-set position limits. Under this streamlined process, if the exchange determines to grant a non-enumerated bona fide hedge recognition for purposes of its exchange-set position limits, the exchange must notify the Commission and the applicant simultaneously. Then, 10 business days (or two business days in the case of retroactive applications filed late due to sudden or unforeseen bona fide hedging needs) after the exchange issues such a determination, the bona fide hedge exemption may be deemed approved for purposes of Federal position limits unless the Commission (and not Commission staff) notifies the market participant otherwise. That is, after the 10 (or two) business days expire, the bona fide hedge exemption is considered approved for purposes of Federal position limits. Under the Final Rule, once the exchange notifies the Commission and the applicant of the exchange's determination to approve the application, the applicant may, at its own risk, exceed Federal position limits during the Commission's 10 business-day review period. If the Commission determines to deny an exemption application, the applicant will not be subject to any Federal position limits violation, provided the[[Page 3247]]person filed the application in good faith and brings the position into compliance with the applicable Federal position limit within a commercially reasonable amount of time, as applicable. The Final Rule also allows a market participant with sudden or unforeseen hedging needs to file a request for a bona fide hedge exemption within five business days after exceeding the Federal limit (i.e , commonly referred to as a ``retroactive'' exemption application). If the Commission denies such application, the market participant will not be subject to a Federal position limit violation, provided the market participant filed the application in good faith and brings the position into compliance with the applicable Federal position limit within a commercially reasonable amount of time, as applicable. Among other changes, market participants are no longer required to file Forms 204 or 304, as applicable, with the Commission on a monthly basis to demonstrate cash-market positions justifying position limit overages. Under the Final Rule, the Commission will instead leverage cash-market information submitted directly to the exchanges.iii. Spread Exemptions For a referenced contract on any commodity, a spread exemption is self-effectuating for purposes of Federal position limits, provided that (1) the position falls within one of the categories set forth in the ``spread transaction'' definition, and (2) the market participant separately applies to the applicable exchange for a spread exemption from exchange-set position limits.\39\--------------------------------------------------------------------------- \39\ The Commission understands that certain exchanges may distinguish between the terms ``spread,'' ``arbitrage,'' and ``straddle.'' For the purposes of the Commission's discussion and the Final Rule in general, the Commission's use of the term ``spread'' is meant to include all of these related trading strategies, and any Commission reference to ``spread'' rather than ``arbitrage'' or ``straddle'' is not intended to suggest a substantive difference in meaning.--------------------------------------------------------------------------- A market participant with a spread position that does not fit within the ``spread transaction'' definition with respect to any of the commodities subject to Federal position limits may apply directly to the Commission, and must also separately apply to the applicable exchange.8. Compliance Date and Effective Datei. Summary The Final Rule's effective date is March 15, 2021 (the ``Effective Date''). This means that all aspects of the Final Rule will be effective as of the Effective Date, including the new enumerated bona fide hedges (e.g , anticipated merchandising) as well as the higher Federal position limits for the nine legacy ***agricultural*** contracts. However, as discussed below, the Commission is also providing for compliance dates that extend beyond the Effective Date in connection with several of the Final Rule's requirements. The Final Rule provides market participants with a compliance date of January 1, 2022 for purposes of compliance with the Federal position limits for the 16 non-legacy core referenced futures contracts that are subject to Federal position limits for the first time under this Final Rule. This compliance date also applies to any referenced contracts (other than economically equivalent swaps, which have a separate compliance date as discussed further below) related to these 16 non-legacy core referenced futures contracts. The Final Rule also provides exchanges with a compliance date of January 1, 2022 for purposes of establishing exchange-set position limits and provisions associated with exemptions therefrom, including certain obligations to collect cash-market information from market participants in connection with market participants' applications for bona fide hedging exemptions to exchange-set limits, and to share the same with the Commission, consistent with the requirements under the Final Rule. Additionally, the Final Rule provides a compliance date of January 1, 2023 with respect to (i) the elimination of previously-granted risk management exemptions,\40\ and (ii) Federal position limits for economically equivalent swaps.--------------------------------------------------------------------------- \40\ As discussed above in Section 6 of this executive summary (Legal Standards for Exemptions from Federal Position Limits), the Commission is no longer recognizing risk management exemptions as bona fide hedges under the Final Rule.--------------------------------------------------------------------------- Because the nine legacy ***agricultural*** contracts are currently subject to Federal position limits under the existing Federal framework, the Final Rule does not provide a compliance date for the new Federal position limits under the Final Rule for such contracts, or a formal phase-in period. Therefore, such limits go into effect on the Effective Date. Thus, as of the Effective Date, market participants will be able to avail themselves of the Federal position limits under the Final Rule for the nine legacy ***agricultural*** contracts, all of which are higher than the existing Federal position limits (except for CBOT Oats, which will maintain the existing Federal position limit levels). However, the Commission notes that exchange-set position limits will remain at current levels unless and until the relevant exchange submits a rule amendment pursuant to part 40 of the Commission's regulations to amend the relevant exchange-set position limit. Furthermore, the Commission is delaying implementation of exchange-set position limits on swaps since exchanges cannot view market participants' positions in swap positions across the various places they trade, including on competitor exchanges.\41\ However, after the January 1, 2023 compliance date for economically equivalent swaps (discussed above), the Commission underscores that it will enforce Federal position limits in connection with swaps.--------------------------------------------------------------------------- \41\ In two years, the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms to implement DCM Core Principle 5 and SEF Core Principle 6 with respect to swaps.--------------------------------------------------------------------------- For convenience, the Commission is providing a table below identifying the Final Rule's Effective Date and compliance dates for market participants and exchanges in connection with certain obligations.BILLING CODE 6351-01-P[[Page 3248]][GRAPHIC] [TIFF OMITTED] TR14JA21.004[[Page 3249]][GRAPHIC] [TIFF OMITTED] TR14JA21.005BILLING CODE 6351-01-CC. Section-by-Section Summary of Final Rule--------------------------------------------------------------------------- \42\As noted above, under the Final Rule the Federal position limit levels for all of the nine legacy ***agricultural*** contracts will increase, other than CBOT Oats. However, the Commission notes that exchange-set position limits will remain at current levels unless and until the relevant exchange submits a rule amendment pursuant to part 40 of the Commission's regulations to amend the relevant exchange-set position limit. \43\As discussed further in this release, the Commission will no longer recognize risk management exemptions under the Final Rule. However, positions that are entered into based on a market participant's previously-granted risk management exemptions will be subject to an extended compliance date until January 1, 2023 with respect to Federal position limits. That is, a market participant with a previously granted risk management exemption will have a compliance date of January 1, 2023 with respect to the elimination of such risk management exemption. \44\Form 204 (for all nine legacy ***agricultural*** contracts other than cotton) and Parts I and II of Form 304 (for cotton) are submitted by a market participant to the Commission under the existing Federal position limits regulations in connection with Federal enumerated bona fide hedges employed by the market participants.--------------------------------------------------------------------------- The Commission is adopting revisions to Sec. Sec. 150.1, 150.2, 150.3, 150.5, and 150.6 and to parts 1, 15, 17, 19, 40, and 140, as well as adding Sec. Sec. 150.8, 150.9, and Appendices A-G to part 150.\45\ Most noteworthy, the Commission is adopting the following amendments to the foregoing rule sections, each of which, along with all other changes in the Final Rule, is discussed in greater detail in Section II of this release. The following summary is not intended to provide a substantive overview of this Final Rule, but rather is intended to provide a guide to the rule sections that address each topic. For an overview of this Final Rule organized by topic (rather than by section number), please see the executive summary above.--------------------------------------------------------------------------- \45\ The 2020 NPRM proposed to remove and reserve part 151. It did not propose to amend current Sec. 150.4 dealing with aggregation of positions for purposes of compliance with Federal position limits, which was amended in 2016 in a prior rulemaking. See Final Aggregation Rulemaking, 81 FR at 91454.--------------------------------------------------------------------------- The Commission finds that Federal speculative position limits are necessary for 25 core referenced futures contracts, and for any futures contracts and options on futures contracts linked thereto. The Commission adopts Federal position limits on physically-settled and linked cash-settled futures contracts, options on futures contracts, and ``economically equivalent swaps'' for such commodities. The 25 core referenced futures contracts include the nine ``legacy'' ***agricultural*** contracts currently subject to Federal position limits and 16 additional non-legacy contracts, which include: Seven additional ***agricultural*** contracts, four energy contracts, and five metals contracts.\46\ Federal spot and non-spot[[Page 3250]]month limits apply to the nine ``legacy'' ***agricultural*** contracts currently subject to Federal position limits,\47\ and only Federal spot-month limits apply to the additional 16 non-legacy contracts. Outside of the spot month, these 16 non-legacy contracts are subject to exchange-set limits and/or accountability levels if listed on an exchange.--------------------------------------------------------------------------- \46\ The seven additional ***agricultural*** contracts that are subject to Federal spot month limits are: CME Live Cattle (LC), CBOT Rough Rice (RR), ICE Cocoa (CC), ICE Coffee C (KC), ICE FCOJ-A (OJ), ICE Sugar No. 11 (SB), and ICE Sugar No. 16 (SF). The four energy contracts that are subject to Federal spot month limits are: NYMEX Light Sweet Crude Oil (CL), NYMEX New York Harbor ULSD Heating Oil (HO), NYMEX New York Harbor RBOB Gasoline (RB), and NYMEX Henry Hub Natural Gas (NG). The five metals contracts that are subject to Federal spot month limits are: COMEX Gold (GC), COMEX Silver (SI), COMEX Copper (HG), NYMEX Palladium (PA), and NYMEX Platinum (PL). As discussed below, any contracts for which the Commission is adopting Federal position limits only during the spot month are subject to exchange-set limits and/or accountability levels outside of the spot month. \47\ The Commission currently sets and enforces speculative position limits with respect to certain enumerated ***agricultural*** products. The ``enumerated'' ***agricultural*** products refer to the list of commodities contained in the definition of ``commodity'' in CEA section 1a; 7 U.S.C 1a. These ***agricultural*** products consist of the following nine currently traded contracts: CBOT Corn (and Mini-Corn) (C), CBOT Oats (O), CBOT Soybeans (and Mini-Soybeans) (S), CBOT Wheat (and Mini-Wheat) (W), CBOT Soybean Oil (SO), CBOT Soybean Meal (SM), MGEX HRS Wheat (MWE), CBOT KC HRW Wheat (KW), and ICE Cotton No. 2 (CT). See 17 CFR 150.2 --------------------------------------------------------------------------- Amendments to Sec. 150.1 add or revise several definitions for use throughout part 150, including: New definitions of the terms ``core referenced futures contract'' (pertaining to the 25 physically-settled futures contracts explicitly listed in the regulations) and ``referenced contract'' (pertaining to futures contracts and options on futures contracts that have certain direct and/or indirect linkages to the core referenced futures contracts, and to ``economically equivalent swaps'') to be used as shorthand to refer to contracts subject to Federal position limits; an expanded ``spread transaction'' definition; and a ``bona fide hedging transaction or position'' definition that is broad enough to accommodate hedging practices in a variety of contract types, including hedging practices that may develop over time. Amendments to Sec. 150.2 list the 25 core referenced futures contracts which, along with any associated referenced contracts, are subject to Federal position limits; and specify the Federal spot and non-spot month position limit levels. Federal spot month position limit levels are set at or below 25 percent of estimated deliverable supply, whereas Federal non-spot month limit levels are set at 10% of open interest for the first 50,000 contracts of open interest, with an incremental increase of 2.5% of open interest thereafter. Amendments to Sec. 150.3 specify the types of positions for which exemptions from Federal position limit requirements may be granted, and set forth and/or reference the processes for requesting such exemptions, including recognitions of bona fide hedges and exemptions for spread positions, financial distress positions, certain natural gas positions held during the spot month, and pre-enactment and transition period swaps. For all contracts subject to Federal position limits, bona fide hedge exemptions listed in Appendix A to part 150 as an enumerated bona fide hedge are self-effectuating for purposes of Federal position limits. For non-enumerated bona fide hedges, market participants must submit an application either directly to the Commission under Sec. 150.3 or indirectly through an exchange for Federal position limit purposes under new Sec. 150.9 (discussed below). Amendments to Sec. 150.5 refine the process, and establish non-exclusive methodologies, by which exchanges may set exchange-level limits and grant exemptions therefrom with respect to futures and options on futures, including separate methodologies for contracts subject to Federal position limits and physical commodity derivatives not subject to Federal position limits.\48\ While the Commission will oversee compliance with Federal position limits on swaps, the Commission has also determined to delay the enforcement of exchange-set position limits on swaps otherwise required in amended Sec. 150.5 because exchanges cannot view market participants' positions in swaps across the various places they trade, including on competitor exchanges.\49\--------------------------------------------------------------------------- \48\ Rule Sec. 150.5 addresses exchange-set position limits and exemptions therefrom, whereas Sec. 150.3 addresses exemptions from Federal position limits, and Sec. 150.9 addresses a streamlined process for recognizing non-enumerated bona fide hedges for purposes of Federal position limits. Exchange rules typically refer to ``exemptions'' in connection with bona fide hedging and spread positions, whereas the Commission uses the nomenclature ``recognition'' with respect to bona fide hedges, and ``exemption'' with respect to spreads. \49\ With respect to exchange-set position limits on swaps, in two years the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms to implement DCM Core Principle 5 and SEF Core Principle 6.--------------------------------------------------------------------------- New Sec. 150.9 establishes a streamlined process for addressing requests for bona fide hedging recognitions for purposes of Federal position limits, and leveraging exchange expertise and resources. This process will be used by market participants with non-enumerated bona fide hedge positions. Under the Final Rule, market participants can provide one application for a non-enumerated bona fide hedge to a DCM or SEF, as applicable, and receive approval of such request based on the same application from both the exchange for purposes of exchange-set limits and from the Commission for purposes of Federal position limits. New Appendix A to part 150 contains a list of enumerated bona fide hedges. Positions that comply with the bona fide hedging transaction or position definition in Sec. 150.1 and that are enumerated in Appendix A may exceed Federal position limits to the extent that all applicable requirements in part 150 are met. Persons holding such positions enumerated in Appendix A may exceed Federal position limits without being required to request prior approval under Sec. 150.3 or Sec. 150.9 Positions that do not fall within any of the enumerated hedges could still potentially be recognized as bona fide hedging positions, provided the positions otherwise comply with the proposed bona fide hedging definition and all other applicable requirements, including the approval process under Sec. 150.3 or Sec. 150.9 Amendments to part 19 and related provisions eliminate Form 204 (and corresponding Parts I and II of Form 304 for cotton), enabling the Commission to leverage cash-market reporting submitted directly to the exchanges under Sec. Sec. 150.5 and 150.9 The Final Rule maintains Part III of Form 304, related to the cotton on-call report.D. Effective Date and Compliance Period The 2020 NPRM included proposed Sec. 150.2(e), which provided that the Federal position limit levels for the 25 core referenced futures contracts would have a compliance date 365 days after publication of the final position limits regulations in the Federal Register. Additionally, proposed Sec. 150.3(c) provided that previously-granted risk management exemptions shall not be effective after the Final Rule's effective date. The Commission is removing from the Final Rule the compliance date requirements in proposed Sec. Sec. 150.2(e) and 150.3(c) and instead addressing the effective and compliance dates together within this Federal Register release. The Commission is making two modifications from the 2020 NPRM relating to the effective date and compliance period of the Final Rule. First, as noted above in the executive summary, the Commission is providing a general compliance date of January 1,[[Page 3251]]2022 for both market participants and exchanges. In contrast, the 2020 NPRM did not provide a specific date as the compliance date but rather stated 365 days after publication in the Federal Register.\50\--------------------------------------------------------------------------- \50\ The Commission is adopting calendar dates for compliance to provide clarity rather than the 2020 NPRM's approach of stating that the compliance period ends 365 days after publication in the Federal Register since the Commission believes that providing a set calendar date provides greater clarity to market participants. Based on the timing of the Final Rule, the Commission believes that the January 1, 2022 general compliance date will not reduce the compliance period compared to the 2020 NPRM's approach and may provide slightly more time prior to the commencement of the compliance period.--------------------------------------------------------------------------- This compliance date of January 1, 2022 applies to (i) the Federal position limits set forth in Appendix E to part 150 for only the 16 non-legacy core referenced futures contracts that are subject to Federal position limits for the first time under this Final Rule, and (ii) exchange obligations under final Sec. 150.5 This compliance date also applies to referenced contracts for any of the 16 non-legacy core referenced futures contracts (other than economically equivalent swaps, which have a separate compliance date as discussed immediately below). In contrast, the 2020 NPRM's compliance date applied only to market participants' compliance with the new Federal position limit levels. However, as discussed below, the Final Rule does not provide a separate compliance date for the nine legacy ***agricultural*** contracts since they are already subject to existing Federal position limits. Second, the Commission is establishing a separate compliance date of January 1, 2023 in connection with (i) economically equivalent swaps and (ii) the elimination of previously-granted risk management exemptions (i.e , market participants may continue to rely on their previously-granted risk management exemptions until January 1, 2023). As noted above, the 2020 NPRM only had a single general compliance date and did not provide a separate compliance date for economically equivalent swaps or related to previously-granted risk management exemptions. In this section, the Commission will discuss the following related issues: (i) Compliance with Federal position limits for the nine legacy ***agricultural*** contracts; (ii) compliance by exchanges with Sec. 150.5 under the Final Rule and market participants' related obligation to temporarily continue providing Forms 204/304 in connection with bona fide hedges; (iii) exchanges' voluntary implementation of Sec. 150.9 under the Final Rule; and (iv) comments received in connection with the compliance date proposed in the 2020 NPRM.i. Compliance With Federal Position Limits for the Nine Legacy ***Agricultural*** Contracts With respect to the nine legacy ***agricultural*** contracts, the Commission is not providing a compliance date with respect to the spot month and non-spot month Federal position limit levels. Accordingly, the new Federal position limit levels under the Final Rule will become effective on the Effective Date. The nine legacy ***agricultural*** contracts are currently subject to Federal position limits and will continue to be subject under the Final Rule, which, as noted above, is increasing the Federal position limit levels for the nine legacy ***agricultural*** contracts (other than CBOT Oats, which will maintain the existing Federal position limit levels). The Commission has determined not to provide a separate compliance date for the nine legacy ***agricultural*** contracts since market participants trading in these markets already are familiar with Federal position limits and have established the necessary monitoring and compliance oversight processes, in connection with these legacy contracts. With respect to exchange-set position limits, the Final Rule does not require exchanges to increase their respective exchange-set position limit levels. Rather, the Final Rule only requires that exchange-set position limits are established at a level no higher than the corresponding Federal position limits. As a result, in response to the Final Rule, an exchange may: (1) Raise its exchange-set limits to be as high as (or lower than) the corresponding Federal position limits immediately on the Effective Date or anytime thereafter; (2) implement a phase-in period where exchange-set position limits increase from existing exchange-set levels over time; or (3) not increase the exchange-set position limit levels at all, in each case as the exchange may determine appropriate for its markets.ii. Exchange Implementation of Sec. 150.5 and Market Participants' Obligations To Continue Providing Forms 204 and 304, as Applicable, in Connection With Federal Enumerated Bona Fide Hedges For clarity, in connection with the nine legacy ***agricultural*** contracts, market participants may avail themselves of the new enumerated bona fide hedges (e.g , anticipatory merchandising) immediately upon the Effective Date (market participants will not need to be concerned with availing themselves of bona fide hedge recognitions for the 16 non-legacy contracts upon the Effective Date since these contracts will have a compliance date of January 1, 2022). To the extent that market participants seek to rely on any Federal enumerated bona fide hedges, market participants must continue to provide, as applicable, the Commission with Forms 204/304, which are otherwise eliminated by the Final Rule upon the Effective Date, until the relevant exchange that lists the applicable referenced contract implements Sec. 150.5 under the Final Rule. As discussed below, final Sec. 150.5 governs, among other things, exchange rules and procedures, including (i) the exchange's collection of certain cash-market information from market participants in connection with their bona fide hedge applications for exchange-set limits and (ii) the exchange's sharing of related information with the Commission. As discussed further below, the Final Rule predicates the elimination of Forms 204/304 on the relevant exchange's sharing of the information with the Commission under final Sec. 150.5 (which provides for a new process for the exchange to share ***data*** with the Commission similar to ***data*** that the Commission previously obtained through Forms 204/304 under the Federal framework existing prior to the Final Rule).\51\ Exchanges must implement final Sec. 150.5 by the Final Rule's general compliance date of January 1, 2022.--------------------------------------------------------------------------- \51\ For further discussion of the elimination of Form 204 and Parts I and II of Form 304, see Section II.H.2, infra.---------------------------------------------------------------------------iii. Exchange Implementation of Sec. 150.9 in Connection With the Market Participants' Applications Through Exchanges for Non-Enumerated Bona Fide Hedges for Purposes of Federal Position Limits As discussed above, the Final Rule establishes a streamlined process for market participants to apply through exchanges for non-enumerated bona fide hedges for purposes of Federal position limits. That is, a market participant may submit a single non-enumerated bona fide hedge exemption application to an exchange for purposes of both Federal and exchange-set position limits, and the Commission will review, and make a determination based on, the application that the market participant submitted to the exchange. For clarity, the Commission notes that the Final Rule does not require exchanges to participate in such process. However, if an exchange chooses to do so, the Commission is clarifying, for[[Page 3252]]the avoidance of doubt, that the exchange may implement this streamlined process for non-enumerated bona fide hedge applications as soon as the Effective Date, or anytime thereafter (or not at all). In response to certain concerns by market participants and exchanges, discussed immediately below, the Commission believes that, to the extent an exchange chooses to participate in this streamlined application process, the implementation of Sec. 150.9 soon after the Effective Date may help ensure minimal disruption to market participants' existing trading strategies as well as avoid having the potentially unfeasible situation of requiring the exchanges to process a number of non-enumerated bona fide hedge applications simultaneously at the end of the general compliance period on January 1, 2022. Furthermore, the Commission clarifies in Section II.G.3.iii that market participants with existing Commission-granted non-enumerated or anticipatory bona fide hedge recognitions in connection with the nine legacy ***agricultural*** contracts under the existing framework are not required to reapply to the Commission for a new recognition under the Final Rule.iv. Comments--Compliance Period Generally, commenters supported the proposed compliance date, noting that an adequate compliance period would afford sufficient time to make necessary business adjustments (e.g , time to build compliance systems, develop technology, train personnel, etc.).\52\ The Commission agrees with these observations and believes that a general compliance date of January 1, 2022, except for economically equivalent swaps and positions based on a previously-granted risk management exemption, will provide exchanges and market participants sufficient time to adjust their operations and compliance and monitoring systems.--------------------------------------------------------------------------- \52\ CME Group at 8; FIA at 2-3; ISDA at 2, 8; Shell at 4; and SIFMA AMG at 2, 9-10.--------------------------------------------------------------------------- Some commenters also requested an extended compliance date (beyond the general compliance date) for economically equivalent swaps to mitigate the numerous legal, operational, and compliance challenges of implementing position limits for swaps for the first time.\53\ Unlike exchange-listed contracts that are currently subject to either Federal position limits or exchange-set limits, commenters noted that exchanges do not have existing compliance and monitoring resources for economically equivalent swaps from which to leverage. The Commission agrees with commenters that additional time for economically equivalent swaps is warranted, and, as discussed above, is thus delaying the compliance date for economically equivalent swaps for an additional year, until January 1, 2023.--------------------------------------------------------------------------- \53\ MFA/AIMA at 8; NCFC at 6; NGSA at 15-16; SIFMA AMG at 9-10; and Citadel at 9-10.--------------------------------------------------------------------------- CME Group expressed concern that it may receive an influx of exemption applications at the end of the compliance period, and therefore suggested a rolling process where market participants are grandfathered into their current exemptions, permitting them to file for those exemptions on the same annual schedule.\54\ The Commission believes this concern is mitigated since exchanges, at their discretion, may implement final Sec. 150.9 as soon as the Effective Date, which will allow exchanges to review non-enumerated bona fide hedge applications on a rolling basis between the Effective Date and the end of the compliance period rather than having to process a large number of applications at once. Furthermore, as noted above, market participants with existing Commission-granted non-enumerated or anticipatory bona fide hedge recognitions are not required to reapply to the Commission for a new recognition under the Final Rule.--------------------------------------------------------------------------- \54\ CME Group at 8.---------------------------------------------------------------------------E. The Commission Construes CEA Section 4a(a) To Require the Commission To Make a Necessity Finding Before Establishing Position Limits for Physical Commodities Other Than Excluded Commodities The Commission is required by ISDA to determine whether CEA section 4a(a)(2)(A) requires the Commission to find, before establishing a position limit, that such limit is ``necessary.'' \55\ The provision states in relevant part that ``the Commission shall'' establish position limits ``as appropriate'' for futures contracts in physical commodities other than excluded commodities ``[i]n accordance with the standards set forth in'' the preexisting section 4a(a)(1).\56\ That preexisting provision requires the Commission to establish position limits as it ``finds are necessary to diminish, eliminate, or prevent'' certain enumerated burdens on interstate commerce.\57\ In the 2011 Final Rulemaking, the Commission interpreted this language as an unambiguous mandate to establish position limits without first finding that such limits are necessary, but with discretion to determine the ``appropriate'' levels for each.\58\ In ISDA, the U.S District Court for the District of Columbia disagreed and held that section 4a(a)(2)(A) is ambiguous as to whether the ``standards set forth in paragraph (1)'' include the requirement of an antecedent finding that a position limit is necessary.\59\ The court vacated the 2011 Final Rulemaking and directed the Commission to apply its experience and expertise to resolve that ambiguity.\60\ The Commission has done so and determines that section 4a(a)(2)(A) should be interpreted to require that before establishing position limits, the Commission must determine that limits are necessary.\61\ A full legal analysis is set forth infra at Sections III.C -E.--------------------------------------------------------------------------- \55\ ISDA, 887 F.Supp.2d at 281. \56\ 7 U.S.C 6a(a)(2)(A). \57\ 7 U.S.C 6a(a)(1). \58\ 76 FR at 71626, 71627. \59\ ISDA, 887 F.Supp.2d at 279-280. \60\ Id. at 281. \61\ See infra Section III.B --------------------------------------------------------------------------- The Commission finds that position limits are necessary for the 25 core referenced futures contracts, including certain commodity derivative contracts that are directly or indirectly linked to a core referenced futures contract. The Commission's finding with respect to the 25 core referenced futures contracts is based on two interrelated factors: The particular importance of the 25 core referenced futures contracts to their respective underlying cash markets, including that they require physical delivery of the underlying commodity, and, the commodities' particular importance to the national economy. Separately, the Commission finds that position limits are necessary during the spot month for all 25 core referenced futures contracts and outside of the spot month only for the nine legacy ***agricultural*** commodity contracts (in each instance including certain commodity derivative contracts that are directly or indirectly linked to a core referenced futures contract). A full discussion of the necessity findings is set forth infra at Sections III.C -E.F. The Commission's Use of Certain Terminology The Commission is aware that this Final Rule will likely be reviewed by a diverse range of members of the public from varied backgrounds and industries and with different levels of knowledge and experience with derivatives markets. Furthermore, even among experienced market participants, terminology may differ by industry, commodity, or exchange. The Commission also recognizes that certain[[Page 3253]]terms commonly referenced by market participants may differ from the technical legal terms used in the Commission's regulations and/or the CEA. Accordingly, unless otherwise noted, the Commission will attempt to use terms and phrases in their ordinary, plain English sense. When required, the Commission will explicitly identify technical or nuanced legal/regulatory or industry ``terms of art.'' The Commission wishes to briefly review certain terms and phrases used throughout this release below, as follows: Bona fide hedges. The CEA uses the legal term ``bona fide hedging transaction or position'' in both the singular and plural. The Commission currently defines the term in existing Sec. 1.3 in the plural as ``bona fide hedging transactions or positions'' while the Final Rule now incorporates the singular ``bona fide hedging transaction or position.'' The Commission understands that most market participants simply refer to ``bona fide hedge(s)'' (in both the singular and the plural). Accordingly, for short hand throughout this release, the Commission may refer to ``bona fide hedges,'' ``bona fide hedge positions,'' ``bona fide hedge transactions,'' ``bona fide hedges,'' ``bona fide hedging positions,'' and similar phrasing. These terms are meant to apply as short hand and are not intended to imply a substantive difference either with the defined legal term ``bona fide hedging transaction or position'' or with one another. Similarly, the plural term in the existing Commission regulations and the singular in the Final Rule, as discussed below, are not intended to reflect a substantive difference. Federal position limits. The Final Rule creates a new defined term, ``speculative position limit,'' in part 150 of the Commission's regulations to refer to the maximum position, net long or net short, that a market participant may maintain in a referenced contract. Throughout this release, the Commission will use as a general term either ``position limits'' or ``Federal position limits'' to refer to the general Federal position limits framework and related regulations, including the defined term ``speculative position limit.'' When discussing the individual ``speculative position limit'' levels for each commodity derivative contract, as opposed to the Final Rule's general Federal regulatory framework, the Commission instead may refer to the ``Federal position limit levels,'' although all these phrases are intended to refer to the same general concept. The Commission may also specifically refer to exchange-set position limits when referring to the general framework, process, or specific position limit levels established by the respective exchanges. Exchanges. This Final Rule applies to both DCMs and SEFs. Unless otherwise distinguished, the Commission will refer to ``exchanges'' throughout this release to refer to any relevant DCM or SEF. Cash-Settled and Physically-Settled. The Commission throughout this release refers to ``cash-settled'' and ``physically-settled'' commodity derivative contracts. When a futures contract expires, all open futures contract positions in such contract are settled by either: (1) Physical delivery, which the Commission refers to as a ``physically-settled'' contract, or (2) cash settlement, which the Commission refers to as a ``cash-settled'' contract, in each case depending on the contract terms set by the exchange. Deliveries on ``physically-settled'' futures contracts are made through the exchange's clearinghouse, and the delivery of the physical commodity must be consummated between the buyer and seller per the exchange rules and contract specifications. On the other hand, other futures contracts are ``cash-settled'' because they do not involve the transfer of physical commodity ownership and require that all open positions at expiration be settled by a transfer of cash to or from the clearinghouse based upon the final settlement price of the contracts. The Commission further notes that some market participants may instead use the terms ``physical-delivery'' contracts or ``financially-settled'' contracts instead of the Commission's terms ``physically-settled'' contracts and ``cash-settled'' contracts, respectively. The Commission does not intend a substantive difference in meaning with the choice of its terms. Spread Positions. The Commission views its use of the term ``spread'' to mean the same as ``arbitrage'' or ``straddle'' as those terms are used in CEA section 4a(a) and existing Sec. 150.3(a)(3) of the Commission's regulations. Consistent with existing regulations, the Commission's sole use of the term ``spread'' in this Final Rule is intended to also capture arbitrage or straddle strategies referred to in CEA section 4a(a) and existing Sec. 150.3(a)(3), and referring to ``spread'' rather than ``arbitrage'' or ``straddle'' is not intended to be a substantive difference. The Commission notes that certain exchanges may distinguish between ``spread'' and ``arbitrage'' positions for purposes of exchange exemptions, but the Commission does not make that distinction here for purposes of its ``spread transaction'' definition as used in this release. Unfixed Price Forward Transactions. Throughout this release, the Commission will use as general terms either ``unfixed price forward transactions,'' ``unfixed price transactions,'' ``unfixed price forward contracts,'' and/or ``unfixed price contracts'' to refer to transactions that are either purchases or sales of a cash commodity where the purchase or sales price, as applicable, is determined based on the settlement price of a benchmark, such as the settlement price of a commodity derivative contract on a certain date (e.g , the price on the settlement date of a core referenced futures contract) or other index price (e.g , a spot index price). Market participants may also refer to unfixed price transactions as ``floating price'' transactions, and the Commission does not intend a substantive difference in meaning with the choice of these terms.G. Recent Volatility in the WTI Contract Several commenters noted the volatility in the NYMEX Light Sweet Crude Oil (CL) contract, also known as the West Texas Intermediate crude oil contract (``WTI contract''), that occurred in April 2020 (subsequent to the issuance of the 2020 NPRM) in their comments to the 2020 NPRM. Some commenters suggested that the volatility may have been caused, in part, by excessive speculation \62\ or highly leveraged traders,\63\ or both. Better Markets suggested that a combination of passive exchange-traded funds,\64\ the use of trading-at-settlement (``TAS'') orders,\65\ automated trading,\66\ and, according to Better Markets, a lack of ``meaningful position limits,'' \67\ may have contributed to the volatility. Other commenters suggested that this event could have been mitigated through additional liquidity provided by financial end users during the critical[[Page 3254]]time period, among other measures.\68\ Commenters also pointed to the event to bolster arguments for and against Commission deference to exchanges in implementing position limits.\69\ A few commenters requested that the Commission refrain from finalizing the rule until it better understands this event and other issues.\70\--------------------------------------------------------------------------- \62\ PMAA at 2. \63\ NEFI at 3-4. \64\ Better Markets at 9. \65\ Better Markets at 13. A TAS order is an order that is placed during the trading session but is executed at the settlement price (or with a small price range around the settlement price). Trading at Settlement (TAS), [*https://www.cmegroup.com/trading/trading-at-settlement.html*](https://www.cmegroup.com/trading/trading-at-settlement.html) (last visited Aug. 29, 2020); TRADE AT SETTLEMENT (TAS) FREQUENTLY ASKED QUESTIONS July 2020, [*https://www.theice.com/publicdocs/futures\_us/TAS\_FAQ.pdf*](https://www.theice.com/publicdocs/futures_us/TAS_FAQ.pdf) (last visited Aug. 29, 2020). \66\ Better Markets at 14-17. \67\ Better Markets at 10. \68\ AQR at 5-7 (``The inability of position limits themselves to eliminate the unpredictability of commodity futures markets highlights the importance of existing Commission and exchange oversight of these markets and the dangers of overreliance on a single regulatory tool to address market dynamics for which it may not have been designed . . . [W]e encourage the Commission to consider not only concerns around potential manipulation, but also the potential unintended consequences of such limits and the need for liquidity during sensitive time periods for commodity futures markets.''); SCM at 2-3 (``This liquidity, provided by financial trading firms and hedge funds . . ., is essential to balance, check and smooth the otherwise uncontrollable trading that can occur when only commercial firms and unsophisticated trading participants are active in a market.''). \69\ IATP suggested that the event demonstrates the problems of Commission deference to DCMs' ``experience and capacity'' on many of the provisions in the 2020 NPRM. See IATP at 18. Conversely, SEMI stated that a final rule should not be overly restrictive in response to the recent market conditions in WTI oil markets, given that it is the exchanges that ``have the expertise, experience and existing tools to effectively manage the orderly expiration of futures contracts that are in the spot month under such circumstances.'' SEMI at 13. \70\ AFR at 3; Rutkowski at 2; IATP at 2-3.--------------------------------------------------------------------------- The Commission has been closely examining the circumstances surrounding the volatility in the WTI contract since it occurred in April 2020. The Commission will continue to analyze the events of April 2020 to evaluate whether any changes to the position limits regulations may be warranted in light of the circumstances surrounding the volatility in the WTI contract. Any proposed changes that the Commission finds may be warranted would be subject to public comment pursuant to the requirements of the Administrative Procedure Act.H. Brief Summary of Comments Received As stated previously, the Commission received approximately 75 relevant comment letters in response to the 2020 NPRM.\71\ Though several commenters did not support the Commission adopting the 2020 NPRM and requested its withdrawal,\72\ most of the 75 comments received generally supported the 2020 NPRM, or supported specific elements of the 2020 NPRM. However, many of these commenters suggested modifications to portions of the 2020 NPRM, which are discussed in the relevant sections discussing the Final Rule below. In addition, several commenters requested Commission action beyond the scope of the 2020 NPRM, also discussed in the relevant sections below.--------------------------------------------------------------------------- \71\ See supra, n.16 \72\ E.g AFR; Better Markets; IATP; Eric Matsen; NEFI; Public Citizen; Robert Rutkowski; SCM; and VLM.---------------------------------------------------------------------------II. Final RuleA. Sec. 150.1--Definitions Definitions relevant to the existing position limits regime currently appear in both Sec. Sec. 1.3 and 150.1 of the Commission's regulations.\73\ The Commission proposed to update and supplement the definitions in Sec. 150.1, including moving a revised definition of ``bona fide hedging transactions and positions'' from Sec. 1.3 into Sec. 150.1 The proposed changes were intended, among other things, to conform the definitions to certain of the Dodd-Frank Act amendments to the CEA.\74\ Each proposed defined term is discussed in alphabetical order below.--------------------------------------------------------------------------- \73\ 17 CFR 1.3 and 150.1, respectively. \74\ In addition to the amendments described below, the Commission proposed to re-order the defined terms so that they appear in alphabetical order, rather than in a lettered list, so that terms can be more quickly located. Moving forward, any new defined terms would be inserted in alphabetical order, as recommended by the Office of the Federal Register. See Document Drafting Handbook, Office of the Federal Register, National Archives and Records Administration, 2-31 (Revision 5, Oct. 2, 2017) (stating, ``[i]n sections or paragraphs containing only definitions, we recommend that you do not use paragraph designations if you list the terms in alphabetical order. Begin the definition paragraph with the term that you are defining.'').---------------------------------------------------------------------------1. ``Bona Fide Hedging Transaction or Position''i. Background--Bona Fide Hedging Transaction or Position Under CEA section 4a(c)(1), position limits shall not apply to transactions or positions that are shown to be bona fide hedging transactions or positions, as such terms shall be defined by the Commission.\75\ The Dodd-Frank Act directed the Commission, for purposes of implementing CEA section 4a(a)(2), to adopt a bona fide hedging definition consistent with CEA section 4a(c)(2).\76\ The existing definition of ``bona fide hedging transactions and positions,'' which first appeared in Sec. 1.3 of the Commission's regulations in the 1970s,\77\ is inconsistent, in certain ways described below, with the revised statutory definition in CEA section 4a(c)(2).--------------------------------------------------------------------------- \75\ 7 U.S.C 6a(c)(1). \76\ 7 U.S.C 6a(c)(2). \77\ See, e.g , Definition of Bona Fide Hedging and Related Reporting Requirements, 42 FR 42748 (Aug. 24, 1977). Previously, the Secretary of ***Agriculture***, pursuant to section 404 of the Commodity Futures Trading Commission Act of 1974 (Pub. L. 93-463), promulgated a definition of bona fide hedging transactions and positions. Hedging Definition, Reports, and Conforming Amendments, 40 FR 11560 (Mar. 12, 1975). That definition, largely reflecting the statutory definition previously in effect, remained in effect until the newly-established Commission defined that term. Id.--------------------------------------------------------------------------- Accordingly, and for the reasons outlined below, the Commission proposed to remove the existing bona fide hedging definition from Sec. 1.3 and replace it with a revised bona fide hedging definition that would appear alongside all of the other position limits related definitions in proposed Sec. 150.1 \78\ This definition would be applied in determining whether a position in a commodity derivative contract is a bona fide hedge that may exceed Federal position limits set forth in Sec. 150.2 --------------------------------------------------------------------------- \78\ In a 2018 rulemaking, the Commission amended Sec. 1.3 to replace the sub-paragraphs that had for years been identified with an alphabetic designation for each defined term with an alphabetized list. See Definitions, 83 FR 7979 (Feb. 23, 2018). The bona fide hedging definition, therefore, is now a paragraph, located in alphabetical order, in Sec. 1.3, rather than in Sec. 1.3(z). Accordingly, for purposes of clarity and ease of discussion, when discussing the Commission's existing version of the bona fide hedging definition, this release will refer to the bona fide hedging definition in Sec. 1.3 Further, the version of Sec. 1.3 that appears in the Code of Federal Regulations applies only to excluded commodities and is not the version of the bona fide hedging definition currently in effect. The version currently in effect, the substance of which remains as it was amended in 1987, applies to all commodities, not just to excluded commodities. See Revision of Federal Speculative Position Limits, 52 FR 38914 (Oct. 20, 1987). While the 2011 Final Rulemaking amended the Sec. 1.3 bona fide hedging definition to apply only to excluded commodities, that rulemaking was vacated, as noted previously, by a September 28, 2012 order of the U.S District Court for the District of Columbia, with the exception of the rule's amendments to 17 CFR 150.2 Although the 2011 Final Rulemaking was vacated, the 2011 version of the bona fide hedging definition in Sec. 1.3, which applied only to excluded commodities, has not yet been formally removed from the Code of Federal Regulations. The currently-in-effect version of the Commission's bona fide hedging definition thus does not currently appear in the Code of Federal Regulations. The closest to a ``current'' version of the definition is the 2010 version of Sec. 1.3, which, while substantively current, still includes the ``(z)'' denomination that was removed in 2018. The Commission proposed to address the need to formally remove the incorrect version of the bona fide hedging definition as part of the 2020 NPRM.--------------------------------------------------------------------------- This section of the release discusses the bona fide hedging definition and the substantive standards for bona fide hedges. The process for granting bona fide hedge recognitions is discussed later in this release in connection with Sec. Sec. 150.3 and 150.9 \79\--------------------------------------------------------------------------- \79\ See infra Section II.C (discussing Sec. 150.3) and Section II.G (discussing Sec. 150.9).--------------------------------------------------------------------------- The discussion in this section is organized as follows: i. This background section discussion;[[Page 3255]] ii. An overview of the existing ``general'' elements of the bona fide hedging definition and the specific ``enumerated'' bona fide hedges listed in the existing bona fide hedge definition; iii. A discussion of each of the elements of the existing ``general'' bona fide hedging definition, including the (a) temporary substitute test (and the related elimination of the risk management exemption), (b) economically appropriate test, (c) change in value requirement, (d) incidental test, and (e) orderly trading requirement; iv. The treatment of unfixed-price transactions under the Final Rule; v. A discussion of each enumerated bona fide hedge in the Final Rule; vi. A discussion of the elimination of the Five-Day Rule; vii. A discussion of the guidance on measuring risk (i.e , gross versus net hedging); viii. A discussion of the Final Rule's implementation of the CEA's statutory pass-through swap and pass-through swap offset provisions; and ix. A discussion of the form, location, and organization of the enumerated bona fide hedges.ii. Overview of the Commission's Existing Bona Fide Hedging Definition in Sec. 1.3 Paragraph (1) of the existing bona fide hedging definition in Commission regulation Sec. 1.3 contains what is currently labeled the ``general definition'' of bona fide hedging. This ``general'' bona fide hedging definition comprises five key elements which require that in order for a position to be deemed a bona fide hedge for Federal position limits, the position must: ``normally'' represent a substitute for transactions to be made or positions to be taken at a later time in a physical marketing channel (``temporary substitute test''); be economically appropriate to the reduction of risks in the conduct and management of a commercial enterprise (``economically appropriate test''); arise from the potential change in value of (1) assets which a person owns, produces, manufactures, processes, or merchandises or anticipates owning, producing, manufacturing, processing, or merchandising, (2) liabilities which a person owns or anticipates incurring, or (3) services which a person provides, purchases, or anticipates providing or purchasing (``change in value requirement''); have a purpose to offset price risks incidental to commercial cash or spot operations (``incidental test''); and be established and liquidated in an orderly manner (``orderly trading requirement'').\80\--------------------------------------------------------------------------- \80\ 17 CFR 1.3 --------------------------------------------------------------------------- As discussed more fully below, the Dodd-Frank Act's amendments to the CEA included the first three factors in the amended CEA, but did not include the last two factors. Additionally, paragraph (2) of the bona fide hedging definition in existing Sec. 1.3 currently sets forth a non-exclusive list of seven total enumerated bona fide hedges, contained in four general bona fide hedging transaction categories, that comply with the general bona fide hedging definition in paragraph (1). These bona fide hedge categories that are explicitly listed in existing Sec. 1.3's bona fide hedging definition are generally referred to as the ``enumerated'' bona fide hedges, a term the Commission uses throughout in this release. Market participants thus need not seek approval from the Commission of such positions as bona fide hedges prior to exceeding limits for such positions. Rather, market participants must simply report any such positions on the monthly Form 204 (or Form 304 for cotton), as required by part 19 of the Commission's existing regulations.\81\--------------------------------------------------------------------------- \81\ 17 CFR part 19.--------------------------------------------------------------------------- The seven existing enumerated hedges fall into the following four categories: (1) Sales of futures contracts to hedge (i) ownership or fixed-price cash commodity purchases and (ii) unsold anticipated production; (2) purchases of futures contracts to hedge (i) fixed-price cash commodity sales of the same commodity, (ii) fixed-price sales of the cash commodity's cash products and by-products, and (iii) unfilled anticipated requirements; (3) offsetting sales and purchases of futures contracts to hedge offsetting unfixed-price cash commodity sales and purchases; and (4) cross-commodity hedges.\82\--------------------------------------------------------------------------- \82\ 17 CFR 1.3 --------------------------------------------------------------------------- As discussed further below, market participants may not use either the existing enumerated bona fide hedges for unsold anticipated production or unfilled anticipated requirements to hedge more than twelve-months' unsold production or unfilled requirements, respectively (the ``twelve-month restriction''). Further, the existing enumerated bona fide hedges for unsold production and for offsetting sales and purchases of unfixed price transactions do not apply during the five last trading days. Similarly, the existing enumerated bona fide hedge for unfilled anticipated requirements has a modified version of the Five-Day Rule and provides that during the ``five last trading days'' a market participant may not maintain a position that exceeds the market participant's unfilled anticipated requirement for ``that month and for the next succeeding month.'' Paragraph (3) of the current bona fide hedging definition states that the Commission may recognize ``non-enumerated'' bona fide hedging transactions and positions pursuant to a specific request by a market participant using the process described in Sec. 1.47 of the Commission's regulations.\83\--------------------------------------------------------------------------- \83\ Id.---------------------------------------------------------------------------iii. Amended Bona Fide Hedge Definition for Physical Commodities in Sec. 150.1; ``General'' Elements of the Bona Fide Hedge Definition Under the Final Rule The Commission is adopting the proposed general elements currently found in the bona fide hedging definition in Sec. 1.3 that conform to the revised statutory bona fide hedging definition in CEA section 4a(c)(2), as amended by the Dodd-Frank Act, and is eliminating the general elements that do not conform.\84\ In particular, the Commission is adopting updated versions of the temporary substitute test, economically appropriate test, and change in value requirements that are described below, and eliminating the incidental test and orderly trading requirement, which are not included in the revised statutory text. Each of these changes is discussed in more detail below.\85\--------------------------------------------------------------------------- \84\ The Commission is also making a non-substantive change to the introductory language of Sec. 150.3 by referring in the proviso to ``such person's transactions or positions.'' The Commission views this as a clarifying edit, and does not intend a substantive difference in meaning with the choice of these terms. \85\ Bona fide hedge recognition is determined based on the particular circumstances of a position or transaction and is not conferred on the basis of the involved market participant alone. Accordingly, while a particular position may qualify as a bona fide hedge for a given market participant, another position held by that same participant may not. Similarly, if a participant holds positions that are recognized as bona fide hedges, and holds other positions that are speculative, only the speculative positions would be subject to position limits.---------------------------------------------------------------------------a. Temporary Substitute Test(1) Background--Temporary Substitute Test The language of the temporary substitute test in the Commission's existing bona fide hedging definition is inconsistent with the language of the temporary substitute test that appears in the CEA, as amended by the Dodd-Frank Act. Specifically, the Commission's existing regulatory definition currently provides that a bona fide hedging[[Page 3256]]position normally represents a substitute for transactions to be made or positions to be taken at a later time in a physical marketing channel.\86\ Prior to the enactment of the Dodd-Frank Act, the temporary substitute test in section 4a(c)(2)(A)(i) of the CEA also contained the word ``normally,'' so that the Commission's existing bona fide hedging definition mirrored the previous section 4a(c)(2)(A)(i) of the CEA prior to the Dodd-Frank Act. The word ``normally'' acted as a qualifier for the instances in which a position must be a temporary substitute for transactions or positions made at a later time in a physical marketing channel. However, the Dodd-Frank Act removed that qualifier by deleting the word ``normally'' from the temporary substitute test in CEA section 4a(c)(2)(A)(i).\87\--------------------------------------------------------------------------- \86\ 17 CFR 1.3 As noted earlier in this release, the currently-in-effect version of the Commission's bona fide hedging definition does not currently appear in the current Code of Federal Regulations. The closest to a ``current'' version of the definition is the 2010 version of Sec. 1.3, which, while substantively current, still includes the ``(z)'' denomination that was removed in 2018. The Commission proposed to address the need to formally remove the incorrect version of the bona fide hedging definition as part of the 2020 NPRM. See supra n.74 \87\ 7 U.S.C 6a(c)(2)(A)(i).--------------------------------------------------------------------------- In a 1987 interpretation, the Commission stated that, among other things, the inclusion of the word ``normally'' in connection with the pre-Dodd-Frank-Act version of the temporary substitute language indicated that the bona fide hedging definition should not be construed to apply only to firms using futures to reduce their exposures to risks in the cash market.\88\ Instead, the 1987 interpretation took the view that to qualify as a bona fide hedge, a transaction in the futures market did not necessarily need to be a temporary substitute for a later transaction in the cash market.\89\ In other words, that interpretation took the view that a futures position could still qualify as a bona fide hedging position even if it was not in connection with the production, sale, or use of a physical commodity.--------------------------------------------------------------------------- \88\ See Clarification of Certain Aspects of the Hedging Definition, 52 FR 27195, 27196 (July 20, 1987). \89\ Id.--------------------------------------------------------------------------- Commission staff has previously granted so-called ``risk management exemptions'' on such grounds. In connection with physical commodities, the phrase ``risk management exemption'' has historically been used by Commission staff to refer to non-enumerated bona fide hedge recognitions granted under Sec. 1.47 to allow swap dealers and others to hold ***agricultural*** futures positions in excess of Federal position limits in order to offset their positions in commodity index swaps or related exposure.\90\ Risk management exemptions were granted outside of the spot month, and the related swap exposure that was being offset (i.e , hedged by the futures or options position entered into based on the risk management exemption) was typically opposite an institutional investor for which the swap was not a bona fide hedge.--------------------------------------------------------------------------- \90\ As described below, due to differences in statutory language, the phrase ``risk management exemption'' often has a broader meaning in connection with excluded commodities than with physical commodities. See infra Section II.A.1.x (discussing proposed pass-through language).---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Temporary Substitute Test As described above, the Dodd-Frank Act clearly and unambiguously removed the word ``normally'' from the temporary substitute test in CEA section 4a(c)(2)(A)(i), as amended by the Dodd-Frank Act. As such, in the 2020 NPRM, the Commission interpreted the Dodd-Frank Act's removal of the word ``normally'' as reflecting Congressional statutory direction that a bona fide hedging position in physical commodities must always (and not just ``normally'') be in connection with the production, sale, or use of a physical cash-market commodity.\91\ The Commission interpreted this change to signal that the Commission should cease to recognize ``risk management'' positions as bona fide hedges for physical commodities, unless the positions satisfy the pass-through swap/swap offset requirements in section 4a(c)(2)(B) of the CEA, further discussed below.\92\--------------------------------------------------------------------------- \91\ 85 FR at 11596. \92\ 7 U.S.C 6a(c)(2)(B).--------------------------------------------------------------------------- In order to implement that statutory change, the Commission: (1) Proposed a narrower bona fide hedging definition for physical commodities in proposed Sec. 150.1 that did not include the word ``normally'' currently found in the temporary substitute regulatory language in paragraph (1) of the existing Sec. 1.3 bona fide hedging definition; and (2) proposed to eliminate all previously-granted risk management exemptions that did not otherwise qualify for pass-through treatment.\93\ Under the 2020 NPRM, any such previously-granted risk management exemption would generally no longer apply 365 days after publication of final position limits rules in the Federal Register.\94\--------------------------------------------------------------------------- \93\ See final Sec. 150.3(c). See also infra Section II.A.1.x.b (discussing proposed pass-through language). Excluded commodities, as described in further detail below, are not subject to the statutory bona fide hedging definition. Accordingly, the statutory restrictions on risk management exemptions that apply to physical commodities subject to Federal position limits do not apply to excluded commodities. \94\ See infra Section II.A.1.iii.a(5) (discussing of revoking existing risk management exemptions).---------------------------------------------------------------------------(3) Summary of the Commission Determination--Temporary Substitute Test As proposed, the Final Rule eliminates the word ``normally'' from the Commission's temporary substitute test and eliminates the risk management exemption for contracts subject to Federal position limits. However, as described below, the Final Rule is extending the compliance date for existing risk management exemption holders.(4) Comments--Temporary Substitute Test Commenters were divided regarding the proposed elimination of the risk management exemptions. Some public interest groups and the ***agricultural*** industry supported the proposed removal of the word ``normally'' and/or the accompanying rescission of risk management exemptions.\95\ These commenters argued that risk management positions are harmful to the market and can adversely impact price dynamics.\96\--------------------------------------------------------------------------- \95\ AMCOT at 1; Ecom at 1; White Gold at 1-2; Walcot at 2; East Cotton at 2; CMC at 11 (stating that the increased limits and allowances for pass-through exemptions will limit any potential loss of liquidity); NCFC at 7 (noting that it supports the elimination in light of the increased limits); NGFA at 3; LDC at 2; PMAA at 4; ACSA at 2, 4; IMC at 2; Mallory at 1; McMeekin at 1-2; Memtex at 2; Omnicotton at 2; NCC at 1; S Canale Cotton at 2; Texas Cotton at 2; SW Ag at 2; Jess Smith at 2; Choice Cotton at 1; Olam at 1-2; Better Markets at 4, 51-54 (agreeing with the proposed interpretation that the Dodd-Frank Act requires the change and stating that the elimination of the risk management exemption may mean very little in light of the increased limits); ACA at 2; Moody Compress at 2; Toyo at 2; and DECA at 1. \96\ See, e.g , Mallory Alexander at 1; DECA at 1; Ecom at 2; Southern Cotton at 2; Canale Cotton at 2; ACA at 2; IMC at 2; Olam at 1-2; Moody Compress at 1; SW Ag at 2; East Cotton at 2; Toyo at 2; Jess Smith at 2; McMeekin at 1-2; Omnicotton at 2; Texas Cotton at 2; Walcot at 2; White Gold at 1-2; and PMAA at 3-4 (arguing that risk management positions have the potential to create significant volatility); Better Markets at 9, 17 (noting the distortive effects of risk management positions).--------------------------------------------------------------------------- Commenters from the financial industry, ICE, and MGEX opposed the proposed removal of ``normally'' and/or the proposed elimination of the risk management exemption.\97\ These commenters contended that the elimination of the risk management[[Page 3257]]exemption will harm the market, including by reducing liquidity,\98\ and that even though Congress removed ``normally'' from the statute, Congress did not use the term ``always.'' \99\ One commenter opposed to the ban claimed that the European Commission is considering revising MiFID II \100\ to address a ``failure to include an appropriate hedge exemption for financial risks.'' \101\--------------------------------------------------------------------------- \97\ ICE at 5-8 (noting that risk management positions are non-speculative and arguing that the pass-through provision is not an adequate substitute for such positions); FIA at 10, 21-24; ISDA at 6; PIMCO at 5-6; SIFMA AMG at 8; MGEX at 2. \98\ FIA at 23-24 (contending that the 2020 NPRM may harm pension funds and create a bifurcated liquidity pool since dealers may need to move their hedges from physically-settled to financially-settled contracts earlier than they would otherwise); ISDA at 6, 11; PIMCO at 5-6; and ICE at 5-6. \99\ ISDA at 6; FIA at 21-22; and ICE at 5, 8. \100\ According to the European Securities and Market Authority, ``MiFID is the Markets in Financial Instruments Directive (2004/39/EC). It has been applicable across the European Union since November 2007. It is a cornerstone of the EU's regulation of financial markets seeking to improve their competitiveness by creating a single market for investment services and activities and to ensure a high degree of harmonised protection for investors in financial instruments.'' MiFID sets out: conduct of business and organisational requirements for investment firms; authorisation requirements for regulated markets; regulatory reporting to avoid market abuse; trade transparency obligation for shares; and rules on the admission of financial instruments to trading.'' ``On 20 October 2011, the European Commission adopted a legislative proposal for the revision of MiFID which took the form of a revised Directive and a new Regulation. After more than two years of debate, the Directive on Markets in Financial Instruments repealing Directive 2004/39/EC and the Regulation on Markets in Financial Instruments, commonly referred to as MiFID II and MiFIR, were adopted by the European Parliament and the Council of the European Union. They were published in the EU Official Journal on 12 June 2014.'' European Securities and Market Authority website at [*https://www.esma.europa.eu/policy-rules/mifid-ii-and-mifir*](https://www.esma.europa.eu/policy-rules/mifid-ii-and-mifir). \101\ SIFMA AMG at 8.--------------------------------------------------------------------------- Finally, several commenters noted that even if the Commission finalizes the ban as proposed, the Commission should: (i) Revoke the exemptions gradually so as to avoid disruption; \102\ (ii) clarify that the Commission maintains the authority under CEA section 4a(a)(7) to grant risk management exemptions in the future; \103\ and (iii) allow exchanges to grant risk management exemptions.\104\--------------------------------------------------------------------------- \102\ ISDA at 7. \103\ ICE at 6; FIA at 3, 22, 24; ISDA at 6-7; and IECA at 12. \104\ FIA at 3, 22; ISDA at 6-7; and ICE at 5-6.---------------------------------------------------------------------------(5) Discussion of Final Rule--Temporary Substitute Test The Commission is eliminating the word ``normally'' from the Commission's temporary substitute test and eliminating the existing risk management exemption for contracts subject to Federal position limits as proposed. However, as described below, the Commission is extending the compliance date by which positions based on existing risk management exemptions must be reduced to levels that comply with the applicable Federal position limits. While the Commission appreciates commenter concerns regarding the elimination of the risk management exemption, the Commission interprets the Dodd-Frank Act's removal of the word ``normally'' from the CEA's statutory temporary substitute test as signaling Congressional intent to reverse the flexibility afforded by the presence of the word ``normally'' prior to the Dodd-Frank Act. As such, even were the Commission inclined to retain the status quo of risk management exemptions, the Commission's statutory interpretation prevents it from doing so. Further, retaining such exemptions for swap intermediaries, without regard to the purpose of their counterparties' swaps, would not only be inconsistent with the post-Dodd-Frank Act version of the temporary substitute test, but would also be inconsistent with the statutory restrictions on pass-through swap offsets. In particular, the statutory pass-through provision requires that the swap position being offset qualify as a bona fide hedging position.\105\ Many risk management exemptions have been used to offset swap positions that would not qualify as bona fide hedging positions.--------------------------------------------------------------------------- \105\ See 7 U.S.C 6a(c)(2)(B)(i) (was executed opposite a counterparty for which the transaction would qualify as a bona fide hedging transaction). The pass-through swap offset language in the Final Rule's bona fide hedging definition is discussed in greater detail below.--------------------------------------------------------------------------- In response to the comment regarding a potential expansion of MiFID II to accommodate activity akin to risk management exemptions, the Commission believes that the European Commission's stated posture does not appear to contemplate a blanket exemption for financial risks as suggested by the commenter. Instead, the European Commission's approach appears to be largely consistent with the narrower pass-through approach adopted by the Commission in this Final Rule.\106\--------------------------------------------------------------------------- \106\ See MiFID II Review report on position limits and position management (April 1, 2020), available at [*https://www.esma.europa.eu/sites/default/files/library/esma70-156-2311\_mifid\_ii\_review\_report\_position\_limits.pdf*](https://www.esma.europa.eu/sites/default/files/library/esma70-156-2311_mifid_ii_review_report_position_limits.pdf). The exemption under consideration for financial counterparties appears to be in line with the Final Rule's pass-through provision, in that the ``exemption would apply to the positions held by that financial counterparty that are objectively measurable as reducing risks directly related to the commercial activities of the non-financial entities of the group . . . . this hedging exemption should not be considered as an additional exemption to the position limit regime but rather as a `transfer' to the financial counterparty of the group of the hedging exemption otherwise available to the commercial entities of the group.'' Id. at 32-33.--------------------------------------------------------------------------- The Commission is, however, making several changes and clarifications to address commenter concerns: First, the Commission is extending the compliance date by which risk management exemption holders must reduce their risk management exemption positions to comply with Federal position limits under the Final Rule to January 1, 2023.\107\ This provides approximately two years beyond the Effective Date for the nine legacy ***agricultural*** contracts.\108\ The Commission believes that this will provide sufficient time for existing positions to roll off and/or be replaced with positions that conform with the Federal position limits adopted in this Final Rule, without adversely affecting market liquidity.--------------------------------------------------------------------------- \107\ For clarity, a risk management exemption holder may enter into new positions based on, and in accordance with, its previously-granted risk management exemption, during this compliance period, until January 1, 2023. \108\ For further discussion of the Final Rule's compliance and effective dates, see Section I.D Both existing risk management exemptions, as discussed herein, and swap positions, will be subject to the extended compliance ***data*** to January 1, 2023.--------------------------------------------------------------------------- Second, including pass-through swaps and pass-through swap offsets within the definition of a bona fide hedge will mitigate some of the potential impact resulting from the rescission of the risk management exemption. The Final Rule's pass-through provisions should help address certain of the hedging needs of persons seeking to offset the risk from swap books, allowing for sufficient liquidity in the marketplace for both bona fide hedgers and their counterparties. Third, although the Commission will no longer recognize risk management positions as bona fide hedges under this Final Rule, the Commission maintains other authorities, including the authority under CEA section 4a(a)(7), to exempt risk management positions from Federal position limits. Finally, consistent with existing industry practice, exchanges may continue to recognize risk management positions for contracts that are not subject to Federal position limits, including for excluded commodities.b. Economically Appropriate Test(1) Background--Economically Appropriate Test The statutory and regulatory bona fide hedging definitions in section 4a(c)(2)(A)(ii) of the CEA and in existing Sec. 1.3 of the Commission's regulations both provide that a bona fide hedging position must be economically[[Page 3258]]appropriate to the reduction of risks in the conduct and management of a commercial enterprise.\109\ The Commission has, when defining bona fide hedging, historically focused on transactions that offset price risk.\110\--------------------------------------------------------------------------- \109\ 7 U.S.C 6a(c)(2)(A)(ii) and 17 CFR 1.3 \110\ For example, in promulgating existing Sec. 1.3, the Commission explained that a bona fide hedging position must, among other things, be economically appropriate to risk reduction, such risks must arise from operation of a commercial enterprise, and the price fluctuations of the futures contracts used in the transaction must be substantially related to fluctuations of the cash-market value of the assets, liabilities or services being hedged. Bona Fide Hedging Transactions or Positions, 42 FR 14832, 14833 (Mar. 16, 1977) (emphasis added). ``Value'' is generally understood to mean price times quantity. The Dodd-Frank Act added CEA section 4a(c)(2), which copied the economically appropriate test from the Commission's definition in Sec. 1.3 See also 78 FR at 75702, 75703 (stating that the core of the Commission's approach to defining bona fide hedging over the years has focused on transactions that offset a recognized physical price risk).---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Economically Appropriate Test In the 2020 NPRM, the Commission proposed to amend the economically appropriate prong of the bona fide hedge definition with one clarification: Consistent with the Commission's longstanding practice regarding what types of risk may be offset by bona fide hedging positions in excess of Federal position limits,\111\ the Commission made explicit in the proposed bona fide hedging definition that the word ``risks'' refers to, and is limited to, ``price risk.'' This proposed clarification did not reflect a change in policy, as the Commission has a longstanding policy that hedges of non-price risk alone cannot be recognized as bona fide hedges.\112\--------------------------------------------------------------------------- \111\ See, e.g , 78 FR at 75709, 75710. \112\ See supra n.109 for further discussion on the Commission's longstanding policy regarding ``price'' risk.--------------------------------------------------------------------------- As stated in the 2020 NPRM, the Commission clarified its view that risk must be limited to price risk for purposes of the economically appropriate test due to the difficulty that the Commission or exchanges may face in objectively evaluating whether a particular derivatives position is economically appropriate to the reduction of non-price risks. For example, the Commission or an exchange's staff can objectively evaluate whether a particular derivatives position is an economically appropriate hedge of a price risk arising from an underlying cash-market transaction, including by assessing the correlations between the risk and the derivatives position. It would be more difficult, if not impossible, to objectively determine whether an offset of non-price risk is economically appropriate for the underlying risk. Finally, the Commission requested comment on whether price risk is attributable to a variety of factors, including political and weather risk, and could therefore allow hedging political, weather, or other risks, or whether price risk is something narrower in the application of bona fide hedging.\113\--------------------------------------------------------------------------- \113\ 85 FR at 11622.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Economically Appropriate Test The Commission is adopting the economically appropriate prong of the bona fide hedge definition as proposed. However, as discussed below, the Commission is clarifying in response to commenter requests that while the Commission is explicitly limiting ``risks'' to ``price risks'' as used in the economically appropriate test, the Commission recognizes that price risk can be informed and impacted by various other types of non-price risk.(4) Comments--Economically Appropriate Test The Commission received comments from market participants seeking greater clarity with respect to the Commission's proposed reference to ``price risk'' in the context of applying the ``economically appropriate'' test in the bona fide hedging definition. Many commenters stated that the economically appropriate test should include offsets of non-price risk.\114\ Other commenters stated that a variety of non-price risk factors (i) actually affect price risk and therefore are objective,\115\ or (ii) are simply another form of price risk and therefore should be permitted.\116\--------------------------------------------------------------------------- \114\ MGEX at 2; NGSA at 5-6; CHS at 3; NCFC at 2; FIA at 10-11; CMC at 3; LDC at 2; ICE at 4; IFUS at Exhibit 1 RFC (6). \115\ FIA at 10-11 (Stating that, ``[T]he Commission should recognize that the statutory definition of a bona fide hedging position encompasses the reduction of all risks that affect the value of a cash-market position, including time risk, location risk, quality risk, execution and logistics risk, counterparty credit risk, weather risk, sovereign risk, government policy risk (e.g , an embargo), and any other risks that affect price. These are objective, rather than subjective, risks that commercial enterprises incur on a regular basis in connection with their businesses as producers, processors, merchants handling, and users of commodities that underlie the core referenced futures contracts''). \116\ ADM at 5.--------------------------------------------------------------------------- For example, ADM stated that when market participants discuss ``risks'' such as political, weather, delivery, transportation, and more, they are discussing the impact these factors may have on the price.\117\ Hence the risk being hedged is price risk as influenced by these factors.\118\ Other commenters stated that market participants should have the flexibility to measure risk in the manner most suitable for their business.\119\ In addition, commenters also stated they were not opposed to ``price risk'' so long as the Commission clarified that price risk is not static or an absolute objective measure, and consequently that the term ``price risks'' incorporates a commercial hedger's independent assessment of price risk.\120\--------------------------------------------------------------------------- \117\ Id. \118\ ADM at 5. \119\ LDC at 2. \120\ CMC at 3.--------------------------------------------------------------------------- In contrast, Better Markets supported the 2020 NPRM's rationale to permit only ``price risk.'' \121\ Better Markets also suggested that the Commission clarify that the term ``commercial enterprise'' refers to ``solely [a] transaction or position that would be directly and demonstrably risk reducing to `cash or spot operations' for physical commodities underlying the contracts'' to be hedged.\122\--------------------------------------------------------------------------- \121\ Better Markets at 52-53. \122\ Better Markets at 53.--------------------------------------------------------------------------- Finally, ICE, MGEX, and FIA requested that if the Commission adopts the proposed economically appropriate prong, the Commission should permit market participants to use the non-enumerated bona fide hedge process to receive recognition of bona fide hedges of non-price risk on a case-by-case basis.\123\--------------------------------------------------------------------------- \123\ MGEX at 2; FIA at 11.---------------------------------------------------------------------------(5) Discussion of the Final Rule--The Bona Fide Hedging Definition's ``Economically Appropriate Test'' The Commission is adopting the economically appropriate prong of the bona fide hedging definition as proposed, codifying existing practice, as well as existing Sec. 1.3's treatment of price risk, by making it explicit in the rule text that the word ``risks'' refers to, and is limited to, ``price risk.'' The Commission emphasizes that the Final Rule is not intended to represent a change to the Commission's existing interpretation of the economically appropriate prong of bona fide hedging, but rather is maintaining the application of the economically appropriate test in connection with bona fide hedges on the nine legacy ***agricultural*** contracts to the 16 new non-legacy core referenced futures contracts. In promulgating existing Sec. 1.3, the Commission explained that a bona fide hedging position must, among other things, ``be economically appropriate to risk reduction, such risks must arise from operation of a commercial[[Page 3259]]enterprise, and the price fluctuations of the futures contracts used in the transaction must be substantially related to fluctuations of the cash-market value of the assets, liabilities or services being hedged.'' \124\ (emphasis added). Consistent with this longstanding policy of the Commission to recognize hedges of price risk of an underlying commodity position as bona fide hedges (and consistent with the Commission's existing application of bona fide hedging to the nine legacy ***agricultural*** contracts under the existing Federal position limit regulations), the Commission is also clarifying further below that price risk can be informed and impacted by various other types of risks.--------------------------------------------------------------------------- \124\ Bona Fide Hedging Transactions or Positions, 42 FR 14832, 14833 (Mar. 16, 1977) (emphasis added). ``Value'' is generally understood to mean price times quantity. The Dodd-Frank Act added CEA section 4a(c)(2), which copied the economically appropriate test from the Commission's definition in Sec. 1.3 See also 78 FR at 75702, 75703 (stating that the ``core of the Commission's approach to defining bona fide hedging over the years has focused on transactions that offset a recognized physical price risk'').--------------------------------------------------------------------------- As the Commission stated in the 2020 NPRM and continues to believe, for any given non-price risk, such as geopolitical turmoil, weather, or counterparty credit risks, there could be multiple commodities, directions, and contract months which a particular market participant may subjectively view as an economically appropriate offset for that non-price risk. Moreover, multiple market participants faced with the same non-price risk might take different views on which offset is the most effective.\125\ A system of allowing for bona fide hedges based solely by reference to such non-price risks would be difficult to administer on a pragmatic and consistently fair basis.--------------------------------------------------------------------------- \125\ 85 FR at 11606.--------------------------------------------------------------------------- Further, it also would be difficult to evaluate whether a particular commodity derivative contract would be the proper offset as a bona fide hedge, as defined in this Final Rule, to a potential non-price risk, or would remove exposure to the potential change in value to the market participant's cash positions resulting from the non-price risk. Thus, hedging solely to protect against changes in value of non-price risks would fall outside the category of a bona fide hedge which offsets the ``price risk'' of an underlying commodity cash position. However, the Commission agrees with commenters who stated that market participants form independent economic assessments of how different possible events might create potential risk exposures for their business.\126\ Such risks that create or impact the price risk of underlying cash commodities may include, but are not limited to, geopolitical turmoil, weather, or counterparty credit risks. The Commission recognizes that these risks can create price risks and understands that firms may manage these potential risks to their businesses differently and in the manner most suitable for their business. As noted above, by limiting the economically appropriate prong to price risk, the Commission is reiterating its historical practice, which has applied well to the legacy ***agricultural*** contracts for decades, to recognize hedges of price risk of an underlying commodity position as bona fide hedges while acknowledging that price risk may itself be impacted by non-price risks.--------------------------------------------------------------------------- \126\ CMC at 3.--------------------------------------------------------------------------- The foregoing discussion of price risk is limited to the question of whether a position in a referenced contract meets the economically appropriate test to satisfy the bona fide hedge requirements. Market participants may thus continue to manage non-price risks in a variety of ways, which may include participation in the futures markets or exposure to other financial products. In fact, market participants may decide to use futures contracts that are not subject to Federal position limits (e.g , location basis contracts), if they determine such contracts will help them manage non-price risks faced by their businesses.\127\ For example, a market participant seeking to manage risk, including non-price risk, with positions in contracts that are not referenced contracts, such as freight or weather derivatives, would not be subject to Federal speculative position limits and thus would not need to comply with the economically appropriate test in connection with such positions in non-referenced contracts.--------------------------------------------------------------------------- \127\ The enumerated cross-commodity hedge provision adopted herein and discussed below offers may also offer additional flexibility to those market participants using referenced contracts to manage risk, by allowing market participants to hedge price risk associated with a particular commodity using a derivative contract based on a different commodity, assuming all applicable requirements of the cross-commodity enumerated bona fide hedge are met.--------------------------------------------------------------------------- To satisfy the economically appropriate test, a position must ultimately offset the price risk of an underlying cash commodity.\128\ Non-price risk may also be a consideration in hedging decisions, but cannot be a substitute for price risk associated with the cash commodity underlying the derivatives position. The foregoing view precludes the Commission from adopting commenter suggestions to permit market participants to use the non-enumerated hedge process to receive recognition of hedges of non-price risk on a case-by-case basis because, while the Commission acknowledges that price risk can be informed and impacted by non-price risk, price risk is required to satisfy the economically appropriate test.--------------------------------------------------------------------------- \128\ This view is consistent with the spirit of Better Market's comment suggesting a focus on reducing risks associated with a cash-market position in a physical commodity. See Better Markets at 53.---------------------------------------------------------------------------c. Change in Value Requirement(1) Background--Change in Value Requirement CEA section 4a(c)(2)(A)(iii) and existing Sec. 1.3 include the ``change in value requirement,'' which provides that the bona fide hedging position must arise from the potential change in the value of: (I) Assets that a person owns, produces, manufactures, processes, or merchandises or anticipates owning, producing, manufacturing, processing, or merchandising; (II) liabilities that a person owns or anticipates incurring; or (III) services that a person provides, purchases, or anticipates providing or purchasing.\129\--------------------------------------------------------------------------- \129\ 7 U.S.C 6a(c)(2)(A)(iii), 17 CFR 1.3 ---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Change in Value Requirement The Commission proposed to retain the substance of the change in value requirement in existing Sec. 1.3, with some non-substantive technical modifications, including modifications to correct a typographical error.\130\ Aside from the typographical error, the proposed Sec. 150.1 change in value requirement mirrors the Dodd-Frank Act's change in value requirement in CEA section 4a(c)(2)(A)(iii).--------------------------------------------------------------------------- \130\ The Commission proposed to replace the phrase ``liabilities which a person owns,'' which appears in the statute erroneously, with ``liabilities which a person owes,'' which the Commission believed was the intended wording (emphasis added). The Commission interpreted the word ``owns'' to be a typographical error. A person may owe on a liability, and may anticipate incurring a liability. If a person ``owns'' a liability, such as a debt instrument issued by another, then such person owns an asset. The fact that assets are included in CEA section 4a(c)(2)(A)(iii)(I) further reinforces the Commission's interpretation that the reference to ``owns'' means ``owes.'' The Commission also proposed several other non-substantive modifications in sentence structure to improve clarity.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Change in Value Requirement For the same reasons set out in the 2020 NPRM, the Commission is adopting the change in value[[Page 3260]]requirement of the bona fide hedge definition as proposed.(4) Comments--Change in Value Requirement No specific comments on the change in value requirement were received.d. Incidental Test and Orderly Trading Requirement(1) Background--Incidental Test and Orderly Trading Requirement Two general requirements contained in the existing Sec. 1.3 definition of bona fide hedging position include: (I) The incidental test and (II) the orderly trading requirement. For a position to be recognized as a bona fide hedging position, the incidental test requires that the purpose is to offset price risks incidental to commercial cash, spot, or forward operations. Under the orderly trading requirement, such position is established and liquidated in an orderly manner in accordance with sound commercial practices. Notably, Congress in the Dodd-Frank Act did not include the incidental test or the orderly trading requirement in the statutory bona fide hedging definition in CEA section 4a(c)(2).\131\--------------------------------------------------------------------------- \131\ 7 U.S.C 6a(c)(2).---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Incidental Test and Orderly Trading Requirement While the Commission proposed to maintain the substance of the three core elements of the existing bona fide hedging definition described above, with some modifications, the Commission also proposed to eliminate two elements contained in the existing Sec. 1.3 definition: The incidental test and orderly trading requirement that currently appear in paragraph (1)(iii) of the Sec. 1.3 bona fide hedging definition.\132\--------------------------------------------------------------------------- \132\ 17 CFR 1.3 ---------------------------------------------------------------------------(3) Summary of the Commission Determination--Incidental Test and Orderly Trading Requirement The Commission is eliminating the incidental test and orderly trading requirement from the bona fide hedge definition as proposed.(4) Comments--Incidental Test and Orderly Trading Requirement NGSA supported elimination of the incidental test and orderly trading requirement, claiming that the changes will facilitate hedging,\133\ while IATP and Better Markets opposed the removal of these provisions, contending that the provisions are important for preventing market disruption.\134\--------------------------------------------------------------------------- \133\ NGSA at 4. \134\ IATP at 14-15; Better Markets at 53.---------------------------------------------------------------------------(5) Discussion of the Final Rule--Incidental Test and Orderly Trading Requirement The Commission is eliminating the incidental test and orderly trading requirement from the bona fide hedge definition as proposed. As noted above, neither the incidental test nor orderly trading requirement is part of the CEA's current statutory definition of bona fide hedge. The Commission views the incidental test as redundant because the Commission proposed to maintain both (1) the change in value requirement (as noted above, the reference to ``value'' in the change in value requirement is generally understood to mean price per unit times quantity of units) as well as (2) the economically appropriate test (which includes the concept of the offset of price risks in the conduct and management of, i.e , incidental to, a commercial enterprise). In response to IATP and Better Markets, the Commission does not view the orderly trading requirement as needed to prevent market disruption. The statutory bona fide hedging definition does not include an orderly trading requirement,\135\ and the meaning of ``orderly trading'' is unclear in the context of the OTC swap market and in the context of permitted off-exchange transactions, such as exchange for physicals. The elimination of the orderly trading requirement does not diminish an exchange's obligation to prohibit any disruptive trading practices, including a case where an exchange believes that a bona fide hedge position may result in disorderly trading. Further, in eliminating the orderly trading requirement from the definition in the regulations, the Commission is not amending or modifying interpretations of any other related requirements, including any of the anti-disruptive trading prohibitions in CEA section 4c(a)(5),\136\ or any other statutory or regulatory provisions.--------------------------------------------------------------------------- \135\ The orderly trading requirement was added as a part of the regulatory definition of bona fide hedging in 1975; see Hedging Definition, Reports, and Conforming Amendments, 40 FR 11560 (Mar. 12, 1975). Prior to 1974, the orderly trading requirement was found in the statutory definition of bona fide hedging position; changes to the CEA in 1974 removed the statutory definition from CEA section 4a(3). \136\ 7 U.S.C 6c(a)(5).--------------------------------------------------------------------------- Taken together, the retention of the updated temporary substitute test, economically appropriate test, and change in value requirement, coupled with the elimination of the incidental test and orderly trading requirement, should reduce uncertainty by eliminating provisions that do not appear in the statute, and by clarifying the language of the remaining provisions. By reducing uncertainty surrounding some parts of the bona fide hedging definition for physical commodities, the Commission anticipates that, as described in greater detail elsewhere in this release, it would be easier going forward for the Commission, exchanges, and market participants to address whether novel trading practices or strategies may qualify as bona fide hedges.iv. Treatment of Unfixed Price Transactions Under the Final Rulea. Background and Summary of Commission Determination--Treatment of Unfixed Price Transactions The Commission has a long history of recognizing fixed-price commitments as the basis for a bona fide hedge.\137\ While the existing bona fide hedging definition in Sec. 1.3 includes one enumerated hedge that explicitly mentions ``unfixed'' prices,\138\ the availability of this hedge is limited to circumstances where a market participant has both an unfixed-price purchase and an unfixed-price sale on hand, precluding a market participant with only an unfixed-price purchase or an unfixed-price sale from qualifying for this particular enumerated hedge. Further, the extent to which the other existing enumerated hedges apply to unfixed-price commitments is ambiguous from the plain reading of the text of the existing bona fide hedging definition.--------------------------------------------------------------------------- \137\ See, e.g , paragraphs (2)(i)(A) and (2)(ii)(A) of existing Sec. 1.3 \138\ See paragraph (2)(iii) of existing Sec. 1.3 (Offsetting sales and purchases for future delivery on a contract market which do not exceed in quantity that amount of the same cash commodity which has been bought and sold at unfixed prices basis different delivery months of the contract market)--------------------------------------------------------------------------- However, Commission staff have previously considered the extent to which market participants with unfixed-price commitments may qualify for an enumerated hedge. Commission staff issued interpretive letter 12-07 in 2012 (``Staff Letter No. 12-07'') in response to a narrow question submitted by a market participant regarding qualifying for the existing enumerated unfilled anticipated requirements bona fide hedge \139\ while entering into ``unfixed-[[Page 3261]]price transactions.'' \140\ In that interpretive letter, staff clarified that a commercial entity may qualify for the existing enumerated bona fide hedge for unfilled anticipated requirements even if the commercial entity has entered into long-term, unfixed-price supply or requirements contracts because, as staff explained, the unfixed-price purchase contract does not ``fill'' the commercial entity's anticipated requirements.\141\ As explained in Staff Letter No. 12-07, the price risk of such ``unfilled'' anticipated requirements is not offset by the unfixed-price forward contract because the price risk remains with the commercial entity, even though the entity has contractually assured a supply of the commodity.\142\ Instead, the price risk continues until the unfixed-price contract's price is fixed.\143\ Once the price is fixed on the supply contract, the commercial entity no longer has price risk, and its derivative position, to the extent the position is above an applicable position limit, and unless the market participant qualifies for another exemption (as discussed below), must be liquidated in an orderly manner in accordance with sound commercial practices.\144\--------------------------------------------------------------------------- \139\ Paragraph (2)(ii)(C) of existing Sec. 1.3 provides in relevant part that the bona fide hedging definition includes purchases which do not exceed in quantity Twelve months' unfilled anticipated requirements of the same cash commodity for processing, manufacturing, or feeding by the same person. \140\ CFTC Staff Letter 12-07, issued August 16, 2012, [*https://www.cftc.gov/LawRegulation/CFTCStaffLetters/letters.htm*](https://www.cftc.gov/LawRegulation/CFTCStaffLetters/letters.htm), title search ``12-07.'' \141\ CFTC Staff Letter 12-07 at 1. \142\ CFTC Staff Letter 12-07 at 1-2. In the 2016 Reproposal, the Commission affirmed staff's interpretation articulated in Staff Letter No. 12-07. See 81 FR at 96750. \143\ CFTC Staff Letter 12-07 at 2. \144\ Id. at 2-3.--------------------------------------------------------------------------- As discussed below, the Commission is affirming this narrow interpretation for the Final Rule--that commercial entities that enter into unfixed-price transactions may continue to qualify for the enumerated bona fide hedge for unfilled anticipated requirements--and the Commission is adopting this rationale to also apply to: (1) The existing enumerated bona fide hedge for unsold anticipated production; \145\ and (2) the new enumerated bona fide hedge for anticipated merchandising.\146\ In other words, under this Final Rule, a commercial market participant in the physical marketing channel that enters into an unfixed-price transaction may qualify for one of these enumerated anticipatory bona fide hedges, as long as the commercial market participant otherwise satisfies all applicable requirements for such anticipatory bona fide hedge.--------------------------------------------------------------------------- \145\ For further discussion regarding the enumerated bona fide hedge for ``unsold anticipated production,'' see Section II.A.1.vi.d \146\ For further discussion regarding the new enumerated bona fide hedge for ``anticipated merchandising,'' see Section II.A.1.vi.f --------------------------------------------------------------------------- For this section of the release, the Commission will refer to the enumerated bona fide hedges for anticipated unfilled requirements, anticipated unsold production, and anticipated merchandising, collectively, as the ``anticipatory bona fide hedges.'' Additionally, by using the term ``unfixed-price transaction,'' the Commission means a forward contract (i.e , a firm commitment) at an open price or at a price to be determined at a later date (for example, by reference to an index based on the settlement price of a corresponding futures contract). The Commission discusses the 2020 NPRM's general treatment of unfixed price transactions below, followed by a summary of comments and the Commission's determination on the issue of unfixed-price transactions generally. A more detailed discussion of each specific enumerated hedge, including the three anticipatory bona fide hedges, appears further below.b. Summary of the 2020 NPRM--Treatment of Unfixed Price Transactions Like the bona fide hedging definition in existing Sec. 1.3, the proposed bona fide hedging definition in Sec. 150.1 of the 2020 NPRM included one enumerated hedge addressing unfixed-price transactions, which required offsetting unfixed-price purchase and sale transactions.\147\ Aside from that one enumerated bona fide hedge, the other proposed bona fide hedges did not specify whether a market participant with an unfixed-price transaction could qualify for a bona fide hedge exemption, including any of the proposed anticipatory bona fide hedges.--------------------------------------------------------------------------- \147\ See proposed paragraph (a)(2) of Appendix A to part 150. Like the existing enumerated hedge in paragraph (2)(iii) of Sec. 1.3, this proposed enumerated hedge was limited to circumstances where a market participant has both an unfixed-price purchase and an unfixed-price sale in hand. This specific proposed enumerated bona fide hedge, along with all other proposed enumerated hedges, is described in detail further below.--------------------------------------------------------------------------- However, the 2020 NPRM did preliminarily and indirectly address previous queries on the matter of unfixed-price transactions. In particular, the 2020 NPRM addressed a petition for exemptive relief submitted in response to the 2011 Final Rule. In that petition, the Working Group of Commercial Energy Firms (which has since reconstituted itself as the Commercial Energy Working Group, or ``CEWG'') requested exemptive relief for transactions that are described by 10 examples set forth therein as bona fide hedging transactions (``BFH Petition'').\148\--------------------------------------------------------------------------- \148\ The Working Group BFH Petition is available at [*http://www.cftc.gov/stellent/groups/public/@rulesandproducts/documents/ifdocs/wgbfhpetition012012.pdf*](http://www.cftc.gov/stellent/groups/public/@rulesandproducts/documents/ifdocs/wgbfhpetition012012.pdf). In the 2013 Proposal, the Commission provided that the transactions contemplated under the working group's examples Nos. 1, 2, 6, 7 (scenario 1), and 8 would be permitted under the proposed definition of bona fide hedging. In the 2020 NPRM, the Commission preliminarily determined that transactions described in four additional CEWG examples would comply with the proposed expanded bona fide hedging definition in the 2020 NPRM: examples #4 (Binding, Irrevocable Bids or Offers), #5 (Timing of Hedging Physical Transactions), #9 (Holding a cross-commodity hedge using a physical delivery contract into the spot month) and #10 (Holding a cross-commodity hedge using a physical delivery contract to meet unfilled anticipated requirements).--------------------------------------------------------------------------- In the 2020 NPRM, the Commission preliminarily determined that commodity derivative positions described in two examples related to unfixed-price transactions did not fit within any of the proposed enumerated hedges. Specifically, the Commission preliminarily determined that the positions described in examples #3 (unpriced physical purchase or sale commitments) and #7 (scenario 2) (use of physical delivery referenced contracts to hedge physical transactions using calendar month average pricing) of the BFH Petition did not fit within any of the proposed enumerated bona fide hedges, but that market participants could apply for a non-enumerated exemption.\149\--------------------------------------------------------------------------- \149\ 85 FR at 11612.--------------------------------------------------------------------------- The Commission requested comment on the extent to which the proposed enumerated bona fide hedges should encompass the types of positions discussed in examples #3 (unpriced physical purchase or sale commitments) and #7 (scenario 2) (use of physical delivery reference contracts to hedge physical transactions using calendar month averaging pricing) of the CEWG's BFH Petition.\150\--------------------------------------------------------------------------- \150\ 85 FR at 11622.---------------------------------------------------------------------------c. Comments--Treatment of Unfixed Price Transactions In response to the 2020 NPRM, many commenters requested the Commission either clarify or make explicit that the proposed bona fide hedge definition would apply to commodity derivatives contracts used to hedge exposure to price risk arising from unfixed-price transactions.\151\--------------------------------------------------------------------------- \151\ See, e.g , Ecom at 1; ACA at 2; CEWG at 22-24; Chevron at 11; CME Group at 8-9; DECA at 2; East Cotton at 2; Gerald Marshall at 2; IFUS at 5-7; IMC at 2; Jess Smith at 2; LDC at 2; Mallory Alexander at 2; McMeekin at 2; Memtex at 2; Moody Compress 1; NCC at 1; NGFA at 7; Olam at 2; Omnicotton at 2; Canale Cotton at 2; Shell at 7; Southern Cotton at 2; Suncor at 7; SW Ag at 2; Toyo at 2; Texas Cotton at 2; Walcot at 2; White Gold at 2.---------------------------------------------------------------------------[[Page 3262]] Several commenters provided various examples in support of their requests that the Commission recognize that unfixed price transactions may serve as the basis for an enumerated bona fide hedge position for purposes of Federal position limits.\152\--------------------------------------------------------------------------- \152\ CMC at 4; FIA at 16; ICE at 4-5; ACSA at 6-7; ADM at 3; CME Group at 8-9; CEWG at 19-21.--------------------------------------------------------------------------- Comments on the treatment of unfixed price transactions often were submitted in connection with discussions on the scope of the proposed enumerated bona fide hedge for anticipated merchandising. As discussed further below, under the Final Rule's enumerated anticipated merchandising bona fide hedge section, many commenters requested the Commission clarify whether the proposed enumerated hedge for anticipated merchandising could be used to manage price risk arising from unfixed-price physical commodity transactions. With regards to CEWG's BFH Petition example #3 (unpriced physical purchase or sale commitments), many commenters disagreed with the Commission's preliminary determination in the 2020 NPRM that this type of transaction would not qualify for an enumerated bona fide hedge. Generally, commenters expressed the view that unfixed-price transactions for physical commodities are a common and standard market practice. The CEWG indicated that unfixed physical purchase or sale commitments are routinely conducted in numerous markets and commodities on a daily basis.\153\--------------------------------------------------------------------------- \153\ CEWG at 20 (also providing a similar example as it submitted in the original petition which included Example #3 (unpriced physical purchase and sale commitments)).--------------------------------------------------------------------------- Similar to the BFH Petition's example #3 (unpriced physical purchase or sale commitments), ACSA provided examples intended to demonstrate that merchants are exposed to calendar spread and supply price risk because they typically fulfill sales contracts by selling a commodity for future delivery in advance of purchasing the commodity needed to fulfill the sale.\154\ ACSA, along with other commenters,\155\ stated that unfixed-price transactions for the purchase or sale of the physical commodities are common, where a market participant buys the commodity at a price that is based on (i.e , is ``indexed'' to) the settlement price of the nearby (or spot) futures month contract and later sells the commodity at a price that is indexed to the deferred month futures contract. ACSA and other commenters indicated that merchants do this to ``effectively bridge the gap between timing mismatches of supply and demand in the global marketplace.'' \156\--------------------------------------------------------------------------- \154\ ACSA at 12-14; Several commenters concurred with ACSA regarding exposure to calendar spread. Mallory Alexander at 2; DECA at 2; CMC at 4; IMC at 2; Olam at 2; SW Ag at 2; White Gold at 2; Walcot at 2. \155\ ACSA at 4-7; CMC at 4; Mallory Alexander at 2; DECA at 2; IMC at 2; Olam at 2; SW Ag at 2; White Gold at 2; Walcot at 2. \156\ ACSA at 5.--------------------------------------------------------------------------- Related to the BFH Petition example #7 (scenario 2) (use of physical delivery reference contracts to hedge physical transactions using calendar month averaging pricing ``CMA''), commenters requested that the Commission clarify that hedges of underlying physical transactions that utilize CMA pricing structures fall within the enumerated bona fide hedge for anticipated merchandising.\157\ Chevron requested the Commission clarify that commercial firms that price commercial transactions to purchase or sell physical crude oil or natural gas using a CMA pricing structure (whether they are solely merchants or conduct merchant activities as part of an integrated energy company), should receive bona fide hedge treatment for their commodity derivative contract positions that offset the risks arising from those CMA priced purchases or sales.\158\--------------------------------------------------------------------------- \157\ MGEX at 2; IMC at 2; Mallory Alexander at 2; Walcot at 2; White Gold at 2; Olam at 2; LDC at 1; Canale at 2; Moody Compress at 1; Gerald Marshall at 2; SW Ag at 2; DECA at 2; Chevron at 12; Suncor at 11; CEWG at 21. \158\ Chevron at 11.--------------------------------------------------------------------------- Similarly, other commenters asked for clarification regarding whether the existing enumerated bona fide hedge for unfilled anticipated requirement extends to scenarios that involve unfixed-price contracts that many electric generators enter into to address their anticipated supply requirements.\159\ These commenters asked for clarification that unfixed-price purchase commitments do not ``fill'' an anticipated requirement such that the market participant would be able to still qualify for the enumerated unfilled anticipated requirement bona fide hedge.\160\--------------------------------------------------------------------------- \159\ EPSA at 5; IECA at 8. \160\ Id.---------------------------------------------------------------------------d. Discussion of Final Rule--Treatment of Unfixed Price Transactions As discussed above, the Commission is affirming and broadening the application of the interpretation articulated in Staff Letter No. 12-07. As a result, commercial market participants in the physical marketing channel that enter into unfixed price transactions may qualify for bona fide hedge treatment under the enumerated bona fide hedges for anticipatory merchandising, anticipated unsold production, or anticipated unfilled requirements because, as discussed below, unfixed price transactions do not give rise to outright price risk and do not otherwise fix an outright price.\161\--------------------------------------------------------------------------- \161\ As a result, based on this rationale, a commercial market participant that has an unfixed-price commitment is treated the same as a commercial market participant that has no unfixed-price commitment for purposes of determining whether one qualifies for these enumerated anticipatory bona fide hedges.--------------------------------------------------------------------------- Consistent with Staff Letter No. 12-07, commercial market participants in the physical marketing channel that enter into unfixed-price transactions may continue to qualify for the enumerated bona fide hedge for unfilled anticipated requirements for those unfixed price transactions. Further, the Commission is broadening this rationale to additionally include the existing enumerated bona fide hedge for ``unsold anticipated production'' \162\ and the new enumerated bona fide hedge for anticipated merchandising.\163\ A commercial market participant that enters into an unfixed-price transaction may qualify for one of these enumerated anticipatory bona fide hedges as long as the commercial entity otherwise satisfies all requirements for such anticipatory bona fide hedge, including demonstrating its anticipated need in the physical marketing channel related to either its unsold production, unfilled requirements, and/or merchandising, as applicable.\164\--------------------------------------------------------------------------- \162\ For further discussion regarding the enumerated bona fide hedge for ``unsold anticipated production,'' see Section II.A.1.vi.d \163\ For further discussion regarding the new enumerated bona fide hedge for ``anticipated merchandising,'' see Section II.A.1.vi.f \164\ As such, merely entering into an unfixed-price transaction is not alone sufficient to demonstrate compliance with one of the enumerated anticipatory bona fide hedges. The specific requirements associated with each enumerated bona fide hedge, including each anticipatory bona fide hedge, are described in detail further below.--------------------------------------------------------------------------- Under this Final Rule, the Commission is clarifying that a commercial market participant may still qualify for an enumerated anticipatory bona fide hedge for an anticipated need, based on a good-faith expectation of that need, even if the market participant has entered into an unfixed-price transaction, since the Commission does not deem the unfixed-price transaction to ``fill'' or ``address'' the anticipated need. This rationale is predicated on the fact that an unfixed-price commitment does not offset the price risk associated with an anticipated need (i.e ,[[Page 3263]]anticipated unsold production, anticipated unfilled requirements, and/or anticipated merchandising, as applicable). This is because unfixed-price transactions do not give rise to outright price risk and therefore do not alter the outright price risks faced by a commercial market participant, even though the market participant has contractually assured either a supply of the commodity (in the case of anticipated unfilled requirements), the sale of its output (in the case of anticipated unsold production), or the purchase or sale of the commodity to be merchandised (in the case of anticipated merchandising).\165\--------------------------------------------------------------------------- \165\ Consistent with the existing Federal position limits framework, under the Final Rule, commercial market participants may not qualify for any anticipatory bona fide hedge merely to offset risks associated with non-commercial (i.e , financial) activities.--------------------------------------------------------------------------- In other words, a trader with an unfixed-price commitment still has price risk related to its anticipated need until the price is fixed. Once the price has become fixed, the market participant may no longer avail itself of the enumerated anticipatory bona fide hedge, but may potentially avail itself of another enumerated bona fide hedge, (such as the bona fide hedges for fixed-price purchase contracts or for fixed-price sales contracts, as applicable), provided all applicable requirements of such other enumerated bona fide hedges are satisfied. Under the Final Rule, a commercial market participant must continue to be able to demonstrate an anticipated need related to unsold production, unfilled requirements, and/or merchandising. Accordingly, the Commission determines that the commercial market participant engaged in unfixed-price transactions in the BFH Petition's example #3 (unpriced physical purchase or sale commitments) and example #7 (scenario 2) (use of physical delivery referenced contracts to hedge physical transactions using calendar month average pricing) can qualify for one of the enumerated anticipatory bona fide hedges under the Final Rule to the extent the market participant otherwise complies with the applicable conditions of the relevant enumerated anticipatory bona fide hedge in connection with the market participant's commercial activities. For clarity, the Commission also underscores that under the Commission's existing portfolio hedging policy, market participants, including vertically-integrated firms (i.e , those firms that may qualify as more than one of a producer; processor, manufacturer, or utility; and/or merchandiser), may continue to manage their price risks by utilizing more than one enumerated bona fide hedge (including more than one anticipatory bona fide hedge). The Commission recognizes that there are many ways in which market participants both structure their organizations and engage in commercial hedging practices. As such, market participants may manage the price risk from their various commercial activities by utilizing multiple enumerated bona fide hedge exemptions in the manner that is most suitable to their particular circumstances. Nevertheless, for illustrative purposes, the Commission provides a general example of how market participants may utilize the enumerated anticipatory bona fide hedges in connection with their unfixed price transactions: For example, Producer X has the physical capacity to produce 100,000 barrels of physical WTI crude oil on an annual basis. Producer X agrees to sell 80,000 barrels of WTI crude oil to Merchandiser Y via a floating/unfixed-price contract in which the delivery will be priced at the NYMEX March 2020 WTI crude oil futures final settlement price. Producer X still does not have a buyer for its remaining 20,000 barrels, but anticipates selling all of its production, as it has in previous years. Under this scenario, Producer X may utilize the enumerated unsold anticipated production enumerated hedge to offset the price risk from its unsold production, which includes both the 80,000 barrels of oil sold to Merchandiser Y at an unfixed price, as well as the unsold 20,000 barrels.\166\ On the other hand, Merchandiser Y may utilize the enumerated hedge for anticipated merchandising to hedge its anticipated merchandising transactions, which include the 80,000 barrels it purchased from Producer X at an unfixed price. Because Merchandiser Y has a history of merchandising more than 80,000 barrels a year, and it anticipates merchandising more than 80,000 barrels in the next twelve months, Merchandiser Y's anticipated merchandising hedge may include the 80,000 barrels it purchased from Producer X at an unfixed price and its remaining anticipated twelve-months' merchandising. Separately, assuming Merchandiser Y also has crude oil it purchased at a fixed price in a storage tank, Merchandiser Y may also utilize the enumerated hedge for inventory and cash-commodity fixed-price purchase contracts to hedge the price risk from those fixed price purchases of crude oil.--------------------------------------------------------------------------- \166\ In the case where Producer X fixes the price of its sale before delivery, while it no longer holds an anticipatory hedge, Producer X may qualify for the enumerated hedge for fixed price sales, assuming all applicable requirements for that hedge are satisfied.--------------------------------------------------------------------------- In response to commenters requesting that the Commission create a new enumerated bona fide hedge for unfixed-price transactions, the Commission does not believe that this is necessary because, as described above, commercial market participants may qualify for the enumerated anticipatory bona fide hedges while also entering into unfixed-price transactions. Further, the Commission believes that it is not suitable to create a new enumerated bona fide hedge expressly covering all unfixed price transactions to accomplish the same since there is an inherent difficulty in evaluating the propriety of a hedge of an unfixed price obligation with a fixed-price futures contract as there is basis risk until the unfixed price obligation is fixed. Given differences among markets, creating a new enumerated bona fide hedge for any unfixed price transaction could, under certain circumstances, harm market integrity, enable potential market manipulation, and/or allow excessive speculation by potentially affording bona fide hedging treatment for speculative transactions. For example, assume a market participant enters into an unfixed-price sales contract (e.g , priced at a fixed differential to a deferred month futures contract), and immediately enters into a calendar month spread to reduce the risk of the fixed basis moving adversely. It may not be economically appropriate to recognize as bona fide a long futures position in the spot (or nearby) month and a short futures position in a deferred calendar month matching the market participant's cash delivery obligation, in the event the spot (or nearby) month price is higher than the deferred contract month price (referred to as backwardation, and characteristic of a spot cash market with supply shortages), because such a calendar month futures spread would lock in a loss. A position locking in a loss generally is not economically appropriate to the reduction of risk, as it increases risk by generating a loss, and such a transaction may be indicative of an attempt--or at the very least provides inappropriate incentives--to manipulate the spot (or nearby) futures price.\167\--------------------------------------------------------------------------- \167\ See 81 FR at 96750.--------------------------------------------------------------------------- Finally, the Commission emphasizes that to the extent that a market participant does not qualify for an enumerated anticipatory bona fide hedge in connection with an unfixed-price transaction, the market participant[[Page 3264]]could still avail itself of the process under Sec. Sec. 150.3 and 150.9 for requesting approval of non-enumerated bona fide hedges.v. The Enumerated Bona Fide Hedge Exemptions, Generallya. Background--Bona Fide Hedge Exemptions, Generally As discussed earlier in this release, the list of bona fide hedges explicitly contained in paragraph (2) of the existing bona fide hedging definition in Sec. 1.3 of the Commission's regulations lists (or ``enumerates'') seven bona fide hedges, which are generally referred to as the ``enumerated bona fide hedges,'' in four general categories. These four existing categories of enumerated hedges include: (1) Sales of futures contracts to hedge (i) ownership or fixed-price cash commodity purchases and (ii) unsold anticipated production; (2) purchases of futures contracts to hedge (i) fixed-price cash commodity sales and (ii) unfilled anticipated requirements; (3) offsetting sales and purchases of futures contracts to hedge offsetting unfixed-price cash commodity sales and purchases; and (4) cross-commodity hedges.\168\--------------------------------------------------------------------------- \168\ 17 CFR 1.3 --------------------------------------------------------------------------- The list of enumerated bona fide hedges found in paragraph (2) of the existing bona fide hedging definition was developed at a time when only ***agricultural*** commodities were subject to Federal position limits, and has not been updated since 1987.\169\ The Commission believes, as discussed further below, that such list is too narrow to reflect common commercial hedging practices, including for metal and energy contracts. Numerous market and regulatory developments have taken place since 1987, including, among other things, increased futures trading in the metals and energy markets, the development of the swaps markets, and the shift in trading from pits to electronic platforms. In addition, the Commodity Futures Modernization Act of 2000 \170\ and the Dodd-Frank Act introduced various regulatory reforms, including the enactment of position limits core principles.\171\ The Commission thus proposed in the 2020 NPRM to update its bona fide hedging definition to better conform to the current state of the law and to better reflect market developments over time.--------------------------------------------------------------------------- \169\ See Revision of Federal Speculative Position Limits, 52 FR 38914 (Oct. 20, 1987). \170\ Commodity Futures Modernization Act of 2000, Public Law 106-554, 114 Stat. 2763 (Dec. 21, 2000). \171\ See 7 U.S.C 7(d)(5) and 7 U.S.C 7b-3(f)(6).---------------------------------------------------------------------------b. Summary of the 2020 NPRM--Bona Fide Hedge Exemptions, Generally So as not to reduce any of the clarity provided by the existing list of enumerated bona fide hedges, the Commission proposed to maintain the existing enumerated bona fide hedges, with some modifications, and to expand this list. The existing definition of ``bona fide hedging transactions and positions'' enumerates the following hedging transactions: a. Hedges of inventory and cash commodity fixed-price purchase contracts; b. hedges of cash commodity fixed-price sales c. hedges of the cash commodity's cash products and byproducts; d. hedges of offsetting unfixed price cash commodity sales and purchases e. hedges of unsold anticipated production; f. hedges of unfilled anticipated requirements; and g. cross-commodity hedges. The following additional hedging practices are not enumerated in the existing regulation, but were included in the 2020 NPRM as additional enumerated bona fide hedges: a. Hedges by agents; b. short hedges of anticipated mineral royalties; c. hedges of anticipated services; d. offsets of commodity trade option; and e. hedges of anticipated merchandising. The Commission also proposed the elimination, for purposes of Federal position limits, of both the Five-Day Rule and the twelve-month restriction. However, under the 2020 NPRM, exchanges would be able to establish their own five-day rule and/or twelve-month restriction, as applicable for any or all of their respective referenced contracts.c. Commission Determination--Bona Fide Hedge Exemptions, Generally First, the Commission is adopting the proposed expanded list of enumerated bona fide hedges, with the modifications described, as applicable, in the discussions of the relevant bona fide hedges below. Second, the Commission is adopting, as proposed, the elimination of both the existing Five-Day Rule and the twelve-month restriction.\172\ The comments received, and the Commission's corresponding responses, in connection with these changes are discussed further below in the corresponding section discussing the applicable enumerated bona fide hedge.--------------------------------------------------------------------------- \172\ As discussed further below, the Final Rule eliminates the existing twelve-month restriction with respect to the anticipatory unsold production and the anticipated unfilled requirements bona fide hedges. However, the new anticipated merchandising bona fide hedge would be subject to its own twelve-month restriction.--------------------------------------------------------------------------- With respect to the treatment of the enumerated bona fide hedges under the Final Rule, the Commission notes that positions in referenced contracts subject to Federal position limits that meet any of the enumerated bona fide hedges will, for purposes of Federal position limits, be deemed to meet the bona fide hedging definition in CEA section 4a(c)(2)(A), as well as the Commission's bona fide hedging definition in Sec. 150.1 under the Final Rule. As a result, enumerated bona fide hedges are self-effectuating for purposes of Federal position limits, provided the market participant separately requests an exemption from the applicable exchange-set limit established pursuant to Sec. 150.5(a).\173\--------------------------------------------------------------------------- \173\ For further discussion of the exchange exemption process, see Section II.D.3.i.b --------------------------------------------------------------------------- The enumerated hedges are each described below, followed by a discussion of the Five-Day Rule. When first proposed, the Commission viewed the enumerated bona fide hedges as conforming to the general definition of bona fide hedging ``without further consideration as to the particulars of the case.'' \174\ Similarly, the list of enumerated bona fide hedges under the Final Rule reflects categories of bona fide hedges for which the Commission has determined, based on experience over time, that no case-by-case determination or review of additional details by the Commission is needed to determine that the position or transaction is a bona fide hedge. This Final Rule does not foreclose the recognition of other hedging practices as bona fide hedges, as discussed below.--------------------------------------------------------------------------- \174\ Bona Fide Hedging Transactions or Positions, 42 FR 14832 (Mar. 16, 1977).--------------------------------------------------------------------------- While the enumerated bona fide hedges adopted herein are self-effectuating for purposes of Federal position limits,\175\ the Commission and the exchanges will continue to exercise close oversight over such positions to confirm that market participants' claimed exemptions are consistent with their cash-market activity. In particular, because all contracts subject to Federal position limits are also subject to exchange-set limits, all traders seeking to exceed Federal position limits must request an exemption from the relevant exchange for purposes of the exchange[[Page 3265]]position limit, regardless of whether the position falls within one of the enumerated hedges. In other words, enumerated bona fide hedge exemptions that are self-effectuating for purposes of Federal position limits are not self-effectuating for purposes of exchange-set position limits.--------------------------------------------------------------------------- \175\ See infra Section II.C (discussing Sec. 150.3) and Section II.G (discussing Sec. 150.9).--------------------------------------------------------------------------- Exchanges have well-established programs for granting exemptions, including, in some cases, experience granting exemptions for anticipatory merchandising for certain traders in markets not currently subject to Federal position limits. As discussed in greater detail below, Sec. 150.5 as adopted herein helps ensure that such programs conform to standards established by the Commission.\176\ The Commission expects exchanges will continue to be thoughtful and deliberate in granting exemptions, including anticipatory exemptions. The Commission predicates this expectation on its decades of experience working together with the relevant exchanges and observations generally of the applicable exchange-traded futures markets.--------------------------------------------------------------------------- \176\ See infra Section II.D For example, Sec. 150.5 requires, among other things, that: Exemption applications filed with an exchange include sufficient information to enable the exchange and the Commission to determine whether the exchange may grant the exemption, including an indication of whether the position qualifies as an enumerated hedge for purposes of Federal limits and a description of the applicant's activity in the underlying cash markets; and the exchange provides the Commission with a monthly report showing the disposition of all exemption applications, including cash-market information justifying the exemption.--------------------------------------------------------------------------- The Commission and the exchanges also have a variety of other tools designed to help prevent misuse of self-effectuating bona fide hedge exemptions. For example, market participants who apply to an exchange as required pursuant to Sec. 150.5 under the Final Rule are subject to the Commission's false statements authority, which carries substantial penalties under both the CEA and Federal criminal statutes. Similarly, the Commission currently employs--and will continue to use under the Final Rule--surveillance tools, special call authority, rule enforcement reviews, and other formal and informal avenues for obtaining additional information from exchanges and market participants in order to distinguish between true bona fide hedging needs and speculative trading masquerading as a bona fide hedge. While positions that fall within the enumerated bona fide hedges, each discussed in further detail below, are the type of positions that comply with the bona fide hedging definition, the Commission recognizes that there may be other positions or hedging strategies that are not ``enumerated'' that similarly could satisfy the bona fide hedge definition.\177\ These ``non-enumerated'' bona fide hedges may be granted today under existing Sec. Sec. 1.47 and 1.48, and the Commission can continue to recognize non-enumerated bona fide hedges under the Final Rule. For further discussion of the recognition of non-enumerated bona fide hedges, see infra Sections II.C and II.G --------------------------------------------------------------------------- \177\ See infra Section II.G (discussing Sec. 150.9).--------------------------------------------------------------------------- With the exception of risk management positions previously recognized as bona fide hedges, and assuming all regulatory requirements continue to be satisfied, market participants' existing bona fide hedging recognitions under existing Federal position limits are grandfathered upon the Final Rule's Effective Date (i.e , bona fide hedge exemptions that are currently recognized for purposes of Federal position limits, other than risk management positions, will continue to be recognized under the Final Rule). Last, before describing each individual enumerated hedge, the Commission also notes that it is adopting certain non-substantive, technical changes, and such changes are intended only to provide clarifications. For example, the Commission is making a technical change to the bona fide hedging definition by adopting the term in the singular tense in order to conform to the phrasing in CEA section 4a(c)(2).\178\ The Commission is also re-ordering the enumerated bona fide hedges to place related enumerated bona fide hedges closer together.--------------------------------------------------------------------------- \178\ The existing definition in Sec. 1.3 of the Commission's regulations is in the plural: ``bona fide hedging transactions and positions.'' The 2020 NPRM's proposed definition was similarly plural.---------------------------------------------------------------------------vi. Enumerated Bona Fide Hedge Exemptions for Physical Commodities This Final Rule adopts the list of enumerated bona fide hedge exemptions as proposed in the 2020 NPRM, with certain amendments discussed below.\179\--------------------------------------------------------------------------- \179\ Appendix A to part 150 lists the following enumerated bona fide hedges: (a)(1) Hedges of Inventory and Cash Commodity Fixed-Price Purchase Contracts; (a)(2) Hedges of Cash Commodity Fixed-Price Sales Contracts; (a)(3) Hedges of Offsetting Unfixed Price Cash Commodity Sales and Purchases; (a)(4) Hedges of Unsold Anticipated Production; (a)(5) Hedges of Unfilled Anticipated Requirements; (a)(6) Hedges of Anticipated Merchandising; (a)(7) Hedges by Agents; (a)(8) Short Hedges of Anticipated Mineral Royalties; (a)(9) Hedges of Anticipated Services; (a)(10) Offsets of Commodity Trade Options; (a)(11) Cross-Commodity Hedges. As previously mentioned, the Commission has also reorganized the order of the list of enumerated hedges. The Final Rule reorders Appendix A so that the bona fide hedges are listed by hedges of purchases, sales, anticipated activities, or other new types of hedges.---------------------------------------------------------------------------a. Hedges of Inventory and Cash Commodity Fixed-Price Purchase Contracts(1) Background--Inventory and Cash Commodity Fixed-Price Purchase Contracts Inventory and fixed-price cash commodity purchase contracts have long served as the basis for a bona fide hedging position.\180\ This bona fide hedge is enumerated in paragraph (2)(i)(A) of the existing bona fide hedging definition in Sec. 1.3, and recognizes as a bona fide hedge sales of any commodity for future delivery on a contract market which do not exceed in quantity ownership (i.e , inventory) or fixed-price purchase of the same commodity by the same person.--------------------------------------------------------------------------- \180\ See, e.g , 7 U.S.C 6(a)(3) (1970). That statutory definition of bona fide hedging included sales of, or short positions in, any commodity for future delivery on or subject to the rules of any contract market made or held by such person to the extent that such sales or short positions are offset in quantity by the ownership or purchase of the same cash commodity by the same person.--------------------------------------------------------------------------- Since 2011, the Commission has included hedges of inventory and cash commodity fixed-price purchase contracts in each of its position limits rulemakings, with minor proposed modifications to improve clarity.\181\--------------------------------------------------------------------------- \181\ 81 FR at 96964; 78 FR at 75713; 76 FR at 11609.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Inventory and Cash Commodity Fixed-Price Purchase Contracts This proposed enumerated bona fide hedge recognized that a commercial enterprise is exposed to price risk if it has obtained inventory in the normal course of business or has entered into a fixed-price spot or forward purchase contract calling for delivery in the physical marketing channel of a cash-market commodity (or a combination of the two), and has not offset that price risk exposure (e.g , that the market price of the inventory could decrease). In connection with the proposed enumerated hedge, any such inventory, or a fixed-price purchase contract, must be on hand, as opposed to a non-fixed purchase contract or an anticipated purchase. An appropriate hedge to offset the price risk arising from inventory or a fixed-price purchase contract under the 2020 NPRM would be to establish a short position in a commodity derivative contract. The Commission also stated in the 2020 NPRM that an exchange may require such short position holders to demonstrate the ability to deliver against the short[[Page 3266]]position in order to demonstrate a legitimate purpose for holding a position deep into the spot month.\182\--------------------------------------------------------------------------- \182\ 85 FR at 11609-11610. For example, it would not appear to be economically appropriate to hold a short position in the spot month of a commodity derivative contract against fixed-price purchase contracts that provide for deferred delivery in comparison to the delivery period for the spot month commodity derivative contract. This is because the commodity under the cash contract would not be available for delivery on the commodity derivative contract.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Inventory and Cash Commodity Fixed-Price Purchase Contracts The Commission is adopting the enumerated bona fide hedge of inventory and cash commodity fixed-price purchase contracts as proposed.(4) Comments--Inventory and Cash Commodity Fixed-Price Purchase Contracts Aside from ASR, which expressed support for this enumerated hedge, the Commission did not receive any other specific comments on this enumerated hedge.\183\--------------------------------------------------------------------------- \183\ ASR at 2.---------------------------------------------------------------------------b. Hedges of Cash Commodity Fixed-Price Sales Contracts(1) Background--Cash Commodity Fixed-Price Sales Contracts Fixed-price cash commodity sales have long served as the basis for a bona fide hedging position.\184\ This bona fide hedge is enumerated in paragraphs (2)(ii)(A) and (B) of the existing bona fide hedging definition in Sec. 1.3 This enumerated bona fide hedge recognizes as a bona fide hedging transaction or position hedges against purchases of any commodity for future delivery on a contract market which do not exceed in quantity: (A) The fixed price sale of the same cash commodity by the same person; and (B) the quantity equivalent of fixed-price sales of the cash products and by-products of such commodity by the same person. Since 2011, the Commission has included hedges of cash commodity fixed-price sales contracts in its position limits rulemakings, with no substantive modifications.\185\--------------------------------------------------------------------------- \184\ See, e.g , 7 U.S.C 6a(3) (1970). That statutory definition of bona fide hedging includes purchases of, or long positions in, any commodity for future delivery on or subject to the rules of any contract market made or held by such person to the extent that such purchases or long positions are offset by sales of the same cash commodity by the same person. \185\ 81 FR at 96964; 78 FR at 75824; 76 FR at 71689.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Cash Commodity Fixed-Price Sales Contracts This proposed enumerated bona fide hedge made minor modifications to the existing bona fide hedge, and recognized that a commercial enterprise is exposed to price risk if it has entered into a spot or forward fixed-price sales contract calling for delivery in the physical marketing channel of a cash-market commodity, and has not offset that price risk exposure (i.e , that the market price of a commodity might be higher than the price of its fixed-price sales contract for that commodity). Under the 2020 NPRM, an appropriate hedge of a fixed-price sales contract would be to establish a long position in a commodity derivative contract to offset such price risk.\186\--------------------------------------------------------------------------- \186\ 85 FR at 11610.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Cash Commodity Fixed-Price Sales Contracts The Commission is adopting the enumerated hedge for hedges of cash commodity fixed-price sales contracts as proposed.(4) Comments--Cash Commodity Fixed-Price Sales Contracts Aside from ASR, which expressed support for this enumerated hedge, the Commission did not receive any other specific comments on this enumerated hedge.\187\--------------------------------------------------------------------------- \187\ ASR at 2.---------------------------------------------------------------------------c. Hedges of Offsetting Unfixed Price Cash Commodity Sales and Purchases(1) Background--Offsetting Unfixed Price Cash Commodity Sales and Purchases Hedges of offsetting unfixed price cash commodity sales and purchases is currently enumerated in paragraph (2)(iii) of the existing bona fide hedging definition in Sec. 1.3 and is subject to the Five-Day Rule. This enumerated hedge is the only existing enumerated hedge that expressly recognizes hedging the price risk arising from cash commodity unfixed-price transactions. This enumerated bona fide hedge allows a market participant to use commodity derivatives in excess of Federal position limits to offset an unfixed-price cash commodity purchase coupled with an unfixed-price cash commodity sale. Specifically, this enumerated bona fide hedge allows for ``offsetting sales and purchases'' for future delivery on a contract market which do not exceed in quantity that amount of the same cash commodity which has been bought and sold by the same person at unfixed prices basis different delivery months of the contract market. While not part of the original regulatory bona fide hedge definition, the Commission adopted this enumerated bona fide hedge in 1987 to ``remove any doubt'' that certain cotton and soybean crush inter-month spreads were covered under the Commission's bona fide hedge definition.\188\ Since 2011, the Commission has included this enumerated bona fide hedge in each of its position limits rulemakings.\189\--------------------------------------------------------------------------- \188\ The Commission stated when it proposed this enumerated bona fide hedge, in particular, a cotton merchant may contract to purchase and sell cotton in the cash market in relation to the futures price in different delivery months for cotton, i.e , a basis purchase and a basis sale. Prior to the time when the price is fixed for each leg of such a cash position, the merchant is subject to a variation in the two futures contracts utilized for price basing. This variation can be offset by purchasing the future on which the sales were based and selling the future on which the purchases were based. Revision of Federal Speculative Position Limits, 51 FR 31648, 31650 (Sept. 4, 1986). \189\ 81 FR at 96964; 78 FR at 75714; 76 FR at 71689.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Offsetting Unfixed Price Cash Commodity Sales and Purchases The Commission proposed to maintain this bona fide hedge, with a few modifications. The 2020 NPRM proposed to expand the existing bona fide hedge, which currently requires the offsetting purchase and sale to be at basis to different delivery months of the same commodity derivative contract, to additionally permit hedges of offsetting unfixed sales and unfixed purchases for different commodity derivative contracts in the same commodity (e.g , Brent/WTI), regardless of whether the contracts are in the same delivery month. This proposed change would permit the cash commodity to be bought and sold at unfixed prices at a basis to different commodity derivative contracts in the same commodity, even if the commodity derivative contracts were in the same calendar month (i.e , buy Brent in January; sell WTI in January).\190\ The Commission proposed this change to allow a commercial enterprise to enter into the described derivatives transactions to reduce the risk arising from either (or both) a location differential or a time differential in unfixed-price purchase and sale contracts in the same cash commodity.\191\--------------------------------------------------------------------------- \190\ 85 FR at 11608. \191\ Id. In the case of reducing the risk of a location differential, and where each of the underlying transactions in separate derivative contracts may be in the same contract month, a position in a basis contract would not be subject to position limits, as discussed in connection with paragraph (3) of the proposed definition of ``referenced contract.''---------------------------------------------------------------------------[[Page 3267]] To be eligible for this enumerated hedge, both an unfixed-price cash commodity purchase ``and'' an offsetting unfixed-price cash commodity sale would have to be in hand, because having both the unfixed-price sale and purchase in hand would allow for an objective evaluation of the hedge.\192\--------------------------------------------------------------------------- \192\ For example, in the case of a calendar spread, having both the unfixed-price sale and purchase in hand would set the timeframe for the calendar month spread being used as the hedge.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Offsetting Unfixed Price Cash Commodity Sales and Purchases The Commission is adopting the enumerated bona fide hedge for offsetting unfixed price cash commodity sales and purchases as proposed.(4) Comments--Offsetting Unfixed Price Cash Commodity Sales and Purchases There were minimal comments on the proposed amendments to this hedge. IFUS explicitly supported the allowance of hedges against cash positions in the same delivery month.\193\ CMC and ACSA requested that the Commission modify the language of this enumerated bona fide hedge to include ``offsetting sales or purchases.''\194\ CMC and FIA stated that because merchants often sell commodities well in advance of purchasing them, such merchants are exposed to the exact same calendar spread price risk as merchants that have executed both unfixed price legs of a transaction, because any futures market calendar spread convergence or divergence will ``affect both scenarios in exactly the same manner.''\195\ These commenters contended that changing the language of the enumerated hedge from ``and'' to ``or'' would allow merchants to hedge against this exposure.\196\--------------------------------------------------------------------------- \193\ IFUS at 4. \194\ CMC at 4; ACSA at 6. \195\ CMC at 4; FIA at 16. \196\ Id.--------------------------------------------------------------------------- In addition, because this is the only existing enumerated hedge that expressly recognizes hedging for unfixed price transactions, several commenters cited to this hedge when requesting that the Commission explicitly endorse that commercial transactions with unfixed-prices may serve as the basis for, and satisfy, the bona fide hedging definition.\197\--------------------------------------------------------------------------- \197\ The Commission's determination on the treatment of unfixed-price transactions under this Final Rule is in Section II.A.1.iv ---------------------------------------------------------------------------(5) Discussion of Final Rule--Offsetting Unfixed Price Cash Commodity Sales and Purchases The Commission is adopting the enumerated bona fide hedge for offsetting unfixed price cash commodity sales and purchases as proposed. The Commission considered the comments requesting the Commission to change this bona fide hedge's language from referring to offsetting unfixed-price purchase ``and'' sale transactions (which requires both an unfixed purchase price transaction and an unfixed sale price transaction) to instead refer to unfixed-price purchase ``or'' sales transactions (which would require only either a single unfixed-price purchase transaction or an unfixed-price sale transaction) to facilitate hedging calendar spread price risk for those market participants that have executed only one leg of an unfixed-price physical transaction (i.e , only a physical purchase or a physical sale). The Commission continues to believe that the enumerated bona fide hedge for offsetting unfixed price cash commodity sales and purchases should continue to require both an unfixed-price cash commodity purchase and an offsetting unfixed-price cash commodity sale. For this particular bona fide hedge, absent either the unfixed-price purchase leg or the unfixed-price sale leg (or absent both legs), it would be less clear, and require a facts and circumstances analysis, to determine how the transaction could be classified as a bona fide hedge, that is, a transaction that reduces price risk.\198\--------------------------------------------------------------------------- \198\ The contemplated derivative positions will offset the risk that the difference in the expected delivery prices of the two unfixed-price cash contracts in the same commodity will change between the time the hedging transaction is entered and the time of fixing of the prices on the purchase and sales cash contracts. Therefore, the contemplated derivative positions are economically appropriate to the reduction of risk.--------------------------------------------------------------------------- Under the Final Rule, a single-sided unfixed price physical transaction (i.e , a physical transaction involving an unfixed price purchase or an unfixed price sale, but not both) cannot be offset with derivatives in excess of position limits using this particular enumerated bona fide hedge. However, a market participant with an unfixed price purchase in the absence of an unfixed-price sale, or vice versa, could potentially qualify for one or more of the enumerated anticipatory bona fide hedges.\199\ Additionally, depending on the facts and circumstances, a single-sided unfixed price contract could potentially be the basis for a non-enumerated bona fide hedge.--------------------------------------------------------------------------- \199\ Specifically, as discussed above, because the Commission does not view an unfixed-price commitment as filling, or satisfying, an anticipated need, market participants with unfixed-price commitments may qualify for an enumerated anticipatory bona fide hedge, provided the market participant meets all applicable requirements and conditions. See Section II.A.1.iv --------------------------------------------------------------------------- While the Commission acknowledges concerns from commenters that market participants that have executed only one leg of a physical transaction (i.e , only an unfixed-price purchase or an unfixed-price sale) may need to hedge calendar spread price risk, the Commission believes the Final Rule offers several avenues for hedging such risks.\200\ For example, under the offsetting unfixed price cash commodity sales and purchases enumerated bona fide hedge, upon fixing the price of, or taking delivery on, the purchase contract, the owner of the cash commodity no longer has offsetting unfixed priced transactions, but may continue to hold the short derivative leg of the spread as a hedge against that fixed-price purchase or as inventory under the enumerated hedge for fixed price transactions.--------------------------------------------------------------------------- \200\ The Final Rule also expands the ``spread transaction'' definition, so a market participant with an unfixed price purchase or sale may also qualify for a calendar spread exemption, for example, with one leg in the spot month. For further discussion of the Final Rule's treatment of spread transactions, see Section II.A.20 --------------------------------------------------------------------------- Alternatively, under this Final Rule, if the market participant fixes the price the sales contract first, he or she may continue to hold the long derivative leg of the spread by qualifying for bona fide hedge treatment for that long position under another enumerated bona fide hedge. For example, a market participant who otherwise meets all applicable requirements of one of the anticipatory bona fide hedges may qualify for such hedge(s) regardless of whether the market participant holds an unfixed-price purchase transaction.d. Hedges of Unsold Anticipated Production(1) Background--Unsold Anticipated Production Unsold anticipated production has long served as the basis for an enumerated bona fide hedging position.\201\ This bona fide hedge is currently enumerated in paragraph (2)(i)(B) of the bona fide hedging definition in existing Sec. 1.3, and is subject to the Five-Day Rule. This[[Page 3268]]existing enumerated bona fide hedge includes hedges against the sales of any commodity for future delivery on a contract market which does not exceed in quantity twelve months' unsold anticipated production of the same commodity by the same person.--------------------------------------------------------------------------- \201\ See 7 U.S.C 6a(3)(A) (1940). That statutory definition of bona fide hedging, enacted in 1936, included the amount of such commodity such person is raising, or in good faith intends or expects to raise, within the next twelve months, on land (in the United States or its Territories) which such person owns or leases.--------------------------------------------------------------------------- The bona fide hedge of unsold anticipated production is one of two existing enumerated anticipatory bona fide hedges currently included in Sec. 1.3, the other being unfilled anticipated requirements (discussed further below). The unsold anticipated production bona fide hedge allows a market participant who anticipates production, but who has not yet produced anything, to enter into a short derivatives position in excess of Federal position limits to hedge the price risk arising from that anticipated production. Since 2011, the Commission has included hedges of unsold anticipated production in each of its position limits rulemakings, with some modifications.\202\ The regulatory text for this existing enumerated bona fide hedge is silent about whether it applies to unsold anticipated production that is contracted to be sold under an unfixed-price transaction.--------------------------------------------------------------------------- \202\ 81 FR at 96964; 78 FR at 75714; 76 FR at 71689.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Unsold Anticipated Production The Commission proposed to maintain the existing enumerated bona fide hedge of unsold anticipated production, with modifications as follows. First, the Commission proposed to remove the twelve-month restriction.\203\ Second, consistent with the treatment for the other anticipatory bona fide hedges under the 2020 NPRM, the Commission proposed to eliminate the existing restrictions during the last five days of trading (i.e , eliminate the ``Five-Day Rule'').\204\--------------------------------------------------------------------------- \203\ 85 FR at 11608. \204\ For further discussion of the Five-Day rule, see Section II.A.1.viii, Elimination of Federal Restriction Prohibiting Holding a Bona Fide Hedge Exemption During Last Five Trading Days, the ``Five-Day Rule,'' below.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Unsold Anticipated Production The Commission is adopting the enumerated bona fide hedge of unsold anticipated production as proposed.(4) Comments--Unsold Anticipated Production Several commenters, including ASR, ADM, and ICE, supported eliminating the twelve-month restriction.\205\ ASR, for example, noted that the lifecycle of sugarcane extends beyond a twelve-month period.\206\--------------------------------------------------------------------------- \205\ ASR at 2; ADM at 2; ICE at 2; IECA at 2; and IFUS at 2. \206\ ASR at 2.--------------------------------------------------------------------------- Conversely, Better Markets and IATP opposed the elimination of the twelve-month restriction.\207\ IATP stated that commercial market participants such as storage facilities should instead use insurance policies to manage their risks.\208\ Further, IATP stated that if the Commission extends the duration up to 24 months, the Commission should retain discretion to require market participants to demonstrate a production level proportionate to the amount in excess of the Federal position limit throughout the duration of the bona fide hedge exemption.\209\--------------------------------------------------------------------------- \207\ IATP at 15-17; Better Markets at 57-58. \208\ IATP at 15-17. \209\ Id.---------------------------------------------------------------------------(5) Discussion of Final Rule--Unsold Anticipated Production The Commission is adopting the enumerated bona fide hedge of unsold anticipated production as proposed. This enumerated bona fide hedge allows a market participant who anticipates production, but who has not yet produced anything, to enter into a short derivatives position in excess of Federal position limits to hedge the anticipated unsold production.\210\--------------------------------------------------------------------------- \210\ Once a market participant finishes its production, the market participant will no longer qualify for this enumerated bona fide hedge since its production is no longer anticipatory. Instead, its completed production is now part of its inventory. However, the enumerated bona fide hedge for inventory and cash commodity fixed-price purchase contracts (discussed below) would become available to the market participant.--------------------------------------------------------------------------- The Commission clarifies, as discussed above under Section II.A.1.iv , that the enumerated bona fide hedge for unsold production is available to a market participant who satisfies all applicable requirements regardless of whether the market participant has entered into an unfixed-price sales transaction in connection with its anticipated unsold production. However, acquiring an unfixed-price sales contract alone is not a basis for qualifying for this bona fide hedge. Rather, under the Final Rule, entering into an unfixed-price sales transaction will not prevent a market participant from qualifying for the unsold anticipated production bona fide hedge. As the Commission explains above, an unfixed-price sales commitment does not address the bona fide hedging need related to anticipated unsold production because the market participant's price risk to its anticipated production has not been fixed (i.e , the unfixed-price sales contract may fall below the cost of production). In other words, a producer with an unfixed-price sales commitment for its production still has an anticipated need related to its price risk until the price of the commitment is fixed. However, once the market participant enters into a fixed-price sales contract, the market participant no longer has price risk that needs to be hedged (i.e , its short futures contract is no longer necessary as a hedge for its anticipated production). Accordingly, the market participant that enters into the fixed-price transaction no longer has an anticipated need to hedge the price risk associated with its unsold production (i.e , the anticipated production is deemed to be ``sold'' by fixed-price sales transaction) and would not qualify for this anticipated unsold production bona fide hedge. Consequently, if the market participant no longer qualifies for the unsold anticipated production bona fide hedging recognition (e.g , it has entered into a fixed-price sales contract), its derivative position, to the extent the position is above an applicable position limit, must be reduced in an orderly manner in accordance with sound commercial practices. However, if the market participant entered into a fixed-price transaction, while it could not continue to qualify for the unsold anticipated production bona fide hedge, the market participant may be able to qualify for the enumerated bona fide hedge for cash commodity fixed-price sales contracts, assuming all applicable requirements are met.\211\--------------------------------------------------------------------------- \211\ For further discussion of the enumerated bona fide hedge for cash commodity fixed-price sales contracts, see Section II.A.1.vi.b --------------------------------------------------------------------------- While the Commission acknowledges the comments from Better Markets and IATP opposing the removal of the twelve-month restriction, the Commission believes that this twelve-month restriction may be unsuitable in connection with additional core referenced futures contracts with the underlying ***agricultural*** and energy commodities that would be subject to Federal position limits for the first time under this Final Rule since these non-legacy commodities may have longer growth and/or production cycles than the nine legacy ***agricultural*** contracts. The existing twelve-month restriction may thus be unnecessarily short in comparison to the expected life of investment in production facilities. While this enumerated bona fide hedge for unsold production does not have an associated twelve-month restriction under the Final Rule, the Commission notes that because all bona fide hedges must be economically appropriate to the[[Page 3269]]reduction of price risk pursuant to the CEA, a market participant may only qualify for this enumerated bona fide hedge for anticipated unsold production to the extent the market participant has a good faith anticipation of legitimate anticipated unsold production giving rise to such price risk. Further, additional provisions finalized herein under the Final Rule will help ensure that all bona fide hedges, including bona fide hedges of unsold anticipated requirements, comport with the CEA and the Commission's regulations, and are objectively verifiable and free from abuse.\212\--------------------------------------------------------------------------- \212\ See infra Sec. Sec. 150.5 and 150.9 (reporting and recordkeeping obligations); Appendix B to part 150.---------------------------------------------------------------------------e. Hedges of Unfilled Anticipated Requirements(1) Background--Unfilled Anticipated Requirements The existing bona fide hedge for unfilled anticipated requirements is currently enumerated in paragraph (2)(ii)(C) of the existing bona fide hedging definition in Sec. 1.3 This bona fide hedge includes hedges against purchases of any commodity for future delivery on a contract market which do not exceed in quantity twelve months' unfilled anticipated requirements of the same cash commodity for processing, manufacturing, or feeding by the same person. Consistent with the existing enumerated bona fide hedge for anticipated unsold production, as discussed above, the existing bona fide hedge for unfilled anticipated requirements is similarly subject to the twelve-month restriction as well as a less-restrictive version of the ``Five-Day Rule.'' With respect to the Five-Day Rule, under existing Sec. 1.3, the unfilled anticipated requirements bona fide hedge provides that the size of a market participant's position held ``in the five last trading days'' must not exceed the person's unfilled anticipated requirements of the same cash commodity for that month and for the next succeeding month.\213\--------------------------------------------------------------------------- \213\ This is essentially a less-restrictive version of the five-day rule, allowing a participant to hold a position during the end of the spot period if economically appropriate, but only up to two months' worth of anticipated requirements. The two-month quantity limitation has long-appeared in existing Sec. 1.3 as a measure to prevent the sourcing of massive quantities of the underlying in a short period. 17 CFR 1.3 --------------------------------------------------------------------------- However, the regulatory text in existing Sec. 1.3 is silent about whether the bona fide hedge applies to unfilled anticipated requirements that are contracted to be supplied under an unfixed-price transaction or whether such unfixed-price supply transaction would ``fill'' the anticipated requirements. As discussed above, staff previously has addressed this question through Staff Letter No. 12-07, in which staff clarified that a commercial entity may qualify for the existing enumerated bona fide hedge for unfilled anticipated requirements even if the commercial entity has entered into long-term, unfixed-price supply or requirements contracts because, as staff explained, the unfixed-price purchase contract does not ``fill'' the commercial entity's anticipated requirements.\214\ As explained in Staff Letter No. 12-07, the price risk of such ``unfilled'' anticipated requirements is not offset by the unfixed-price forward contract because the price risk remains with the commercial entity, even though the entity has contractually assured a supply of the commodity. Staff Letter No. 12-07 had the practical effect of affirming that market participants with firm commitments at unfixed prices may still be able to avail themselves of this enumerated anticipatory hedge for unfilled requirements.--------------------------------------------------------------------------- \214\ CFTC Letter No. 12-07, Interpretation, Request for guidance regarding meaning of ``unfilled anticipated requirements'' for purposes of bona fide hedging under the Commission's position limits rules (Aug. 16, 2012).---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Unfilled Anticipated Requirements The Commission proposed several amendments to the unfilled anticipated requirements bona fide hedge. First, the Commission proposed to remove the twelve-month restriction because the Commission recognized that market participants may have a legitimate commercial need to hedge unfilled anticipated requirements for a period longer than twelve months.\215\--------------------------------------------------------------------------- \215\ See, e.g , 85 FR at 11610.--------------------------------------------------------------------------- Second, the Commission proposed to remove from the regulatory text the ***agricultural***-specific term ``feeding,'' and to replace that word with a reference to ``use by that person.'' Third, recognizing that utilities are not the entities who ``use'' the commodity, the Commission also proposed to add as a permissible hedge the unfilled anticipated requirements for the contract's underlying cash commodity for the resale by a utility to meet the anticipated demand of its customers. This proposed provision is analogous to the existing unfilled anticipated requirements provision ``for processing, manufacturing or use by the same person[.]'' \216\ Under this proposed new provision, however, the commodity is not for use by the same person--that is, the utility--but rather the commodity is for anticipated use by the utility to fulfill its obligation to serve retail customers.--------------------------------------------------------------------------- \216\ 17 CFR 1.3 --------------------------------------------------------------------------- Finally, consistent with the treatment for the other anticipatory bona fide hedges under the 2020 NPRM, the Commission proposed to eliminate the existing restrictions during the last five last days of trading.(3) Summary of the Commission Determination--Unfilled Anticipated Requirements The Commission is adopting the unfilled anticipated requirements enumerated bona fide hedge as proposed.(4) Comments--Unfilled Anticipated Requirements Commenters supported continuing to include this bona fide hedge as part of the Commission's amended suite of enumerated anticipatory bona fide hedges.\217\ As described below, commenters also requested the Commission clarify certain aspects of the proposed version.--------------------------------------------------------------------------- \217\ e.g , AGA at 6-7; ADM at 2; CEWG at 4; EEI and EPSA jointly at 5; IECA at 2; NOPA at 2; NGSA at 3.---------------------------------------------------------------------------(i) Elimination of Requirement to Hedge Only Twelve Months' Quantity of Unfilled Anticipated Requirements Only a small group of commenters directly commented on the elimination of the twelve-month restriction. ICE, IFUS, IECA, AGA, ADM and NOPA supported eliminating the twelve-month restriction,\218\ with ADM stating that there may be times this anticipatory hedge is needed for ``commercial purposes beyond twelve-months.'' \219\ In contrast, Better Markets opposed the removal of the restriction, stating that such removal would make the hedge less reasonably verifiable and open the hedge to potential abuse.\220\--------------------------------------------------------------------------- \218\ AGA at 6-7, ADM at 2, NOPA at 2, IFUS at 2, ICE at 2, and IECA at 2. \219\ ADM at 2. \220\ Better Markets at 58-59.---------------------------------------------------------------------------(a) Discussion of Final Rule--Twelve-Month Restriction After considering public comments, the Commission has determined that the commercial need to hedge unfilled anticipated requirements for a period longer than twelve months, along with the Commission's experience in overseeing exemptions \221\ under this[[Page 3270]]enumerated bona fide hedge, suggest in favor of eliminating the twelve-month restriction. While the Commission acknowledges the comments from Better Markets opposing the removal of the twelve-month restriction, the Commission notes that, a twelve-month limitation in connection with this particular enumerated bona fide hedge may be unsuitable in connection with commodities other than the nine legacy ***agricultural*** commodities. For example, a processor or utility relying on the unfilled anticipated requirements bona fide hedge has a physical limit on processing, or energy generation, respectively, which should generally result in relatively predictable levels of activity that will not vary much year to year. Further, additional provisions finalized herein will help ensure that all bona fide hedges, including hedges of unfilled anticipated requirements, comport with the CEA and the Commission's regulations, and are reasonably verifiable and free from abuse.--------------------------------------------------------------------------- \221\ The Commission and its predecessor agency, the Commodity Exchange Authority, has decades of expertise in granting bona fide exemptions. See 21 FR 6913 (Sep 13, 1956).--------------------------------------------------------------------------- For example, under Sec. 150.5(a)(2)(ii)(A), finalized herein, all market participants seeking a bona fide hedge exemption for referenced contracts subject to Federal position limits, including those market participants with enumerated bona fide hedges that are self-effectuating for purposes of Federal position limits, must still file an application to the exchange requesting an exemption from the applicable exchange-set position limits prior to exceeding the exchange-set limits. The application for an exemption from exchange-set limits must include information the exchange needs to determine, and the Commission can use that information to independently determine, whether the facts and circumstances support the exchange granting such an exemption. The market participant must include a description of the applicant's activity in the cash markets and swaps markets for the commodity underlying the position for which the application is submitted, including, but not limited to, information regarding the offsetting cash positions.\222\ The exchange is required to take into ***account*** whether the exemption would result in positions that would not be in accord with sound commercial practices and whether the position would exceed an amount that may be established and liquidated in an orderly fashion.\223\ Accordingly, if hedging more than twelve months' quantity of unfilled anticipated requirements would not be in accord with sound commercial practices, or would exceed an amount that may be established and liquidated in an orderly fashion, the exchange would be prohibited from granting the exemption.--------------------------------------------------------------------------- \222\ 150.5(a)(2)(ii)(A). \223\ 150.5(a)(2)(ii)(G).--------------------------------------------------------------------------- Even in the absence of a Federal twelve-month restriction, when administering exchange-set limits, exchanges may, as they do today, implement a variety of restrictions and limitations on position size to maintain orderly markets and to fulfill their regulatory obligations. As described in further detail below, the Commission is finalizing guidance in paragraph (b) of Appendix B to part 150 to help exchanges determine when any such restrictions during the spot month might be appropriate, and when such restrictions may not be needed. For example, consistent with the guidance in Appendix B to part 150, paragraph (b), an exchange may consider adopting rules to require that during the lesser of the last five days of trading (or such time period for the spot month), such positions must not exceed the person's unfilled anticipated requirements of the underlying cash commodity for that month and for the next succeeding month.\224\ Depending on the specific facts and circumstances, and particular market dynamics, any such quantity limitation may prevent the use of long futures to source large quantities of the underlying cash commodity. The Commission may be able to determine that an exchange's adoption of a two-month limitation would allow for an amount of activity that is economically appropriate and in line with common commercial hedging practices, without jeopardizing any statutory objectives.--------------------------------------------------------------------------- \224\ This is essentially a less-restrictive version of the Five-Day rule, allowing a participant to hold a position during the end of the spot period if economically appropriate, but only up to two months' worth of anticipated requirements. The two-month quantity limitation has long-appeared in existing Sec. 1.3 as a measure to prevent the sourcing of massive quantities of the underlying in a short time period. 17 CFR 1.3 ---------------------------------------------------------------------------(ii) Scope of Unfilled Anticipated Requirements and Unfixed-Price Transactions Commenters questioned the extent to which anticipated requirements may be considered to be ``filled'' by unfixed-price purchase supply contracts under the proposed enumerated bona fide hedge for unfilled anticipated requirements. COPE, IECA, EPSA and EEI requested clarification on whether this enumerated hedge covers anticipated requirements ``filled'' by an unfixed-price purchase contract common to many electric generators.\225\--------------------------------------------------------------------------- \225\ COPE at 6; IECA at 7-8; EPSA and EEI jointly at 5.--------------------------------------------------------------------------- IECA recommended the Commission should either (i) adopt a broad definition of the word ``unfilled'' that would include anticipated requirements that are ``filled'' by unfixed-price transactions, or (ii) expand this bona fide hedge to include both ``unfilled'' and ``unpriced'' \226\ anticipated requirements.\227\--------------------------------------------------------------------------- \226\ The Commission recognizes that market participants may utilize different nomenclature to refer to unfixed-price contracts. For example, some commenters may refer to these contracts as ``unpriced'' contracts, while others may refer to these physical contracts as being at an unfixed spot index price. See FIA at 17, 31; COPE at 6. \227\ IECA at 7-8.--------------------------------------------------------------------------- AGA also requested clarification \228\ regarding the 2020 NPRM's statement that this bona fide hedge would recognize a position where a utility is ``required or encouraged'' by its public utility commission to hedge.\229\ AGA noted that while the ``required or encouraged'' language is not in the proposed regulatory text, clarification of the scope for the exemption would result in more certainty for those utilities in states where the public utility commission may not directly address or require hedging activities, but instead may allow or permit hedging for the potential benefits to customers.\230\--------------------------------------------------------------------------- \228\ AGA at 6-7. \229\ See 7 U.S.C 6a(c)(2)(A)(iii); 85 FR at 11610 (``This would recognize a bona fide hedging position where a utility is required or encouraged by its public utility commission to hedge''). \230\ AGA at 6-7.---------------------------------------------------------------------------(a) Discussion of Final Rule--Scope of Unfilled Anticipated Requirements Regarding the requests for clarification on the scope of the term ``unfilled'' in this enumerated hedge, the Commission clarifies that anticipated ``unfilled'' requirements are not ``filled'' by unfixed-price transactions. Accordingly, a market participant with a purchase or sale of a physical commodity, entered into at an unfixed price, may continue to avail itself of this anticipatory hedge even though the participant has entered into a firm, albeit unfixed-price, commitment, and provided all applicable requirements are satisfied.\231\--------------------------------------------------------------------------- \231\ The Commission clarifies that unfixed-price contracts include physical fuel agreements for power production for security of supply that are priced at an unfixed spot index price.--------------------------------------------------------------------------- As discussed above under Section II.A.1.iv , the Commission adopts the interpretation of Staff Letter No. 12-07.\232\ That is, commercial entities that[[Page 3271]]enter into unfixed-price transactions may continue to qualify for the enumerated bona fide hedge for unfilled anticipated requirements as long as the commercial entity otherwise satisfies the criteria for this hedge. This rationale is predicated on the fact that an unfixed-price purchase commitment does not fill an anticipated requirement in that the market participant's price risk to the input has not been fixed.--------------------------------------------------------------------------- \232\ CFTC Staff Letter No. 12-07.--------------------------------------------------------------------------- The Commission continues to believe that unfilled anticipated requirements are those anticipated inputs that are estimated in good faith and that have not been filled. As such, an anticipated requirement may be filled by fixed-price purchase commitments, holdings of commodity inventory, or unsold anticipated production of the market participant.\233\ Unfixed-price transactions, however, do not fill an anticipated requirement.--------------------------------------------------------------------------- \233\ 81 FR at 96752.--------------------------------------------------------------------------- Under this anticipatory hedge, once the price is fixed on a supply contract, the market participant holding the anticipatory hedge position must, to the extent the position is above an applicable Federal position limit, liquidate the position in an orderly manner in accordance with sound commercial practices. Nevertheless, subject to the specific facts and circumstances, the market participant at that point may have established the basis for a different bona fide hedge exemption to offset the price risk arising from its fixed price exposure. Finally, the Commission agrees with the commenters' request for clarification that a utility qualifies for the unfilled anticipated requirements enumerated hedge even if the utility is not ``required or encouraged'' by its public utility commission to hedge.f. Hedges of Anticipated Merchandising(1) Background--Anticipated Merchandising The existing bona fide hedge definition in Sec. 1.3 includes enumerated bona fide hedges that recognize offsets of certain anticipated activities,\234\ but does not currently include an enumerated bona fide hedge for anticipated merchandising. While the Commission's 2011 Final Rule included an enumerated hedge for anticipated merchandising, it was a narrow hedge focused on the leasing of storage capacity,\235\ and that rulemaking was ultimately vacated.--------------------------------------------------------------------------- \234\ See, e.g , Sec. Sec. 1.3(z)(2)(i)(B) (unsold anticipated production) and 1.3(z)(2)(ii)(C) (unfilled anticipated requirements). \235\ The 2011 Final Rule was the first time the Commission recognized that in some circumstances, a market participant that owns or leases an asset in the form of storage capacity could establish positions to reduce the risk associated with returns anticipated from owning or leasing that capacity. In those narrow circumstances, the Commission found that those transactions satisfied the statutory definition of a bona fide hedging transaction.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Anticipated Merchandising The Commission proposed a new enumerated bona fide hedge for anticipated merchandising. The proposed anticipated merchandising hedge recognized long or short positions in commodity derivative contracts that offset the anticipated change in value of the underlying commodity that a person anticipates purchasing or selling.\236\--------------------------------------------------------------------------- \236\ 85 FR at 11727.--------------------------------------------------------------------------- While the proposed enumerated anticipated merchandising bona fide hedge would operate as a self-effectuating bona fide hedge, the proposed bona fide hedge was subject to the following conditions: (1) The position offsets the anticipated change in value of the underlying commodity that a person anticipates purchasing or selling; (2) the position does not exceed in quantity twelve months' of current or anticipated purchase or sale requirements of the same cash commodity that is anticipated to be purchased or sold; (3) the person holding the position is a merchant handling the underlying commodity that is subject to the anticipated merchandising hedge; (4) that such merchant is entering into the position solely for purposes related to its merchandising business; and (5) the person has a demonstrated history of buying and selling the underlying commodity for its merchandising business.\237\--------------------------------------------------------------------------- \237\ Id.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Anticipated Merchandising The Commission is adopting the anticipated merchandising enumerated hedge as proposed, and makes certain clarifications below to respond to specific questions from commenters summarized below. The Commission recognizes that anticipated merchandising is a hedging practice commonly used by some commodity market participants, and that merchandisers play an important role in the physical supply chain. The Commission also recognizes that the derivative transactions utilized by commercial participants to manage such merchandising activity are beneficial to price discovery.(4) Comments--Anticipated Merchandising(i) Generally A majority of commenters strongly supported the addition of an enumerated bona fide hedge for anticipatory merchandising.\238\ In particular, market participants from the energy industry strongly supported the inclusion of this enumerated hedge, subject to certain clarifications described in detail further below.\239\ On the other hand, Better Markets indicated that the enumerated anticipatory bona fide hedges generally, and particularly the enumerated hedge for anticipatory merchandising, pose a regulatory avoidance risk.\240\ Better Markets expressed concern that market participants could attempt to claim an underlying risk is anticipated in a cash commodity in order to justify positions in referenced contracts that exceed Federal position limits.\241\--------------------------------------------------------------------------- \238\ AGA at 1, 8; AFR at 2; Cargill at 4-6; NGSA at 2, 4; CMC at 4-5, 7-8; ADM at 3; NCFC at 2-4; Chevron at 2, 5; Suncor at 3, 5; IFUS at 2 (Exhibit 1 RFC 4); ICEA at 2; NGFA at 4, 7; CCI at 7-9; ASR at 2; FIA at 16; CEWG at 14. \239\ AGA at 8; AFR at 2; Cargill at 5-6; NGSA at 4; CMC at 5, 7; ADM at 3; NCFC at 3-4; Chevron at 5; Suncor at 5; IFUS at Exhibit 1 RFC 4; ICEA at 2; NGFA at 7; CCI at 7-9. \240\ Better Markets at 3, 59-60 (stating that ``. . . an identical conceptual avoidance risk continues to exist across all of these anticipatory hedges--namely, that firms may claim an underlying risk is anticipated in order to justify positions well over the speculative limits in Referenced Contracts''). \241\ Id.--------------------------------------------------------------------------- In addition to expressing support for the inclusion of this enumerated bona fide hedge, most commenters also requested clarity or guidance on the scope of the proposed anticipated merchandising bona fide hedge. For example, CMC stated that the Commission must be clear with the exchanges and the end-user community about what activity is included in the enumerated anticipated merchandising bona fide hedge.\242\ Similarly, Cargill and NGFA supported the addition of the enumerated anticipated merchandising bona fide hedge, but urged the Commission to provide more clarity on how the enumerated bona fide hedge would be applied.\243\ Cargill and NGFA also requested that the Commission address language that appeared in footnote 105 of the 2020 NPRM,\244\[[Page 3272]]which implied that certain storage hedges and hedges of assets owned or anticipated to be owned would be evaluated through the non-enumerated bona fide hedge process, rather than as a self-effectuating enumerated anticipated merchandising bona fide hedge.\245\--------------------------------------------------------------------------- \242\ CMC at 5 (stating that n.105 of the 2020 NPRM casts a significant shadow of uncertainty and that if the Commission believes limits are necessary, it must be clear with the exchanges and the end-user community about what activities are enumerated). \243\ Cargill at 5-6; NGFA at 7. \244\ 85 FR at 11612. Footnote 105 from the 2020 NPRM provided: ``Similarly, other examples of anticipatory merchandising that have been described to the Commission in response to request for comment on proposed rulemakings on position limits (i.e , the storage hedge and hedges of assets owned or anticipated to be owned) would be the type of transactions that market participants may seek through one of the proposed processes for requesting a non-enumerated bona fide hedge recognition.'' \245\ Cargill at 5-6; NGFA at 7.---------------------------------------------------------------------------(ii) Requirements for Anticipated Merchandising(a) Requirement to Hedge Only Twelve Months' Worth of Anticipated Requirements Although many public comments addressed the new anticipated merchandising bona fide hedge, only a few commenters opposed the proposed requirement to limit this hedge to only twelve months' worth of current or anticipated purchase or sale requirements of the same cash commodity that is anticipated to be purchased or sold. FIA opposed the twelve-month restriction, stating that CEA section 4a(c)(2) does not tie the validity of a bona fide hedge to the duration of the commercial requirement being hedged.\246\ FIA also provided an example pointing out that market participants often need hedges of anticipated purchases or sales longer than twelve months, such as when a merchant has a reasonable expectation of anticipated sales beyond a twelve-month quantity.\247\--------------------------------------------------------------------------- \246\ FIA at 16-17. \247\ Id.--------------------------------------------------------------------------- Similarly, ADM stated that anticipatory merchandising transactions should be considered similar to ``hedges of anticipated requirements'' and therefore not subject to the twelve-month restriction.\248\--------------------------------------------------------------------------- \248\ ADM at 3. The 2020 Proposal would remove the existing 12-month restriction applicable to the existing enumerated hedge for unfilled anticipated requirements. See 85 FR at 11610.---------------------------------------------------------------------------(b) Discussion of Final Rule--Twelve-Month Restriction After considering the comments on the requirement to hedge only twelve months' worth of anticipated requirements, the Commission is adopting the twelve-month restriction as proposed. The Commission continues to believe that, as stated in the 2020 NPRM, this requirement is intended to ensure that merchants are hedging their legitimate anticipated merchandising exposure to the value change of the underlying commodity, while calibrating the anticipated need within a reasonable timeframe and subject to the limitations in physical commodity markets, such as annual production or processing capacity.\249\ A twelve-month restriction for anticipated merchandising is suitable in connection with contracts that are based on anticipated activity on yet-to-be established cash positions due to the uncertainty of forecasting such activity and, all else being equal, the increased risk of excessive speculation on the price of a commodity the longer the time period before the actual need arises.--------------------------------------------------------------------------- \249\ 85 FR at 11611.--------------------------------------------------------------------------- Regarding FIA's comment opposing the twelve-month restriction based on FIA's interpretation of CEA section 4a(c)(2), the Commission is comfortable that hedging twelve months' or less of current or anticipated purchase or sale requirements of the same cash commodity that is anticipated to be purchased or sold is consistent with the CEA section 4a(c)(2)(A)(ii) requirement that bona fide hedges be economically appropriate to the reduction of risks in the conduct and management of a commercial enterprise.\250\ However, hedging more than twelve months' anticipated purchase or sale requirements could in some cases be inconsistent with that statutory requirement. Accordingly, bona fide hedges involving more than twelve months' worth of anticipated requirements for anticipated merchandising are best evaluated on a case-by-case basis under the non-enumerated process adopted herein. The Commission understands that commercial firms may seek to manage the price risk of more than twelve months' anticipated merchandising activities; where such situations arise, the Commission believes a non-enumerated bona fide hedge could be appropriate.--------------------------------------------------------------------------- \250\ See 7 U.S.C 6a(c)(2)(A)(ii).--------------------------------------------------------------------------- The Commission also considered comments that stated that the Commission should treat the proposed anticipated merchandising bona fide hedge similar to the other anticipatory bona fide hedges adopted herein (i.e , the enumerated bona fide hedges for unsold anticipated production and unfilled anticipated requirements), which are no longer subject to the twelve-month restriction.\251\ However, the Commission believes that the enumerated bona fide hedge for anticipated merchandising, which is a new enumerated bona fide hedge, is distinguishable from the enumerated bona fide hedges for unsold anticipated production and unfilled anticipated requirements, which both have been part of the Federal position limits framework for decades.--------------------------------------------------------------------------- \251\ ADM at 3.--------------------------------------------------------------------------- In particular, the Commission has determined that a twelve-month restriction is unnecessary for bona fide hedges of unfilled anticipated requirements and unsold anticipated production in part because anticipated production and requirements, unlike merchandising, are linked and subject to inherent physical limits. For example, a processor has a physical limit on production capacity to support claims of anticipated unsold production. Likewise, a manufacturer, processor or utility has a physical limit on manufacturing, processing, or energy generation, respectively, for similar reasons to tie any claim of anticipated requirements. In each case, anticipated production or requirements generally should result in relatively predictable levels of activity that will not vary much year to year. In contrast, the amount a given market participant could claim to anticipate merchandising is potentially unlimited and less connected to physical production capacity.\252\--------------------------------------------------------------------------- \252\ To verify market participants' bona fide hedging needs, the Final Rule's recordkeeping requirements require persons availing themselves of enumerated bona fide hedge recognitions to maintain complete books and records concerning all relevant information on their anticipated requirements, production, and merchandising activities. See 17 CFR 150.3(d)(1). Furthermore, the Commission notes that as part of the exemption application process under final Sec. 150.5, persons seeking exemptions from exchange-set position limits are required to include a description of its activities in the cash markets and swap markets for the commodity underlying the position for which the application is submitted.---------------------------------------------------------------------------(iii) Request for Clarification--Meaning of ``Merchant'' Comments from energy market participants requested that the Commission clarify the meaning of the term ``merchant'' as such term is used in the regulatory text of the proposed anticipated merchandising hedge.\253\ Specifically, market participants from the energy industry expressed concern about whether the Commission would construe the term ``merchant'' such that only entities that are solely merchants, and not engaged in other business activities, would qualify for the anticipated merchandising bona fide hedge.\254\ These commenters explained that large energy companies with[[Page 3273]]vertically integrated corporate structures typically have several legal entities that perform individual business functions, including merchandising.\255\ As such, these commenters requested the Commission clarify that integrated energy companies routinely engaged in merchandising activities, as well as other activities such as production, processing, marketing and power generation, may utilize the enumerated hedge for anticipated merchandising in addition to other bona fide hedges.\256\--------------------------------------------------------------------------- \253\ CMC at 5; Shell at 8; Chevron at 5-6; Suncor at 5-6; CEWG at 15-16. \254\ Shell at 8; Chevron at 5-6; Suncor at 5-6; CEWG at 15-16. \255\ Id. \256\ Id.---------------------------------------------------------------------------(a) Discussion of Final Rule--Meaning of ``Merchant'' The Commission is adopting the term ``merchant'' in the final anticipated merchandising bona fide hedge as proposed, but clarifies here the intended meaning of that term. In particular, the Commission is clarifying that the term ``merchant'' in the anticipated merchandising enumerated bona fide hedge is not limited to those entities exclusively engaged in the business of merchandising. Instead, the term ``merchant'' may include physical commodity market participants that, in addition to offering or entering into transactions solely for purposes related to their merchandising business, may otherwise also be a producer, processor, or commercial user of the commodity that underlies the anticipated merchandising transaction. The Commission's use of the term ``merchant'' is intended to capture commercial market participants who participate in the physical commodity market, and does not exclude such participants simply because they have a vertically integrated corporate structure. That is, energy, ***agricultural***, or metal companies in the physical commodity market with vertically-integrated or complex corporate structures are not excluded as merchants, so long as they otherwise satisfy all applicable requirements related to the anticipated merchandising bona fide hedge. The condition requiring the person to be a merchant to qualify for this enumerated hedge is consistent with the Commission's longstanding practice of providing commercial market participants relief from certain regulatory requirements as a way of reducing regulatory compliance obligations that would otherwise burden a commercial market participant's physical commodity business. The Commission has taken a similar approach under the trade option exemption by exempting the physically delivered commodity options purchased by commercial users of the commodities underlying the options. Under the trade option relief, the Commission recognized that commercial market participants needed relief by generally exempting qualifying commodity options from the swap requirements of the CEA and the Commission's regulations.\257\ Unlike in the trade option requirements, there is no requirement under the anticipated merchandising enumerated bona fide hedge that both counterparties qualify as merchants. The anticipated merchandising enumerated bona fide hedge, however, is intended to generally benefit the same type of market participants as the trade option exemption, that is, commercial market participants who participate in the physical commodity market for the underlying commodity being merchandised. As such, the text of the anticipated merchandising enumerated bona fide hedge excludes a party who is not entering into the anticipated merchandising activity solely for commercial purposes related to its merchandising business, but instead, to speculate on the price of the underlying commodity. For example, non-commercial market participants who employ various arbitrage strategies, including sometimes trading arbitrage positions in cash commodity markets to speculate on the price of the underlying commodity, and those market participants with highly leveraged derivatives portfolios of non-physical commodities, would not qualify as merchants.--------------------------------------------------------------------------- \257\ Trade Options, Final Rule, 81 FR 14966 (March 21, 2016).--------------------------------------------------------------------------- Finally, the Commission has determined that it is not necessary to amend the regulatory text's reference to merchant to expressly include producers or processors. As clarified above, a producer and a processor may qualify for the anticipated merchandising bona fide hedge as a merchant if a part of their business involves merchandising. Furthermore, such entities that are also producers or processors may otherwise rely on the enumerated anticipated unsold anticipated production or unfilled anticipated requirements bona fide hedges, where applicable. Thus, the Commission is providing these market participants with ample flexibility to manage the price risks arising from their anticipated merchandising activity using an expanded suite of anticipatory bona fide hedges.(iv) Requirement for a History of Merchandising The Commission did not receive any specific comments on the proposed requirement to demonstrate a history of merchandising activity.(a) Discussion of Final Rule--History of Merchandising Requirement The Commission is adopting the requirement to demonstrate a history of merchandising as proposed. Such demonstrated history must include a history of making and taking delivery of the underlying commodity, and a demonstrated ability to store and move the underlying commodity.\258\ A merchandiser that lacks the requisite history of anticipated merchandising activity could still potentially receive bona fide hedge recognition under the non-enumerated process, so long as the merchandiser can otherwise demonstrate compliance with the bona fide hedging definition and other applicable requirements, including demonstrating activities in the physical marketing channel, including, for example, arrangements to take or make delivery of the underlying commodity.\259\--------------------------------------------------------------------------- \258\ 85 FR at 11611. \259\ Id.---------------------------------------------------------------------------(v) Scope of Anticipated Merchandising Activity In response to comments from the exchanges and market participants, the Commission is providing further clarity on the scope of the enumerated anticipated merchandising bona fide hedge. The Commission discusses below certain non-exclusive types of activities that are covered by the enumerated anticipated merchandising bona fide hedge.(a) Request for Clarification--Unfixed-Price Contracts and Enumerated Anticipated Merchandising Hedge Commenters requested clarification on whether the enumerated bona fide hedge for anticipated merchandising may be used to manage price risk arising from unfixed-price physical commodity transactions. Specifically, several commenters requested clarification on whether a firm may use the anticipated merchandising bona fide hedge to manage the risk associated with a single-sided unfixed purchase or sale at a moment when the same firm does not have an offsetting sale or purchase.\260\ In[[Page 3274]]addition to commercial market participants, ICE and CME Group also requested that the Commission recognize single-sided hedges of unfixed-price purchases or sales. Similar to energy market participants, ICE noted that pricing physical energy commodity transactions at unfixed prices is a common pricing mechanism in the energy markets.\261\ CME Group provided a hypothetical example of a single-side floating or unfixed-price purchase or sale to demonstrate that derivatives positions entered into to effectuate that single-sided unfixed-price purchase or sale would reduce the price risk arising for each counterparty.\262\--------------------------------------------------------------------------- \260\ NCFC at 3-4; CMC at 4; IFUS at 4-5; NGSA at 6 (requesting the Commission unambiguously recognize hedges of index-price risk (not just fixed-price risk), noting that exchanges currently recognize these types of hedges). \261\ ICE at 4. \262\ CME Group at 8.--------------------------------------------------------------------------- Some commenters requested the Commission clarify that market participants can utilize the enumerated anticipatory merchandising hedge to manage the price risks arising from unfixed-price transactions.\263\--------------------------------------------------------------------------- \263\ CEWG at 19; CMC at 8; Shell at 7-8; ACSA at 6; ICE at 5; CME Group at 8; Ecom at 1; Southern Cotton at 2; Canale Cotton at 2; Moody Compress at 1; IMC at 2; Mallory Alexander at 2; ACA at 2; East Cotton at 2; Jess Smith at 2; Olam at 2; McMeekin at 2; Memtex at 2; Omnicotton at 2; Toyo at 2; Texas Cotton at 2; NCC at 1; Walcot at 2; White Gold at 2.--------------------------------------------------------------------------- Other commenters suggested the Commission could create a new enumerated bona fide hedge category solely to recognize hedges of unfixed-price transactions.\264\--------------------------------------------------------------------------- \264\ ACSA at 6-7; NCC at 2.---------------------------------------------------------------------------(1) Discussion of Final Rule--Unfixed-Price Contracts and Enumerated Anticipated Merchandising Hedge As discussed above under Section II.A.1.iv , the Commission is clarifying that market participants that enter into unfixed-price transactions may still be able to qualify for the enumerated bona fide hedge for anticipated merchandising. In other words, a commercial entity that enters into an unfixed-price transaction may qualify for an anticipated merchandising bona fide hedge as long as the market participant satisfies the other requirements, discussed above and below, of the final anticipated merchandising bona fide hedge (e.g , qualifies as a merchant, demonstrates a history of merchandising and satisfies the twelve-month restriction). This rationale is predicated on the fact that an unfixed-price transaction does not address a merchant's anticipated merchandising need in that the merchant's price risk to the merchandise has not been fixed. Accordingly, a merchant may use the anticipated merchandising hedge to manage the risk associated with a single sided unfixed purchase or sale at a moment when the same firm does not have an offsetting sale or purchase. The Commission's treatment of unfixed-price transactions is discussed in more detail in Section II.A.1.iv \265\--------------------------------------------------------------------------- \265\ See Section II.A.1.iv, addressing the treatment of unfixed price transactions.--------------------------------------------------------------------------- While the Commission understands market participants' desire for a standalone exemption for unfixed-price transactions, the Commission finds that such an exemption is unnecessary. The Commission notes that the modified and expanded suite of enumerated bona fide hedges, including enumerated anticipatory bona fide hedges, adequately facilitates the hedging needs of qualified commercial market participants. Finally, the Commission believes that the enumerated anticipated merchandising bona fide hedge provides for ample flexibility for hedging. Similar to the enumerated unfilled anticipated requirements and unsold production bona fide hedges, this bona fide hedge may be used even when the merchant simply anticipates purchasing or selling the commodity, and even when the merchant may have yet to enter into an unfixed-price transaction, as long as the merchant has a good faith belief that it will enter into the anticipated merchandising transaction.(b) Analysis of Examples Preliminarily Recognized as Hedges of Anticipated Merchandising in the 2020 NPRM As discussed earlier in this release, in the 2020 NPRM, the Commission addressed several requests that had been submitted in CEWG's BFH Petition in response to the 2011 Final Rule, to obtain exemptive relief for several transactions described by CEWG as bona fide hedging positions. In the 2020 NPRM, the Commission preliminarily determined that two CEWG BFH Petition examples complied with the proposed hedge of anticipated merchandising: Example #4 (Binding, Irrevocable Bids or Offers); and example #5 (Timing of Hedging Physical Transactions).\266\--------------------------------------------------------------------------- \266\ 85 FR at 11611.--------------------------------------------------------------------------- On the other hand, as discussed in Section II.A.1.iv , the Commission preliminarily determined in the 2020 NPRM that the positions described in the CEWG's BFH Petition examples #3 (unpriced physical purchase or sale commitments) and #7 (scenario 2) (use of physical delivery referenced contracts to hedge physical transactions using calendar month average pricing) did not satisfy any of the proposed enumerated hedges.\267\--------------------------------------------------------------------------- \267\ 85 FR at 11611-11612.---------------------------------------------------------------------------(1) Comments--Examples Preliminarily Recognized as Hedges of Anticipated Merchandising in the 2020 NPRM The Commission received comments supporting the Commission's preliminary determination in the 2020 NPRM that CEWG's BFH Petition example #4 (Binding, Irrevocable Bids or Offers) \268\ and example #5 (Timing of Hedging Physical Transactions) are permitted under the 2020 NPRM's proposed enumerated hedge for anticipated merchandising.\269\ The public comments related to examples #3 and #7 (scenario 2) are discussed in the preamble at Section II.A.1.iv , addressing the treatment of unfixed price transactions.--------------------------------------------------------------------------- \268\ FIA at 16. FIA supported the Commission's preliminary determination that Examples #4 (Binding, Irrevocable Bids or Offers) and #5 (Timing of Hedging Physical Transactions) fit within the newly proposed anticipatory merchandising hedge. \269\ CEWG at 19.---------------------------------------------------------------------------(2) Discussion of Final Rule--Examples Preliminarily Recognized as Hedges of Anticipated Merchandising in the 2020 NPRM The Commission has considered the public's response to its preliminary determination that several of the CEWG BFH Petition examples fit within the 2020 NPRM. The Commission determines in this Final Rule that BFH Petition example #4 (Binding, Irrevocable Bids or Offers) and example #5 (Timing of Hedging Physical Transactions) comply with the enumerated hedge for anticipated merchandising, so long as all applicable conditions are met. In accordance with the Commission's treatment of unfixed-price transactions under this Final Rule, discussed in Section II.A.1.iv , the Commission has determined that BFH Petition examples #3 and #7 (scenario 2) are also permitted under the Final Rule, so long as the position or transaction complies with the applicable conditions of the enumerated anticipatory hedge.(c) Anticipated Merchandising Includes Hedges of Anticipated Storage and Assets Owned or Anticipated To Be Owned Several commenters requested the Commission clarify the scope of the proposed anticipated merchandising bona fide hedge in light of the Commission's observation in footnote 105 of the 2020 NPRM.\270\ That footnote stated that certain hedges of storage and[[Page 3275]]hedges of assets owned or anticipated to be owned would not be within the scope of the proposed anticipated merchandising enumerated bona fide hedge.\271\ However, the plain language of the proposed anticipatory merchandising bona fide hedge appeared to be broad enough to cover such activity. Commenters were thus unsure whether the proposed enumerated anticipated merchandising hedge would apply to storage transactions and to hedges of assets owned or anticipated to be owned.--------------------------------------------------------------------------- \270\ Cargill at 5; CMC at 5; NGFA at 7. \271\ 85 FR at 11612 n.105 --------------------------------------------------------------------------- Most commenters from the energy industry requested the Commission allow for anticipated storage positions to be considered as falling within the enumerated hedge exemption for anticipated merchandising, contending that such hedges are recognized as bona fide hedge exemptions by the exchanges.\272\ Chevron and Castleton requested that the Final Rule clarify that hedges of storage may qualify for the enumerated bona fide hedge for anticipated merchandising if applicable conditions are met.\273\--------------------------------------------------------------------------- \272\ NGSA at 7; CHS at 4 (requesting to include a winter storage hedge in the list of enumerated hedges); FIA at 16, 31 (requesting to include a storage hedge as a separate enumerated BFH); Shell at 7-8 (stating that assets used for the transport and storage of energy are a critical part of the energy value chain, including fuel storage tanks and pipeline assets as examples where time spreads or location basis spreads are used to lock-in the values of the assets. This commenter stated that with respect to such infrastructure assets, the Commission should clarify that the use of the hedges of anticipated storage or other physical assets is the type of risk activity that falls within the enumerated BFH for anticipated merchandising); Chevron at 9-11 (requesting that a final rule clarify that hedges of storage may qualify for the enumerated BFH for anticipated merchandising if applicable conditions are met. In the alternative, Chevron requests the Commission identify and clarify that storage hedges of this nature qualify for another enumerated exemption, notably the enumerated BFH for unfilled anticipated requirements); Suncor at 9-10 (requesting that a final rule clarify that hedges of storage may qualify for the enumerated BFH for anticipated merchandising if applicable conditions are met); CCI at 7-9; and CEWG at 16-19 (requesting that the Commission clarify that the enumerated BFH for anticipatory merchandising applies to hedges of storage). \273\ Chevron at 5; CCI at 8-9.--------------------------------------------------------------------------- In the alternative, Chevron requested the Commission identify and clarify that storage hedges of this nature qualify for another enumerated exemption, notably the enumerated bona fide hedge for unfilled anticipated requirements.\274\ Citadel similarly requested recognition of offsetting positions related to anticipated changes in the value of the underlying commodity to be stored in facilities on lease, and up to the full storage capacity on lease, rather than only the currently utilized level of leased capacity.\275\ Citadel argued that storage facilities owned, but not those leased, by the merchant would be covered by the proposed anticipated merchandising enumerated bona fide hedge, and that such different treatment depending on whether the facility was owned or leased did not make sense.\276\--------------------------------------------------------------------------- \274\ Chevron at 11. \275\ Citadel at 9. \276\ Id.---------------------------------------------------------------------------(1) Discussion of Final Rule--Anticipated Merchandising Includes Hedges of Anticipated Storage and Assets Owned or Anticipated To Be Owned In response to public comments, the Commission determines that both hedges of storage and hedges of assets owned or anticipated to be owned can potentially qualify for the enumerated hedge for anticipated merchandising if the applicable conditions are met. In footnote 105 of the 2020 NPRM, the Commission observed that market participants could use the non-enumerated process (rather than a self-effectuating enumerated hedge) to receive bona fide hedge recognition for storage hedges and hedges of assets owned or anticipated to be owned.\277\ This observation was predicated on the Commission's recognition that different commodities have different storage roles, manners, and procedures. For example, the use of some storage facilities is not exclusive to a specific commodity and not all storage is necessarily tied to anticipated merchandising activity. As such, the Commission believed that an analysis of facts and circumstances under the non-enumerated bona fide hedge process would facilitate a determination on whether to recognize hedges of storage or assets owned or anticipated to be owned under the proposed enumerated anticipated merchandising hedge.--------------------------------------------------------------------------- \277\ 85 FR at 11612.--------------------------------------------------------------------------- The Commission has considered comments with respect to the appropriate treatment of storage transactions and hedges of assets owned or anticipated to be owned under the Commission's anticipated merchandising enumerated hedge. The Commission agrees that commercial market participants may utilize storage hedges or hedges of assets owned or anticipated to be owned as risk reducing practices.\278\ The Commission believes that such risk reducing hedges may be recognized as anticipated merchandising bona fide hedges, if all the applicable conditions of the anticipated merchandising hedge are satisfied. The Commission clarifies that commercial market participants in the physical marketing channel that utilize storage hedges or hedges of assets owned or anticipated to be owned may continue to qualify for the anticipated merchandising enumerated bona fide hedge, whether the commercial market participant owns or leases the storage or asset, so long as the all other applicable requirements for the bona fide hedge are satisfied.--------------------------------------------------------------------------- \278\ CEWG at 16.---------------------------------------------------------------------------g. Hedges by Agents(1) Background--Hedges by Agents Existing Sec. 1.3(z)(3) includes certain hedges by agents as an example of a potential non-enumerated bona fide hedge.\279\ Since 2011, the Commission has included an enumerated hedge for hedges by agents in each of its position limits rulemakings.\280\--------------------------------------------------------------------------- \279\ 17 CFR 1.3(z)(3) (``Such transactions and positions may include, but are not limited to, purchases or sales for future delivery on any contract market by an agent who does not own or who has not contracted to sell or purchase the offsetting cash commodity at a fixed price, provided That the person is responsible for the merchandising of the cash position which is being offset.''). \280\ 81 FR at 96964; 78 FR at 75714; 76 FR at 71689.--------------------------------------------------------------------------- Under the existing non-enumerated hedge process, the Commission has recognized non-enumerated bona fide hedges for parties acting as agents who had the responsibility to trade cash commodities on behalf of another party for which such positions qualified as bona fide hedging positions. Such agents could obtain bona fide hedge treatment to offset, on a long or short basis, the risks arising from those underlying cash positions. For example, this hedge has been recognized in circumstances where a party traded or managed a farmer's, producer's, or a government entity's inventory in the party's capacity as agent. In such circumstances, the agent providing services in the physical marketing channel, such as a commercial firm, did not take ownership of the commodity and was eligible as an agent for an exemption to hedge the risks associated with such cash positions.(2) Summary of the 2020 NPRM--Hedges by Agents The Commission proposed to include hedges by agents as an enumerated hedge. The proposed hedge would grant an enumerated hedge to an agent who (1) did not own or was not contracted to sell or purchase the offsetting cash commodity at a fixed price, (2) was responsible for merchandising the cash positions being offset, and (3) had a[[Page 3276]]contractual agreement with the person who (i) owned the commodity or (ii) held cash-market positions being offset. The proposed hedge of agents would substantively adopt the Commission's existing practice under the non-enumerated process in existing Sec. 1.3(z)(3).\281\ The Commission, however, proposed to include hedges of agents in the list of enumerated hedges because it preliminarily determined this was a common hedging practice and that positions which satisfy the requirements of this enumerated hedge conformed to the general definition of bona fide hedging without further consideration as to the particulars of the case.\282\--------------------------------------------------------------------------- \281\ For example, the Commission proposed to replace the phrase ``offsetting cash commodity'' with ``contract's underlying cash commodity'' to use language that is consistent with the other proposed enumerated hedges. \282\ 85 FR at 11610.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Hedges by Agents The Commission is adopting the enumerated bona fide hedge for hedges by agents as proposed.(4) Comments--Hedges by Agents The Commission received several comments supporting recognition of the hedge by agents, particularly as included in an expanded list of enumerated hedges.\283\ ASR identified hedges of agents as a type of hedge that is of particular importance to them because it is used daily within its business.\284\ The Commission did not receive any comments opposed to the enumerated hedge for hedges by agents.--------------------------------------------------------------------------- \283\ FIA at 16; IECA at 2; and ASR at 2. \284\ ASR at 2.---------------------------------------------------------------------------(5) Discussion of Final Rule--Hedges by Agents The Commission recognizes that agents provide important services in the physical marketing channel across different commodity markets. For example, in the ***agricultural*** sector, this enumerated hedge will accommodate a common hedging practice in the cotton industry. This hedge will be particularly useful in connection with cotton equities purchased by a cotton merchant from a producer, which is commonly done under the U.S Department of ***Agriculture***'s loan program to facilitate marketing tools for cotton producers. Another example of when the enumerated hedge by agents adopted herein will apply is for those agents who are in the business of merchandising (selling) the cash grain owned by multiple warehouse operators and forwarding the merchandising revenues back to the warehouse operators less the agent's fees. Such agents that satisfy the requirements of this enumerated hedge, such as not owning any cash commodity but being responsible for merchandising the cash grain positions of the warehouse operators pursuant to contractual agreements, will be able to hedge the price risks arising from their merchandising activity under those agreements as a bona fide hedge by agents.h. Short Hedges of Anticipated Mineral Royalties(1) Background--Anticipated Mineral Royalties The Commission's existing bona fide hedging definition does not include an enumerated hedge for anticipated mineral royalties. Since 2011, the Commission has, however, included such a bona fide hedge in each of its position limits rulemakings.\285\ While the Commission's 2011 Final Rule initially recognized the hedging of anticipated royalties generally, each proposal since then, including the latest 2020 NPRM, has proposed that this exemption apply to: (i) Short positions (ii) that arise from production (iii) in the context of mineral extraction.--------------------------------------------------------------------------- \285\ 81 FR at 96964; 78 FR at 75715; 76 FR at 71689. In the 2011 Final Rule, the Commission recognized anticipatory royalty transactions as a bona fide hedge, provided the following conditions were met: (1) The royalty or services contract arose out of the production, manufacturing, processing, use, or transportation of the commodity underlying the Referenced Contract; (2) The hedge's value was ``substantially related'' to anticipated receipts or payments from a royalty or services contract; and (3) No such position was maintained in any physical-delivery Referenced Contract during the last five days of trading of the Core Referenced Futures Contract in an ***agricultural*** or metal commodity or during the spot month for other physical-delivery contracts.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Anticipated Mineral Royalties The Commission proposed a new enumerated bona fide hedge for short hedges of anticipated mineral royalties that are not currently enumerated in existing Sec. 1.3 The proposed provision would permit an owner of rights to a future mineral royalty to lock in the price of anticipated mineral production by entering into a short position in a commodity derivative contract to offset the anticipated change in value of the mineral royalty rights that were owned by that person and arose out of the production of a mineral commodity (e.g , oil and gas).\286\ The owner of the rights to the future mineral royalty could be a producer, or, for example, could also be a bank that holds the relevant royalty rights and that is financing, for example, a drilling well operation for a producer. The Commission preliminarily believed that this represents a common hedging practice, and that positions that satisfied the requirements of this enumerated bona fide hedge conformed to the general definition of bona fide hedging without further consideration as to the particulars of the case.\287\--------------------------------------------------------------------------- \286\ 85 FR at 11608-11609. A short position fixes the price of the anticipated receipts, removing exposure to change in value of the person's share of the production revenue. A person who has issued a royalty, in contrast, has, by definition, agreed to make a payment in exchange for value received or to be received (e.g , the right to extract a mineral). Upon extraction of a mineral and sale at the prevailing cash-market price, the issuer of a royalty remits part of the proceeds in satisfaction of the royalty agreement. The issuer of a royalty, therefore, does not have price risk arising from that royalty agreement. \287\ 85 FR at 11609.--------------------------------------------------------------------------- The Commission proposed to limit this enumerated bona fide hedge only to mineral royalties, noting that while royalties have been paid for use of land in ***agricultural*** production, the Commission did not receive any evidence of a need for a bona fide hedge recognition from owners of ***agricultural*** production royalties.\288\ The Commission requested comment on whether and why such an exemption might be needed for owners of ***agricultural*** production or other royalties.\289\--------------------------------------------------------------------------- \288\ Id. \289\ Id.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Anticipated Mineral Royalties For the reasons discussed in the NPRM, the Commission is adopting the enumerated hedge for anticipated mineral royalties as proposed.(4) Comments--Anticipated Mineral Royalties The Commission did not receive any comments either opposing the addition of an enumerated bona fide hedge for anticipated mineral royalties or requesting modifications to the hedge as proposed. Further, no commenters requested extending the enumerated hedge to other types of royalties other than mineral royalties. Several commenters expressed support for the new enumerated hedge.\290\--------------------------------------------------------------------------- \290\ FIA at 16; IECA at 2.---------------------------------------------------------------------------i. Hedges of Anticipated Services(1) Background--Anticipated Services The Commission's existing bona fide hedging definition does not include an enumerated hedge of anticipated services. Since 2011, however, the[[Page 3277]]Commission has included an enumerated bona fide hedge exemption for hedges of anticipated services in each of its position limits rulemakings.\291\--------------------------------------------------------------------------- \291\ 81 FR at 96810; 78 FR at 75715. See 76 FR at 71646.--------------------------------------------------------------------------- Further, in 1977, the Commission noted that the existence of futures markets for both source and product commodities, such as soybeans, soybean oil, and soybean meal, affords business firms increased opportunities to hedge the value of services.\292\--------------------------------------------------------------------------- \292\ 42 FR 14832, 14833 (Mar. 16, 1977).---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Anticipated Services The Commission proposed a new enumerated bona fide hedge for anticipated services, not currently enumerated in existing Sec. 1.3 The proposed provision would recognize as a bona fide hedge a long or short derivative contract position used to hedge the anticipated change in value of receipts or payments due or expected to be due under an executed contract for services arising out of the production, manufacturing, processing, use, or transportation of the commodity underlying the commodity derivative contract.\293\--------------------------------------------------------------------------- \293\ 85 FR at 11609.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Anticipated Services The Commission is adopting the enumerated bona fide hedge for anticipated services as proposed.(4) Comments--Anticipated Services The Commission received four comments on the proposed enumerated anticipated services bona fide hedge. ASR and FIA expressed support for its inclusion as a new enumerated bona fide hedge.\294\ In contrast, IATP and Better Markets urged the Commission to exclude this hedge from the list of enumerated bona fide hedges.\295\ IATP stated that the anticipated services bona fide hedge is ``presumably connected to hedges of anticipated production'' and that, as a result, it views the enumerated hedge as ``more vulnerable to deliverable supply estimate disruption.'' \296\ IATP also contended that, absent a stronger argument for inclusion of this enumerated bona fide hedge aside from ``such exemptions are granted by exchanges,'' the proposed bona fide hedge of anticipated services merits greater Commission review before being included as an enumerated bona fide hedge.\297\ Better Markets stated that the definition was too vague, and that absent a time limitation, the hedge could be used as a loophole for speculation.\298\--------------------------------------------------------------------------- \294\ ASR at 2; FIA at 16. \295\ IATP at 17; Better Markets at 58. \296\ IATP at 17. \297\ Id. \298\ Better Markets at 58.---------------------------------------------------------------------------(5) Discussion of the Final Rule--Anticipated Services The Commission is adopting the enumerated bona fide hedge for anticipated services as proposed. In response to IATP, the Commission believes that hedging of anticipated services may be useful to commercial market participants in a variety of commonly-occurring scenarios. For example, one scenario may be when a contract for services involves the production of a commodity such as a risk service agreement to drill an oil well between two companies where the risk service agreement between the parties provides that a portion of the revenue receipts to one of the counterparties depends on the value of the oil produced. To reduce the risk of lower anticipated revenues resulting from an anticipated lower price of oil, the company may enter into a short position in the NYMEX Light Sweet Crude Oil referenced contract. Under this enumerated bona fide hedge of services, such a short position fixes the price at the entry price to the commodity derivative contract. For any decrease in price of the commodity that is the subject of the executed contract for services, the expected receipts from the contract for services would decline in value, but the short commodity derivative contract position would increase in value--offsetting the price risk from the expected receipts under contract for services. On the other hand, this enumerated hedge of anticipated services may also be utilized when a contract for services involves a contract where one of the counterparties is responsible for the cost of the commodity used to provide the service. Such a scenario may occur when a city contracts with a firm to provide waste management services. The contract requires that the trucks used to transport the solid waste use natural gas as a power source. According to the contract, the city would pay for the cost of the natural gas used to transport the solid waste by the waste disposal company. In the event that natural gas prices rise, the city's waste transport expenses would rise. To mitigate this risk, the city establishes a long position in the NYMEX natural gas referenced contract that is equivalent to the expected use of natural gas over the life of the service contract. In this case, the long position fixes the exit price of the commodity derivative contract. For any increase in the commodity that is the subject of the executed contract for services, the payment due or expected to be due would increase in value, but the long commodity derivative contract would decrease in value--offsetting the price risk from the payments under the contract for services. Under both of these examples, the transactions meet the general requirements for a bona fide hedging transaction and the specific provisions for hedges of anticipated services. Regarding comments contending that deliverable supply estimates are more vulnerable to disruption under this hedge, the Commission does not believe that bona fide hedges for anticipated services will impact actual deliverable supplies. This is because this bona fide hedge allows a market participant to hedge the anticipated change in value of receipts or payments due or expected to be due under an executed contract for services, and is not an alternative means of procuring or selling the underlying commodity. In addition, the Commission will continue to have sufficient access to position and cash-market ***data*** to verify all exemptions granted. The reporting and recordkeeping obligations under Sec. Sec. 150.5 and 150.9 will require exchanges to submit justifications, amendments, and other necessary information to the Commission on a monthly basis. As such, exchanges and the Commission will have visibility into the amount of demand there is for a commodity in the spot month via the delivery notices. In the rare event that an exchange observes an imbalance, it has the ability under its rules to require the trader to reduce its positions. Finally, the Commission notes that a time limitation is unnecessary because, among other things, when administering exchange-set limits, under the Final Rule, exchanges may rely on the Commission's guidance in Appendix B to part 150 to protect price convergence and ensure an orderly spot period. Under the guidance in Appendix B adopted herein, an exchange may adopt rules to impose a restriction on holding a position in a physically delivered referenced contract during the lesser of either the last five days of trading or the time period for the spot month in order to limit such positions to only those that are economically appropriate for that person's specific anticipated or real needs.[[Page 3278]]j. Offsets of Commodity Trade Options(1) Background--Offsets of Commodity Trade Options Commodity trade options are not subject to Federal position limits under existing regulations.\299\ Generally, a commodity trade option is a physically-delivered commodity option purchased by commercial users of the commodities underlying the options. In the 2016 trade options final rule, the Commission stated that Federal position limits should not apply to trade options.\300\ Further, in that trade options final rule, the Commission indicated it would address the applicability of position limits to trade options in the context of any final rulemaking on position limits.\301\--------------------------------------------------------------------------- \299\ See 17 CFR 32.3(c). \300\ Trade Options, 81 FR at 14966, 14971 (Mar. 21, 2016). Under the trade options final rule, trade options are generally exempted from the rules otherwise applicable to swaps, subject to the conditions enumerated in Sec. 32.3 For example, trade options do not factor into the determination of whether a market participant is an SD or MSP; trade options are exempt from the rules on mandatory clearing; and trade options are exempt from the rules related to real-time reporting of swaps transactions. \301\ Id.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Offsets of Commodity Trade Options The Commission proposed a new enumerated hedge for offsets of commodity trade options not currently enumerated in Sec. 1.3 Under the 2020 NPRM, a qualifying commodity trade option under Sec. 32.3 \302\ would be treated as a cash position, on a futures-equivalent basis,\303\ and serve as the basis for a bona fide hedge position. Treating qualifying commodity trade options as cash positions, either as a cash commodity purchase or sales contract, would allow the Commission to extend the existing enumerated hedge exemptions for cash positions to the offsets of commodity trade options. That is, the offsets of qualifying commodity trade options would be treated like the enumerated hedges for cash commodity fixed-price purchase contracts or hedges of cash commodity fixed-price sales contracts.\304\--------------------------------------------------------------------------- \302\ 17 CFR 32.3 In order to qualify for the trade option exemption, Sec. 32.3 requires, among other things, that: (1) The offeror is either (i) an eligible contract participant, as defined in section 1a(18) of the Act, or (ii) offering or entering into the commodity trade option solely for purposes related to its business as a ``producer, processor, or commercial user of, or a merchant handling the commodity that is the subject of the'' trade option; and (2) the offeree is offered or entering into the commodity trade option solely for purposes related to its business as ``a producer, processor, or commercial user of, or a merchant handling the commodity that is the subject of the commodity'' trade option. \303\ It may not be possible to compute a futures-equivalent basis for a trade option that does not have a fixed strike price. As discussed in the Section II.A.1.iv , under the Commission's existing portfolio hedging policy, market participants may manage their price risks by utilizing more than one enumerated bona fide hedge (including a commodity trade option hedge and other anticipatory bona fide hedges, if necessary based on the market participant's applicable facts and circumstances). For example, a commodity trade option with a fixed strike price may be converted to a futures-equivalent basis, and, on that futures-equivalent basis, deemed a cash commodity sale contract, in the case of a short call option or long put option, or a cash commodity purchase contract, in the case of a long call option or short put option. \304\ 85 FR at 11610.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Offsets of Commodity Trade Options The Commission continues to believe that Federal position limits should not apply to trade options. Thus, the Commission is adopting the enumerated bona fide hedge for offsets of commodity trade options as proposed, with a few clarifying, non-substantive technical edits in the regulatory text.(4) Comments--Offsets of Commodity Trade Options The Commission did not receive any comments opposing the addition of an enumerated hedge for offsets of commodity trade options. The Commission received comments generally supporting the bona fide hedge for offsets of commodity trade options, particularly as included in an expanded list of enumerated bona fide hedges.\305\ NGSA stated that defining bona fide hedging in a way that recognizes that trade options, adjusted on a futures-equivalent basis, constitute cash commodity purchase or sale contracts that underlie bona fide hedge positions should ``facilitate hedging rather than restrict it.'' \306\--------------------------------------------------------------------------- \305\ IECA at 1; CCI at 2; CEWG at 4; Chevron at 3; Suncor at 3; FIA at 16; and NGSA at 4. \306\ NGSA at 4.---------------------------------------------------------------------------k. Cross-Commodity Hedges(1) Background--Cross-Commodity Hedges The Commission has long recognized cross-commodity bona fide hedging under paragraph (2)(iv) of the bona fide hedging definition in existing Sec. 1.3, which has allowed cross-commodity bona fide hedging in connection with all of the enumerated bona fide hedges included in the existing bona fide hedge definition.\307\--------------------------------------------------------------------------- \307\ 42 FR 14832, 14834 (March 16, 1977).--------------------------------------------------------------------------- The existing enumerated cross-commodity bona fide hedge recognizes that risk from some cash commodity price exposures can be practically and effectively managed through commodity derivative contracts on a related commodity. As such, positions in any of the existing enumerated bona fide hedges may be offset by a cash position held in a different commodity than the commodity underlying the futures contract. The existing cross-commodity enumerated hedge, however, is subject to two conditions. First, the fluctuations in value of the position in the futures contract must be ``substantially related'' to the fluctuations in value of the actual or anticipated cash position. Second, under the cross-commodity enumerated bona fide hedge exemption, a position may not be held in excess of the Federal position limit during the last five trading days for that futures contract. Cross-commodity hedging also allows market participants to hedge the price exposure arising from the products and byproducts of a commodity where there is no futures contract for those products or byproducts, but there is a futures contract for the source commodity of those products or byproducts. Since 2011, the Commission has included an enumerated cross-commodity bona fide hedge in each of its position limits rulemakings.\308\--------------------------------------------------------------------------- \308\ 81 FR at 96752-96753; 78 FR at 75716; 76 FR at 71689.---------------------------------------------------------------------------(2) Summary of the 2020 NPRM--Cross-Commodity Hedges The Commission proposed to include cross-commodity hedges as an enumerated bona fide hedge, and to expand the application of this bona fide hedge such that it could be used to establish compliance with: (1) Each of the proposed enumerated bona fide hedges listed in Appendix A to part 150 except for unfilled anticipated requirements and anticipated merchandising, which were excluded from the regulatory text of the cross-commodity enumerated hedge; \309\ and (2) the proposed pass-through provisions under paragraph (2) of the proposed bona fide hedging definition discussed further below; provided, in each case, that the position satisfied each element of the relevant enumerated bona fide hedge.\310\ In addition, the[[Page 3279]]Commission also proposed to eliminate the Five-Day Rule in connection with the proposed cross-commodity bona fide hedge (i.e , the 2020 NPRM eliminated the restriction from holding a position in excess of the Federal position limit under the enumerated cross-commodity bona fide hedge during the last five days of trading).--------------------------------------------------------------------------- \309\ Specifically, the 2020 NPRM allowed for cross-commodity hedging for any of the following proposed enumerated hedges: (i) Hedges of unsold anticipated production, (ii) hedges of offsetting unfixed-price cash commodity sales and purchases, (iii) hedges of anticipated mineral royalties, (iv) hedges of anticipated services, (v) hedges of inventory and cash commodity fixed-price purchase contracts, (vi) hedges of cash commodity fixed-price sales contracts, (vii) hedges by agents, and (viii) offsets of commodity trade options. \310\ 85 FR at 11609. For example, an airline that wishes to hedge the price of jet fuel may enter into a swap with a swap dealer. In order to remain flat, the swap dealer may offset that swap with a futures position, for example, in ULSD. Subsequently, the airline may also offset the swap exposure using ULSD futures. In this example, under the pass-through swap language of proposed Sec. 150.1, the airline would be acting as a bona fide hedging swap counterparty and the swap dealer would be acting as a pass-through swap counterparty. In this example, provided each element of the enumerated hedge in paragraph (a)(5) of Appendix A, the pass-through swap provision in Sec. 150.1, and all other regulatory requirements are satisfied, the airline and swap dealer could each exceed limits in ULSD futures to offset their respective swap exposures to jet fuel. See infra Section II.A.1.c.v (discussion of proposed pass-through language).--------------------------------------------------------------------------- The proposed cross-commodity enumerated bona fide hedge was conditioned on the existence of a ``substantial relationship'' between the commodity derivative contract and the related cash commodity position. Specifically, the fluctuations in value of the position in the commodity derivative contract, that is, of the underlying cash commodity of that derivative contract, were required to be ``substantially related'' \311\ to the fluctuations in value of the actual or anticipated cash commodity position or pass-through swap.\312\ This was intended to be a qualitative analysis, rather than quantitative.--------------------------------------------------------------------------- \311\ See 85 FR at 11726-11727. \312\ 85 FR at 11609.--------------------------------------------------------------------------- For example, the 2020 NPRM stated that there is a substantial relationship between grain sorghum, which is used as a food grain for humans or as animal feedstock, and the corn referenced contracts. Because there is not a futures contract for grain sorghum grown in the United States listed on a U.S DCM,\313\ corn represents a substantially related commodity to grain sorghum in the United States.\314\ The 2020 NPRM noted that, in contrast, there did not appear to be a reasonable commercial relationship between a physical commodity, say copper, and a broad-based stock price index, such as the S&P 500 Index, because these commodities were not reasonable substitutes for each other in that they had very different pricing drivers.\315\ That is, the price of a physical commodity is based on supply and demand, whereas the stock price index is based on various individual stock prices for different companies.\316\--------------------------------------------------------------------------- \313\ This remains true at the publication of this rulemaking. \314\ 85 FR at 11609. Grain sorghum was previously listed for trading on the Kansas City Board of Trade and Chicago Mercantile Exchange, but because of liquidity issues, grain buyers continued to use the more liquid corn futures contract, which suggests that the basis risk between corn futures and cash sorghum could be successfully managed with the corn futures contract. \315\ 85 FR at 11609. \316\ Id.--------------------------------------------------------------------------- The 2020 NPRM also preliminarily determined that CEWG BFH Petition example #9 (Holding a cross-commodity hedge using a physical delivery contract into the spot month) and example #10 (Holding a cross-commodity hedge using a physical delivery contract to meet unfilled anticipated requirements) were permitted as cross-commodity enumerated hedges.\317\--------------------------------------------------------------------------- \317\ 85 FR at 11611.---------------------------------------------------------------------------(3) Summary of the Commission Determination--Cross-Commodity Hedges The Commission is finalizing the cross-commodity enumerated bona fide hedge largely as proposed, with amendments to expand the ability to use cross-commodity hedges.(4) Comments--Cross-Commodity Hedges Commenters generally supported the proposed cross-commodity enumerated bona fide hedge, and a few commenters explicitly supported the Commission's decision not to propose a quantitative test requirement for the proposed enumerated cross-commodity bona fide hedge.\318\--------------------------------------------------------------------------- \318\ ADM at 2; NGSA at 3-4; NOPA at 2; and ICE at 7. Prior position limits proposals included a quantitative test, whereas the 2020 NPRM included a qualitative ``substantially related'' requirement.--------------------------------------------------------------------------- Better Markets stated that it views some cross-commodity hedges as ``appropriate, normal, and legitimate market practices,'' but claimed that there is a potential for abuse if the bona fide hedge exemption requires less than a ``demonstrable price relationship'' between the two commodities.\319\ ICE recommended that the Commission include a non-exclusive list of commonly-used cross-commodity hedges that satisfy the ``substantially related'' requirement, which ICE believes should include the natural gas core referenced futures contract and its linked referenced contracts as bona fide hedges of electricity price exposure, and vice versa.\320\--------------------------------------------------------------------------- \319\ Better Markets at 58. \320\ ICE at 7.--------------------------------------------------------------------------- The majority of energy market participants commented on a separate item: That the express language of proposed paragraph (a)(5) of Appendix B to part 150, which sets forth the proposed cross-commodity bona fide hedge, inappropriately failed to cover bona fide hedges for unfilled anticipated requirements and anticipated merchandising.\321\ Chevron, Suncor, CCI, and the CEWG requested that the Commission revise the proposed cross-commodity enumerated bona fide hedge to specifically clarify that enumerated bona fide hedges for unfilled anticipated requirements and anticipated merchandising may be utilized as cross-commodity bona fide hedges in energy markets.\322\ IECA also requested that the cross-commodity enumerated hedge include bona fide hedges of anticipated requirements, which would capture bona fide hedges of anticipated requirements commonly used by many electric utilities that enter into heat-rate transactions.\323\--------------------------------------------------------------------------- \321\ Chevron at 8-9; Suncor at 6-8; NOPA 2; CCI at 5-9; CEWG at 10-14; NGSA at 4; ICE at 2, 4; Shell at 7-8; ADM at 2; and IECA at 8. \322\ Chevron at 8; Suncor at 8; NOPA at 2; CCI at 5-7; CEWG at 10-14; NGSA at 4; and IECA at 8. \323\ IECA at 7-8.--------------------------------------------------------------------------- Suncor and Chevron highlighted an internal inconsistency in the 2020 NPRM. These commenters pointed out that while the 2020 NPRM preliminarily determined that CEWG BFH Petition Example #10 (Holding a cross-commodity hedge using a physical delivery contract to meet unfilled anticipated requirements) satisfies the proposed cross-commodity hedge, the proposed cross-commodity hedge excluded unfilled anticipated requirements.\324\--------------------------------------------------------------------------- \324\ Chevron at 7; Suncor at 7.---------------------------------------------------------------------------(5) Discussion of Final Rule--Cross-Commodity Hedges The Commission is finalizing the cross-commodity enumerated bona fide hedge largely as proposed, with amendments to expand the ability to use cross-commodity hedges. Specifically, the Commission is amending the express language of the cross-commodity enumerated hedge in Appendix B to include the enumerated hedges of unfilled anticipated requirements and hedges of anticipated merchandising so that the cross-commodity provision applies to all enumerated hedges adopted herein. The 2020 NPRM excluded the enumerated bona fide hedges for unfilled anticipated requirements and for anticipated merchandising from the cross-commodity provision. As a result, any internal inconsistency related to example #10 has been resolved. Separately, as stated in the 2020 NPRM, the Commission reaffirms that the requirement that the value fluctuations of the commodity derivatives contract used to hedge and the value fluctuations of the commodity[[Page 3280]]cash position being hedged must be ``substantially related'' is an important factor in determining whether a cross-commodity hedge satisfies the requirements to be a bona fide hedge. Accordingly, the Commission believes that the ``substantially related'' requirement sufficiently ties derivative and cash positions between two different, but comparable, commodities that have a reasonable commercial relationship as a result of their ability to serve as reasonable substitutes for each other, due to, for example, similar pricing drivers. The Commission agrees with commenters who stated that market participants use cross-commodity hedging to manage their price risk, particularly when a cash commodity is not necessarily deliverable under the terms of any derivative contract or the cash-market transactions are not in the same commodity underlying the futures contract. For example, an airline that uses a predictable volume of jet fuel every month may cross hedge its anticipated jet fuel requirements with the ultralow sulfur diesel (``ULSD'') heating oil commodity derivative contract because there are no physically-settled jet fuel commodity derivative contracts available. The value fluctuations in jet fuel are substantially related to the value fluctuations in the ULSD ``HO'' futures contract. The Commission believes that a determination of whether commodities are ``substantially related'' for purposes of the cross-commodity bona fide hedge depends on a facts and circumstances analysis and that the relationship between the two is not static, as it may change over time depending on market factors. Accordingly, the Commission's position is not to publish a list of cross-commodity hedges satisfying the ``substantially related'' requirement at this time.vii. Location and Regulatory Treatment of the Enumerated Bona Fide Hedgesa. Background--Location and Regulatory Treatment of the Enumerated Bona Fide Hedges As noted above, the existing enumerated bona fide hedges are explicitly incorporated in the regulatory bona fide hedging definition in Sec. 1.3 of the Commission's regulations.b. Summary of the 2020 NPRM--Location and Regulatory Treatment of the Enumerated Bona Fide Hedges In the 2020 NPRM, the Commission proposed to move the expanded list of the enumerated bona fide hedges from the bona fide hedging definition in regulation Sec. 1.3 to the proposed acceptable practices in Appendix A to part 150. The Commission stated that the list of enumerated bona fide hedges should appear as acceptable practices in an appendix, rather than as regulations in the regulatory bona fide hedging definition, because each enumerated bona fide hedge represents just one way, but not the only way, to satisfy the proposed bona fide hedging definition and Sec. 150.3(a)(1).\325\ The Commission requested comment on whether the list of enumerated hedges should be included in the regulatory text or in an appendix as acceptable practices.\326\--------------------------------------------------------------------------- \325\ As discussed below, proposed Sec. 150.3(a)(1) would allow a person to exceed position limits for bona fide hedging transactions or positions, as defined in proposed Sec. 150.1 \326\ 85 FR at 11622.---------------------------------------------------------------------------c. Summary of the Commission Determination--Location and Regulatory Treatment of the Enumerated Bona Fide Hedges The Commission has determined to incorporate the enumerated bona fide hedges as part of the regulatory text. While the Final Rule will maintain the enumerated bona fide hedges in Appendix A to part 150, Appendix A will be incorporated into final Sec. 150.3, and therefore under the Final Rule the enumerated bona fide hedges in Appendix A will be deemed to be part of the regulatory text rather than treated as acceptable practices.d. Comments--Location and Regulatory Treatment of the Enumerated Bona Fide Hedges FIA and MGEX supported moving the list of enumerated bona fide hedges to the rule text.\327\ FIA stated that ``including the list in the regulatory text would provide market participants greater regulatory certainty by making it clear that it could not be amended absent notice and comment rulemaking.'' \328\--------------------------------------------------------------------------- \327\ MGEX at 2; FIA at 15-16. \328\ FIA at 16.--------------------------------------------------------------------------- On the other hand, CMC and the Joint Associations (i.e , EEI and EPSA) preferred keeping the enumerated hedges in Appendix A to part 150. CMC stated its understanding that an amendment to either Appendix A or the rule text would require the same formal rulemaking procedures.\329\ The Joint Associations based their support of Appendix A because it allows for ``for flexibility'' in their view.\330\--------------------------------------------------------------------------- \329\ CMC at 6. \330\ EEI/EPSA at 5.---------------------------------------------------------------------------e. Discussion of Final Rule--Location and Regulatory Treatment of the Enumerated Bona Fide Hedges Under the Final Rule, the enumerated bona fide hedges are incorporated as part of the regulatory text. While the Final Rule will maintain the enumerated bona fide hedges in Appendix A to part 150, Appendix A will be incorporated in final Sec. 150.3 as positions that are deemed to be bona fide hedges that are self-effectuating for purposes of Federal position limits. In other words, while the Final Rule will maintain the enumerated bona fide hedges in Appendix A, Appendix A will be deemed to be part of the regulatory text rather than treated as acceptable practices as the Commission proposed in the 2020 NPRM. The Commission agrees that including the enumerated bona fide hedges as part of the regulations, rather than as acceptable practices, provides market participants with greater regulatory certainty. To reflect that Appendix A to part 150 is part of the regulatory text, the Commission is amending the introductory language to the Appendix to remove any references to acceptable practices. In addition, while not a substantive change, the Commission has also re-ordered the list of enumerated hedges. The Final Rule reorders Appendix A so that the bona fide hedges are listed by hedges of purchases, sales, anticipated activities, or other new types of hedges. Finally, the cross-commodity hedge, which applies to all the enumerated hedges in the appendix, is listed last.viii. Elimination of Federal Restriction Prohibiting Holding a Bona Fide Hedge Exemption During Last Five Trading Days, the ``Five-Day Rule;'' Proposed Guidance in Appendix B, Paragraph (b)a. Background--Elimination of the ``Five-Day Rule;'' Proposed Guidance in Appendix B, Paragraph (b) Some of the existing enumerated bona fide hedge exemptions in Sec. 1.3 include a restriction on the market participant holding a commodity derivative contract position in excess of Federal position limits during the last five days of trading (generally referred to as the ``Five-Day Rule''). The restriction limits the applicability of exemptions during the last five days of trading because for many ***agricultural*** commodity derivative contracts, those last five days of trading coincide with the physical-delivery process. The practical effect of the Five-Day Rule is a winnowing of the universe of market participants who maintain large positions throughout the last five days of trading to only those market[[Page 3281]]participants who actually intend to make or take delivery at the end of the spot period. Narrowing the universe of market participants in this way helps ensure an orderly trading environment and maintains the integrity of the physical-delivery process for those market participants who rely on price convergence between the cash and futures markets during the last days of trading. When the Commission adopted the Five-Day Rule, it believed that, as a general matter, there was little commercial need to maintain a large position that exceeds position limits during or through the last five days of trading.\331\--------------------------------------------------------------------------- \331\ Definition of Bona Fide Hedging and Related Reporting Requirements, 42 FR 42748, 42750 (Aug. 24, 1977).---------------------------------------------------------------------------b. Summary of the 2020 NPRM--Elimination of the ``Five-Day Rule;'' Proposed Guidance in Appendix B, Paragraph (b) The Commission proposed to eliminate the restriction on holding a bona fide hedge exemption during the last five days of trading from all the enumerated hedges to which such five-day rule restriction applies under existing Sec. 1.3 \332\ Instead, under proposed Sec. 150.5(a)(2)(ii)(D), exchanges could apply a restriction against holding positions under a bona fide hedge in excess of limits during the lesser of the last five days of trading or the time period for the spot month in such physical-delivery contract, or otherwise limit the size of such position. The exchanges would thus have the ability and discretion, but not an obligation, to apply a five-day rule or similar restriction to exemptions on any contracts subject to Federal position limits, regardless of whether such contracts have been subject to Federal position limits before.--------------------------------------------------------------------------- \332\ The existing enumerated hedges limited by the Five-Day rule are as follows: Unsold anticipated production, unfilled anticipated requirements, offsetting sales and purchases, and cross-commodity hedges.--------------------------------------------------------------------------- The 2020 NPRM also included guidance for exchanges on factors to consider when applying a restriction against holding physically delivered futures contracts into the spot month. The proposed guidance set forth in Appendix B, paragraph (b) provided that a position held during the spot period may still qualify as a bona fide hedging position, provided that: (1) The position complies with the bona fide hedging transaction or position definition; and (2) there is an economically appropriate need to maintain such position in excess of Federal speculative position limits during the spot period, and that need relates to the purchase or sale of a cash commodity.\333\--------------------------------------------------------------------------- \333\ For example, an economically appropriate need for soybeans would mean obtaining soybeans from a reasonable source (considering the marketplace) that is the least expensive, at or near the location required for the purchaser, and that such sourcing does not cause market disruptions or prices to spike.--------------------------------------------------------------------------- In addition, the guidance provided several factors the exchange should weigh when evaluating whether a person wishing to exceed Federal position limits should be able to do so during the spot period. For example, whether the person: (1) Intends to make or take delivery during that period; (2) provided materials to the exchange supporting the waiver of the Five-Day Rule; (3) demonstrated supporting cash-market exposure in-hand that is verified by the exchange; (4) demonstrated that, for short positions, the delivery is feasible, meaning that the person has the ability to deliver against the short position; \334\ and (5) demonstrated that, for long positions, the delivery is feasible, meaning that the person has the ability to take delivery at levels that are economically appropriate.\335\--------------------------------------------------------------------------- \334\ That is, the person has inventory on-hand in a deliverable location and in a condition in which the commodity can be used upon delivery and that it represents the best sale for that inventory. \335\ That is, the delivery comports with the person's demonstrated need for the commodity, and the contract is the cheapest source for that commodity.---------------------------------------------------------------------------c. Summary of the Commission Determination--Elimination of the ``Five-Day Rule;'' Proposed Guidance in Appendix B, Paragraph (b) The Commission is finalizing the proposal to eliminate the restriction on holding a bona fide hedge exemption during the last five days of trading from all the enumerated hedges to which such Five-Day Rule restriction applies under existing Sec. 1.3 Additionally, the Commission has carefully considered the various comments regarding the proposed guidance in Appendix B, paragraph (b) and has determined to finalize the guidance, subject to several amendments and clarifications. The Commission discusses and addresses comments on the proposed elimination of the Five-Day Rule immediately below, followed by a discussion of comments on the proposed guidance further below.d. Comments--Elimination of the ``Five-Day Rule;'' Proposed Guidance in Appendix B, Paragraph (b)(1) Elimination of the ``Five-Day Rule'' Several public interest commenters opposed the elimination of the Five-Day Rule.\336\ IATP viewed allowing the exchanges to impose a five-day rule or similar restriction as relegating the Commission's function to merely monitoring ``DCM decisions and their consequences for market participants and the public after the fact.'' \337\ Conversely, commercial market participants and exchanges generally supported the proposal to eliminate the Five-Day Rule and instead afford the exchanges the discretion whether to impose restrictions on holding physically-delivered contracts.\338\--------------------------------------------------------------------------- \336\ IATP at 17-18; Better Markets at 61 (contending that if the CFTC does eliminate the Five-Day rule, it should at least formalize the proposed guidance in the rule text). \337\ IATP at 18. \338\ ADM at 3; Cargill at 8; CCI at 2, 9; CEWG at 4, 24; Chevron at 3, 9; CMC at 5; CME Group at 9; ICE at 2, 8; IFUS at 2; FIA at 3; NGFA at 9; NGSA at 2; Shell at 3; Suncor at 3, 12.---------------------------------------------------------------------------(i) Discussion of the Final Rule--Elimination of the ``Five-Day Rule'' The Commission is finalizing the proposal to eliminate the restriction on holding a bona fide hedge exemption during the last five days of trading from all the enumerated hedges to which such Five-Day Rule restriction applies under existing Sec. 1.3 In place of the ``Five-Day Rule,'' the Commission is finalizing proposed Sec. 150.5(a)(2)(ii)(D), which provides that an exchange may grant exemptions, subject to terms, conditions, or restrictions against holding large positions in physically delivered futures contracts, as a bona fide hedge in excess of limits during the lesser of the last five days of trading or the time period for the spot month in such physical-delivery contract, or otherwise limit the size of such position under that exemption. For the legacy ***agricultural*** contracts, the Five-Day Rule has been an important way to help ensure that futures and cash-market prices converge. Price convergence helps protect the integrity of the price discovery function and facilitates an orderly delivery process, which overlaps with the last days of trading. As stated in the 2020 NPRM, however, a strict five-day rule may be inappropriate and unnecessary, as the Commission expands its Federal position limits beyond the nine legacy ***agricultural*** contracts.\339\--------------------------------------------------------------------------- \339\ 85 FR at 11612.---------------------------------------------------------------------------[[Page 3282]] In particular, while the Commission continues to believe that the justifications described above for the existing Five-Day Rule remain valid for contracts subject to Federal position limits, the exchanges--subject to Commission oversight--are better positioned to decide whether to apply a restriction, such as the Five-Day Rule, in connection with exemptions to their own exchange-set limits, or whether to apply other tools that may be equally effective. This Final Rule affords exchanges with the discretion to apply, and when appropriate, grant exemptions subject to terms, conditions or limitations like the Five-Day Rule (or similar restrictions) for purposes of their own exchange-set limits. Allowing for such discretion when granting exemptions will afford exchanges flexibility to quickly impose, modify, or waive any such limitation as circumstances dictate. While a strict Five-Day Rule may be inappropriate in certain circumstances, including when applied to energy contracts that typically have a shorter spot period than ***agricultural*** contracts,\340\ the flexible approach adopted herein may allow for the development and implementation of additional solutions other than a Five-Day Rule that protect convergence, while minimizing the impact on market participants.--------------------------------------------------------------------------- \340\ Energy contracts typically have a three-day spot period, whereas the spot period for ***agricultural*** contracts is typically two weeks.--------------------------------------------------------------------------- This approach allows exchanges to design and tailor a variety of limitations to protect convergence during the spot period. For example, in certain circumstances, a smaller quantity restriction, rather than a complete restriction on holding positions in excess of limits during the spot period, may be effective at protecting convergence. Similarly, exchanges currently utilize other tools to achieve similar policy goals, such as by requiring market participants to ``step down'' the levels of their exemptions as they approach the spot period, or by establishing exchange-set speculative position limits that include a similar step-down feature. Since Sec. 150.5(a) as adopted herein would require that any exchange-set limits for contracts subject to Federal position limits must be less than or equal to the Federal limit, any exchange application of the Five-Day Rule, or a similar restriction, would have the same effect as if administered by the Commission for purposes of Federal speculative position limits, but could be administered by the exchange in a more tailored and efficient manner. In response to commenters who stated this approach would relegate the Commission's functions to merely monitoring the DCMs' decisions after the fact, the Commission points out that regardless of whether there is a Federal Five-Day Rule, the Commission will continue to exercise oversight over exchanges before, during, and after exchange action relating to position limits. For example, all exchange rules, including those establishing/modifying exchange-set position limits, accountability levels, step downs, and five-day rules and similar restrictions, must be submitted to the Commission in advance pursuant to part 40 of the Commission's regulations. Additionally, any exemption granted by an exchange from its own position limits must meet standards established by the Commission in Sec. 150.5(a)(ii)(C) of this Final Rule, including considering whether the requested exemption would result in positions that would not be in accord with sound commercial practices and/or would exceed an amount that may be established and liquidated in an orderly fashion. Further, any waiver of an exchange five-day rule or similar restriction should consider the Appendix B guidance adopted herein. Additionally, the Commission will continue to leverage its own market surveillance and oversight functions to ensure that exchanges continue to comply with their legal obligations, including with respect to Core Principles 2, 3, 4, and 5, among others.\341\ Finally, under Sec. 150.3(b)(6) finalized herein, the Commission continues to have the authority to revoke any bona fide hedge exemption.--------------------------------------------------------------------------- \341\ 7 U.S.C 7B-3(f)(4)(B); 7 U.S.C 7B-3(f)(2); 7 U.S.C 7B-3(f)(3); 7 U.S.C 7B-3(f)(5).---------------------------------------------------------------------------(2) Proposed Guidance in Appendix B, Paragraph (b) There were several comments on the proposed guidance in Appendix B, paragraph (b) regarding the circumstances when an exchange may grant waivers from any exchange-set five-day rule or similar restriction. A few commenters requested that the Commission eliminate the proposed guidance altogether.\342\ IFUS stated that the proposed guidance is unnecessary and should be removed, contending that the guidance ``reflects many of the considerations currently taken by [e]xchange staff when reviewing exemptions and spot month positions.'' \343\ CME Group expressed a similar view, stating that in lieu of the proposed guidance, ``the Commission should allow exchanges to continue to rely on their established market surveillance expertise and regular interactions to make decisions around exemptions.'' \344\--------------------------------------------------------------------------- \342\ CMC at 5; CME Group at 9; IFUS at 10. \343\ IFUS at 3. \344\ CME Group at 9.--------------------------------------------------------------------------- Most commercial market participants and Better Markets,\345\ however, did not request to eliminate the proposed guidance in Appendix B, paragraph (b), but instead requested certain changes or clarifications. These commenters focused on whether the guidance: (i) Only applies to physically-settled contracts expressly designated by an exchange as subject to a five-day rule or similar restriction; \346\ and (ii) is too prescriptive by imposing new documentation requirements on exchanges.\347\ CME Group requested clarification on whether the proposed guidance applies to all exemptions or only those exemptions previously subject to a five-day rule.\348\ Several energy market participants requested the Commission expressly clarify that the restrictions or guidance do not apply to markets for energy commodity derivatives.\349\ Alternatively, these energy market participants stated that if the Commission declined to include in a final rule an express prohibition on the application of the Five-Day Rule to energy commodity derivative contracts, the Commission should clarify that an exchange is not bound to apply the waiver guidance to any physically-settled referenced contract that has not been expressly designated as subject to the Five-Day Rule.\350\--------------------------------------------------------------------------- \345\ Better Markets supported the proposed guidance. Better Markets at 46-48. \346\ Chevron at 13-14; Suncor at 13-14; CCI at 9-10; CEWG at 25-26. \347\ CME Group at 9. \348\ Id. \349\ Chevron at 13. \350\ Chevron at 13; Suncor at 14; CCI at 9-10; CEWG at 25-26.---------------------------------------------------------------------------(i) Discussion of Final Rule--Appendix B, Paragraph (b) The Commission has carefully considered the various comments regarding the guidance in Appendix B, paragraph (b) and has determined to finalize the guidance, subject to several amendments and clarifications, discussed below. The Commission is not persuaded by requests to eliminate the guidance based on arguments that exchanges have current market surveillance practices or procedures to review the appropriateness of an exemption during the relevant referenced contract's spot period. The Commission continues to believe that the justifications described above for the existing Five-Day Rule[[Page 3283]]remain valid. The Commission has determined, however, that with an expanded list of contracts subject to Federal position limits, it is best to provide the exchanges additional discretion when granting exemptions to protect their markets using tools other than a Five-Day Rule, and to supplement that discretion with guidance highlighting the importance of the spot month to ensure price convergence and an orderly delivery process. For certain referenced contract markets, rather than imposing a complete restriction on holding positions in excess of limits during the spot period, an exchange may, when appropriate, grant an exemption which allows exceeding the position limit by a small increment. Such approach would be an effective way of protecting convergence while still maintaining orderly trading. Similarly, exchanges currently utilize other tools in administering their position limits. For example, CME and CBOT establish certain exchange-set speculative position limits that include a ``step down'' feature so that the permitted position limit level is lower each day as the contract nears its last trading days. Further, when granting position limit exemptions, exchanges may grant such exemptions subject to a ``step down'' level restriction as well. The Commission expects that exchanges would closely scrutinize any participant who requests recognition during the last five days of the spot period or in the time period for the spot month. The Commission clarifies that any exchange, for the purposes of exchange-set position limits, that elects to grant an exemption subject to terms, conditions, or limitations, that restrict the size of a position during the time period for the spot month of a physically-settled contract under Sec. 150.5(a)(2)(ii)(H) may do so on any referenced contract subject to Federal position limits under the Final Rule, not just the nine legacy ***agricultural*** contracts. As such, the Commission clarifies for the avoidance of doubt that exemptions in energy contracts may be subject to an exchange's restriction aimed to monitor the spot period for that energy contract. Since price convergence and an orderly trading environment serve as a deterrent or mitigate certain types of market manipulation schemes such as corners and squeezes, the guidance is intended to include a non-exclusive list of considerations the Commission expects the exchanges to consider when determining whether to allow a position in excess of limits throughout the spot month. Regarding various comments contending that the proposed guidance was too prescriptive, the Commission reiterates the appendix is not intended to be used as a mandatory checklist. Further, the Commission is finalizing various amendments to Appendix B, paragraph b, to respond to commenters' requests. First, the Commission is amending the introductory paragraph of the guidance to clarify that under Sec. 150.5(a)(2)(ii)(H) as finalized herein, exchanges may impose restrictions on bona fide hedge exemptions in the spot month. This discretion does not require any express designation by the exchange. Second, the Commission is modifying the proposed guidance to clarify that the guidance may be used when considering either an enumerated or non-enumerated bona fide hedge exemption. Third, the Commission clarifies here that the guidance imposes no additional reporting requirements on market participants as the factors described in the guidance apply simply to the exchanges' evaluation of the specific contract market when considering whether an exemption shall be granted subject to any condition or limitation in the spot month. Fourth, the Commission is eliminating the proposed factor which would have required a market participant to provide materials to the exchange supporting a classification of the position as a bona fide hedge. The Commission notes that the exchange application requirements already require market participants to provide relevant cash-market information. In addition, the Commission is amending language throughout the guidance to clarify that exchanges have flexibility when considering applying the guidance. For example, the Commission is removing proposed language that would have required the exchange to verify the market participant's cash-market exposure. The Commission is comfortable removing this language because the cash-market information is already required as part of the exemption application process described elsewhere in this release.\351\ Finally, the Commission is making technical edits to clarify that any delivery under a physical delivery contract is economically appropriate and the ``most economical'' source for that commodity.--------------------------------------------------------------------------- \351\ See Sections II.D and II.G ---------------------------------------------------------------------------ix. Guidance on Measuring Riska. Background--Measuring Risk In prior proposals, the Commission discussed the issue of whether to recognize as bona fide both ``gross hedging'' and ``net hedging.'' \352\ While the Commission has previously expressed a willingness to consider gross hedging in certain limited circumstances, such proposals reflected the Commission's longstanding preference for net hedging.\353\ That preference, although not stated explicitly in prior releases, has been underpinned by a concern that unfettered recognition of gross hedging could potentially allow for the cherry picking of positions in a manner that subverts the position limits rules.\354\--------------------------------------------------------------------------- \352\ 81 FR at 96747-96747. \353\ See 81 FR at 96747 (stating that gross hedging was economically appropriate in circumstances where ``net cash positions do not necessarily measure total risk exposure due to differences in the timing of cash commitments, the location of stocks, and differences in grades or the types of cash commodity.'') See also Bona Fide Hedging Transactions or Positions, 42 FR at 14832, 14834 (Mar. 16, 1977) and Definition of Bona Fide Hedging and Related Reporting Requirements, 42 FR 42748, 42750 (Aug. 24, 1977). \354\ For example, using gross hedging, a market participant could potentially point to a large long cash position as justification for a bona fide hedge, even though the participant, or an entity with which the participant is required to aggregate, has an equally large short cash position. The presence of such offsetting cash positions would result in the participant having no net price risk to hedge. Instead, the participant created price risk exposure to the commodity by establishing the derivative position.---------------------------------------------------------------------------b. Summary of the 2020 NPRM--Measuring Risk The Commission recognized in the 2020 NPRM that additional flexibility to hedge on a gross basis may be warranted given that there are myriad ways in which organizations, particularly those not currently subject to Federal position limits, are structured and engage in commercial hedging practices.\355\ For example, in the energy space, it is common for market participants to use multi-line business strategies where risks are managed by trading desk or business line rather than on a global basis. Accordingly, in an effort to clarify its view on this issue, the Commission proposed guidance on gross hedging positions in paragraph (a) to Appendix B.--------------------------------------------------------------------------- \355\ See 85 FR at 11613.--------------------------------------------------------------------------- The proposed guidance provided flexibility for a person to measure risk either on a net or gross basis, provided that: (A) The manner in which the person measures risk is consistent over time and follows the person's regular, historical practice (meaning the person[[Page 3284]]is not switching between net hedging and gross hedging on a selective basis simply to justify an increase in the size of the person's derivatives positions); (B) the person is not measuring risk on a gross basis to evade the limits set forth in proposed Sec. 150.2 and/or the aggregation rules currently set forth in Sec. 150.4; (C) the person is able to demonstrate (A) and (B) above to the Commission and/or an exchange upon request; and (D) an exchange that recognizes a particular gross hedging position as a bona fide hedge pursuant to proposed Sec. 150.9 documents the justifications for doing so and maintains records of such justifications in accordance with proposed Sec. 150.9(d).c. Summary of the Commission Determination--Measuring Risk The Commission is adopting the proposed guidance with modifications and clarifications to address commenter concerns.d. Comments--Measuring Risk While Better Markets expressed concern that gross hedging could be used to conduct an ``end-run'' around position limits,\356\ many other commenters expressed support for flexibility to hedge on a net or gross basis.\357\ Multiple commenters who expressed support for such flexibility also requested discrete changes to the proposed guidance and/or associated preamble, including: (i) Elimination of the requirement that exchanges document their justifications when allowing gross hedging; \358\ (ii) clarification that gross hedging is permissible for both enumerated and non-enumerated hedges; \359\ and (iii) clarification that market participants do not need to develop procedures setting forth when gross vs. net hedging is appropriate.\360\ Finally, IFUS requested that the Commission eliminate the proposed guidance on the grounds that the guidance reflects considerations currently taken by exchange staff when reviewing exemptions.\361\--------------------------------------------------------------------------- \356\ Better Markets at 60. \357\ ASR at 2; LDC at 2; NGSA at 3; COPE at 3; Chevron at 4; Suncor at 4. \358\ MGEX at 3; FIA at 14; CEWG at 4. \359\ Chevron at 4-5; Suncor at 4-5; CCI at 4-5; CEWG at 7-10. \360\ FIA at 14-15 (stating that risk managers decide on a case-by-case basis whether to hedge on a net or gross basis). \361\ IFUS at 3.---------------------------------------------------------------------------e. Discussion of Final Rule--Measuring Risk The Commission continues to believe that the guidance on gross hedging is important because it will allow market participants to measure risk in the manner most suited to their particular circumstances, while preventing the use of gross hedging to subvert the Federal position limits regime.\362\--------------------------------------------------------------------------- \362\ The guidance will help ensure the integrity of the position limits regime for the reasons discussed below in response to comments from Better Markets. The Commission thus disagrees with IFUS that the guidance is unnecessary, but agrees with IFUS that the proposed guidance reflects considerations currently taken by exchange staff. In particular, the guidance is consistent in many ways with the manner in which exchanges require their participants to measure and report risk, which is consistent with the Commission's requirements with respect to the reporting of risk. For example, under Sec. 17.00(d), futures commission merchants (``FCMs''), clearing members, and foreign brokers are required to report certain reportable net positions, while under Sec. 17.00(e), such entities may report gross positions in certain circumstances, including if the positions are reported to an exchange or the clearinghouse on a gross basis. 17 CFR 17.00 The Commission's understanding is that certain exchanges generally prefer, but do not require, their participants to report positions on a net basis. For those participants that elect to report positions on a gross basis, such exchanges require such participants to continue reporting that way, particularly through the spot period. Such consistency is a strong indicator that the participant is not measuring risk on a gross basis simply to evade regulatory requirements.--------------------------------------------------------------------------- First, the Commission is eliminating proposed prong (D) of the guidance, which provided that an exchange that recognizes a gross position as a non-enumerated bona fide hedge pursuant to Sec. 150.9 documents the justifications for doing so. Prong (D) is unnecessary given that the Commission and exchanges have other tools for accessing such information. In particular, prong (C) of the guidance allows the Commission and exchanges to request, on an as-needed basis, information about the manner in which market participants are measuring risk.\363\ To ensure the Commission and exchanges have access to sufficient information in light of the removal of prong (D), the Commission is expanding prong (C) to require that a person also demonstrate, upon request by the Commission or an exchange, justifications for measuring risk on a gross basis. Additionally, the proposed prong (D) reference to the non-enumerated process in Sec. 150.9 may have created confusion regarding the applicability of the proposed gross hedging guidance to enumerated hedges. Thus, the Commission is also revising the introductory language of the guidance to clarify that the guidance applies equally to enumerated and non-enumerated bona fide hedges.--------------------------------------------------------------------------- \363\ Additionally, market participants seeking exemptions remain subject to a variety of recordkeeping requirements, including Commission regulation Sec. 1.31, and the Commission will receive information about all exchange-granted exemptions, including cash-market information, via the monthly spreadsheet submission required by Sec. 150.5(a)(4).--------------------------------------------------------------------------- Second, the Commission is clarifying that the guidance does not require market participants to develop written policies or procedures setting forth when gross or net hedging is appropriate. However, having such policies or procedures may help market participants demonstrate compliance with prongs (A), (B), and (C) of the guidance as finalized herein. Finally, the Commission believes the concerns regarding subversion of position limits raised by Better Markets are already addressed by a combination of the guardrails in prongs (A)-(C) of the guidance as well as other Commission provisions, including some finalized herein. First, to receive recognition as a bona fide hedge, a position must comply with the bona fide hedging definition, regardless of whether the underlying risk is measured on a net or gross basis. A market participant thus may not use gross hedging to receive bona fide hedge treatment for a speculative position,\364\ and measuring risk on a gross basis to willfully circumvent or evade speculative position limits would potentially run afoul of the Sec. 150.2(i)(2) anti-evasion provision finalized herein. Similarly, market participants must comply with the Commission's aggregation requirements regardless of whether the participants are measuring risk on a net or gross basis.\365\--------------------------------------------------------------------------- \364\ The introductory language to the guidance provides in relevant part that a person's ``gross hedging positions may be deemed in compliance . . . provided that all applicable regulatory requirements are met, including that the position is economically appropriate to the reduction of risks in the conduct and management of a commercial enterprise and otherwise satisfies the bona fide hedging definition . . .'' \365\ Under Sec. 150.4, unless an exemption applies, a person's positions must be aggregated with positions for which the person controls trading or for which the person holds a 10% or greater ownership interest. Commission Regulation Sec. 150.4(b) sets forth several permissible exemptions from aggregation. See Final Rule, Aggregation of Positions, 81 FR 91454, (December 16, 2016).--------------------------------------------------------------------------- Second, concerns about cherry-picking are addressed by the guidance. By focusing on consistency and historical practice with respect to the manner in which a person measures risk, the guidance enables market participants to measure risk on a gross basis when dictated by the nature of the exposure,\366\ but not simply when[[Page 3285]]utilizing gross hedging will yield a larger exposure than net hedging or will otherwise subvert Federal position limit or aggregation requirements. Use of gross or net hedging that is inconsistent with an entity's historical practice, or a change from gross to net hedging (or vice versa), could be an indication that an entity is seeking to evade position limits regulations.\367\--------------------------------------------------------------------------- \366\ The Commission continues to believe that a gross hedge may be a bona fide hedge in circumstances where net cash positions do not necessarily measure total risk exposure due to differences in the timing of cash commitments, the location of stocks, and differences in grades or types of the cash commodity. See, e.g , Bona Fide Hedging Transactions or Positions, 42 FR at 14834. However, the Commission clarifies that these may not be the only circumstances in which gross hedging may be recognized as bona fide. Like the analysis of whether a particular position satisfies the proposed bona fide hedge definition, the analysis of whether gross hedging may be utilized would involve a case-by-case determination made by the Commission and/or by an exchange using its expertise and knowledge of its participants. \367\ If an entity's (including a vertically-integrated entity's) practice is to switch between net and gross hedging based on particular circumstances, and those circumstances do not involve evading position limits or aggregation requirements, then such switching would not run afoul of prong (A). See Section II.B.9 (discussing anti-evasion).--------------------------------------------------------------------------- Third, all market participants seeking to exceed Federal position limits must request hedge exemptions at the exchange level, regardless of whether they are measuring risk on a gross or net basis, and regardless of whether they are seeking an enumerated or non-enumerated exemption at the Federal level. Under the Final Rule, the exchanges would have an opportunity to confirm whether such participants' use of gross hedging is consistent with the proposed guidance, including by reviewing detailed position information. The Commission will also have access to such information through a variety of means, including: Records maintained by market participants pursuant to Commission regulation Sec. 1.31; the monthly spreadsheets that exchanges must submit to the Commission under Sec. 150.5(a)(4) summarizing exchange-granted exemptions and related cash-market information; and the ability for the Commission to request such information directly from a market participant pursuant to prong (C) of the gross hedging guidance.x. Pass-Through Swap and Pass-Through Swap Offset Provisionsa. Background--Pass-Through Swap and Pass-Through Swap Offset As the Commission has noted above, CEA section 4a(c)(2)(B) \368\ contemplates bona fide hedges that by themselves do not meet the criteria of CEA section 4a(c)(2)(A), but that are used to offset the swap exposure of a market participant (e.g , a dealer) to the extent that the swap exposure does satisfy CEA section 4a(c)(2)(A) for such market participant's counterparty (e.g , a commercial end user).\369\ The Commission believes that, in affording bona fide hedging recognition for such offsets, Congress in CEA section 4a(c)(2)(B) intended to: (1) Encourage the provision of liquidity to commercial entities that are hedging physical commodity price risk in a manner consistent with the bona fide hedging definition; and (2) only recognize risk management positions as bona fide hedges when such positions are opposite a bona fide hedging swap counterparty.\370\ The Commission has proposed a pass-through swap provision in each of its position limits rulemakings since 2011.--------------------------------------------------------------------------- \368\ 7 U.S.C 6a(c)(2)(B). \369\ CEA section 4a(c)(2)(B)(i) recognizes as a bona fide hedging position a position that reduces risks attendant to a position resulting from a swap that was executed opposite a counterparty for which the transaction would qualify as a bona fide hedging transaction pursuant to'' 4a(c)(2)(A). 7 U.S.C 6a(c)(2)(B)(i). CEA section 4a(c)(2)(B)(ii) further recognizes as a bona fide hedging position a position that ``reduce risks attendant to a position resulting from a swap that meets the requirements of 4a(c)(2)(A). 7 U.S.C 6a(c)(2)(B)(ii). \370\ As described above, the Commission interprets the revised statutory temporary substitute test as limiting the Commission's authority to recognize risk management positions as bona fide hedges unless the position is used to offset exposure opposite a bona fide hedging swap counterparty.---------------------------------------------------------------------------b. Summary of the 2020 NPRM--Pass-Through Swap and Pass-Through Swap Offset The Commission proposed to implement the statutory pass-through swap provision in paragraph (2) of the bona fide hedging definition for physical commodities in proposed Sec. 150.1 Proposed paragraph (2)(i) of the 2020 NPRM's bona fide hedging definition addressed a situation where: (a) A particular swap qualifies as a bona fide hedge by satisfying the temporary substitute test, the economically appropriate test, and the change in value requirement under proposed paragraph (1) of the bona fide hedging definition for one of the counterparties (the ``bona fide hedging swap counterparty''), but not for the other counterparty; and (b) the bona fide hedge treatment ``passes through'' from the bona fide hedging swap counterparty to the other counterparty (the ``pass-through swap counterparty''). The pass-through swap counterparty could be an entity that provides liquidity to the bona fide hedging swap counterparty (such as a swap dealer or a non-dealer that offers swaps). Under the 2020 NPRM, the pass-through of the bona fide hedge treatment from the bona fide hedging swap counterparty to the pass-through swap counterparty was contingent on: (1) The pass-through swap counterparty's ability to demonstrate upon request from the Commission and/or from an exchange that the pass-through swap is a bona fide hedge; \371\ and (2) the pass-through swap counterparty entering into a futures, option on a futures, or swap position in the ``same physical commodity'' as the pass-through swap to offset and reduce the price risk attendant to the pass-through swap.--------------------------------------------------------------------------- \371\ While the 2020 NPRM's proposed paragraph (2)(i) of the bona fide hedging definition in Sec. 150.1 required the pass-through swap counterparty to be able to demonstrate the bona fides of the pass-through swap upon request, the 2020 NPRM did not prescribe the manner by which the pass-through swap counterparty obtains the information needed to support such a demonstration. The 2020 NPRM noted that the pass-through swap counterparty could base such a demonstration on a representation made by the bona fide hedging swap counterparty, and such determination may be made at the time when the parties enter into the swap, or at some later point. The 2020 NPRM also stated that for the bona fides to pass-through as described above, the swap position need only qualify as a bona fide hedging position at the time the swap was entered into.--------------------------------------------------------------------------- If the two conditions above were satisfied, then the bona fides of the bona fide hedging swap counterparty ``pass through'' to the pass-through swap counterparty for purposes of recognizing as a bona fide hedge any futures position, option on futures position, or swap position entered into by the pass-through swap counterparty to offset the pass-through swap (i.e , to offset and reduce the risks of the swap opposite the bona fide hedging swap counterparty). The pass-through swap counterparty could thus exceed Federal position limits for both: (1) The swap opposite the bona fide hedging swap counterparty, if applicable; and (2) an offsetting futures position, option on a futures position, or swap position in the same physical commodity, even though any such offsetting position on its own would not qualify as a bona fide hedge for the pass-through swap counterparty under proposed paragraph (1) of the bona fide hedging transaction or position definition. The Commission clarified that once the original bona fide pass-through swap is settled, positions held under the pass-through swap provision must be liquidated in an orderly manner in accordance with sound commercial practices. Further, under proposed Sec. 150.3(d)(2), a pass-through swap counterparty would be required to maintain any representation it relied on regarding the bona fide hedge status of the swap for at least two years. Proposed paragraph (2)(ii) of the bona fide hedging definition addressed a situation where a market participant who qualifies as a bona fide hedging swap counterparty (i.e , a counterparty with a position in a previously-entered into swap that qualified, at the time the[[Page 3286]]swap was entered into, as a bona fide hedge under paragraph (1)) seeks, at some later time, to offset that bona fide hedge swap position using a futures position, option on a futures position, or a swap in excess of Federal position limits. Such step might be taken, for example, to respond to a change in the bona fide hedging swap counterparty's risk exposure in the underlying commodity.\372\ Proposed paragraph (2)(ii) would allow such a bona fide hedging swap counterparty to use a futures position, option on a futures position, or a swap in excess of Federal position limits to offset the price risk of the previously-entered into swap, even though the offsetting position itself does not qualify for that participant as a bona fide hedge under paragraph (1).--------------------------------------------------------------------------- \372\ Examples of a change in the bona fide hedging swap counterparty's cash-market price risk could include a change in the amount of the commodity that the hedger will be able to deliver due to drought, or conversely, higher than expected yield due to growing conditions.--------------------------------------------------------------------------- The proposed pass-through exemption under paragraph (2) of the bona fide hedging or transaction definition would only apply to the pass-through swap counterparty's offset of the bona fide hedging swap, and/or to the bona fide hedging swap counterparty's offset of its bona fide hedging swap. Any further offset would not be eligible for a pass-through exemption under paragraph (2) unless the offsetting position itself meets paragraph (1) of the proposed bona fide hedging definition. The Commission stated in the 2020 NPRM that it believes the pass-through swap provision may help mitigate some of the potential impact resulting from the removal of the ``risk management'' exemptions that are currently in effect.\373\--------------------------------------------------------------------------- \373\ See supra Section II.A.1.iii.a (discussion of the temporary substitute test).---------------------------------------------------------------------------c. Summary of the Commission Determination--Pass-Through Swap and Pass-Through Swap Offset; Related Recordkeeping Requirement; Cross-Commodity Hedging Under the Pass-Through Swap Provision The Commission is finalizing the pass-through swap and pass-through swap offset provision of the ``bona fide hedging transaction or position'' definition largely as proposed, with certain amendments in response to commenters' requests discussed below: First, the Commission is amending the 2020 NPRM's proposed provision that would have required that the pass-through swap counterparty demonstrate upon request that its offsetting position is attendant to a position resulting from a bona fide hedging pass-through swap. Instead, under the Final Rule, in order for a pass-through swap counterparty to treat a pass-through swap offset as a bona fide hedge, the pass-through swap counterparty must receive from the bona fide hedging swap counterparty a written representation that the pass-through swap qualifies as a bona fide hedge. Under the Final Rule, the Commission is also amending the proposed regulatory text to add that the pass-through swap counterparty may rely in good faith on such written representation(s) made by the bona fide hedging swap counterparty, unless the pass-through swap counterparty has information that would cause a reasonable person to question the accuracy of the representation. Second, the Commission is adopting a revised paragraph (i)(B) of the bona fide hedging transaction or position definition in Sec. 150.1 to delete the language in the pass-through swap provision that requires the offset to be in the ``same physical commodity'' as the pass-through swap.d. Comments--Application of Pass-Through Swap Offset to Affiliates; Recordkeeping; Cross-Commodity Hedging Under the Pass-Through Swap Provision Comments generally fell into three categories, each discussed in turn below: (1) Application of pass-through swap offsets to affiliates; (2) pass-through recordkeeping requirements; and (3) pass through swaps and cross-commodity hedging.(1) Application of Pass-Through Swap Offset to Affiliates Commenters generally supported amending the bona fide hedge definition in accordance with the statutory language in CEA section 4a(c)(2)(B) to include a pass-through swap and pass-through swap offset.\374\ Some commenters requested clarification on the application of the pass-through swap offset exemption to corporate affiliates. For example, Shell stated that an overly strict interpretation of ``pass-through swap counterparty'' may limit the application of the pass-through swap offset exemption to only one entity within a corporate structure, and such entity may not be the affiliate entity used by the firm for its market-facing activities or to execute transactions with exchanges to manage portfolios and position limits on an aggregated basis.\375\ NGSA similarly requested that the Commission's interpretation of a pass-through swap counterparty apply to affiliates who may pass through their bona fide hedge position exemption to a market-facing, ``treasury-affiliate'' subsidiary within a corporate structure.\376\--------------------------------------------------------------------------- \374\ CEWG at 4; CMC at 5-6; FIA at 3; ICE at 6-7; ISDA at 12-13; and Shell at 2, 4-5. \375\ Shell at 4. \376\ NGSA at 8.---------------------------------------------------------------------------(i) Discussion of Final Rule--Application of Pass-Through Swap Offset to Affiliates The Commission clarifies that within a group of entities that aggregates its positions under Sec. 150.4 \377\ (such as an aggregated corporate group), any entity that is part of the aggregated group may avail itself of the pass-through swap offset exemption. For example, the pass-through swap offset provision extends to market-facing affiliates that are part of an aggregated group pursuant to Sec. 150.4, such as treasury affiliate subsidiaries that firms commonly use to manage market-facing activities and portfolios. In such circumstances, recognition of a secondary pass-through swap transaction would not be necessary among an aggregated group because an aggregated group is treated as one person for purposes of Federal position limits.--------------------------------------------------------------------------- \377\ Aggregation of Positions, 81 FR 91454 (Dec. 16, 2016).--------------------------------------------------------------------------- Separately, in response to commenter requests to allow secondary pass throughs (i.e , the further ``pass-through'' of a pass-through exemption from one entity to another), the Commission clarifies that outside the context of an aggregated group, additional positions entered into as an offset of a pass-through swap would not be eligible for a pass-through exemption under paragraph (2) of the bona fide hedging definition unless the offsetting position itself meets the bona fide hedging definition. Accordingly, the bona fides of a transaction will not extend to a third-party through the pass-through swap counterparty. For instance, if Producer A enters into an OTC swap with Swap Dealer B, and the OTC swap qualifies as a bona fide hedge for Producer A, then Swap Dealer B could be eligible for a pass-through exemption to offset that swap in the futures market. However, if Swap Dealer B offsets its swap opposite Producer A using an OTC swap with Swap Dealer C, Swap Dealer C would not be eligible for a pass-through exemption.(2) Pass-Through Swap Provision and Recordkeeping Commenters raised concerns with the 2020 NPRM's requirements that the pass-through swap counterparty[[Page 3287]]document, and upon request, demonstrate the bona fides of the pass-through swap.\378\ Commenters also requested that the Commission clarify the nature of the required documentation,\379\ and/or eliminate the required demonstration/documentation altogether, provided that the pass-through swap counterparty has a legitimate, good-faith belief the swap is a bona fide hedge.\380\--------------------------------------------------------------------------- \378\ Cargill at 10; FIA at 11-12; CMC at 5; Shell at 6-7; ICE at 6-7; and ISDA at 11-12. \379\ ICE at 6-7; Shell at 6. \380\ Cargill at 10; CMC at 5; FIA at 11-12; and ISDA at 11-12.---------------------------------------------------------------------------(i) Discussion of Final Rule--Pass-Through Swap Provision and Recordkeeping The Commission is amending the 2020 NPRM's proposed provision that would have required that the pass-through swap counterparty demonstrate upon request that its offsetting position is attendant to a position resulting from a bona fide hedging pass-through swap. For the Final Rule, the Commission is amending the pass-through swap provision's regulatory text to clarify that in order for a pass-through swap counterparty to treat a pass-through swap as a bona fide hedge, the pass-through swap counterparty must receive from the bona fide hedging swap counterparty a written representation that the pass-through swap qualifies as a bona fide hedge. The Commission is further amending the regulatory text to add that the pass-through swap counterparty may rely in good faith on such written representation(s) made by the bona fide hedging swap counterparty, unless the pass-through swap counterparty has information that would cause a reasonable person to question the accuracy of the representation. The Commission is adding the written representation requirement to enable to Commission to verify that only market participants with bona fide hedge exemptions are able to pass-through those exemptions to their swap counterparties. The Commission agrees with commenters who stated that the bona fide hedging counterparty is the suitable party to determine the bona fide hedging status of the pass-through swap. This is because the bona fide hedging status is determined based upon the bona fide hedging counterparty's confidential, proprietary information. The Commission clarifies that the Commission is not requiring the bona fide hedging counterparty to share the proprietary, confidential information upon which it is basing its determination with its counterparties. Similar to the 2020 NPRM, this Final Rule does not prescribe the form or manner by which the pass-through swap counterparty obtains the written representation. The Commission recognizes that the bona fide hedging counterparty may make such representations on a relationship basis through counterparty relationship documentation (e.g , through ISDA documentation or other forms of documentation as agreed upon by the parties) or on a transaction basis (e.g , through trade confirmations or in other forms as agreed upon by the parties).\381\--------------------------------------------------------------------------- \381\ The Commission believes that allowing market participants to determine the form and manner of how they will document the written representation by the bona fide hedging counterparty and allowing the pass-through swap counterparty to rely on such representation addresses NRECA's comments on the pass-through swap provision recordkeeping obligations. NRECA at 23.--------------------------------------------------------------------------- For example, if agreed to by the counterparties, the pass-through swap counterparty may rely on a written representation made by the bona fide hedging swap counterparty that an original pass-through swap and any subsequent pass-through swaps entered into by and between the bona fide hedging swap counterparty and the pass-through swap counterparty are bona fide hedges, unless the bona fide hedging swap counterparty provides written notice to the pass-through swap counterparty that a particular swap is not a bona fide hedge. The Commission believes providing market participants with flexibility recognizes counterparties' ongoing relationships, while enabling the Commission to verify that the pass-through swap offset reduces the risks of a bona fide hedging swap. The Commission considered comments requesting the elimination of the pass-through swap provision recordkeeping requirement in Sec. 150.3(d) based on arguments that requiring this recordkeeping was not practical. The Commission is not persuaded by those arguments as the recordkeeping requirements assist the Commission in verifying that the pass-through swap provision is only being utilized to offset risks arising from bona fide hedges. Accordingly, the Commission is finalizing the proposed pass-through swap recordkeeping requirement in Sec. 150.3(d), subject to certain conforming changes to reflect amendments to the pass-through swap paragraph of the bona fide hedging definition. Since not all swaps entered into by a commercial entity would qualify as a bona fide hedge, the Commission declines commenters' requests that a pass-through swap counterparty may reasonably rely solely upon the fact that the counterparty is a commercial end user and, absent an agreement between the counterparties, that the swap appears to be consistent with hedges entered into by end users in the same line of business.(3) Comments--Pass-Through Swap Provision and Cross-Commodity Hedging Commenters requested amending paragraph (i)(B) of the proposed bona fide hedge definition to permit the pass-through swap provision to apply to cross-commodity hedges by eliminating the proposed requirement that the pass-through swap offset must be in the ``same physical commodity'' as the pass-through swap.\382\--------------------------------------------------------------------------- \382\ FIA at 13 (quoting 85 FR at 11614); Shell at 5 (quoting 85 FR at 11614).---------------------------------------------------------------------------(i) Discussion of Final Rule--Pass-Through Swap Provision and Cross-Commodity Hedging The Commission is adopting a revised paragraph (i)(B) of the bona fide hedging transaction or position definition in Sec. 150.1 to delete the language in the pass-through swap provision that requires the offset to be in the ``same physical commodity'' as the pass-through swap. The Commission's enumerated cross-commodity bona fide hedge adopted herein thus applies to all the enumerated hedges, as well as to the pass-through swap provision in the bona fide hedge definition. The revised regulatory text confirms the Commission's intent to allow a pass-through swap counterparty to utilize the pass-through swap offset exemption when the offset itself is a cross-commodity hedge of the underlying pass-through swap, provided that such cross-commodity hedge meets all applicable requirements, including being substantially related to the commodity being offset.2. ``Commodity Derivative Contract''i. Summary of the 2020 NPRM--Commodity Derivative Contract The Commission proposed to create the defined term ``commodity derivative contract'' for use throughout part 150 of the Commission's regulations as shorthand for any futures contract, option on a futures contract, or swap in a commodity (other than a security futures product as defined in CEA section 1a(45)).[[Page 3288]]ii. Comments and Summary of the Commission Determination--Commodity Derivative Contract No commenter addressed the proposed definition of ``commodity derivative contract.'' The Commission is adopting the definition as proposed, with some non-substantive technical modifications. These technical changes include the Final Rule's reference to ``futures contract'' rather than merely ``futures,'' and ``swap'' rather than ``swap contract'' to conform to other uses in final Sec. 150.1 \383\--------------------------------------------------------------------------- \383\ The Commission notes that these technical changes are to conform more closely to CEA section 4a(a), which refers to ``contracts of sale of such commodity for future delivery'' (7 U.S.C 6a(a)(1) (emphasis added)), ``contracts of sale for future delivery'' (7 U.S.C 6a(a)(2)(A) (emphasis added)), or similar phraseology. Accordingly, the Commission is making the technical change to refer to ``futures contracts'' rather than merely ``futures'' in order to more closely conform to the CEA's terms. Similarly, CEA section 4a(a)(6) and section 1a(47) both refer to ``swap'' but not '' swap contract,'' and so the Commission is making a similar conforming change.---------------------------------------------------------------------------3. ``Core Referenced Futures Contract''i. Summary of the 2020 NPRM--Core Referenced Futures Contract The Commission proposed to create the term ``core referenced futures contract'' as a short-hand phrase to refer to the futures contracts listed in proposed Sec. 150.2(d) to which the Federal position limit rules would apply.\384\ As per the ``referenced contract'' definition described below, position limits would also apply to any contract that is directly or indirectly linked to, or that has certain pricing relationships with, a core referenced futures contract.--------------------------------------------------------------------------- \384\ The selection of the proposed core referenced futures contracts is explained below in the discussions of Sec. 150.2 at Section II.B and the necessity finding infra at Section III.C ---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Core Referenced Futures Contract No commenter addressed the proposed definition of ``core referenced futures contract.'' The Commission is adopting the definition as proposed.4. ``Economically Equivalent Swap''i. Background--Economically Equivalent Swap The Commission's existing regulations do not currently subject swaps to Federal position limits. Similarly, the Commission is unaware of any exchange-set limits for swaps on any of the 25 core referenced futures contracts. Pursuant to CEA section 4a(a)(5), when the Commission imposes position limits on futures and options on futures pursuant to CEA section 4a(a)(2), the Commission also must develop limits ``concurrently'' and establish limits ``simultaneously'' for ``economically equivalent'' swaps ``as appropriate.'' \385\ As the statute does not define the term ``economically equivalent,'' the Commission must apply its expertise in construing such term, and, as discussed further below, must do so consistent with the policy goals articulated by Congress, including in CEA sections 4a(a)(2)(C) and 4a(a)(3).--------------------------------------------------------------------------- \385\ CEA section 4a(a)(5); 7 U.S.C 6a(a)(5). In addition, CEA section 4a(a)(4) separately authorizes, but does not require, the Commission to impose Federal position limits on swaps that meet certain statutory criteria qualifying them as ``significant price discovery function'' swaps. 7 U.S.C 6a(a)(4). The Commission reiterates, for the avoidance of doubt, that the definitions of ``economically equivalent'' in CEA section 4a(a)(5) and ``significant price discovery function'' in CEA section 4a(a)(4) are separate concepts and that contracts can be economically equivalent without serving a significant price discovery function. See 81 FR at 96736 (the Commission noting that certain commenters may have been confusing the two definitions).---------------------------------------------------------------------------ii. Summary of the 2020 NPRM--Economically Equivalent Swap The 2020 NPRM proposed a new term, ``economically equivalent swap.'' Under the 2020 NPRM, a swap would be deemed an ``economically equivalent swap'' with respect to a referenced contract so long as the swap shared identical ``material'' contractual specifications, terms, and conditions with the referenced contract, and provided that any differences between the swap and referenced contract with respect to the following would be disregarded: (i) Lot size or notional amount; (ii) for a swap and relevant referenced contract that are both physically-settled, delivery dates diverging by less than one calendar day, except for a physically-settled natural gas swap which could diverge by less than two calendar days; and (iii) post-trade risk management arrangements. Because the proposed ``economically equivalent swap'' definition referred to ``referenced contracts,'' under the 2020 NPRM's approach a swap could be deemed to be ``economically equivalent'' to not just a core referenced futures contract, but also to any cash-settled look alike futures contract or option on a futures contract.\386\--------------------------------------------------------------------------- \386\ As discussed under the ``referenced contract'' definition, the term ``referenced contract'' includes core referenced futures contracts, linked cash-settled futures contracts, and options thereon. For further discussion, see Section II.A.16 ---------------------------------------------------------------------------iii. Comments and Discussion of Final Rule--Economically Equivalent Swapa. The Inclusion of Certain Swaps Within the Federal Position Limits Framework Many commenters generally supported the proposed definition.\387\ However, other commenters argued that swaps should not be subject to Federal position limits at all \388\ or that subjecting swaps to position limits would increase costs without commensurate benefits.\389\ Nevertheless, several of these same commenters that stated that swaps should not be subject to Federal position limits also generally supported the proposed ``economically equivalent swap'' definition to the extent the Commission determined to include swaps within Federal position limits.\390\ Similarly, IATP stated that it was unclear why swaps are part of the 2020 NPRM given the Commission's limited information on the swaps market.\391\--------------------------------------------------------------------------- \387\ E.g , AQR at 10; FIA at 2-3; NCFC at 5; Suncor at 2; SIFMA AMG at 7; ISDA at 5; Chevron at 2; CEWG at 3; Citadel at 6. \388\ SIFMA AMG at 6-8; IATP at 19. \389\ CHS at 4-5; NCFC at 5; SIFMA AMG at 6-7; and ISDA at 5. \390\ Chevron at 2; FIA at 2, 3, 5; MFA/AIMA at 3; SIFMA AMG at 7; Suncor at 2; AQR at 10-11; COPE at 3; Better Markets at 4; 31; NCFC at 5; ISDA at 5; CEWG at 3; and Citadel at 6. \391\ IATP at 19.--------------------------------------------------------------------------- In response to these comments, as an initial matter, the Commission emphasizes that Congress has determined, through the Dodd-Frank Act's amendments to CEA section 4a(a)(5), that the Commission must develop Federal position limits for economically equivalent swaps ``concurrently,'' and must establish such limits ``simultaneously,'' with the Federal position limits for futures and options on futures. Accordingly, the Commission has determined that, as a legal matter, a swap that qualifies as ``economically equivalent'' to any referenced contract must be included within the Federal position limits framework. While it did not oppose the proposed definition, NCFC expressed a similar concern with respect to the costs that the proposed definition could impose on commercial end users and small- and mid-sized FCMs. To mitigate these costs, NCFC suggested that any swap that qualifies for an exception to the Commission's clearing requirement under existing Sec. 50.50 of the Commission's regulations should not be deemed to be an ``economically equivalent swap.'' According to NCFC, such ``swap contracts already must meet the test `to hedge or mitigate commercial[[Page 3289]]risk,' and are `not used for a purpose that is in the nature of speculation, investing, or trading,''' pursuant to Sec. 50.50 \392\ The Commission understands NCFC's concern, but believes NCFC's alternative is unnecessary for two reasons. First, to the extent a swap described by NCFC would ``hedge or mitigate commercial risk,'' such swap likely would qualify for an enumerated bona fide hedge under the Final Rule and therefore would not contribute to a commercial end-user's net position for Federal position limits purposes.\393\ Second, commodity swaps are not required to be cleared under the Commission's existing regulations, so determining whether the end-user clearing exemption applies is not necessarily a helpful proxy in determining whether a swap is ``economically equivalent'' for purposes of CEA section 4a(a)(5).--------------------------------------------------------------------------- \392\ NCFC at 5-6. \393\ To the extent an FCM would not be able to qualify for a bona fide hedge, the Commission believes that excepting such swaps for purely financial firms would functionally have the same effect as maintaining the risk-management exemption, which Congress, through the Dodd-Frank Act's amendments to the CEA, has directed the Commission to eliminate. See Section IV.A.4.ii.a(1) (discussing elimination of the risk management exemption).---------------------------------------------------------------------------b. Statutory Basis for the Commission's ``Economically Equivalent Swap'' Definition In promulgating the Federal position limits framework, Congress instructed the Commission to consider several factors. First, CEA section 4a(a)(3)(B) requires the Commission when establishing Federal position limits, to the maximum extent practicable, in its discretion, to: (i) Diminish, eliminate, or prevent excessive speculation; (ii) deter and prevent market manipulation, squeezes, and corners; (iii) ensure sufficient market liquidity for bona fide hedgers; and (iv) ensure that the price discovery function of the underlying market is not disrupted. Second, CEA section 4a(a)(2)(C) requires the Commission to strive to ensure that any limits imposed by the Commission will not cause price discovery in a commodity subject to Federal position limits to shift to trading in foreign markets. Accordingly, any definition of ``economically equivalent swap'' must consider these statutory objectives. The Commission also recognizes that swaps may include customized (i.e , ``bespoke'') terms and are largely negotiated bilaterally and traded off-exchange (i.e , OTC). In contrast, futures contracts have standardized terms and are generally exchange-traded or otherwise traded subject to the rules of an exchange. As explained further below, due to these differences between swaps and exchange-traded futures and related options, the Commission has preliminarily determined that Congress's underlying policy goals in CEA section 4a(a)(2)(C) and (3)(B) are best achieved by adopting a narrow definition of ``economically equivalent swap,'' compared to the broader definition of ``referenced contract.'' \394\--------------------------------------------------------------------------- \394\ The definition of ``referenced contract'' adopted herein will incorporate cash-settled look-alike futures contracts and related options that are either (i) directly or indirectly linked, including being partially or fully settled on, or priced at a fixed differential to, the price of that particular core referenced futures contract; or (ii) directly or indirectly linked, including being partially or fully settled on, or priced at a fixed differential to, the price of the same commodity underlying that particular core referenced futures contract for delivery at the same location or locations as specified in that particular core referenced futures contract. See infra Section II.A.16 (definition of ``referenced contract''). The definition of ``economically equivalent swap'' adopted herein is a type of ``referenced contract,'' but, as discussed herein, the ``economically equivalent swap'' definition includes a relatively narrower class of swaps compared to other types of ``referenced contracts,'' such as look-alike futures and options on futures contracts, for the reasons discussed below.--------------------------------------------------------------------------- The ``referenced contract'' definition adopted in Sec. 150.1 will include ``economically equivalent swaps,'' meaning any economically equivalent swap is subject to Federal position limits. Thus, a swap that is deemed economically equivalent would be required to be added to, and could be netted against, as applicable, an entity's other referenced contracts in the same commodity for the purpose of determining one's aggregate positions for Federal position limits.\395\ Any swap that is not deemed economically equivalent is not a referenced contract, and thus could not be netted with referenced contracts nor required to be aggregated with any referenced contract for Federal position limits purposes.--------------------------------------------------------------------------- \395\ See infra Section II.B.10 (discussion of netting).--------------------------------------------------------------------------- The Commission has determined that the ``economically equivalent swap'' definition adopted herein supports the statutory objectives in CEA section 4a(a)(3)(B)(i) and (ii) by helping to prevent excessive speculation and market manipulation, including corners and squeezes, respectively, by: (1) Focusing on swaps that are the most economically equivalent in every significant way to the futures contracts and options on futures contracts for which the Commission deems position limits to be necessary; \396\ and (2) limiting the ability of speculators to obtain excessive positions through netting. Any swap that meets the economically equivalent swap definition offers identical risk sensitivity to its associated referenced contract with respect to the underlying commodity, and thus could be used to effect a manipulation, benefit from a manipulation, or otherwise potentially distort prices in the same or similar manner as the associated futures contract or option on the futures contract. The Commission further has determined that the relatively narrow definition supports the statutory objective in CEA section 4a(a)(2)(C) by not causing price discovery to shift to trading in foreign markets.\397\--------------------------------------------------------------------------- \396\ See infra Section III. (necessity finding). \397\ For clarity, a swap may be eligible for treatment under the pass-through swap provision as either a pass-through swap or a pass-through swap offset, discussed above under the bona fide hedge definition, and not necessarily be deemed to be an ``economically equivalent swap'' since the pass-through swap provision focuses on whether the swap serves as a bona fide hedge to one of the counterparties. Similarly, status as an economically equivalent swap is not dispositive for treatment under the pass-through swap provision.---------------------------------------------------------------------------c. The Definition Balances Competing Statutory Goals and Is Neither Too Broad Nor Too Narrow Several commenters argued that the proposed ``economically equivalent swap'' definition was too narrow and would therefore allow market participants to avoid Federal position limits.\398\ In particular, CME Group and Better Markets requested the general ``referenced contract'' definition that applies to futures and options on futures also apply to swaps.\399\ The Commission agrees with these commenters' general concerns that the ``economically equivalent swap'' definition should not allow market participants to avoid Federal position limits. In fact, the Commission believes that the approach adopted in this Final Rule achieves that goal better than the approach proposed by Better Markets and CME Group, first and foremost by preventing parties from using netting of swaps to create large positions in the futures market. The Final Rule's definition, compared to the relatively broader ``referenced contract'' definition that applies to futures and options on futures, better prevents inappropriate netting of market participants' positions and advances Congress's underlying policy goals in[[Page 3290]]CEA section 4a(a)(2)(C) and (3)(B) for the following three reasons.--------------------------------------------------------------------------- \398\ CME Group at 3; NEFI at 3; Better Markets at 31-33 (generally arguing that the ``economically equivalent swap'' and ``referenced contract'' definitions should be consistent to prevent loopholes). \399\ CME Group at 3-4; Better Markets at 33-34 (arguing that excluding penultimate swaps creates a technical delineation that is largely divorced from the economic realities relating to physical commodities underlying both contracts).--------------------------------------------------------------------------- First, as the Commission stated above, it believes that a narrow ``economically equivalent swap'' definition that focuses on swaps with identical material terms and conditions reduces the ability of market participants to structure tangentially-related (i.e , non-identical) swaps simply to net down large, speculative positions in excess of Federal position limits in futures or options on futures. Because referenced contracts in the same commodity are generally netted,\400\ and because OTC swaps are bilaterally negotiated and customizable, market participants could structure swaps that do not necessarily offer identical risk or economic exposure or sensitivity simply to net down large positions in other referenced contracts. This is less of a concern with exchange-traded futures and related options, which are subject to exchange rules and oversight, and which have standardized terms, meaning they cannot be structured simply to net down large speculative positions in core referenced futures contracts.--------------------------------------------------------------------------- \400\ See Section II.B.10 (discussing the application of netting).--------------------------------------------------------------------------- The Commission recognizes as reasonable the concerns of CME Group and Better Markets that a relatively narrow ``economically equivalent swap'' definition, compared to a broader definition, could enable market participants to build excessive speculative risk exposure on one side of the market through OTC swap transactions. As discussed herein, the Commission is equally concerned that a broader definition similarly would permit a market participant to acquire a large position in a core referenced futures contract through inappropriate netting.\401\ However, the Commission believes that a broader ``economically equivalent swap'' definition as advocated by these commenters also would be more likely to lead to the additional harms discussed below. Accordingly, while the Commission shares the same ultimate concerns as CME Group and Better Markets with respect to protecting market integrity, the Commission has determined that the relatively narrow definition concurrently protects market integrity while also better supporting the statutory directives in CEA sections 4a(a)(2)(C) and 4a(a)(3)(B) as discussed below.--------------------------------------------------------------------------- \401\ For example, a broader economically equivalent swap definition would allow a market participant to hold a long position in a physically-settled futures contract that exceeds the applicable Federal position limit levels by netting down with an ``offsetting'' short OTC swap, even if the swap has a different material term than the futures contract. That is, the ``offsetting'' short swap could have different delivery location(s), delivery date(s), quality differential(s), or even a different underlying commodity (depending on how broad the definition would be) than the physically-settled futures contract. Such an ``offsetting'' short swap would allow the market participant to more profitably engage in--and therefore more likely to successfully effect--a corner or squeeze in two respects. First, the ``offsetting'' short swap would allow the market participant to obtain a larger long futures position, thus creating a more dominant position on the long side of the market. Second, the ``offsetting'' short swap would allow the market participant to more easily ``dispose'' of or ``bury the corpse'' at smaller expense by enabling the market participant to deliver the underlying physical commodity, which the market participant received pursuant to its long physically-settled futures positions, under more profitable circumstances compared to the terms specified in the futures contract. For example, the ``offsetting'' short swap could allow the market participant to deliver the commodity (i.e , ``dispose of'' or ``bury the corpse'') at a different, more profitable (or at least for less of a loss) delivery location and/or wait for more favorable delivery dates with more favorable prices.--------------------------------------------------------------------------- Second, the Commission believes that the Final Rule's definition addresses statutory objectives by focusing Federal position limits on those swaps that pose the greatest threat for facilitating corners and squeezes. That is, the Final rule addresses those swaps with similar delivery dates and identical material economic terms to futures and options on futures subject to Federal position limits while also minimizing market impact and liquidity for bona fide hedgers for other positions and transactions. For example, if the Commission were to adopt a broader economically equivalent swap definition that included delivery dates that diverge by one or more calendar days, perhaps by several days or weeks, a liquidity provider (including a market maker or a speculator) with a large portfolio of swaps may be more likely to be constrained by the applicable position limits and therefore may have incentive either to minimize its swaps activity or move its swaps activity to foreign jurisdictions, resulting in reduced liquidity. If there were many similarly situated market participants, the market for such swaps could become less liquid, which in turn could harm liquidity for bona fide hedgers. As a result, the Commission has determined that the relatively narrow scope of the Final Rule's definition reasonably balances the factors in CEA section 4a(a)(3)(B)(ii) and (iii) by decreasing the possibility of illiquid markets for bona fide hedgers on the one hand while, on the other hand, focusing on the prevention of market manipulation during the most sensitive period of the spot month. Third, the ``economically equivalent swap'' definition helps prevent regulatory arbitrage as required by CEA section 4a(a)(2)(C) and additionally will strengthen international comity. For example, if the Commission instead adopted a broader definition, U.S -based swaps activity could potentially migrate to other jurisdictions with a narrower definition, such as the European Union (``EU''). In this regard, the Final Rule's definition is similar in certain ways to the EU definition for OTC contracts that are ``economically equivalent'' to commodity derivatives traded on an EU trading venue.\402\ The Commission's ``economically equivalent swap'' definition thus furthers the statutory[[Page 3291]]goals set forth in CEA section 4a(a)(2)(C), which requires the Commission to strive to ensure that any Federal position limits are ``comparable'' to foreign exchanges and will not cause ``price discovery . . . to shift to trading'' on foreign exchanges.\403\ Further, market participants trading in both U.S and EU markets should find the Commission's and the EU's respective definitions to be familiar, which may help reduce compliance costs for those market participants that already have systems and personnel in place to identify and monitor such swaps.--------------------------------------------------------------------------- \402\ See EU Commission Delegated Regulation (EU) 2017/591, 2017 O.J (L 87). The applicable EU regulations define an OTC derivative to be ``economically equivalent'' when it has ``identical contractual specifications, terms and conditions, excluding different lot size specifications, delivery dates diverging by less than one calendar day and different post trade risk management arrangements.'' While the Final Rule's ``economically equivalent swap'' definition is similar, the Final Rule's definition requires ``identical material'' terms rather than merely ``identical'' terms. Further, the Final Rule's definition excludes different ``lot size specifications or notional amounts'' rather than referencing only ``lot size'' since swaps terminology usually refers to ``notional amounts'' rather than to ``lot sizes.'' The Commission notes that SIFMA AMG argued in its comment letter that the Commission should adopt the economically equivalent swap definition proposed by the EU. See SIFMA AMG at 7. However, while the Commission's definition will be similar to the EU's definition, to the extent that the Commission's definition differs from the EU's by requiring ``material identical'' rather than merely ``identical'' terms, the Commission discusses its reasoning below. Both the Commission's definition and the applicable EU regulation are intended to prevent harmful netting. See European Securities and Markets Authority, Draft Regulatory Technical Standards on Methodology for Calculation and the Application of Position Limits for Commodity Derivatives Traded on Trading Venues and Economically Equivalent OTC Contracts, ESMA/2016/668 at 10 (May 2, 2016), available at [*https://www.esma.europa.eu/sites/default/files/library/2016-668\_opinion\_on\_draft\_rts\_21.pdf*](https://www.esma.europa.eu/sites/default/files/library/2016-668_opinion_on_draft_rts_21.pdf) (``[D]rafting the [economically equivalent OTC swap] definition in too wide a fashion carries an even higher risk of enabling circumvention of position limits by creating an ability to net off positions taken in on-venue contracts against only roughly similar OTC positions.''). The applicable EU regulator, the European Securities and Markets Authority (``ESMA''), released a ``consultation paper'' discussing the status of the existing EU position limits regime and specific comments received from market participants. According to ESMA, no commenter, with one exception, supported changing the definition of an economically equivalent swap (referred to as an ``economically equivalent OTC contract'' or ``EEOTC''). ESMA further noted that for some respondents, ``the mere fact that very few EEOTC contracts have been identified is no evidence that the regime is overly restrictive.'' See European Securities and Markets Authority, Consultation Paper MiFID Review Report on Position Limits and Position Management Draft Technical Advice on Weekly Position Reports, ESMA70-156-1484 at 46, Question 15 (Nov. 5, 2019), available at [*https://www.esma.europa.eu/document*](https://www.esma.europa.eu/document)/ consultation-paper-position-limits. \403\ 7 U.S.C 6a(a)(2)(C).--------------------------------------------------------------------------- Each element of the Final Rule's definition, including the exclusions from the definition, and related comments, is discussed below.d. Scope of Identical Material Terms Under the Final Rule's definition, only ``material'' contractual specifications, terms, and conditions are relevant to the analysis of whether a particular swap qualifies as an economically equivalent swap. The definition thus does not require that a swap be identical in all respects to a referenced contract in order to be deemed ``economically equivalent'' to that referenced contract. Under the Final Rule, ``material'' specifications, terms, and conditions are limited to those provisions that drive the economic value of a swap, including with respect to pricing and risk. Examples of ``material'' provisions include, for example: The underlying commodity, including commodity reference price and grade differentials; maturity or termination dates; settlement type (i.e , cash-settled versus physically-settled); and, as applicable for physically delivered swaps, delivery specifications, including commodity quality standards and delivery locations.\404\--------------------------------------------------------------------------- \404\ In developing its definition of an ``economically equivalent swap,'' the Commission, based on its experience, has determined that for a swap to be ``economically equivalent'' to a futures or option on a futures contract, the material contractual specifications, terms, and conditions must be identical. In making this determination, the Commission took into ***account***, in regards to the economics of swaps, how a swap and a corresponding futures contract or option on a futures contract react to certain market factors and movements, the pricing variables used in calculating each instrument, the sensitivities of those variables, the ability of a market participant to gain the same type of exposures, and how the exposures move to changes in market conditions.--------------------------------------------------------------------------- In addition, a swap that either references another referenced contract, or incorporates by reference the other referenced contract's terms, is deemed to share identical terms with the referenced contract and therefore qualifies as an economically equivalent swap.\405\ Any change in the material terms of such a swap, however, could render the swap no longer economically equivalent for Federal position limits purposes.--------------------------------------------------------------------------- \405\ For example, a cash-settled swap that either settles to the pricing of a corresponding cash-settled referenced contract, or incorporates by reference the terms of such referenced contract, would be deemed to be economically equivalent to the referenced contract.--------------------------------------------------------------------------- The Commission recognizes that the material swap terms noted above are essential to determining the pricing and risk profile for swaps. However, there may be other contractual terms that also may be important for the counterparties in determining the pricing and transaction risks, but that are not necessarily ``material'' for purposes of position limits. For example, as discussed below, certain other terms, such as clearing arrangements or governing law, may not be material for the purpose of determining economic equivalence for Federal position limits, but may nonetheless affect pricing and risk or otherwise be important to the counterparties. Accordingly, the Commission generally considers those swap contractual terms, provisions, or terminology (e.g , ISDA terms and definitions) that are unique to swaps (whether standardized or bespoke) not to be material for purposes of determining whether a swap is economically equivalent to a particular referenced contract, even though such terms may be important when negotiating the swap or contribute to the valuation and/or the counterparties' risk analysis. For example, the following swap provisions or terms are generally unique to swaps and/or otherwise not material, and therefore are not to be dispositive for determining whether a swap is economically equivalent: Designating business day or holiday conventions; day count (e.g , 360 or actual); calculation agent; dispute resolution mechanisms; choice of law; or representations and warranties.\406\--------------------------------------------------------------------------- \406\ Commodity swaps, which generally are traded OTC, are less standardized compared to exchange-traded futures and therefore must include these provisions in an ISDA master agreement between counterparties. While certain provisions, for example choice of law, dispute resolution mechanisms, or the general representations made in an ISDA master agreement, may be important considerations for the counterparties, the Commission would not deem such provisions material for purposes of determining economic equivalence under the Federal position limits framework for the same reason the Commission would not deem a core referenced futures contract and a look-alike referenced contract to be economically different, even though the look-alike contract may be traded on a different exchange with different contractual representations, governing law, holidays, dispute resolution processes, or other provisions unique to the exchanges. Similarly, with respect to day counts, a swap could designate a day count that is different than the day count used in a referenced contract but adjust relevant swap economic terms (e.g , relevant rates or payments, fees, basis, etc.) to achieve the same economic exposure as the referenced contract. In such a case, the Commission would not find such differences to be material for purposes of determining the swap to be economically equivalent for Federal position limits purposes.--------------------------------------------------------------------------- Because the Commission considers settlement type to be a material ``contractual specification, term, or condition,'' a cash-settled swap could only be deemed to be economically equivalent to a cash-settled referenced contract, and a physically-settled swap could only be deemed to be economically equivalent to a physically-settled referenced contract. However, a cash-settled swap that initially did not qualify as ``economically equivalent'' due to no corresponding cash-settled referenced contract (i.e , no cash-settled look-alike futures contract) could subsequently become an ``economically equivalent swap'' if a cash-settled futures contract market were to develop. Commenters had various views on the treatment of cash-settled and physically-settled swaps. First, certain commenters requested the Commission exclude physically-settled swaps from Federal position limits \407\ or at least clarify the class of instruments that would be deemed to be physically-settled swaps.\408\ Second, other commenters requested the opposite--that the Commission instead exclude cash-settled swaps from Federal position limits.\409\ Third, Better Markets argued that differentiating between cash-settled and physically-settled swaps by including settlement type as a material term would ``incentivize[ ] speculative liquidity formation away from more liquid, more transparent, and more restrictive futures exchanges and to the swaps markets.'' \410\--------------------------------------------------------------------------- \407\ COPE at 4-5. \408\ ICEA at 3-5; NRECA at 19-20, 27. \409\ SIFMA AMG at 7; PIMCO at 3; and ISDA at 5. \410\ Better Markets at 32.---------------------------------------------------------------------------i. Treatment of Physically-Settled Swaps Under the Final Rule Several commenters requested that the Commission exclude physically-settled swaps from Federal position limits,\411\ or at least clarify the scope of physically-settled swaps that would be subject to Federal position limits.\412\ However, the Commission has determined that doing so is inconsistent with the statutory goals in CEA section[[Page 3292]]4a(a)(3)(B), especially the mandates to deter corners and squeezes and to ensure sufficient market liquidity for bona fide hedgers enumerated in CEA section 4a(a)(3)(B)(ii) and (iii), respectively. For example, excluding physically-settled swaps could potentially incentivize liquidity to move from physically-settled core referenced futures contracts to physically-settled swaps, which could both harm market liquidity for bona fide hedgers and also enable potential manipulators to accumulate large directional positions in physically-settled contracts to effect a corner and squeeze more easily.--------------------------------------------------------------------------- \411\ COPE at 4-5. \412\ IECA at 3-5; NRECA at 1, 28.--------------------------------------------------------------------------- The Commission also received several comments requesting clarification regarding the Commission's use of the term ``physically-settled'' swaps in the 2020 NPRM's discussion of the definition. First, COPE opined that since the 2020 NPRM excluded trade options from the ``referenced contract'' definition, as a result, only cash-settled swaps would be deemed to be ``economically equivalent swaps'' for purposes of Federal position limits. The Commission confirms that under the Final Rule, any swap that qualifies as a trade option under Sec. 32.3 is ipso facto not subject to Federal position limits.\413\ However, the Commission does not believe this means that only cash-settled swaps could be deemed ``economically equivalent swaps.'' For example, it is possible that a physically-settled swap may not qualify as a trade option, and if it were to otherwise satisfy the ``economically equivalent swap'' definition, it therefore would be subject to Federal position limits.--------------------------------------------------------------------------- \413\ As discussed under Section II.A.16 , the ``referenced contract'' definition explicitly excludes any ``trade options that meets the requirements of Sec. 32.3'' of the Commission's regulations. Accordingly, a ``trade option'' is not subject to Federal position limits under the Final Rule, even if the trade option otherwise would satisfy the ``economically equivalent swap'' definition.--------------------------------------------------------------------------- Second, IECA and NRECA requested the Commission clarify what it means when using language referring to a ``physically-settled swap,'' and suggested the Commission instead refer to a ``swap that allows for physical settlement or delivery.'' \414\ IECA stated that ``using this term in place of the term `physically-settled swaps' in the Commission's proposed rulemaking will help to avoid confusion and misinterpretation in the future.'' \415\ While the Commission is adopting the ``economically equivalent swap'' definition as proposed (which includes the reference to ``delivery date''), the Commission agrees with IECA's statement and confirms that when the Commission refers to ``physically-settled swaps'' for the purpose of this definition, the Commission means a ``swap that allows for physical settlement or delivery.'' The Commission agrees with IECA that referring to ``swaps that allow for physical settlement or delivery'' does not alter the Commission's intended meaning and may avoid confusion and misinterpretation.\416\ However, the Commission will continue to refer to ``physically-settled swaps'' in this preamble discussion because the Commission believes that changing the term for discussion purposes herein, compared to the 2020 NPRM's preamble discussion, could raise additional confusion. Further, the Commission distinguishes between ``cash-settled'' and ``physically-settled'' referenced contracts throughout this preamble discussion, and using different terms to refer to swaps also could increase confusion.--------------------------------------------------------------------------- \414\ IECA at 3-5; NRECA at 1, 28. \415\ IECA at 5. \416\ IECA at 4-5.--------------------------------------------------------------------------- IECA was concerned that the term ``physically-settled swap'' could suggest that the Commission was seeking to regulate a commodity for deferred delivery as a swap, which is otherwise excluded from the ``swap'' definition under CEA section 1a(47)(B)(ii). The Commission confirms that neither the use of ``delivery dates'' in the definition adopted herein nor the Commission's use of the term ``physically-settled swaps'' for the purposes of this preamble discussion is intended to capture instruments that are excluded from the Commission's jurisdiction either by statute (e.g , the CEA's statutory exclusion of the sale of a non-financial commodity for deferred shipment or delivery that is intended to be physically-settled) \417\ or otherwise not deemed to be swaps pursuant to the Commission's rules and regulations, interpretations, exemption orders, or other guidance.\418\--------------------------------------------------------------------------- \417\ See CEA section 1a(47)(B)(ii). \418\ See NRECA at 18-19. For clarity, and as requested by NRECA, the Commission notes that these ``rules and regulations'' include the Commission's trade option rule in Sec. 32.3 as well as the Commission's forward contract exclusion (i.e , the Brent forward exclusion) in 55 FR 39188-92 and 77 FR 48,208, 48,246 (August 13, 2012).--------------------------------------------------------------------------- NRECA additionally requested the Commission clarify that the ``economically equivalent swap'' definition does not include any ``customary commercial agreement, contract or transaction entered into as part of operations (so long as it is entered into off-facility and not involving a financial intermediary).'' \419\ As noted, to the extent such customary commercial agreement, contract, or transaction is exempt or excluded from either treatment as, or from the definition of, a ``swap'' by either statute or by the Commission's rules and regulations, interpretations, exemption orders, or other guidance, the Commission does not deem it to be an economically equivalent swap or otherwise subject to Federal position limits under the Final Rule.\420\--------------------------------------------------------------------------- \419\ NRECA at 16-20. \420\ For example, the Commission's swap definition excludes certain capacity contracts and peaking supply contracts that qualify as forward contracts with ``embedded volumetric optionality.'' See Further Definition of ``Swap,'' ``Security-Based Swap,'' and ``Security-Based Swap Agreement''; Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 FR 48,246. Since such instruments are excluded from the Commission's regulatory ``swap'' definition, they ipso facto will not be deemed to be ``economically equivalent swaps'' for purposes of Federal position limits.---------------------------------------------------------------------------ii. Treatment of Cash-Settled Swaps Under the Final Rule The Commission also received several comments discussing the treatment of cash-settled swaps under the proposed ``economically equivalent swap'' definition. Several financial industry commenters argued that the Final Rule should include only physically-settled swaps and should exclude cash-settled swaps, contending that cash-settled swaps do not affect price discovery or contribute to manipulation.\421\--------------------------------------------------------------------------- \421\ SIFMA AMG at 7; PIMCO at 3; and ISDA at 5 (PIMCO and ISDA each believe neither cash-settled swaps nor cash-settled futures should be subject to position limits).--------------------------------------------------------------------------- The Commission disagrees with the commenters' request to exclude cash-settled swaps from the final definition, as doing so could incentivize liquidity to move from cash-settled referenced contracts to cash-settled OTC swaps, potentially harming the liquidity in the futures markets, including liquidity for bona fide hedgers. At the very least, the Commission does not want to preference OTC cash-settled swaps at the expense of corresponding exchange-traded cash-settled futures or options on futures contracts. In contrast, Better Markets objected to the proposed definition because, according to Better Markets, under the 2020 NPRM cash-settled swaps would not be able to qualify as economically equivalent to a physically-settled core referenced futures contract.\422\ As Better Markets commented, distinguishing between cash-settled and physically-settled swaps and futures contracts by[[Page 3293]]deeming settlement type (i.e , cash-settled vs. physically-settled settlement) to be a material term would ``incentivize[ ] speculative liquidity formation away from more liquid, more transparent, and more restrictive futures exchanges and to the swaps markets.'' \423\--------------------------------------------------------------------------- \422\ Better Markets at 32 (stating that cash-settled swaps would be ``essentially excluded from Federal position limits). \423\ Id.--------------------------------------------------------------------------- The Commission believes Better Markets' concern is mitigated since under the Final Rule, cash-settled swaps are subject to Federal position limits only if there is a corresponding (i.e , ``economically equivalent'') cash-settled futures contract or option on a futures contract.\424\ That is, cash-settled swaps are not subject to Federal position limits if there are no corresponding cash-settled futures contracts or options on a futures contract. In these situations, if no corresponding futures contract or option thereon exists, then there is no liquidity formation in cash-settled futures and options on futures contracts with which a cash-settled swap would be competing for liquidity in the first place.--------------------------------------------------------------------------- \424\ The Commission notes that a swap could be deemed to be ``economically equivalent'' to any referenced contract, including cash-settled look-alikes, and that the ``economically equivalent swap'' definition is not limited to core referenced futures contracts.--------------------------------------------------------------------------- FIA argued that cash-settled swaps should be subject to a separate spot-month limit.\425\ However, as discussed in II.A.16.ii.a , the Commission has determined that FIA's request to establish separate Federal position limits for cash-settled swaps is not, as a default rule, consistent with the statutory goals in CEA section 4a(a)(3)(B). In particular, separate position limits for cash-settled swaps would make it easier for potential manipulators to engage in market manipulation, such as ``banging'' or ``marking'' the close, by effectively permitting higher Federal position limits in cash-settled referenced contracts. For example, a market participant would be able to double its cash-settled positions by maintaining positions in both cash-settled futures and cash-settled economically equivalent swaps since positions in each class would not be required to be aggregated for purposes of Federal position limits.--------------------------------------------------------------------------- \425\ FIA at 7-8.--------------------------------------------------------------------------- Furthermore, the Commission is concerned that class limits could impair liquidity in futures contracts or swaps, as the case may be. For example, a market participant (including a market maker or speculator) with a large portfolio of swaps (or futures contracts) near a particular class limit would be assumed to have a strong preference for executing futures contracts (or swaps) transactions in order to maintain a swaps (or futures contracts) position below the class limit. If there were many similarly situated market participants, the market for such swaps (or futures contracts) could become less liquid. The absence of class limits should decrease the possibility of illiquid markets for referenced contracts subject to Federal position limits. Because economically equivalent swaps and the corresponding futures contracts and option on futures contracts are close substitutes for each other, the absence of class limits should allow greater integration between the economically equivalent swaps and corresponding futures and options markets for referenced contracts and should also provide market participants with more flexibility whether hedging, providing liquidity or market making, or speculating.e. Exclusions From the Definition of ``Economically Equivalent Swap'' As noted above, the Final Rule's definition provides that differences in lot size or notional amount, delivery dates diverging by less than one calendar day (or less than two calendar days for natural gas), or post-trade risk management arrangements do not disqualify a swap from being deemed ``economically equivalent'' to a particular referenced contract.i. Delivery Dates Diverging by Less Than One Calendar Day The definition as it applies to commodities (other than natural gas) encompasses swaps with delivery dates that diverge by less than one calendar day from that of a referenced contract.\426\ As a result, a swap with a delivery date that differs from that of a referenced contract by one calendar day or more is not deemed economically equivalent under the Final Rule, and such swaps are not required to be added to, nor permitted to be netted against, any referenced contract when calculating compliance with Federal position limits.\427\ For example, these include contracts commonly referred to as ``penultimate'' contracts, which settle on the trading day immediately preceding the final trading day of the corresponding core referenced futures contract.--------------------------------------------------------------------------- \426\ This aspect of the proposed definition would be irrelevant for cash-settled swaps since ``delivery date'' applies only to physically-settled swaps. \427\ A swap as so described that is not ``economically equivalent'' would not be subject to a Federal speculative position limit under the Final Rule.--------------------------------------------------------------------------- In response to the definition's proposed exclusion of physically-settled penultimate swaps, Better Markets argued, among other things, that excluding penultimate swaps ``creates technical delineations that are largely divorced from the economic realities relating to physical commodities underlying both contracts.'' \428\ In response, the Commission recognizes that while a penultimate contract may be significantly correlated to its corresponding spot-month contract, a penultimate contract does not necessarily offer identical economic or risk exposure to the spot-month contract, and depending on the underlying commodity and market conditions, a market participant may open itself up to material basis risk by moving from the spot-month contract to a penultimate contract.\429\--------------------------------------------------------------------------- \428\ Better Markets at 32. \429\ As discussed under Sections II.A.16.iii.a(2)(iii) and II.B.3.vi.c, the Final Rule includes penultimate look-alike futures contracts and options on futures contracts as ``referenced contracts.'' Since futures contracts and options on futures contracts are standardized and exchange-traded, the Commission is less concerned about the potential for manipulation or evasion through inappropriate netting in this context.--------------------------------------------------------------------------- Accordingly, the Commission has determined that it is not appropriate ex ante to permit market participants to net such penultimate swap positions (other than natural gas) against their core referenced futures contract positions since such positions do not necessarily reflect equivalent economic or risk exposure. However, the Commission underscores that under the Final Rule, a penultimate swap still could be deemed economically equivalent to the extent that another penultimate referenced contract exists (assuming the swap and other referenced contract share identical material terms and the swap otherwise satisfies the economically equivalent swap definition). For example, if a core referenced futures contract has a corresponding penultimate futures contract that qualifies as a referenced contract, then a penultimate swap could be deemed economically equivalent to the penultimate futures contract. In such cases, the penultimate swap would be an economically equivalent swap subject to Federal position limits. The Commission acknowledges that liquidity could shift from the core referenced futures contract to penultimate swaps in cases where there are no corresponding penultimate futures contracts or options contracts (and therefore the swap would not be deemed to be an economically equivalent swap), but the Commission[[Page 3294]]believes that this concern is mitigated for two reasons. First, basis risk may exist between the penultimate swap and the referenced contract, and so the Commission believes that a market participant is less likely to hold a penultimate swap the greater the economic difference compared to the corresponding referenced contract. Second, the absence of penultimate futures contracts or options contracts may indicate lack of appropriate penultimate liquidity to hedge or offset one's penultimate swap position and therefore may militate against entering into penultimate swaps. However, as discussed below, these reasons do not necessarily apply to penultimate swaps for natural gas.ii. Post-Trade Risk Management The Commission is specifically excluding differences in post-trade risk management arrangements, such as clearing or margin, in determining whether a swap is economically equivalent. As noted above, many commodity swaps are traded OTC and may be uncleared or cleared at a different clearing house than the corresponding referenced contract.\430\ Moreover, since the core referenced futures contracts, along with futures and options on futures contracts in general, are traded on DCMs with vertically integrated clearing houses, as a practical matter, it is unlikely that OTC commodity swaps, which historically have been uncleared, would share identical post-trade clearing house or other post-trade risk management arrangements with their associated core referenced futures contracts. However, to the extent an OTC commodity swap does share the same clearing arrangements as a corresponding referenced contract, the Commission does not want to incentivize the switching of cleared swap contracts to non-cleared status for the sake of avoiding Federal position limits.--------------------------------------------------------------------------- \430\ Similar to the Commission's understanding of ``material'' terms, the Commission construes ``post-trade risk management arrangements'' to include various provisions included in standard swap agreements, including, for example: Margin or collateral requirements, including with respect to initial or variation margin; whether a swap is cleared, uncleared, or cleared at a different clearing house than the applicable referenced contract; close-out, netting, and related provisions; and different default or termination events and conditions.--------------------------------------------------------------------------- Therefore, if differences in post-trade risk management arrangements were sufficient to exclude a swap from economic equivalence to a core referenced futures contract, then such an exclusion could otherwise render ineffective the Commission's statutory directive under CEA section 4a(a)(5) to include economically equivalent swaps within the Federal position limits framework. Accordingly, the Commission has determined that differences in post-trade risk management arrangements should not prevent a swap from qualifying as economically equivalent with an otherwise materially identical referenced contract.\431\--------------------------------------------------------------------------- \431\ In addition, CEWG asked for clarification that the Commission would not extend certain preamble language in the 2020 NPRM addressing the exclusion of post-trade risk management arrangements from consideration when determining whether a swap is economically equivalent to support a finding that such swaps are actually off-exchange futures contracts rather than swaps. CEWG at 31. The Commission confirms that excluding post-trade risk management arrangements from the determination that a swap is economically equivalent does not extend to supporting a finding that such swaps are actually off-exchange futures contracts rather than swaps.---------------------------------------------------------------------------iii. Lot Size or Notional Amount The last exclusion clarifies that differences in lot size or notional amount do not prevent a swap from being deemed economically equivalent to its corresponding referenced contract. The Commission's use of ``lot size'' and ``notional amount'' refer to the same general concept. Futures terminology usually employs ``lot size,'' and swap terminology usually employs ``notional amount.'' Accordingly, the Commission is using both terms to convey the same general meaning, and in this context does not mean to suggest a substantive difference between the two terms.f. Economically Equivalent Natural Gas Swaps Market dynamics in natural gas are unique in several respects including, among other things, that ICE and NYMEX both list high volume contracts, whereas liquidity in other commodities tends to pool at a single DCM. As expiration approaches for natural gas contracts, volume tends to shift from the NYMEX NG core referenced futures contract that is physically-settled, to an ICE look-alike contract that is cash settled. This trend reflects certain market participants' desire for exposure to natural gas prices without having to make or take delivery.\432\ NYMEX and ICE also list several ``penultimate'' cash-settled referenced contracts that use the price of the physically-settled NYMEX contract as a reference price for cash settlement on the day before trading in the physically-settled NYMEX contract terminates.\433\--------------------------------------------------------------------------- \432\ In part to address historical concerns over the potential for manipulation of physically-settled natural gas contracts during the spot month in order to benefit positions in cash-settled natural gas contracts, the Commission discusses later in this release that the Final Rule will allow for a higher ``conditional'' spot month limit in cash-settled natural gas referenced contracts under the condition that market participants seeking to utilize such conditional limit exit any positions in physically-settled natural gas referenced contracts. See infra Section II.C.2.e (proposed conditional spot month limit exemption for natural gas). \433\ Such penultimate contracts include: ICE's Henry Financial Penultimate Fixed Price Futures (PHH) and options on Henry Penultimate Fixed Price (PHE), and NYMEX's Henry Hub Natural Gas Penultimate Financial Futures (NPG).--------------------------------------------------------------------------- In order to recognize the existing natural gas markets, which include active and vibrant markets in penultimate natural gas contracts, the Final Rule includes a slightly broader economically equivalent swap definition for natural gas so that physically-settled swaps with delivery dates that diverge by less than two calendar days from an associated referenced contract could still be deemed economically equivalent and would be subject to Federal position limits. The Commission intends for this provision to prevent and disincentivize manipulation and regulatory arbitrage and to prevent volume from shifting away from the NYMEX NG core referenced futures contract to penultimate natural gas contract futures and/or penultimate swap markets in order to avoid Federal position limits. As noted above, the Commission is adopting a relatively narrow ``economically equivalent swap'' definition in order to prevent market participants from inappropriately netting positions in referenced contracts against swap positions further out on the curve. The Commission acknowledges that liquidity could shift to penultimate swaps as a result but believes that, with the exception of natural gas, this concern is mitigated since there may be basis risk between the penultimate swap and the referenced contract and lack of liquidity to specifically hedge or offset one's penultimate swap position. However, compared to other contracts, the Commission believes that natural gas has a relatively liquid penultimate futures market that enables a market participant to hedge or set-off its penultimate swap position. The Commission believes that without the exception to the economically equivalent swap definition for natural gas swaps, liquidity otherwise could be incentivized to shift from the NYMEX NG core referenced futures contract to penultimate natural gas swaps in order to avoid Federal position limits. CME Group stated in its comment letter that that these concerns also may apply to other energy core referenced[[Page 3295]]futures contracts.\434\ As a result, the Commission intends to observe the behavior in these other markets in response to the Final Rule, but the Commission understands that the natural gas markets are likely the most sensitive to these concerns based on the size of the corresponding natural gas penultimate market. As a result, the Commission is adopting the proposed exception for natural gas, but emphasizes that it will continue to observe the other energy markets in order to determine the proper course of action with respect to those markets.--------------------------------------------------------------------------- \434\ CME Group at 4.---------------------------------------------------------------------------g. Determination of Economic Equivalence The Commission is unable to publish a list of swaps it deems to be economically equivalent swaps because any such determination would involve a facts and circumstances analysis, and because most physical commodity swaps are created bilaterally between counterparties and traded OTC. Absent a requirement that market participants identify their economically equivalent swaps to the Commission on a regular basis, the Commission believes that market participants are best positioned to determine whether particular swaps share identical material terms with referenced contracts and would therefore qualify as ``economically equivalent'' for purposes of Federal position limits. However, the Commission understands that for certain bespoke swaps it may be unclear whether the facts and circumstances demonstrate whether the swap qualifies as ``economically equivalent'' with respect to a referenced contract. MFA/AIMA requested that the Commission facilitate compliance by providing clearer guidance on terms that would be deemed material for determining which swaps are ``economically equivalent.'' \435\ Similarly, NCFC requested that the Commission adopt a ``safe harbor'' under which ``demonstrable good faith compliance with respect to inadvertent violations would not serve as the basis for an enforcement action.'' \436\ In response, the Commission emphasizes that under the Final Rule, a market participant will have the discretion to make such determination as long as the market participant makes a reasonable, good faith effort in reaching such determination. The Commission will not pursue any enforcement action for violating Federal position limits against such market participant with respect to such swaps positions as long as the market participant (i) performed the necessary due diligence and is able to provide sufficient evidence, if requested, to support its reasonable, good faith determination that the swap is or is not an economically equivalent swap and (ii) comes into compliance with the applicable Federal position limits within a commercially reasonable time, as determined by the Commission in consultation with the market participant, and if applicable, any relevant exchange.\437\ The Commission anticipates that this should provide a greater level of certainty to provide market participants with the comfort they need to enter into swap positions, in contrast to the alternative in which market participants would be required to first submit swaps to the Commission staff and wait for feedback before entering into swaps.\438\--------------------------------------------------------------------------- \435\ MFA/AIMA at 9. \436\ NCFC at 6. \437\ As noted below, the Commission reserves the authority under the Final Rule to determine that a particular swap or class of swaps either is or is not ``economically equivalent'' regardless of a market participant's determination. See infra Section II.A.4.iii.g (discussion of commission determination of economic equivalence). As long as the market participant made its determination, prior to such Commission determination, using reasonable, good faith efforts, the Commission would not take any enforcement action for violating the Commission's position limits regulations if the Commission's determination subsequently differs from the determination of the market participant and the market participant comes into compliance with the applicable Federal position limits within a commercially reasonable time, as determined by the Commission in consultation with the market participant, and if applicable, any relevant exchange. \438\ As discussed under Section II.A.16 (definition of ``referenced contract''), the Commission is including a list of futures contracts and options on futures contracts that qualify as referenced contracts because such contracts are standardized and published by exchanges. In contrast, since swaps are largely bilaterally negotiated and OTC traded, a swap could have multiple permutations and any published list of economically equivalent swaps would be unhelpful or incomplete.--------------------------------------------------------------------------- While the Commission will primarily rely on market participants to initially determine whether their swaps meet the proposed ``economically equivalent swap'' definition, the Commission is adopting paragraph (3) to the ``economically equivalent swap'' definition to clarify that the Commission may determine on its own initiative that any swap or class of swaps satisfies, or does not satisfy, the economically equivalent definition with respect to any referenced contract or class of referenced contracts. The Commission believes that this provision will provide the ability to offer clarity to the marketplace in cases where uncertainty exists as to whether certain swaps would qualify (or would not qualify) as ``economically equivalent,'' and therefore would be (or would not be) subject to Federal position limits. Similarly, where market participants hold divergent views as to whether certain swaps qualify as ``economically equivalent,'' the Commission can ensure that all market participants treat OTC swaps with identical material terms similarly, and serve as a backstop in case market participants fail to properly treat economically equivalent swaps as such. As noted above, the Commission will not take any enforcement action with respect to violating the Commission's position limits regulations if the Commission disagrees with a market participant's determination as long as the market participant is able to provide sufficient support to show that it made a reasonable, good faith effort in applying its discretion.\439\--------------------------------------------------------------------------- \439\ See supra Section II.A.4 (discussing market participants' discretion in determining whether a swap is economically equivalent).--------------------------------------------------------------------------- Better Markets encouraged the release of additional guidance, suggesting that the Commission should delegate its authority to the DMO Director to issue guidance with respect to specific types of terms and conditions, and noting that the proposed process for the Commission to provide clarification is cumbersome.\440\ The Commission does not believe such delegation is necessary since Commission staff will continue to have the ability to offer informal guidance as well as formal no-action relief or interpretive guidance as needed.--------------------------------------------------------------------------- \440\ Better Markets at 34.--------------------------------------------------------------------------- Better Markets also suggested that in order to ensure market participants conduct proper diligence, the Commission should clarify and codify that a swap dealer must include an appendix in its reasonably-designed policies and procedures under existing Sec. 23.601 that identifies swaps ``in any manner'' referencing commodities subject to Federal position limits, regardless of whether the entity deems the swap to be ``economically equivalent.'' \441\ In contrast, ISDA believed the obligations in Sec. 23.601 impose costs that are overly burdensome and are not commensurate with benefits.\442\ ISDA stated that further guidance is necessary, but noted that even if further guidance is provided, the regime would still impose unnecessary burdens on swap dealers.\443\ ISDA requested the Commission consider including further[[Page 3296]]clarification and/or interim relief for swap dealers.\444\--------------------------------------------------------------------------- \441\ Better Markets at 34. \442\ ISDA at 10. \443\ Id. \444\ Id.--------------------------------------------------------------------------- At this time, the Commission does not believe it is necessary to provide further detail with respect to Sec. 23.601 because, as discussed above, the Commission will defer to a market participant's determination as long as the market participant is able to provide sufficient support to show that it made a reasonable, good faith effort in applying its discretion.\445\--------------------------------------------------------------------------- \445\ See supra Section II.A.4 (discussing market participants' discretion in determining whether a swap is economically equivalent).---------------------------------------------------------------------------h. Phased Implementation of Federal and Exchange-Set Limits on Swaps As discussed under Section I.D , the Final Rule generally gives market participants until January 1, 2022 to comply with Federal position limits for the 16 non-legacy referenced contracts that are subject to Federal position limits for the first time under the Final Rule, and the Final Rule provides an extra year to comply with respect to economically equivalent swaps (January 1, 2023). After such compliance period, economically equivalent swaps will be subject to Federal position limits. In general, commenters supported a phase-in for such swaps.\446\--------------------------------------------------------------------------- \446\ MFA/AIMA at 8 (requesting an additional 6-12 months phase-in); SIFMA AMG at 9 (requesting an additional 6-12 months); Citadel at 9 (requesting an additional 6 months); and NGSA at 15-16 (requesting a general phase-in in order ``to avoid the risk of harm to market recovery and to facilitate efficiency in market participant implementation'').--------------------------------------------------------------------------- As discussed further under Section II.D.4.i, final Sec. 150.5 requires exchanges to establish and enforce exchange-set limits for any referenced contract, which includes economically equivalent swaps. The Commission has determined to permit exchanges to delay enforcing their respective exchange-set position limits on economically equivalent swaps at this time. Specifically, with respect to exchange-set position limits on swaps, the Commission notes that in two years (which generally coincides with the compliance date for economically equivalent swaps), the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms to implement DCM Core Principle 5 and SEF Core Principle 6 with respect to economically equivalent swaps. However, after the swap compliance date (January 1, 2023), the Commission underscores that it will enforce Federal position limits in connection with OTC swaps. In response to the Commission's proposal to allow exchanges to delay enforcing exchange-set position limits on swaps, IATP opined that the Commission's decision to ``[d]elay compliance with position limit requirement [sic] to avoid imposing costs on market participants makes it appear that the Commission is serving as a swap dealer booster, although swaps dealers are amply resourced to provide the necessary ***data*** to the exchanges and to the Commission. The Commission is bending over backward to avoid requiring swaps market participants from paying the costs of exchange trading.'' \447\ However, the Commission stated in the same section of the 2020 NPRM that it would enforce Federal position limits on swaps even though it would not require exchanges to enforce position limits on swaps until the Commission determines that exchanges have had the opportunity to access swaps ***data*** and establish appropriate swaps oversight infrastructure.\448\ Additionally, the Commission notes that physical commodity swaps are not subject to the Commission's trade execution mandate to trade on exchanges, and the Commission understands that most physical commodity swaps are traded OTC rather than on exchanges. Accordingly, the Commission's rationale for delaying the requirement that exchanges enforce position limits for swaps is based on exchanges' existing capabilities and lack of insight into the OTC swaps markets, rather than for swap dealers who will remain subject to Federal position limits and Commission oversight.\449\--------------------------------------------------------------------------- \447\ IATP at 20. \448\ The 2020 NPRM stated, ``Nonetheless, the Commission's preliminary determination to permit exchanges to delay implementing Federal position limits on swaps could incentivize market participants to leave the futures markets and instead transact in economically-equivalent swaps, which could reduce liquidity in the futures and related options markets, although the Commission recognizes that this concern should be mitigated by the reality that the Commission would still oversee and enforce Federal position limits on economically equivalent swaps.'' (emphasis added). 85 FR at 11680. \449\ The Commission also notes that IATP quotes from the cost-benefits considerations section of the 2020 NPRM, and thus the Commission's focus on benefits and costs to exchanges and market participants in the excerpt quoted by IATP.---------------------------------------------------------------------------i. Cross-Border Application Several commenters opined that the Commission should address the cross-border application of the Final Rule, including in connection with OTC swaps.\450\--------------------------------------------------------------------------- \450\ FIA at 27-28; ISDA at 11; CHS at 6 (``CHS believes that global organizations should be in a position to better understand the Commission's approach with respect to the cross-border application of the rules to referenced contract positions. In CHS's view, the proposal does not address whether and how global companies must aggregate referenced contract positions of affiliates around the world. As part of the retooling of the position limit regime, CHS urges the Commission to address such an application'').--------------------------------------------------------------------------- In response, the Commission makes three observations. First, as discussed above regarding the treatment of physically-settled swaps, if a swap is otherwise excluded from the Commission's jurisdiction either by statute or pursuant to the Commission's rules and regulations, interpretations, exemption orders, or other guidance, then the swap is not subject to Federal position limits. Accordingly, while related, this determination is distinct from the Final Rule's position limits framework. Second, the Final Rule provides a compliance period for economically equivalent swaps until January 1, 2023. Accordingly, the Commission and its staff expect to continue to discuss the status of OTC swaps with market participants during this compliance period and provide additional feedback as necessary based on the individual facts and circumstances. Third, to a certain extent, some of the comments are more related to the position limit aggregation rules in existing Sec. 150.4, which was finalized in 2016.\451\ Moreover, the 2020 NPRM did not discuss cross-border application, which is therefore beyond the scope of this rulemaking.--------------------------------------------------------------------------- \451\ For further discussion related to the position limits aggregation rules, see Section II.B.11 ---------------------------------------------------------------------------5. ``Eligible Affiliate''i. Summary of the 2020 NPRM--Eligible Affiliate The Commission proposed to create the new defined term ``eligible affiliate'' to be used in proposed Sec. 150.2(k). As discussed further in connection with Sec. 150.2, an entity that qualifies as an ``eligible affiliate'' would be permitted to voluntarily aggregate its positions, even though it is eligible for an exemption from aggregation under Sec. 150.4(b).\452\--------------------------------------------------------------------------- \452\ See Section II.B.11 ---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Eligible Affiliate The Commission received no comments on this definition and is adopting it as proposed with certain technical changes. The Commission is making these technical changes to clarify the antecedent to the use of ``its'' and ``such entity'' in the definition. The Commission expects these changes will clarify the definition, but do not represent a substantive change in the meaning.[[Page 3297]]6. ``Eligible Entity''i. Summary of the 2020 NPRM--Eligible Entity The Commission adopted a revised ``eligible entity'' definition in the 2016 Final Aggregation Rulemaking.\453\ The Commission proposed no further amendments to this definition, but is including the revised definition in this Final Rule given that the definitions for part 150 are set forth or restated in Sec. 150.1, thus ensuring that all defined terms are included. As noted above, the Commission also proposed a non-substantive change to remove the lettering from this and other definitions that appear lettered in existing Sec. 150.1, and to list the definitions in alphabetical order.--------------------------------------------------------------------------- \453\ See 17 CFR 150.1(d).---------------------------------------------------------------------------7. ``Entity''i. Summary of the 2020 NPRM--Entity The Commission proposed defining ``entity'' to mean ``a `person' as defined in section 1a of the Act.'' \454\ The term ``entity,'' not defined in existing Sec. 150.1, is used throughout proposed part 150 of the Commission's regulations.--------------------------------------------------------------------------- \454\ 7 U.S.C 1a(38).---------------------------------------------------------------------------ii. Comments--Entity The Commission received two comments that recommended clarification of the proposed definition of ``entity.'' \455\ FIA and MGEX contended the proposed definition of ``entity'' should not cross-reference the definition of ``person'' in section 1a of the CEA because the CEA defines ``person'' to include individuals (i.e , natural persons), as well as entities.\456\ MGEX argued that the definition of ``entity'' should not apply to individuals.\457\ FIA stated that, for purposes of the 2020 NPRM, it is unclear whether the cross-reference to the definition of ``person'' in section 1a of the CEA is meant to be limited to non-natural persons.\458\ If so, FIA recommended that the Commission amend the definition of ``entity'' to refer only to the non-natural persons listed in the definition of ``person'' under section 1a of the CEA.\459\ Further, FIA suggested that provisions in part 150 that are applicable to both natural and non-natural persons should refer to ``persons'' and those that apply to only non-natural persons should refer to ``entity.'' \460\--------------------------------------------------------------------------- \455\ FIA at 26; MGEX at 2. \456\ Id. \457\ MGEX at 2. \458\ FIA at 26. \459\ Id. \460\ Id.---------------------------------------------------------------------------iii. Discussion of Final Rule--Entity The Commission declines to adopt the commenters' suggestion to carve ``individuals'' out of the proposed definition of ``entity'' or to otherwise differentiate between ``person(s)'' and ``entity(ies)'' for purposes of part 150 of the Final Rule. The proposed definition of ``entity'' expressly included ``individuals'' and neither commenter explained why individuals should be excluded from the definition and why the CEA's statutory definition of ``person'' is inappropriate. Accordingly, the Commission is adopting the definition of ``entity'' as proposed.8. ``Excluded Commodity''i. Summary of the 2020 NPRM--Excluded Commodity The phrase ``excluded commodity'' is defined in CEA section 1a(19), but is not defined or used in existing part 150 of the Commission's regulations. The Commission proposed including a definition of ``excluded commodity'' in part 150 that references that term as defined in CEA section 1a(19).\461\--------------------------------------------------------------------------- \461\ 7 U.S.C 1a(19).---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Excluded Commodity No commenter addressed the proposed definition of ``excluded commodity.'' The Commission is adopting the definition as proposed.9. ``Futures-Equivalent''i. Background--Futures-Equivalent The phrase ``futures-equivalent'' is currently defined in existing Sec. 150.1(f) and is used throughout existing part 150 of the Commission's regulations to describe the method for converting a position in an option on a futures contract to an economically equivalent amount in a futures contract. The Dodd-Frank Act amendments to CEA section 4a, in part, direct the Commission to apply aggregate Federal position limits to physical commodity futures contracts and to swap contracts that are economically equivalent to such physical commodity futures contracts.ii. Summary of the 2020 NPRM--Futures-Equivalent In order to aggregate positions in futures, options \462\ on futures, and swaps for purposes of calculating compliance with the Federal position limits set forth in the 2020 NPRM, the Commission proposed adjusting position sizes to an equivalent position based on the size of the unit of trading of the relevant core referenced futures contract. The phrase ``futures-equivalent'' is used for that purpose throughout the 2020 NPRM, including in connection with the ``referenced contract'' definition in proposed Sec. 150.1 The Commission also proposed broadening the existing ``futures-equivalent'' definition to include references to the proposed new term ``core referenced futures contracts.'' Additionally, with respect to options, the proposed ``futures-equivalent'' definition also provided that a participant that exceeds Federal position limits as a result of an option assignment would be allowed a one-day grace period to liquidate the excess position.--------------------------------------------------------------------------- \462\ As stated in this definition, the term ``option'' includes an option on a futures contract and an option that is a swap.---------------------------------------------------------------------------iii. Commission Determination--Futures-Equivalent The Commission is adopting the proposed definition of ``futures-equivalent'' with one substantive modification: In addition to the 2020 NPRM's grace period in connection with position limit overages dues to option assignments, under the Final Rule, the one-day grace period would also extend to an option position that exceeds Federal position limits as a result of certain changes in the option's exposure to price changes of the underlying referenced contract, as long as the applicable option contract does not exceed such position limits under the previous business day's exposure to the underlying referenced contract. This grace period does not apply on the last day of the spot month for the corresponding core referenced futures contract. As discussed further below, the Final Rule also includes several technical changes, including referring to an option's ``exposure'' to price changes of the underlying referenced contract and eliminating references to an option's ``risk factors'' and ``delta coefficient.'' As discussed below, the Commission believes these changes will add flexibility in assessing exposure to price changes of an option to the underlying futures contract and are not intended to reflect a substantive difference.iv. Comments--Futures-Equivalent Several commenters supported the proposed definition, including the one-business-day grace period related to position limit overages due to options assignments.\463\ In addition to[[Page 3298]]supporting the proposed definition, CME Group and ICE both supported expanding the proposed definition's one business day grace period to include Federal position limit overages resulting from changes in the option's delta coefficient, noting that such a change is consistent with their respective exchange rules.\464\ However, CME Group noted that exercising an in-the-money option that results in a position over the position limit should be treated as a violation if the futures-equivalent position was over the position limit based on both the previous and current day's delta.\465\--------------------------------------------------------------------------- \463\ MFA/AIMA at 11; CME Group at 14; FIA at 26; and IFUS Exhibit 1 RFC 23. \464\ CME Group MRAN 1907-5 states that ``[i]f a position exceeds position limits as a result of an option assignment, the person who owns or controls such position shall be allowed one business day to liquidate the excess position without being considered in violation of the limits. Additionally, if, at the close of trading, a position that includes options exceeds position limits when evaluated using the delta factors as of that day's close of trading, but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation.'' See CME Group Market Regulation Advisory Notice RA1907-5 (Aug. 2, 2019), available at: [*https://www.cmegroup.com/content/dam/cmegroup/notices/market-regulation/2019/08/RA1907-5.pdf;*](https://www.cmegroup.com/content/dam/cmegroup/notices/market-regulation/2019/08/RA1907-5.pdf;) IFUS Rule 6.13(a) similarly provides persons one business day to bring into position limits compliance any position that exceeds limits due to changes in the deltas of the options, or as the result of an option assignment. \465\ CME Group at 14.--------------------------------------------------------------------------- FIA sought clarification from the Commission on certain aspects of the proposed definition. FIA stated that it is unclear how a spread contract that qualifies as a referenced contract would be converted to a futures-equivalent position.\466\ FIA also requested the Commission clarify which calculation method applies to swaps and options that are swaps.\467\--------------------------------------------------------------------------- \466\ FIA at 7. \467\ FIA at 6-7.---------------------------------------------------------------------------v. Discussion of Final Rule--Futures-Equivalent The Commission agrees with CME Group and ICE that the one-business-day grace period also should apply to position overages in connection with changes in the current day's option's exposure to price changes of the underlying referenced contract (e.g , option delta coefficient). The Commission understands that providing a one business day grace period for these situations is consistent with existing market practice. Further, consistent with CME Group's comment, a market participant will not have a grace period if the market participant's position also exceeded Federal position limits based on the previous day's exposure (including option delta coefficient). To alleviate concerns about delivery and to help prevent corners and squeezes, this one-day grace period does not apply on the last trading day of the spot month of the option's corresponding core referenced futures contract. Additionally, the Commission is eliminating references to an option's ``risk factor'' and ``delta co-efficient'' and instead referring to an option's ``exposure'' to price changes of the underlying referenced contract. The Commission understands that the term ``exposure'' in the present context is more commonly used by market participants. Accordingly, the Commission believes that the reference to an option's ``exposure'' to price changes of the underlying referenced contract is the technically correct term to use over ``risk factor'' or ``delta coefficient,'' which are used in the existing ``futures-equivalent'' definition. However, the Commission's use of ``exposure'' here is meant to encompass the concepts of ``risk factor'' and ``delta co-efficient.'' As a result, the Commission believes that this change provides flexibility, and is consistent with existing market practice and understanding, in assessing the exposure of an option to the price movement of futures contract and is not intended to reflect a substantive change. Additional technical changes include the Final Rule's reference to ``futures contract'' rather than merely ``futures'' and ``entity'' rather than ``participant'' since the former terms conform to other uses in final Sec. 150.1 The Final Rule also makes several technical changes in connection with the use of ``computed'' in the definition, and these changes are meant to clarify the meaning rather than imply a substantive change. With respect to FIA's request for clarification regarding how a spread contract that qualifies as a referenced contract would be converted to a futures-equivalent position, the Commission recognizes the inherent challenge with converting a spread contract that qualifies as a referenced contract to a futures-equivalent position.\468\ The Commission expects that a market participant will adjust such a spread contract to a futures-equivalent position consistent with existing exchange practice.--------------------------------------------------------------------------- \468\ FIA at 7.--------------------------------------------------------------------------- With respect to FIA's question regarding the calculation for swaps and options that are swaps, subparagraph (1) of the futures-equivalent definition applies to an option that is a swap, and subparagraph (3) of the definition applies to a swap that is not an option.10. ``Independent ***Account*** Controller''i. Summary of the 2020 NPRM--Independent ***Account*** Controller The Commission adopted a revised ``independent ***account*** controller'' definition in the 2016 Final Aggregation Rule.\469\ The Commission proposed no further amendments to this definition, but included that revised definition in the 2020 NPRM so that all defined terms appeared together.--------------------------------------------------------------------------- \469\ See 17 CFR 150.1(e).---------------------------------------------------------------------------11. ``Long Position''i. Summary of the 2020 NPRM--Long Position The phrase ``long position'' is currently defined in Sec. 150.1(g) to mean ``a long call option, a short put option or a long underlying futures contract.'' The Commission proposed to update this definition to apply to swaps and to clarify that such positions would be on a futures-equivalent basis. This provision would thus be applicable to options on futures and swaps such that a long position would also include a long futures-equivalent option on futures and a long futures-equivalent swap.ii. Comments and Summary of the Commission Determination--Long Position No commenter addressed the proposed definition of ``long position.'' The Commission is adopting the definition as proposed.12. ``Physical Commodity''i. Summary of the 2020 NPRM--Physical Commodity The Commission proposed to define the term ``physical commodity'' for position limits purposes. Congress used the term ``physical commodity'' in CEA sections 4a(a)(2)(A) and 4a(a)(2)(B) to mean commodities ``other than excluded commodities as defined by the Commission.'' \470\ The proposed definition of ``physical commodity'' thus included both exempt and ***agricultural*** commodities, but not excluded commodities.--------------------------------------------------------------------------- \470\ 7 U.S.C 6a(a)(2)(A) and (B).---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Physical Commodity No commenter addressed the proposed definition of ``physical commodity.'' The Commission is adopting the definition as proposed.[[Page 3299]]13. ``Position Accountability''i. Summary of the 2020 NPRM--Position Accountability Existing Sec. 150.5 permits position accountability in lieu of exchange position limits in certain cases, but does not define the term ``position accountability.'' The proposed amendments to Sec. 150.5 would allow exchanges, in some cases, to adopt position accountability levels in lieu of, or in addition to, position limits. The Commission proposed a definition of ``position accountability'' for use throughout proposed Sec. 150.5 as discussed in greater detail in connection with proposed Sec. 150.5 ii. Comments and Summary of the Commission Determination--Position Accountability No commenter addressed the proposed definition of ``position accountability.'' The Commission is adopting the definition as proposed with some non-substantive technical changes related to the numbering structure. The Commission is also changing the reference of ``trader'' to ``entity'' since ``entity'' is the proper defined term in Sec. 150.1 under the Final Rule while ``trader'' is not a defined term under Sec. 150.1 14. ``Pre-Enactment Swap''i. Summary of the 2020 NPRM--Pre-Enactment Swap The Commission proposed to create the defined term ``pre-enactment swap'' to mean any swap entered into prior to enactment of the Dodd-Frank Act of 2010 (July 21, 2010), the terms of which had not expired as of the date of enactment of the Dodd-Frank Act. As discussed in connection with proposed Sec. 150.3 later in this release, if acquired in good faith, such swaps would be exempt from Federal position limits, although such swaps could not be netted with post-effective date swaps for purposes of complying with spot month Federal position limits.ii. Comments and Summary of the Commission Determination--Pre-Enactment Swap No commenter addressed the proposed definition of ``pre-enactment swap.'' The Commission is adopting the definition as proposed. For further discussion of the treatment of pre-existing positions, see Sections II.B.7 and II.C.7 15. ``Pre-Existing Position''i. Summary of the 2020 NPRM--Pre-Existing Position The Commission proposed to create the defined term ``pre-existing position'' to reference any position in a commodity derivative contract acquired in good faith prior to the effective date of a final Federal position limit rulemaking. Proposed Sec. 150.2(g) would set forth the circumstances under which Federal position limits would apply to such positions.ii. Comments and Summary of the Commission Determination--Pre-Existing Position No commenter addressed the proposed definition of ``pre-existing position.'' The Commission is adopting the term ``pre-existing position'' as proposed. However, the Commission did receive comments related to the treatment of certain pre-existing positions. For further discussion of the treatment of pre-existing positions and related comments, see Sections II.B.7 and II.C.7 16. ``Referenced Contracts''i. Background--Referenced Contracts When a futures contract expires, all open futures contract positions in such contract are settled by physical delivery (which the Commission refers to as ``physically-settled'' herein) or cash settlement (which the Commission refers to as ``cash-settled'' herein), depending on the contract terms set by the exchange. The nine legacy ***agricultural*** contracts currently subject to Federal position limits are all physically-settled futures contracts. Deliveries on physically-settled futures contracts are made through the exchange's clearinghouse, and the delivery of the physical commodity must be consummated between the buyer and seller per the exchange rules and contract specifications. On the other hand, other futures contracts are ``cash-settled'' because they do not involve the transfer of physical commodity ownership and require that all open positions at expiration be settled by a transfer of cash to or from the clearinghouse based upon the final settlement price of the contracts. Market participants may use the settlement price of physically delivered futures contracts as a key benchmark to price cash-market contracts and other derivatives, including so-called ``look-alike'' cash-settled derivatives (which could be futures, options on futures, or swaps contracts). Look-alike cash-settled derivative contracts are explicitly linked to the physically-settled futures contracts. A look-alike cash-settled derivatives contract has nearly identical specifications as its physically-settled counterpart, but rather than calling for delivery of the underlying commodity at expiration, the contract terms require a cash payment at expiration. Each look-alike cash-settled derivatives contract is linked by design to its respective physically-settled contract in that the final settlement value of the cash-settled contract is defined as the final settlement price of the physically-settled contract in the same commodity for the same month. Additionally, other types of cash-settled derivatives contracts may be similar to a look-alike, but the final settlement price of such contracts are determined based on a basis, or differential, to the final settlement price of the corresponding physically-settled contract. Existing Sec. 150.2 applies Federal position limits to the nine legacy ***agricultural*** contracts as well as to options thereon on a futures-equivalent basis, but the existing Federal framework does not include provisions to apply Federal position limits to contracts that are linked in some manner to the nine physically-settled legacy ***agricultural*** contracts. As a result, the existing Federal position limits do not apply to any cash-settled contracts, including both look-alike contracts and contracts that settle at a basis or differential to a physically-settled contract, options on such cash-settled contracts, or swaps.\471\--------------------------------------------------------------------------- \471\ Under CEA section 1a(47)(A), an option on a swap is deemed to be a swap.--------------------------------------------------------------------------- As the Final Rule is expanding the position limits framework to cover certain cash-settled futures contracts, options on such futures contracts, and economically equivalent swaps, for the reasons discussed below, the Commission is adopting the proposed defined term ``referenced contract,'' with modifications, for use throughout final part 150 to refer to derivatives contracts that are subject to Federal position limits.ii. Summary of the 2020 NPRM--Referenced Contracts The 2020 NPRM proposed a new ``referenced contract'' definition that included: (1) Any core referenced futures contract listed in proposed Sec. 150.2(d); (2) any other contract (futures or option on futures), on a futures-equivalent basis with respect to a particular core referenced futures contract, that is directly or indirectly linked to the price of a core referenced futures contract, or[[Page 3300]]that is directly or indirectly linked to the price of the same commodity underlying a core referenced futures contract (for delivery at the same location(s)); and (3) any economically equivalent swap, on a futures-equivalent basis. The proposed referenced contract definition thus included look-alike futures contracts and options on look-alike futures contracts (as well as economically equivalent swaps with respect to such look-alike contracts), contracts of the same commodity but different sizes (e.g , mini contracts), and penultimate contracts.\472\--------------------------------------------------------------------------- \472\ A penultimate contract is a cash-settled contract in which trading ceases one business day prior to the settlement date of the corresponding referenced contract with which the penultimate contract is linked. With respect to penultimate contracts, the 2020 NPRM stated that ``Federal limits would apply to all cash-settled futures and options on futures contracts on physical commodities that are linked in some manner, whether directly or indirectly, to physically-settled contracts subject to Federal limits.'' Further to this general statement, the 2020 NPRM provided a footnote example of a penultimate contact that, because it cash-settles directly to a core referenced futures contract, the 2020 NPRM explained would therefore be included as a referenced contract. 85 FR at 11619.--------------------------------------------------------------------------- Additionally, the 2020 NPRM explicitly excluded from the ``referenced contract'' definition: (1) Commodity index contracts; (2) location basis contracts; (3) swap guarantees; and (4) trade options that satisfy the requirement of Sec. 32.3 of the Commission's regulations. Further, while not in the proposed regulatory text, the Commission indicated in the preamble to the 2020 NPRM that a contract for which the settlement price is based on an index published by a price reporting agency (a ``PRA index contract'') that surveys cash-market transactions (even if the cash-market practice is to price at a differential to a futures contract) was not deemed to be ``directly or indirectly'' linked to a referenced contract, and thus that such PRA index contract also was excluded from the ``referenced contract'' definition under the 2020 NPRM.\473\--------------------------------------------------------------------------- \473\ 85 FR at 11620.--------------------------------------------------------------------------- Under the 2020 NPRM, a position in a referenced contract in certain circumstances could be netted with a position in another referenced contract, including a core referenced futures contract, which as noted above is a type of referenced contract under the proposed ``referenced contract'' definition. However, to avoid evasion and undermining of the Federal position limits framework, the 2020 NPRM prohibited the use of non-referenced contracts to net down positions in referenced contracts.\474\--------------------------------------------------------------------------- \474\ 85 FR at 11619. For further discussion of the Final Rule's treatment of the netting of positions, see Section II.B.10 --------------------------------------------------------------------------- Finally, the 2020 NPRM also stated that, in an effort to provide clarity to market participants regarding which exchange-traded contracts would be subject to Federal position limits, the Commission anticipated publishing, and regularly updating, a list of such contracts on its website. The Commission thus proposed to publish a ``CFTC Staff Workbook,'' which would provide a non-exhaustive list of referenced contracts and may be helpful to market participants in determining categories of contracts that would fit within the referenced contract definition.iii. Commission Determination--Referenced Contracts The Commission is adopting the proposed ``referenced contract'' definition with the modification discussed below, as well as one technical change that the Commission believes clarifies the ``referenced contract'' definition, consistent with the intent of the 2020 NPRM.\475\ Like the proposed definition, the final ``referenced contract'' definition also includes (1) the 25 core referenced futures contracts, (2) futures and options on futures that are directly or indirectly linked either to (i) the price of any other core referenced futures contract or (ii) the same commodity underlying a core referenced futures contract,\476\ and (3) economically equivalent swaps. Like the 2020 NPRM, the final definition also explicitly excludes certain contract types so that these contracts may not be netted against referenced contract positions for purposes of Federal position limits (but also are not aggregated with referenced contract positions).--------------------------------------------------------------------------- \475\ The Commission is providing a clarifying technical change to the ``referenced contract'' definition in that the final definition refers to ``an option on a futures contract'' instead of ``options on a futures contract'' as proposed by the 2020 NPRM, to make clear the original intent of the Commission in the 2020 NPRM that a single option would qualify as a referenced contract. \476\ Prong (ii) encompasses physically-settled contracts that do not directly reference a core referenced futures contract but that are nonetheless based on the same commodity and delivery location as the core referenced futures contract.--------------------------------------------------------------------------- However, in addition to the proposed definition's exclusions of commodity index contracts, location basis contracts, swap guarantees, and trade options that satisfy the requirement of Sec. 32.3 of the Commission's regulations, the Final Rule is modifying the 2020 NPRM's definition to also exclude two additional contract types: ``outright price reporting agency index contracts'' and ``monthly average pricing contracts.'' This section will address the following issues, including related comments, in the following order: a. Cash-settled referenced contracts and contracts that are ``directly or indirectly'' linked to a core referenced futures contract, including cash-settled and penultimate contracts; b. Contracts explicitly excluded from the ``referenced contract'' definition; and c. The list of referenced contracts and the related Commission staff ``Workbook.'' The Commission is also adopting ``economically equivalent swaps,'' as proposed, as part of the final ``referenced contract'' definition. However, the Commission addresses the final ``economically equivalent swap'' definition in Section II.A.4 a. Contracts That Are Directly or Indirectly Linked to a Core Referenced Futures Contract(1) Summary of the 2020 NPRM--Linked to a Core Referenced Futures Contract Paragraph (1) of the proposed referenced contract definition provided that a contract would qualify as a referenced contract if it is a core referenced futures contract, or, with respect to a particular core referenced futures contract, if it is directly or indirectly linked, including being partially or fully settled on, or priced at a fixed differential to, the price of either (i) the core referenced futures contract itself or (ii) the same commodity underlying the core referenced futures contract for delivery at the same location or locations as specified in the core referenced futures contract's specifications. As the Commission explained in the 2020 NPRM, this provision included a cash-settled ``look-alike'' future or an option thereon.\477\--------------------------------------------------------------------------- \477\ For example, the 2020 NPRM noted that ICE's Henry Penultimate Fixed Price Future, which cash-settles directly to NYMEX's Henry Hub Natural Gas core referenced futures contract, would be considered a referenced contract. 85 FR at 11620.---------------------------------------------------------------------------(2) Summary of the Commission Determination--Linked to a Core Referenced Futures Contract The Commission is adopting as final the language in paragraph (1) of the proposed ``referenced contract'' definition. Accordingly, under paragraph (1) of the final ``referenced contract'' definition, referenced contracts include a core referenced[[Page 3301]]futures contract, and any cash-settled futures and options on futures that are directly or indirectly linked either to (i) the price of any other core referenced futures contract or (ii) the same commodity underlying a core referenced futures contract for delivery at the same location or locations as specified in the core referenced futures contract's specifications.\478\--------------------------------------------------------------------------- \478\ Clause (ii) of this description comprises as referenced contracts any physically-settled contracts that are linked to the same commodity for delivery at the same location underlying a core referenced futures contract. The Commission believes as failure to do so could undermining this Federal position limits framework through the creation of physically-settled look-alike contracts by other exchanges. For example, without including clause (ii) above, an exchange could create a physically-settled look-alike contract, but unlike the existing core referenced futures contract, this new contract would be outside the Federal position limits framework. Such an outcome would clearly disadvantage the exchange with the existing core referenced futures contract and harm liquidity for bona fide hedgers by possibly dividing liquidity among competing physically-settled look-alike contracts, as well as provide significant incentives for market participants to trade contracts that subvert this Federal position limits framework.--------------------------------------------------------------------------- Further, in response to the comments described below, the Commission is reaffirming that penultimate futures contracts and options thereon qualify as referenced contracts because they satisfy paragraph (1) of the referenced contract definition under the Final Rule.(i) Comments--Cash-Settled Referenced Contracts Commenters provided differing opinions as to whether linked cash-settled futures and related options should be subject to Federal position limits.\479\ CME Group and NEFI supported the Commission's proposal to subject these contracts to Federal position limits.\480\ According to CME Group, absent parity between cash and physically-settled contracts, artificial distortions on one side of the market could occur due to manipulations on the other side of the market, regulatory arbitrage, or liquidity drain.\481\ CME Group warned that, ultimately, a lack of parity could undermine the statutory goals of position limits.\482\ NEFI agreed, arguing that applying Federal position limits to cash-settled contracts is essential to guard against manipulation by a trader who holds positions in both physically-settled and cash-settled contracts for the same underlying commodity.\483\--------------------------------------------------------------------------- \479\ CME Group at 3-4; FIA at 7-8; ICE at 12; ISDA at 3-5; NEFI at 3; PIMCO at 3; and SIFMA AMG at 4-6. \480\ CME Group at 3-4 (stating ``CME Group believes that economically and substantively alike contracts should be accorded the same regulatory treatment to prevent artificial distortions from opening doors for manipulators or shifting one market's liquidity to another. . . In this regard, as noted above, CME Group recommends that the Commission apply similar provisions to both cash-settled and physically settled swaps.''). \481\ CME Group at 6. \482\ Id. \483\ NEFI at 3.--------------------------------------------------------------------------- Other commenters disagreed. PIMCO and SIFMA AMG contended that cash-settled referenced contracts should not be subject to Federal position limits at all because cash-settled contracts do not introduce the same risk of market manipulation. They argued that subjecting cash-settled referenced contracts to Federal position limits would reduce market liquidity and depth in these instruments.\484\--------------------------------------------------------------------------- \484\ PIMCO at 3; SIFMA AMG at 4-6.--------------------------------------------------------------------------- ISDA argued that cash-settled contracts should not be included in an immediate Federal position limits rulemaking, and should instead be deferred until the Commission has adopted Federal limits with respect to physically-delivered spot month futures contracts, and after which the Commission should revisit Federal limits for cash-settled contracts.\485\--------------------------------------------------------------------------- \485\ ISDA at 3-5.--------------------------------------------------------------------------- FIA and ICE suggested that Federal position limits for cash-settled referenced contracts should apply per DCM (rather than in aggregate across DCMs).\486\ FIA additionally suggested setting a separate Federal spot-month position limit for economically equivalent swaps.\487\ FIA and ICE further argued that limits for cash-settled referenced contracts should be higher relative to Federal position limits for physically-settled referenced contracts. They similarly posited that cash-settled referenced contracts are ``not subject to corners and squeezes'' and higher limits for cash-settled contracts will `` `ensure market liquidity for bona fide hedgers.' '' \488\--------------------------------------------------------------------------- \486\ FIA at 7-8; ICE at 12. \487\ FIA 7-8. \488\ ICE at 3, 15 (also arguing that cash-settled limits should apply per exchange, rather than across exchanges); FIA at 7-8; For further discussion on the Commission's determination to generally apply Federal position limits on an aggregate basis across exchanges, see Section II.B.11 ---------------------------------------------------------------------------(ii) Discussion of Final Rule--Cash-Settled Reference Contracts As a general matter, the Commission does not agree with FIA and ICE that Federal position limits should be applied at the DCM level instead of in the aggregate for the reasons discussed below under Section II.B.11 \489\--------------------------------------------------------------------------- \489\ As discussed below, as an initial matter, the Commission interprets CEA section 4a(a)(6) as requiring aggregate Federal position limits across exchanges. However, as discussed below, the Commission is providing an exception to this general rule for natural gas pursuant to the Commission's exemptive authority under CEA section 4a(a)(7). For further discussion, see Sections II.B.3.vi and II.B.11 --------------------------------------------------------------------------- Further, the Commission addresses FIA's contention that the Commission should impose a separate Federal spot-month position limit for economically equivalent swaps in further detail above under Section II.A.4.iii While the Commission acknowledges commenter views to the effect that cash-settled contracts are less susceptible to effectuating corners and squeezes,\490\ the Commission is of the view that generally speaking, linked cash-settled and physically-settled contracts form one market, and thus should be subject to Federal position limits. Because the settlement price of a physically delivered futures contract is used as a price benchmark in many other derivative and cash-market contracts, a change in the futures settlement price can affect the value of a trader's overall portfolio of derivative and cash-market positions. Accordingly, the link between physically delivered futures and their cash-settled derivative counterparts can create incentives for manipulation. This view is informed by the Commission's experience overseeing derivatives markets, where the Commission has observed that it is common for the same market participant to arbitrage linked cash- and physically-settled contracts, and where the Commission has also observed instances where linked cash-settled and physically-settled contracts have been used together as part of an attempted manipulation.\491\--------------------------------------------------------------------------- \490\ FIA at 7, stating ``Section 4a(a)(3)(B)(ii) directs the Commission to set limits as appropriate `to deter and prevent market manipulation, squeezes and corners.' '' The Commission notes that FIA provides an example as to the effect of squeezes and corners for cash-settled contracts--only two out of three of the points for which the Commission should set an appropriate limit--the third point, which is overlooked by the commenter (market manipulation) is also a statutory objective, and for the reasons described below, provides a basis for including cash-settled contracts within the Federal position limits regime. \491\ The Commission has previously found that traders with positions in a cash-settled contract may have an incentive to manipulate and undermine price discovery in the physically-settled contract to which the cash-settled contract is linked. See, e.g , CFTC v. Parnon Energy Inc. et al., No. 1:11-cv-03543 (S.D.N.Y 2014) (alleging defendants amassed sufficient quantity of physical WTI while contemporaneously purchasing cash-settled WTI derivatives positions on NYMEX and ICE with the intent to profit on those positions by manipulating the price of the physically-settled WTI contract).--------------------------------------------------------------------------- Applying position limits to both physically delivered futures and linked cash-settled contracts, including their look-alike cash-settled derivative contracts, reduces a trader's incentive and ability to manipulate futures markets. Without position limits on[[Page 3302]]both types of futures contracts, traders could amass a substantial position in the cash-settled look-alike contract and benefit their position by manipulating the settlement price of the physically delivered futures contracts. Additionally, the absence of position limits on look-alike cash-settled derivative contracts would enable traders to manipulate a particular cash commodity price to benefit their cash-settled derivatives position. For example, where market conditions create a shortage of a particular commodity, that shortage should increase the price of the commodity. If markets are functioning properly, the price of the physically delivered futures contract will also increase. A trader could acquire a massive long position in the look-alike cash-settled derivative contract and profit by bidding up the cash price of an already scarce cash commodity. Thus, the trader's cash commodity positions would directly affect the price of the physically-settled futures contract and its look-alike cash-settled derivative. The trader's strategy to purchase the cash commodity and bid up its price could cause the value of the look-alike cash-settled derivative position to increase because of the direct links connecting all three markets (i.e , the positions in the underlying cash commodity, the physically-settled derivative, and the cash-settled derivative). Accordingly, the absence of position limits in look-alike cash-settled derivative contracts would enable traders to effectively influence and manipulate cash prices to benefit their cash-settled derivatives position, which could impact the price of the physically-settled futures contract as well. Additionally, excessive speculation in cash-settled derivative contracts can affect the price of the physically-settled futures contract and the underlying cash commodity and therefore harm the price discovery function of the underlying markets. That is, futures prices are determined by immediate cash commodity prices, and therefore the relationship between cash and futures prices also depends, in part, on the storage location of a particular commodity in relation to its delivery point, and should result in the correct amount of a particular commodity available at the delivery point. Thus, excessive speculation in cash-settled derivative contracts can produce excessive supplies at delivery points and a disruption of the flows of money and commodities exchanged.\492\--------------------------------------------------------------------------- \492\ For example, manipulated ``higher'' futures contract prices in a cash-settled futures contract can spill over into ``lower'' prices for a physically-settled futures contract through arbitrage trades between the two futures contracts. Traders arbitraging between the cash-settled and physically-settled futures contracts would short the ``higher priced'' cash-settled and long the ``lower-priced'' physically-settled futures contracts until an equilibrium price is achieved. However, that equilibrium price may be distorted due to the manipulation occurring in the higher priced cash-settled contract, and as a result the physically-settled contract would have an artificially higher price relative to the actual cash-market price of the underlying commodity. That higher futures contract price would then act as a false price signal to the underlying cash commodity market, thus incentivizing owners of the cash commodity to increase supplies at the delivery points for the physically-settled futures contract. Accordingly, excessive speculation in cash-settled derivative contracts can produce excessive supplies at delivery points and a disruption of liquidity, price discovery, and distribution of the underlying cash commodities.--------------------------------------------------------------------------- Accordingly, the Commission considers cash-settled referenced contracts to be generally economically equivalent to physical-delivery contracts in the same commodity. In the absence of position limits, an entity with positions in both the physically delivered and cash-settled contracts may have an increased ability and an increased incentive to manipulate one of these contracts to benefit positions in the other contract. As such, the Commission believes that it is essential to apply Federal position limits to cash-settled futures and options on futures that are directly or indirectly linked to physically-settled contracts in order to further the statutory objective in CEA section 4a(a)(3)(B)(iv) to deter and prevent market manipulation. Furthermore, the Commission has determined that including futures contracts and options on futures contracts that are indirectly linked to the core referenced futures contract under the ``referenced contract'' definition will help prevent the evasion of position limits through the creation of an economically equivalent futures contract or option on a futures contract, as applicable, that does not directly reference the price of the core referenced futures contract. Such contracts that settle to the price of a referenced contract but not to the price of a core referenced futures contract, for example, would be indirectly linked to the core referenced futures contract.\493\--------------------------------------------------------------------------- \493\ As discussed above, the Commission adopted an ``economically equivalent swap'' definition that is narrower than the class of futures contracts and option on futures contracts that would be included as referenced contracts. For further discussion of the ``economically equivalent swap'' definition, see Section II.A.4 --------------------------------------------------------------------------- However, a physically-settled derivative contract with a settlement price that is based on the same underlying commodity at a different delivery location would not be linked, directly or indirectly, to the core referenced futures contract. By way of example, a hypothetical physically-settled futures contract on ultra-low sulfur diesel delivered at L.A Harbor instead of the NYMEX ultra-low sulfur diesel core referenced futures contract delivered in New York Harbor would not be linked, directly or indirectly, to the core referenced futures contract because NYMEX's ultra-low sulfur diesel futures contract does not include L.A Harbor as a possible delivery point. Therefore, the contract specification price of the hypothetical physically delivered L.A Harbor contract would reflect the L.A Harbor market price for ultra-low sulfur diesel and not the NYMEX contract's price.(iii) Comments and Discussion of Final Rule--Penultimate Contracts Are a Subset of Cash-Settled Referenced Contracts Penultimate contracts are a type of cash-settled futures contract (or an option thereon) that settles the day before the corresponding physically-settled futures contract. Penultimate contracts therefore share the same determinative attributes as the other cash-settled look-alike referenced contracts discussed above, including the fact that the settlement price of a penultimate contract is linked to the corresponding physically-settled core referenced futures contract. In response to certain commenters requesting that the Commission exclude penultimate contracts from the 2020 NPRM's proposed ``referenced contract'' definition (discussed below), the Commission is affirming that penultimate contracts, as a type of linked cash-settled look-alike contracts, fall within the Final Rule's ``referenced contract'' definition. Commenters were split as to whether these penultimate contracts should be included within the ``referenced contract'' definition. ICE argued that penultimate contracts, and specifically its penultimate cash-settled natural gas contract, should be excluded from position limits for several reasons, including that its natural gas penultimate contract is economically distinct from the NYMEX NG core referenced futures contract and has no ability to impact settlement of that core referenced futures contract.\494\ SIFMA AMG and ISDA broadly concurred with this position.\495\ In contrast, CME Group supported the inclusion of penultimate contracts within the definition of[[Page 3303]]referenced contract.\496\ As the Commission outlined above, its ``one market'' view applies to cash-settled contracts that are linked in some manner to physically-settled contracts. Penultimate futures contracts (including options thereon), as a type of linked cash-settled contract, have the same relation to their physically-settled counterparts as discussed above for other linked cash-settled contracts. The Commission therefore is applying Federal position limits to all of these instruments.--------------------------------------------------------------------------- \494\ ICE at 13-14. \495\ ISDA at 9; SIFMA AMG at 10-11. \496\ CME Group at 3-4 (arguing that ``economically and substantively alike contracts should be accorded the same regulatory treatment to prevent artificial distortions from opening doors for manipulations or shifting one market's liquidity to another.'').--------------------------------------------------------------------------- In support of its view that penultimate contracts should not be subject to Federal position limits, ICE offered the example of the Henry Hub LD1 (``H'') futures contract (which has an exchange-set spot-month position limit) and the Henry Hub Penultimate (``PHH'') futures contract (which has exchange-set position accountability), stating that these contracts trade side-by-side, and that there has been no evidence of a migration to the penultimate contract due to the presence of an accountability level rather than a hard spot-month position limit. According to ICE, this suggests that the Commission need not be concerned about an arbitrage opportunity between the two.\497\--------------------------------------------------------------------------- \497\ ICE at 14.--------------------------------------------------------------------------- However, in further support of its argument that penultimate contracts should not be subject to Federal position limits, ICE suggested that penultimate contracts ``empirically'' are not economically the same as the last day contract, as demonstrated by settlement prices.\498\ To that end, the Commission reviewed the settlement prices of NYMEX NG (the physically settled natural gas core referenced futures contract), H (the ICE LD1 natural gas contract cash-settled to the NYMEX NG), and PHH (the ICE natural gas penultimate contract cash-settled to the NYMEX NG).\499\ Contrary to the empirical assertion made by ICE, the prices of the six near-month contracts for each of the contracts described above settled at identical prices on the relevant penultimate day for all contracts at all months.\500\ As reinforced by this observation, the Commission agrees with the commenter that the penultimate contract is tightly correlated (and trades side-by-side) with the cash-settled contract, as well as being demonstrated here, with the physically settled futures contract.--------------------------------------------------------------------------- \498\ Id. \499\ Commission review of these contracts as of August 4, 2020, based on ***data*** submitted to the Commission pursuant to part 16 of the Commission's regulations. \500\ The six near-month contracts reviewed by the Commission are as follows: Sep20, Oct20, Nov20, Dec20, Jan21, and Feb21, for each of NYMEX NG, H, and PHH. The Commission does not compare the spot-day price on the last day of trading of the NYMEX NG contract with the penultimate PHH contract since by definition the PHH contract settles on the penultimate day--that is, PHH settles on the day before NYMEX NG's last day of trading and therefore there is no PHH price to compare against the NYMEX NG price on NYMEX NG's last day of trading.--------------------------------------------------------------------------- However, it is not in spite of this tight correlation, but rather because of it, that the Commission considers these contracts to form one market, and as such, raises the importance of Federal position limits for these instruments. As noted above, the Commission believes that Federal position limits should apply to all contracts covered by the Final Rule's ``referenced contract'' definition, including all varieties of linked cash-settled contracts, such as linked penultimate contracts, given the linkages between the physically-settled contract, the cash-settled contract (including penultimate contracts), and the underlying cash-market commodity, and the incentives and opportunities for market manipulation that those linkages create.b. Exclusions From the Referenced Contract Definition(1) Summary of the 2020 NPRM--Exclusions From the Referenced Contract Definition In the 2020 NPRM, paragraph (3) of the proposed ``referenced contract'' definition explicitly excluded: (1) A location basis contract; (2) a commodity index contract; (3) a swap guarantee; and (4) a trade option that meets the requirements of Commission regulation Sec. 32.3 The 2020 NPRM also included guidance in proposed Appendix C setting forth additional clarification regarding the types of contracts that would qualify as either a location basis contract or a commodity index contract for purposes of the proposed exclusions from the ``referenced contract'' definition.(2) Summary of the Commission Determination--Exclusions From the Referenced Contract Definition The Commission is adopting paragraph (3) of the 2020 NPRM's proposed ``referenced contract'' with the following changes. In addition to excluding the contracts mentioned above, the Final Rule is modifying paragraph (3) to additionally exclude ``outright price reporting agency index contracts'' and ``monthly average pricing contracts'' from the ``referenced contract'' definition. To the extent a contract fits within one of the excluded contracts in paragraph (3), such contract is not a referenced contract, is not subject to Federal position limits, and could not be used to net down positions in referenced contracts (but also is not required to be added to referenced contract positions when determining compliance with Federal position limits). In order to clarify the types of contracts that qualify as location basis contracts and commodity index contracts, and thus are excluded from the ``referenced contract'' definition, the Commission also is adopting, with modifications described below, the guidance with respect to these instruments in Appendix C to part 150 of the Commission's regulations. This guidance includes information to help define the parameters of the terms ``location basis contract'' and ``commodity index contract.'' \501\ To the extent a particular contract fits within this guidance, such contract would not be a referenced contract, would not be subject to Federal position limits, and could not be used to net down positions in referenced contracts.\502\ Unlike the 2020 NPRM, the final guidance in Appendix C will also include additional information regarding the definition of the terms ``outright price reporting agency index contracts'' and ``monthly average pricing contracts.''--------------------------------------------------------------------------- \501\ The Commission notes that the further definition of parameters regarding a commodity index contract is responsive to the Better Markets comment letter suggesting such additional clarifications. Better Markets at 34. \502\ See infra Section II.B.10 (discussion of netting).--------------------------------------------------------------------------- Comments on these topics, and the Commission's responses, are set forth below.(3) Comments--Exclusions From the Referenced Contract Definition On balance, commenters were generally supportive of the 2020 NPRM's proposed exclusions from the referenced contract definition.\503\--------------------------------------------------------------------------- \503\ AGA at 9; CHS at 2; FIA at 2; ICE at 10-11; NCFC at 2.---------------------------------------------------------------------------(i) Location Basis Contracts Commenters that provided an explicit opinion about location basis contracts were unanimously supportive of the Commission excluding such contracts from the definition of a referenced contract.\504\--------------------------------------------------------------------------- \504\ AGA at 9; ICE at 10.---------------------------------------------------------------------------[[Page 3304]](ii) Commodity Index Contracts Commenters were divided, however, regarding the exclusion of commodity index contracts. Better Markets and IATP opposed the exclusion,\505\ while ICE and PIMCO supported it.\506\ Better Markets concurred with the view expressed by the Commission in the 2020 NPRM that commodity index contracts should not be permitted to net down referenced contract positions, but in lieu of the Commission's proposal to exclude commodity index contracts as referenced contracts, Better Markets suggested in the alternative that the Commission adopt individual limits for commodity index contracts for persons also involved in physically-settled contracts on physical commodities serving as a constituent in the applicable index.\507\ IATP cited several studies, including one published by Better Markets, contending that commodity index contracts have price impacts that are detrimental to commercial hedgers.\508\ IECA stated that the passive speculation provided by commodity index contracts is harmful to the price discovery function of the market.\509\--------------------------------------------------------------------------- \505\ Better Markets at 34, 46; IATP at 7-8 (citing studies which they believe demonstrate that commodity index trading harms commercial hedgers). \506\ ICE at 2; PIMCO at 5. \507\ Better Markets at 46. \508\ IATP at 7-8 (citing David Frenk and Wallace Turbeville, ``Commodity Index Traders: Boom and Bust in Commodity Prices,'' Better Markets, October 2011, at 15). [*https://bettermarkets.com/sites/default/files/Better%20Markets%20Commodity%20Index%20Traders%20and%20Boom-Bust%20in%20Commodities%20Prices.pdf*](https://bettermarkets.com/sites/default/files/Better%20Markets%20Commodity%20Index%20Traders%20and%20Boom-Bust%20in%20Commodities%20Prices.pdf). \509\ Industrial Energy at 3-4, suggesting a ban on natural gas commodity index contracts, which functionally equates to a Federal position limit of zero, or alternatively a limit to not exceed the current percentage of the physical market.--------------------------------------------------------------------------- In contrast, PIMCO argued in favor of the exclusion for commodity index contracts, contending that commodity index contracts are useful tools for investors looking for broad-based portfolio hedging or to take a view on price trends in the commodity markets.\510\--------------------------------------------------------------------------- \510\ PIMCO at 5.---------------------------------------------------------------------------(iii) Trade Options All commenters offering a specific opinion regarding trade options unanimously supported the exclusion of trade options from the definition of referenced contract.\511\--------------------------------------------------------------------------- \511\ AGA at 8; CCI at 2; EPSA at 3-4; NGSA at 4; NRECA at 17; CEWG at 4; Chevron at 3; CHS at 2; FIA at 2; NCFC at 2; NGSA at 4; and Suncor at 3.---------------------------------------------------------------------------(iv) Swap Guarantees Similarly, commenters supported the exclusion of swap guarantees from the definition of reference contract.\512\--------------------------------------------------------------------------- \512\ CHS at 2; FIA at 2; NCFC at 2, offering general support for excluding swap guarantees, but not providing a specific rationale for doing so.---------------------------------------------------------------------------(v) Outright Price Reporting Agency Index Contracts FIA and ICE further recommended that the Commission should exclude any outright contracts whose settlement price is based on an index published by a price reporting agency that surveys cash-market transaction prices from the ``referenced contract'' definition.\513\--------------------------------------------------------------------------- \513\ FIA at 6; ICE at 10-11.---------------------------------------------------------------------------(vi) Monthly Average Pricing Contracts CME Group commented that because a significant amount of commerce is transacted on a monthly average basis, and that because monthly average pricing contracts are calculated using the daily prices during the contract month such that a final settlement price of a core referenced futures contract would have the same weight as the other twenty or more daily prices used in the monthly average price calculation, it would be extremely unlikely for monthly average pricing contracts to be used to manipulate or benefit from a manipulation during the spot period. Thus, CME Group argued monthly average pricing contracts should also be excluded from the definition of referenced contracts.\514\--------------------------------------------------------------------------- \514\ CME Group at 13.---------------------------------------------------------------------------(vii) Additional Basis, Differential, and Spread Contracts ICE recommended that certain other contracts, such as additional basis and spread contracts, should generally be excluded from the definition of a referenced contract, even if the contracts reference a core referenced futures contract as one component.\515\--------------------------------------------------------------------------- \515\ ICE at 12; see also FIA at 4 (recommending that the spread transaction definition should be expanded to exempt additional, commonly used spreads). For further discussion on the ``spread transaction'' definition, see Section II.A.20 ---------------------------------------------------------------------------(4) Discussion of Final Rule--Exclusions From the Referenced Contract Definition The Commission is finalizing as proposed the exclusions from the referenced contract definition for location basis contracts, commodity index contracts, swap guarantees, and trade options that meet the requirements of Sec. 32.3 Further, as noted above, the Commission is expanding prong (3) of the proposed referenced contract definition to additionally exclude two other contract types: ``outright price reporting agency index contracts'' and ``monthly average pricing contracts.''(i) Location Basis Contracts The Commission has determined that, unless location basis contracts are excluded from the ``referenced contract'' definition, speculators would be able to net portions of their location basis contracts with outright positions in one of the locations comprising the core referenced futures contract, which would permit extraordinarily large speculative positions in the outright core referenced futures contract.\516\ For example, the 2020 NPRM explained that a large outright position in NYMEX Henry Hub Natural Gas (NG) futures contracts could not be netted down against a location basis contract that cash-settles to the difference in price between the Gulf Coast Natural Gas futures contract and the NYMEX NG futures contract.\517\ Absent this exclusion, a market participant could increase its exposure in the outright contract by using the location basis contract to net down against its NYMEX NG futures position, thereby allowing the market participant to further increase the outright NYMEX NG futures contract position that would otherwise exceed the Federal position limits.--------------------------------------------------------------------------- \516\ See infra Section II.B.10 (discussion of netting). \517\ 85 FR at 11620.--------------------------------------------------------------------------- While excluding location basis contracts from the referenced contract definition would prevent the circumstance described above, it would also mean that location basis contracts would not be subject to Federal position limits. The Commission is comfortable with this outcome because location basis contracts generally demonstrate minimal volatility and are typically significantly less liquid than the core referenced futures contracts, meaning, in the Commission's estimation, it is less likely that a potential manipulator would be able to effect a market manipulation using these contracts. Further, excluding location basis contracts from the referenced contract definition may allow commercial end-users to more efficiently hedge the cost of commodities at their preferred location to the extent they may frequently require the physical commodity at a location other than the core referenced futures contract's specified contract delivery point.(ii) Commodity Index Contracts With respect to commodity index contracts, the Commission similarly has[[Page 3305]]determined that excluding commodity index contracts from the ``referenced contract'' definition will ensure that market participants cannot use a position in a commodity index contract to net down an outright position in a referenced contract that was a component of the commodity index contract. Regarding Better Markets' and IATP's requests that the Commission alter the proposed ``referenced contract'' definition to include commodity index contracts (i.e , to remove commodity index contracts from the list of excluded contracts in paragraph (3) of the ``referenced contract'' definition), the Commission notes that if it did not exclude commodity index contracts, the Commission's rules would allow speculators to take on massive outright positions in referenced contracts by netting against a position in a commodity index contract, which could lead to excessive speculation. For example, the Commission understands that it is common for swap dealers to enter into commodity index contracts with participants for which the contract would not qualify as a bona fide hedging position (e.g , with a pension fund). Failing to exclude commodity index contracts from the referenced contract definition could enable a swap dealer to use positions in commodity index contracts to net down offsetting outright futures positions in the components of the index. Additionally, this would have the effect of subverting the statutory pass-through swap provision in CEA section 4a(c)(2)(B), which is intended to foreclose the recognition of positions entered into for risk management purposes as bona fide hedges unless the swap dealer is entering into positions opposite a counterparty for which the swap position is a bona fide hedge.\518\--------------------------------------------------------------------------- \518\ 7 U.S.C 6a(c)(2)(B).--------------------------------------------------------------------------- The Commission recognizes that although excluding commodity index contracts from the ``referenced contract'' definition would prevent the potentially risky netting circumstance described above, it would also mean that commodity index contracts would not be subject to Federal position limits. The Commission concludes that this is an acceptable outcome because the contracts comprising the index would themselves be subject to limits, and because commodity index contracts generally tend to exhibit low volatility since they are diversified across many different commodities. With respect to Better Markets', ICEA's, and PMAA's requests to impose separate standalone, or aggregate, position limits on commodity index contracts, the Commission does not believe doing so is useful to the extent that the individual components of a commodity index contract are subject to Federal position limits under the Final Rule. The Commission also is concerned that adopting a standalone limit for a commodity index contract could inadvertently limit transactions in commodity derivatives contracts outside the Final Rule's scope. Specifically, a commodity index contract may contain components that are subject to Federal position limits, as well as additional components that are not. If the Commission were to place standalone limits on these commodity index contracts, it would impose de facto constraints on commodity derivative contracts that are not intended to be the subject to the Final Rule and for which the Commission has not found position limits to be necessary.(iii) Trade Options The Commission also is finalizing, as proposed, the exclusion of trade options that meet the requirements of Sec. 32.3 from the definition of referenced contract. The Commission has traditionally exempted trade options from a number of Commission requirements because trade options are typically employed by end-users to hedge physical risk and thus do not contribute to excessive speculation. Trade options are not subject to position limits under current regulations, and the proposed exclusion of trade options from the referenced contract definition would simply codify existing practice.\519\--------------------------------------------------------------------------- \519\ In the trade options final rule, the Commission stated its belief that Federal position limits should not apply to trade options, and expressed an intention to address trade options in the context of any final rulemaking on position limits. See Trade Options, 81 FR at 14971.---------------------------------------------------------------------------(iv) Swap Guarantees The Commission additionally is excluding, as proposed, swap guarantees from the ``referenced contract'' definition. In connection with further defining the term ``swap'' jointly with the Securities and Exchange Commission in the ``Product Definition Adopting Release,'' \520\ the Commission interpreted the term ``swap'' (that is not a ``security-based swap'' or ``mixed swap'') to include a guarantee of such swap, to the extent that a counterparty to a swap position would have recourse to the guarantor in connection with the position.\521\ Excluding guarantees of swaps from the definition of ``referenced contract'' will help avoid any potential confusion regarding the application of position limits to guarantees of swaps. The Commission understands that swap guarantees generally serve as insurance, and, in many cases, swap guarantors guarantee the performance of an affiliate in order to entice a counterparty to enter into a swap with such guarantor's affiliate. As a result, the Commission believes that swap guarantees do not contribute to excessive speculation, market manipulation, squeezes, or corners. Furthermore, the Commission believes that swap guarantees were not contemplated by Congress when Congress articulated its policy goals with respect to position limits in CEA section 4a(a).\522\ Accordingly, the Commission is finalizing the exclusion of swap guarantees from the definition of ``referenced contract.''--------------------------------------------------------------------------- \520\ See generally Further Definition of ``Swap,'' ``Security-Based Swap,'' and ``Security-Based Swap Agreement''; Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 FR 48208 (Aug. 13, 2012) (``Product Definitions Adopting Release''). \521\ 77 FR at 48226. \522\ To the extent that swap guarantees may lower costs for uncleared OTC swaps in particular by incentivizing a counterparty to enter into a swap with the guarantor's affiliate, excluding swap guarantees may improve market liquidity, which is consistent with the CEA's statutory goals in CEA section 4a(a)(3)(B) to ensure sufficient liquidity for bona fide hedgers when establishing its position limit framework.---------------------------------------------------------------------------(v) New Exclusions from the ``Referenced Contract'' Definition--Price Reporting Agency Index Contracts and Monthly Average Pricing Contracts Finally, the Commission is modifying prong (3) of the proposed ``referenced contract'' definition to additionally exclude from the Final Rule: (a) Monthly average pricing contracts and (b) outright price reporting agency index contracts.(a) Monthly Average Pricing Contracts In response to commenter suggestions, the Commission is providing non-binding guidance in Appendix C to this Final Rule to assist market participants and exchanges in determining whether a particular contract qualifies as a ``monthly average pricing contract,'' that the Final Rule is excluding from the ``referenced contract'' definition. Specifically, in response to Question 15 of the 2020 NPRM, CME Group commented that contract types that are generally referred to in industry nomenclature as calendar-month average (``CMA''), trade-month average (``TMA''), and balance-of-the-month (``BALMO'') contracts should be excluded from the list of referenced contracts and subject solely to exchange-set position limits.\523\ CME[[Page 3306]]Group explains the prevalence of these contracts in the market, and notes an example of the June 2020 monthly average contract (in which there are 22 U.S business days and thus 22 daily referenced prices incorporated into the calendar month average), concluding that it is difficult to manipulate a CMA. CME Group thus posits that excluding CMAs would not incentivize manipulation of the underlying core referenced futures contract.\524\--------------------------------------------------------------------------- \523\ CME Group at 13. \524\ Id.--------------------------------------------------------------------------- As an initial matter, the Commission's addition of the new term ``monthly average pricing contracts'' to Appendix C of this Final Rule is intended to generally cover the types of contracts addressed in CME Group's comments, which are generally referred to in the industry as ``CMAs,'' ``TMAs,'' and ``BALMOs.'' The Commission agrees with CME Group's rationale. The Commission understands that because the final settlement price of a core referenced futures contract is only one of many pricing points that constitute that monthly average, and as such generally has a relatively insignificant impact on such core referenced futures contract's monthly average price, it therefore also has a relatively insignificant impact on the settlement price of the corresponding monthly average pricing contract. Accordingly, the Commission concludes that on balance, excluding monthly average pricing contracts from the definition of referenced contract is consistent with the statutory goals in CEA section 4a(a)(3), including with respect to ensuring sufficient market liquidity for bona fide hedgers due to: (1) The difficulty and expense of any entity artificially moving the price of the monthly average by manipulating one or more component prices within the contract; and (2) the widespread use and utility of these contracts to commercial entities to hedge their risk. The Commission provides non-binding guidance in Appendix C of the Final Rule to assist market participants and exchanges in determining whether a particular contract qualifies as a ``monthly average pricing contract.''(b) Outright Price Reporting Agency Index Contracts The Commission is also modifying prong (3) of the proposed ``referenced contract'' definition to explicitly exclude ``outright price reporting agency index contracts.'' ICE supported the exclusion of such contracts in its comment letter.\525\ Further, FIA also commented that it believed that a price reporting agency index contract is outside the definition of a referenced contract.\526\--------------------------------------------------------------------------- \525\ ICE at 10. \526\ FIA at 6.--------------------------------------------------------------------------- The Commission agrees with ICE and FIA and confirms this understanding. The Commission explained in the 2020 NPRM that based on its plain reading, the ``referenced contract'' definition excluded such contracts because outright price reporting agency index contracts were not ``directly or indirectly'' linked to the price of a referenced contract.\527\ The Commission reaffirms its conclusion that an ``outright price reporting agency index contract,'' which is based on an index published by a price reporting agency that surveys cash-market transaction prices (even if the cash-market practice is to price at a differential to a futures contract), is not directly or indirectly linked to the corresponding referenced contract. The Commission is modifying the final ``referenced contract'' definition to explicitly exclude such contracts for the sake of regulatory certainty. Similar to the other contracts excluded from the ``referenced contract'' definition, the Commission is providing non-binding guidance in Appendix C of the Final Rule to assist market participants and exchanges in determining whether a particular contract qualifies as an ``outright price reporting agency index contract'' and therefore is excluded as a referenced contract. The Commission underscores that this exclusion applies only to ``outright'' price reporting agency index contracts, and that a contract that settles to the difference (i.e , settled at a basis) between a referenced contract and the price reporting agency index would be directly linked, and thus would qualify as a referenced contract, because it settles in part to the referenced contract price.--------------------------------------------------------------------------- \527\ 85 FR at 11620.--------------------------------------------------------------------------- Since the Commission stated in the preamble to the 2020 NPRM that an outright price reporting agency index contract does not qualify as a ``referenced contract,'' the Commission does not believe that the Final Rule's modification to explicitly exclude the term in the regulatory definition of ``referenced contract'' represents a change in policy. Instead, it is merely a technical change to the regulatory text to provide regulatory clarity to market participants.(vi) Additional Basis, Differential, and Spread Contracts Regarding ICE's comment that additional basis, differential, and spread contracts should generally be excluded from the ``referenced contract'' definition,\528\ the Commission notes a heightened concern with potential manipulation through the use of outright positions (particularly through inappropriate netting) and spreads, compared to location basis contracts or commodity index contracts.\529\ Notably, and as described in greater detail above, the Commission views the constraints on the liquidity and volatility associated with location basis and commodity index contracts as not present to an equal degree in other basis and spread contracts. As noted above, while excluding location basis contracts and commodity index contracts from the referenced contract definition could permit large outright positions in such contracts, the Commission believes that excluding these contracts will nonetheless prevent the potentially risky and inappropriate netting of a core referenced futures contract described above. Further, as stated above, the Commission believes that location basis contracts generally demonstrate minimal volatility and are typically significantly less liquid than the core referenced futures contracts, meaning they would be more costly to try to use to manipulate a core referenced futures contract. Similarly, with respect to commodity index contracts, commodities comprising the index could themselves be subject to Federal position limits, and commodity index contracts also generally tend to exhibit low volatility since they are diversified across many different commodities.--------------------------------------------------------------------------- \528\ ICE at 12, noting contracts that capture the differential between different grades of a commodity (e.g , WTI vs. sour crude) or between different but related commodities (e.g , a crack differential) as examples of contracts it believes should excluded. \529\ See 78 FR at 75696-75697.--------------------------------------------------------------------------- Additionally, it is unclear from ICE's discussion what additional contract types that ICE has in mind, other than outright price reporting agency index contracts that the Commission discusses above, since several of the examples provided by ICE may already be exempt under the ``spread transaction'' definition (e.g , the spread examples provided by ICE \530\ may qualify for a spread exemption under the Final Rule as either a quality differential spread or an inter-commodity spread). ICE also stated that the requirement that a spread exemption be approved by the exchange seems unnecessary and is probably unworkable, but did not provide any arguments as to why obtaining exchange approval would be unnecessary.\531\[[Page 3307]]Additionally, the Commission notes that under the Final Rule, an exemption for any spread that is included in the ``spread transaction'' definition is self-effectuating for purposes of Federal position limits, and, unlike the role that exchanges may play with respect to non-enumerated bona fide hedges in final Sec. 150.9, exchanges have no analogous role with respect to spread exemptions for Federal position limits purposes under the Final Rule.--------------------------------------------------------------------------- \530\ ICE at 12. \531\ For further discussion of the ``spread transaction'' definition, see Section II.A.20 ---------------------------------------------------------------------------iv. List of Referenced Contractsa. Summary of the 2020 NPRM--List of Referenced Contracts In order to provide clarity to market participants, the Commission proposed to publish, and anticipated regularly updating, a CFTC Staff Workbook of Commodity Derivative Contracts under the Regulations Regarding Position Limits for Derivatives (the ``Staff Workbook'') on the Commission's website which would list exchange-traded products that are subject to Federal position limits. In order to ensure that the list remained accurate, the Commission also proposed changes to certain provisions of part 40 of its regulations, which pertain to the collection of position limits information through the filing of product terms and conditions. In particular, under existing Sec. Sec. 40.2, 40.3, and 40.4, DCMs and SEFs must submit certain requirements related to the listing of certain new products. Many of the required submissions include the product's ``terms and conditions,'' as defined in Sec. 40.1(j), which in turn includes under Sec. 40.1(j)(1)(vii) ``Position limits, position accountability standards, and position reporting requirements.'' The Commission proposed to expand Sec. 40.1(j)(1)(vii), which addresses futures contracts and options contracts, to also include an indication as to whether the submitted contract meets the ``referenced contract'' definition in proposed Sec. 150.1 If so, proposed Sec. 40.1(j)(1)(vii) required the submission to also include the name of the core referenced futures contract on which the submitted new product is based. The Commission further proposed to expand Sec. 40.1(j)(2)(vii), which addresses swaps, to require the applicant to indicate whether the submitted contract meets the proposed ``economically equivalent swap'' definition in Sec. 150.1 If so, proposed Sec. 40.1(j)(2)(vii) similarly required the submission to include the name of the referenced contract to which the swap is economically equivalent.b. Comments and Summary of the Commission Determination--List of Referenced Contracts The Commission is adopting as final the 2020 NPRM's amendments to part 40 of its regulations with one modification that relates to filing the name of the referenced contract on which the new product is based. Part 40 and the Commission's amendments pertain to the collection of position limits information through the filing of product terms and conditions, and the publication and regular updates of exchange-traded contracts that are subject to Federal position limits.\532\ The Commission notes that the Staff Workbook is intended to provide a non-exhaustive list of exchange-traded referenced contracts that are subject to Federal position limits. Although the Commission endeavors to timely update this list of contracts, the omission of a contract from the Staff Workbook does not mean that such contract is outside the definition of a referenced contract subject to Federal position limits.--------------------------------------------------------------------------- \532\ As discussed above, the Commission will provide market participants with reasonable, good-faith discretion to determine whether a swap would qualify as economically equivalent for Federal position limit purposes. Due to differences between OTC swaps and exchange-traded futures contracts and options thereon, the Staff Workbook would not include a list of economically equivalent swaps. For further discussion, see supra Section II.A.4 (discussion of economically equivalent swaps).--------------------------------------------------------------------------- While proposed Sec. 40.1(j)(1)(vii) required the submitted futures contract (or option thereon) to also include the name of the core referenced futures contract on which the submitted new product is based, final Sec. 40.1(j)(1)(vii) instead requires that the submitted product includes the name of either the core referenced futures contract or referenced contract, as applicable, on which the contract is based. This is because, as discussed above under the ``referenced contract'' definition, a referenced contract could be indirectly or directly linked to another referenced contract that is not a core referenced futures contract. For example, an options contract could be based on a cash-settled look-alike or penultimate futures contract that is a referenced contract rather than on the physically-settled core referenced futures contract. The Commission's concurrent publication of the Staff Workbook will provide a non-exhaustive list of exchange-traded referenced contracts, and will help market participants in determining categories of contracts that fit within the referenced contract definition. This effort is intended to provide clarity to market participants regarding which exchange-traded contracts are subject to Federal position limits. The proposed amendments to part 40 to specify new referenced contracts generally received support.\533\ ICE noted the need for clear guidance on how new contracts will be assessed, in order to determine whether such contracts will be referenced contracts, and make consistent determinations with respect to economically similar products.\534\ Although commenters also generally supported the publication of the Workbook, many suggested modifications, including clarifications regarding which contracts are included as referenced contracts, and the basis for making such determinations.\535\ The Commission believes that the amendments to part 40 will allow the Commission to consistently and accurately assess whether contracts should be included within the Staff Workbook. The Commission also believes that by providing regular updates to the Staff Workbook, market participants will have accurate and consistent information to assess whether such contracts are subject to Federal position limits. Additionally, the Staff Workbook will provide a linkage between each referenced contract, and either the core referenced futures contract or referenced contract, as applicable, to which it is linked, to aid in market participants' understanding of the Commission's determination.--------------------------------------------------------------------------- \533\ AGA at 10; MFA/AIMA at 4. \534\ ICE at 12. \535\ AGA at 10; MFA/AIMA at 9; FIA at 6; Chevron at 14; Suncor at 14; and CEWG at 29-30.--------------------------------------------------------------------------- Alternatively, some commenters suggested that the Staff Workbook could include a list of all contracts Commission staff finds are not referenced contracts,\536\ and CME Group and ICE each provided a list of contracts they believe should be excluded from the Staff Workbook.\537\--------------------------------------------------------------------------- \536\ FIA at 6; MFA/AIMA at 9. \537\ CME Group at 13; ICE at 12.--------------------------------------------------------------------------- The Commission believes that by providing a Staff Workbook listing core referenced futures contracts, and the referenced contracts that are directly or indirectly related to them, the Commission is presenting a list of contracts subject to Federal position limits in the clearest possible fashion. Additionally, the amendments to part 40 will allow regular and accurate updates to this list. Some commenters expressed concern that the Staff Workbook lists contracts that are not referenced contracts,\538\ or[[Page 3308]]provided examples asking for clarification.\539\ One commenter recommended that the Commission appoint a task force to develop a comprehensive baseline list of referenced contracts listed for trading on exchanges.\540\--------------------------------------------------------------------------- \538\ FIA at 6; ICE at 9-12. ICE is specifically concerned that the proposed workbook contains inconsistencies, such as including location basis contracts and PRA/Price Index Contracts. \539\ Chevron at 14; CEWG at 29. \540\ CEWG at 30.--------------------------------------------------------------------------- The Commission believes that Commission staff (as opposed to a taskforce) is best positioned to continually refine the Workbook through accurate, timely updates, as aided by the additional information required by the newly adopted amendments to part 40 under the Final Rule. Further, some commenters believed that the Commission should require exchanges to publish and maintain a definitive list of referenced contracts (other than economically equivalent swaps).\541\ While CME Group did not believe that the Commission should impose such a requirement on exchanges, it supported coordinating with the Commission to ensure consistency, and publishing this information on CME Group's website.\542\--------------------------------------------------------------------------- \541\ MFA/AIMA at 7; Citadel at 4-5; SIFMA AMG at 11-12. \542\ CME Group at 14.--------------------------------------------------------------------------- The Commission believes that publication of the Staff Workbook on the [*www.cftc.gov*](http://www.cftc.gov) website will provide a centralized location for market participants to assess whether certain instruments are subject to Federal position limits. Although the Commission is encouraged that exchanges may provide redundancy in also publishing this list of core referenced futures contracts and related referenced contracts listed for trading on their respective exchanges, the Commission is not adopting a requirement for exchanges to publish this information at this time. Finally, CME Group contended that for commodities with only spot month limits, financially-settled futures and options contracts should be excluded from the Staff Workbook and not subject to Federal position limits if the final settlement/expiry of the cash-settled futures or option occurs before the spot month period of its core referenced futures contract begins. CME Group additionally asserted that option contracts that exercise into physically-settled core referenced futures contracts should be included in the Staff Workbook and subject to Federal position limits even if final settlement/expiry of the option occurs before spot month period begins. The Commission agrees with both of CME Group's assertions with one exception. While the Commission agrees that cash-settled futures contracts and options on such futures contracts that are non-legacy contracts (i.e , the 16 core referenced futures contracts that will not have Federal non-spot position limits) and settle or expire prior to when the spot month limits would become effective in the spot period are not subject to Federal spot month position limits, such futures and options contracts do qualify as referenced contracts based on the settlement price being linked to a core referenced futures contract. However, because the corresponding 16 core referenced futures contracts are not subject to non-spot month Federal position limits, then these cash-settled futures contracts and options contracts similarly are also not subject to Federal position limits during the non-spot month. Accordingly, as contracts not subject to Federal spot or non-spot month position limits, these contracts will not be included in the Staff Workbook, even if such contracts qualify as referenced contracts. The Commission further agrees that options that exercise into the physically-settled core referenced futures contract are within the definition of referenced contract because when the options are exercised, they become positions in the core referenced futures contract. The Commission is clarifying that it will publish a revised Staff Workbook shortly after the publication of this Final Rule on the Commission's website and before the Final Rule's Effective Date. This revised Staff Workbook will reflect the revised ``referenced contract'' definition, clarify CME Group's discussion with respect to options discussed in the immediately above paragraph, and generally fix any errors identified by commenters.17. ``Short Position''i. Summary of the 2020 NPRM--Short Position The Commission proposed to expand the existing definition of ``short position,'' currently defined in Sec. 150.1(h), to include swaps and to clarify that any such positions would be measured on a futures-equivalent basis.ii. Comments and Summary of the Commission Determination--Short Position No commenter addressed the proposed definition of ``short position.'' The Commission is adopting the definition as proposed.18. ``Speculative Position Limit''i. Summary of the 2020 NPRM--Speculative Position Limit The Commission proposed to define the term ``speculative position limit'' for use throughout part 150 of the Commission's regulations to refer to Federal or exchange-set limits, net long or net short, including single month, spot month, and all-months-combined limits. This proposed definition was not intended to limit the authority of exchanges to adopt other types of limits that do not meet the ``speculative position limit'' definition, such as a limit on gross long or gross short positions, or a limit on holding or controlling delivery instruments.ii. Comments and Summary of the Commission Determination--Speculative Position Limit No commenter addressed the proposed definition of ``speculative position limit.'' The Commission is adopting the definition as proposed with some non-substantive technical changes related to the numbering structure.19. ``Spot Month,'' ``Single Month,'' and ``All-Months''i. Summary of the 2020 NPRM--Spot Month, Single Month, and All Months The Commission proposed to expand the existing definition of ``spot month'' to: (1) ***Account*** for the fact that the proposed limits would apply to both physically-settled and certain cash-settled contracts; (2) clarify that the spot month for referenced contracts would be the same period as that of the relevant core referenced futures contract; and (3) ***account*** for variations in spot month conventions that differ by commodity. In particular, for the ICE Sugar No. 11 (SB) core referenced futures contract, the spot month would mean the period of time beginning at the opening of trading on the second business day following the expiration of the regular option contract traded on the expiring futures contract and ending when the contract expires. For the ICE Sugar No. 16 (SF) core referenced futures contract, the spot month would mean the period of time beginning on the third-to-last trading day of the contract month and ending when the contract expires. For the CME Live Cattle (LC) core referenced futures contract, the spot month would mean the period of time beginning at the close of trading on the first business day following the first Friday of the contract month and ending when the contract expires. The Commission also proposed to eliminate the existing definitions of[[Page 3309]]``single month'' and ``all-months'' because the definitions for those terms would be built into the proposed definition of ``speculative position limit'' described above.ii. Comments and Summary of the Commission Determination--Spot Month, Single Month, and All Months No commenter addressed the proposed definition of ``spot month'' or the proposed elimination of the existing definitions of ``single month'' and ``all months.'' The Commission is adopting the definition of spot month as proposed, but with a correction to reflect the proper spot month period for the Live Cattle (LC) core referenced futures contract. Final Sec. 150.1 defines the spot month for the Live Cattle (LC) core referenced futures contract as the period of time beginning at the close of trading on the first business day following the first Friday of the contract month and ending when the contract expires. The Commission is eliminating the existing definitions of ``single month'' and ``all months'' as proposed. Finally, the Commission is adopting some non-substantive technical changes related to the numbering structure.20. ``Spread Transaction''i. Background--Spread Transaction, Existing Sec. 150.3(a)(3) In existing Sec. 150.3(a)(3), the Commission exempts from Federal position limits ``spread or arbitrage positions,'' subject to certain restrictions, including the restriction that the spread position be outside of the spot month.\543\ The existing regulations do not, however, define ``spread or arbitrage positions.'' Further, under existing regulations, spread exemptions from Federal positions limits are self-effectuating and do not require prior Commission approval. Rather, market participants must request spread exemptions from the relevant exchange(s) in advance of exceeding exchange limits.--------------------------------------------------------------------------- \543\ See 17 CFR 150.3(a)(3) (permitting spread or arbitrage positions that are ``between single months of a futures contract and/or, on a futures-equivalent basis, options thereon, outside of the spot month, in the same crop year; provided, however, that such spread or arbitrage positions, when combined with any other net positions in the single month, do not exceed the all-months limit set forth in Sec. 150.2 '')---------------------------------------------------------------------------ii. Summary of the 2020 NPRM--Spread Transaction The Commission proposed a ``spread transaction'' definition to exempt from Federal position limits transactions normally known to the trade as ``spreads.'' The proposed definition would explicitly include common types of spread strategies, including: Calendar spreads; inter-commodity spreads; quality differential spreads; processing spreads (such as energy ``crack'' or soybean ``crush'' spreads); product or by-product differential spreads; and futures-options spreads. The proposed spread transaction definition would also eliminate the existing Sec. 150.3(a)(3) restrictions on spread exemptions, including the restriction that spread positions be outside of the spot-month. Under proposed Sec. 150.3(a)(2)(i), positions that meet the ``spread transaction'' definition would be self-effectuating for purposes of Federal position limits. Separately, under proposed Sec. 150.3(a)(2)(ii), the Commission would, on a case-by-case basis, be able to exempt any other spread transaction that was not included in the proposed spread transaction definition, but that the Commission has determined is consistent with CEA section 4a(a)(3)(B),\544\ and exempted, pursuant to proposed Sec. 150.3(b).--------------------------------------------------------------------------- \544\ As noted above, CEA section 4a(a)(3)(B) provides that the Commission shall set limits ``to the maximum extent practicable, in its discretion--(i) to diminish, eliminate, or prevent excessive speculation as described under this section; (ii) to deter and prevent market manipulation, squeezes, and corners; (iii) to ensure sufficient market liquidity for bona fide hedgers; and (iv) to ensure that the price discovery function of the underlying market is not disrupted.''---------------------------------------------------------------------------iii. Summary of the Commission Determination--Spread Transaction The Commission is adopting the definition of ``spread transaction'' with certain modifications to the definition to include additional spread types, as described below, to address commenters' views and other considerations. The Commission is providing additional clarification with respect to cash-and-carry exemptions as well as the application of spread exemptions to the NYMEX NG core referenced futures contract. The Commission is also adopting Appendix G to part 150 under the Final Rule to provide additional clarifications to market participants in connection with the Commission's treatment of spread exemptions under the Final Rule.iii. Comments--Spread Transaction Generally, commenters requested that the Commission expand or clarify the ``spread transaction'' definition to ensure that other commonly-used spread strategies are exempted from Federal position limits, including: (1) Intra-market and inter-market spread positions; \545\ (2) inter-market spread positions where the legs of the transaction are futures contracts in the same commodity and same calendar month or expiration; \546\ (3) inter-market spreads in which one leg is a referenced contract and the other is a commodity derivative contract (including an OTC swap) that is not subject to Federal positions limits; \547\ (4) a spread between a physically-settled position and a cash-settled position; \548\ (5) a spread between two cash-settled contracts in the spot period, even if one leg is not subject to Federal position limits; \549\ (6) intra-commodity spreads (including an intra-commodity spread between two cash-settled contracts or between the cash-settled and related physically-settled futures contract); \550\ and (7) cash-and-carry exemptions that are currently permitted under IFUS Rule 6.29(e).\551\--------------------------------------------------------------------------- \545\ MFA/AIMA at 10; CMC at 7. \546\ ICE at 7. \547\ ICE at 7; FIA at 21. \548\ CME Group at 11. \549\ Id. \550\ CEWG at 27; FIA at 20-21 (explaining that the intra-commodity spread would acknowledge the link between the prices of cash-settled and physical delivery futures involving the same commodity). See also CEWG at 27; CCI at 2-3 (requesting an exemption for intra-commodity spreads that are: (1) In the same class of referenced contract, (2) across classes of referenced contracts, or (3) across markets in referenced contracts (i.e , on different exchanges) in the same or different calendar months); CEWG at 27 (providing proposed revisions to the ``spread transaction'' regulatory text); CME Group at 11. \551\ FIA at 21; see also, IFUS at 7-9 (providing an example of a cash-and-carry exemption and describing such exemption as a type of calendar month spread where a person holds a long position in the spot month and a short position in the second nearby contract month) and IFUS Rule 6.29(e) (outlining its strict procedures that set the terms by which cash-and-carry exemptions may be permitted, including the following conditions: (i) The person seeking the exemption must provide the cost of carrying the physical commodity, the minimum spread differential at which it will enter into a straddle position in order to obtain profit, and the quantity of stocks currently owned in IFUS licensed warehouses or tank facilities; (ii) when granted a cash and carry exemption, the person receiving the exemption shall agree that before the price of the nearby contract month rises to a premium to the second contract month, it will liquidate all long positions in the nearby contract month; and (iii) block trades may not be used to establish positions upon which a cash and carry exemption request is based). IFUS further explained that it has a long history of granting cash and carry exemptions for certain warehoused contracts (specifically coffee, cocoa, and FCOJ), and that where there are plentiful supplies, these exemptions serve an economic purpose in the days leading up to the first notice day and throughout the notice period, because: (1) They help maintain an appropriate economic relationship between the nearby and next successive contract month; (2) they allow commercial market participants the opportunity to compete for the ownership of certified inventories beyond the limitations of the spot-month position limit; and (3) the holder of the exemption provides liquidity so that traders that carry short positions into the notice period without capability to deliver may exit their positions in an orderly manner. According to IFUS, if the appropriate supply and price relationship exists in a given expiry, and the exchange grants the application, then proper application of the terms as expiry approaches will assist in an orderly expiration. IFUS 7-9; FIA at 21.---------------------------------------------------------------------------[[Page 3310]] In addition, commenters requested that the Commission clarify that: (1) The ``spread transaction'' definition is a non-exhaustive list, and therefore, permit exchanges to grant spread exemptions that are not covered by Sec. 150.3(a)(2) by using the streamlined process in Sec. 150.9 for recognizing non-enumerated bona fide hedges; \552\ and (2) a calendar spread would permit a market participant to net down its positions for the purposes of Federal spot-month and single-month limits.\553\--------------------------------------------------------------------------- \552\ ICE at 7. \553\ Citadel at 8-9.---------------------------------------------------------------------------iv. Discussion of Final Rule--Spread Transaction The Commission is adopting the proposed definition of ``spread transaction'' with certain modifications, as described below, to address commenters' views and other considerations. First, the Commission is expanding the definition to include additional types of spreads. Second, the Commission is clarifying the treatment of cash-and-carry exemptions as permissible calendar spreads and providing additional guidance to exchanges in connection with such spreads. Third, the Commission addresses the application of spread exemptions in connection with the NYMEX NG core referenced futures contract. The Commission is also providing additional guidance on the use of exempt spread transactions in Appendix G of this Final Rule.a. The ``Spread Transaction'' Definition Includes Several Additional Spread Types Under the Final Rule First, the Commission is expanding the proposed ``spread transaction'' definition to make clear that the definition as finalized includes intra-market, inter-market, and intra-commodity spread positions in addition to the spread strategies listed in the proposed definition. The final ``spread transaction'' definition will cover: Intra-market spreads, inter-market spreads, intra-commodity spreads, and inter-commodity spreads, including calendar spreads, quality differential spreads, processing spreads, product or by-product differential spreads, and futures-options spreads.\554\ The Commission intends for the spread transaction definition to be sufficiently broad to capture most, if not all, spread strategies currently granted by exchanges and used by market participants. The Commission believes this is consistent with, but provides more clarity than, its existing approach to spread exemptions in existing Sec. 150.3(a)(3), which broadly exempts ``spread or arbitrage positions.'' \555\--------------------------------------------------------------------------- \554\ For example, trading activity in many commodity derivative markets is concentrated in the nearby contract month, but a hedger may need to offset risk in deferred months where derivative trading activity may be less active. A calendar spread trader could provide liquidity without exposing himself or herself to the price risk inherent in an outright position in a deferred month. Processing spreads can serve a similar function. For example, a soybean processor may seek to hedge his or her processing costs by entering into a ``crush'' spread, i.e , going long soybeans and short soybean meal and oil. A speculator could facilitate the hedger's ability to do such a transaction by entering into a ``reverse crush'' spread (i.e , going short soybeans and long soybean meal and oil). Quality differential spreads, and product or by-product differential spreads, may serve similar liquidity-enhancing functions when spreading a position in an actively traded commodity derivatives market such as CBOT Wheat (W) against a position in another actively traded market, such as MGEX Wheat. \555\ Under existing regulations, the Commission views its use of the term ``spread'' to mean the same as ``arbitrage'' or ``straddle'' as those terms are used in CEA section 4a(a) and existing Sec. 150.3(a)(3) of the Commission's regulations. Consistent with existing regulations, the Commission's sole use of the term ``spread'' in this rulemaking is intended to also capture arbitrage or straddle strategies, and is not intended to be a substantive change from its existing regulations. The Commission notes that certain exchanges may distinguish between ``spread'' and ``arbitrage'' positions for purposes of exchange exemptions, but the Commission does not make that distinction here for purposes of its ``spread transaction'' definition.--------------------------------------------------------------------------- In light of the revised ``spread transaction'' definition, the Commission expects that most spread strategies will qualify as intra-market, inter-market, inter-commodity, or intra-commodity spreads, and is providing a non-exhaustive list of the most common specific types of spread strategies that fall within those four categories. Any requests for spread exemptions that fall outside of the spread transaction definition are required to be submitted to the Commission in advance pursuant to Sec. 150.3(b) of the Final Rule. Accordingly, the Commission has determined not to allow exchanges to grant new types of spread exemptions using the streamlined process in Sec. 150.9 for various reasons explained below in detail under the discussion of Sec. 150.3 \556\--------------------------------------------------------------------------- \556\ See infra Section II.C.4 (discussing statutory and policy reasons why the Commission will not permit exchanges to process requests for spread exemptions that are not included in the ``spread transaction'' definition using the Sec. 150.9 process).--------------------------------------------------------------------------- In addition, considering the significant number of requests for clarification commenters submitted regarding the spread transaction definition, the Commission is providing guidance on spread transactions in Appendix G to part 150 of the Commission's regulations, as adopted in this Final Rule, to address those questions and other considerations. In particular, paragraph (a) of the guidance provides some recommended best practices for exchanges to consider when granting spread exemptions, especially during the spot period. Paragraph (a) of the guidance also reminds exchanges of their existing obligations as self-regulatory organizations, including under DCM Core Principle 5 and SEF Core Principle 6, as applicable, to implement their exchange-set limits and exemption granting processes in a way that (consistent with the rules and procedures in final Sec. 150.5 adopted herein) \557\ reduces the potential threat of market manipulation or congestion.--------------------------------------------------------------------------- \557\ See infra Section II.D (discussing exchanges' obligations when setting exchange position limits and granting exemptions therefrom).--------------------------------------------------------------------------- Moreover, paragraph (b) of the guidance clarifies that the following spread strategies are covered by the ``spread transaction'' definition: (1) Inter-market spread positions where the legs of the transaction are futures contracts in the same commodity and same calendar month or expiration; (2) spread positions in which one leg is a referenced contract and the other is a commodity derivative contract that is not subject to Federal positions limits (including OTC commodity derivative contracts, but not including commodity index contracts); \558\ (3) a spread between a physically-settled position and a cash-settled position; (4) a spread between two cash-settled contracts; (5) certain cash-and-carry exemptions, subject to certain recommendations and considerations outlined in paragraph (c) of the Commission's guidance in Appendix G of this Final Rule; and (6) spreads that are ``legged in'' or carried out in two steps.--------------------------------------------------------------------------- \558\ To avoid subverting the Commission's policy on not allowing self-effectuating risk management exemptions (except through the pass-through swap provision), the spread transaction definition would not cover a spread position in which one leg is a referenced contract and the other leg is a commodity index contract, as clarified in Appendix G.---------------------------------------------------------------------------b. ``Cash-and-Carry'' Exemptions Second, as mentioned above, paragraph (c) of the guidance recommends certain factors for exchanges to consider when granting cash-and-carry exemptions.\559\ The[[Page 3311]]Commission understands that IFUS has granted this type of calendar spread exemption for some time, and has experience monitoring the use of such exemptions to ensure that its market operates in a manner that is consistent with the applicable DCM Core Principles.\560\ The Commission has, however, previously expressed concern about these exemptions and their impact on the spot month price for a particular futures contract.\561\ In particular, the Commission has explained that a large demand for delivery on cash-and-carry positions might distort the price of the expiring futures contract upwards.\562\ This would particularly be a concern in those commodity markets where price discovery for the cash spot price occurred in the expiring futures contract.\563\--------------------------------------------------------------------------- \559\ As final Appendix G provides, the spread transaction definition in Sec. 150.1 permits transactions commonly known as ``cash-and-carry'' trades whereby a market participant enters a long futures positions in the spot month and an equivalent short futures position in the following month, in order to guarantee a return that, at minimum, covers the costs of its carrying charges. With this exemption, the market participant is able to take physical delivery of the product in the nearby month and may redeliver the same product in a deferred month. \560\ See IFUS at 7-9 and ICE Futures U.S Rule 6.29(e). \561\ See 81 FR at 96833. \562\ Id. \563\ See 81 FR at 96833.--------------------------------------------------------------------------- The Commission recognizes, however, the importance of cash-and-carry positions in the price discovery process in certain markets and reminds exchanges of their responsibility to monitor and safeguard against convergence issues that could arise related to the use of cash-and-carry exemptions. Accordingly, the Commission views these exemptions as a type of calendar spread strategy that warrants additional guidance to encourage exchanges to have suitable safeguards in place to ensure that they grant and monitor cash-and-carry exemptions in a manner that is consistent with their obligation to reduce the potential threat of market manipulation and congestion.c. Treatment of Spread Transactions Involving NYMEX NG Third, the Commission is providing clarification regarding the intersection of the conditional natural gas spot month limit exemption and spread exemptions permitted under Sec. 150.3 As set forth in Appendix G, the Commission reinforces that a spread transaction exemption would not cover natural gas spot month positions that exceed the conditional natural gas spot month limit in Sec. 150.3(a)(4) of this Final Rule. That is, a market participant cannot rely on a spread transaction exemption to hold a spot month position that would exceed the equivalent of 10,000 contracts of the NYMEX Henry Hub Natural Gas core referenced futures contract per exchange that lists a natural gas cash-settled referenced contract. Additional discussion on the natural gas conditional spot month limit exemption is provided further below.\564\--------------------------------------------------------------------------- \564\ See infra Section II.B.3.vi.a (discussing the Federal spot-month limit for natural gas under Sec. 150.2) and Section II.C.6 (discussing the conditional spot-month limit for natural gas under Sec. 150.3(a)(4)).--------------------------------------------------------------------------- As discussed further below, in Sec. 150.3, the Commission is providing an exemption from the Federal spot month position limit level for natural gas. The natural gas conditional spot month limit exemption allows a trader to hold up to: (1) 10,000 spot month cash-settled NYMEX NG referenced contracts per exchange that lists a cash-settled NYMEX NG referenced contract (of which there are currently three--NYMEX, IFUS, and Nodal); and (2) an additional position in cash-settled economically equivalent NYMEX NG OTC swaps that has a notional amount equal to 10,000 equivalent-sized contracts; provided, that the market participant does not hold positions in the spot month of the physically-settled NYMEX NG referenced contract.\565\ The Commission adopted the Federal conditional limit for natural gas in order to avoid disrupting the well-developed, unique liquidity characteristics of the natural gas derivatives markets, in which the cash-settled natural gas referenced contracts, when combined, have significantly higher liquidity than the physically-settled natural gas contracts. The Federal conditional limit requires divestiture of the spot month physically-settled NYMEX referenced contract due to concerns about, among other things, fostering an environment that incentivizes traders to manipulate the physically-settled NYMEX NG referenced contract in order to benefit a larger cash-settled position in natural gas (i.e , ``bang'' or ``mark'' the close). The Commission intends for the natural gas conditional limit's position limit levels to serve as a firm cap for the maximum amount of cash-settled natural gas spot month positions a trader can hold. The Commission clarifies that a person cannot circumvent this cap using a spread transaction exemption.--------------------------------------------------------------------------- \565\ This is different from the final Federal spot month position limits for NYMEX NG, pursuant to which a trader may hold up to: (1) 2,000 cash-settled NYMEX NG referenced contracts per exchange that lists a cash-settled NYMEX NG referenced contract; (2) an additional position in cash-settled economically equivalent NYMEX NG OTC swaps that has a notional amount equal to 2,000 equivalent-sized contracts; and (3) 2,000 physically-settled NYMEX NG referenced contracts.--------------------------------------------------------------------------- That is, the Commission believes that cash-settled natural gas positions that exceed the natural gas conditional limit in the spot month would be unusually large and could potentially have a disruptive effect on the physically-settled natural gas contract, including by inhibiting convergence at expiration. Specifically, by allowing traders to layer additional cash-settled natural gas spot month positions on top of the maximum cash-settled natural gas spot month positions permitted under the natural gas conditional limit, a person could amass an extremely large cash-settled spot month position in natural gas. This extremely large cash-settled spot month position could push prices up for cash-settled spot month contracts vis-[agrave]-vis the physically-settled spot month contracts. In response, arbitrageurs may attempt to capitalize on this price discrepancy by going short the cash-settled spot month contracts, which would have a downward pressure on the price of these contracts, and going long on the physically-settled spot month contracts, which would have an upward pressure on the price of these contracts. This upward price pressure on the physically-settled contract could potentially push the price of the physically-settled contract away from the actual cash price for the natural gas commodity, which could disrupt convergence upon expiration of the physically-settled contract. As such, the Commission clarifies that a person cannot layer a spread exemption on top of the conditional spot month limit in natural gas and thereby circumvent the conditional spot month limit cap.\566\--------------------------------------------------------------------------- \566\ For the avoidance of doubt, traders who avail themselves of a spread exemption and enter into spread positions between the physically-settled NYMEX NG core referenced futures contract during the spot month and one or more cash-settled natural gas referenced contracts or cross commodity contracts, are not allowed under the Final Rule to avail themselves of the natural gas conditional limit until they exit the above-noted spread position.---------------------------------------------------------------------------21. ``Swap'' and ``Swap Dealer''i. Summary of the 2020 NPRM--Swap and Swap Dealer The Commission proposed to incorporate the definitions of ``swap'' and ``swap dealer'' as they are defined in section 1a of the Act and Sec. 1.3 of this chapter.\567\--------------------------------------------------------------------------- \567\ 7 U.S.C 1a(47) and 1a(49); 17 CFR 1.3 ---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Swap and Swap Dealer No commenter addressed the proposed definitions of ``swap'' or ``swap dealer.'' The Commission is adopting these definitions as proposed.[[Page 3312]]22. ``Transition Period Swap''i. Summary of the 2020 NPRM--Transition Period Swap The Commission proposed to create the defined term ``transition period swap'' to mean any swap entered into during the period commencing after the enactment of the Dodd-Frank Act of 2010 (July 22, 2010) and ending 60 days after the publication of a final Federal position limits rulemaking in the Federal Register. As discussed in connection with proposed Sec. 150.3 later in this release, if acquired in good faith, such swaps would be exempt from Federal position limits, although such swaps could not be netted with post-effective date swaps for purposes of complying with spot month speculative position limits.ii. Comments and Summary of the Commission Determination--Transition Period Swap No commenter addressed the proposed definition of ``transition period swap.'' The Commission is adopting the definition as proposed, with two modifications. The Commission is clarifying that a transition period swap is a swap entered into during the period commencing ``on the day of,'' rather than ``after,'' the enactment of the Dodd-Frank Act of 2010 to clarify the ambiguity of the phrase ``after the enactment.'' The Commission is also adding a phrase to clarify that the terms of such swaps ``have not expired as of 60 days after the publication date.'' The Commission intended to include this in the 2020 NPRM, but the language was inadvertently omitted from the proposed definition. This modification conforms to the definition of ``pre-enactment swap,'' which also addresses the timeframe for expiration of a swap's terms.23. Deletion of Sec. 150.1(i)i. Summary of 2020 NPRM--Deletion of Sec. 150.1(i) The Commission proposed to eliminate existing Sec. 150.1(i), which includes a table specifying the ``first delivery month of the crop year'' for certain commodities. The crop year definition had been pertinent for purposes of the spread exemption to the individual month limit in current Sec. 150.3(a)(3), which limits spreads to those between individual months in the same crop year and to a level no more than that of the all-months limit. This provision was pertinent at a time when the single month and all-months-combined limits were different, which is no longer the case.ii. Comments and Summary of the Commission Determination--Deletion of Sec. 150.1(i) No commenter addressed the proposed elimination of existing Sec. 150.1(i). The Commission is adopting as proposed. Now that the current and proposed single month and all months combined limits are the same, and now that the Commission is adopting new enumerated bona fide hedges in Sec. 150.1 and Appendix B to part 150 as well as a new process for granting spread exemptions in Sec. 150.3, this provision is no longer needed.B. Sec. 150.2--Federal Position Limit Levels This section will address the issues related to Federal position limit levels in final Sec. 150.2 in the following order:\568\--------------------------------------------------------------------------- \568\ In connection with the discussion of Sec. 150.2 that appears below, for each numbered section, the Commission generally provides a summary of the proposed approach, a brief overview of the Commission's final determination, a summary of comments, and the Commission's response to comments.--------------------------------------------------------------------------- (1) Background of the existing Federal position limit levels; (2) identification of contracts subject to both Federal spot and non-spot month position limits, and contracts subject only to Federal spot month position limits; (3) Federal spot month position limit levels; (4) Federal non-spot month position limit levels; (5) the establishment of subsequent spot month and non-spot month position limit levels; (6) relevant contract months; (7) limits on ``pre-existing positions''; (8) positions on foreign boards of trade; (9) anti-evasion; (10) netting and Federal position limit levels for cash-settled referenced contracts; and (11) ``eligible affiliates'' and position aggregation. As part of the discussion of Federal spot month position limit levels (noted as issue (3) above and found in Section II.B.3 below), the Commission also will address Federal spot month position limit levels specifically for (i) ICE Cotton No. 2 (CT), (ii) NYMEX Henry Hub Natural Gas (NG), and (iii) the three wheat core referenced futures contracts. Similarly, as part of the discussion of Federal non-spot month position limit levels (noted as issue (4) above and found in Section II.B.4 below), the Commission will also address Federal non-spot month position limit levels specifically for (i) ICE Cotton No. 2 (CT) and (ii) the three wheat core referenced futures contracts.1. Background--Existing Federal Position Limit Levels--Sec. 150.2 Federal spot month, single month, and all-months-combined position limits currently apply to the nine physically-settled legacy ***agricultural*** contracts listed in existing Sec. 150.2, and, on a futures-equivalent basis, to options contracts thereon. Existing Federal position limit levels set forth in Sec. 150.2 \569\ apply net long or net short and are as follows:--------------------------------------------------------------------------- \569\ 17 CFR 150.2 ---------------------------------------------------------------------------[[Page 3313]][GRAPHIC] [TIFF OMITTED] TR14JA21.006 While not explicitly stated in Sec. 150.2, the Commission's practice has been to set Federal spot month position limit levels at or below 25% of deliverable supply based on exchange estimates of deliverable supply (``EDS'') that are verified by the Commission, and to set Federal position limit levels outside of the spot month at 10% of open interest for the first 25,000 contracts of open interest, with a marginal increase of 2.5% of open interest thereafter.2. Application of Federal Position Limits During the Spot Month and the Non-Spot Monthi. Summary of the 2020 NPRM--Application of Federal Position Limits During the Spot Month and the Non-Spot Month The 2020 NPRM imposed Federal position limits during all contract months for the nine legacy ***agricultural*** contracts (and their associated referenced contracts), and only during the spot month for the 16 non-legacy core referenced futures contracts (and their associated referenced contracts) that would be subject to Federal position limits for the first time.\570\ For the 16 non-legacy core referenced futures contracts (and their associated referenced contracts), the 2020 NPRM also required that they be subject to exchange-set position limits or position accountability outside of the spot month.\571\--------------------------------------------------------------------------- \570\ As noted in further detail in Section II.A.16 , their associated referenced contracts are also subject to Federal position limits. \571\ Proposed Sec. 150.5(b)(2). For existing exchange-set position limits, see Market Resources, ICE Futures U.S Website, available at [*https://www.theice.com/futures-us/market-resources*](https://www.theice.com/futures-us/market-resources) (ICE exchange-set position limits); Position Limits, CME Group website, available at [*https://www.cmegroup.com/market-regulation/position-limits.html;*](https://www.cmegroup.com/market-regulation/position-limits.html;) Rules and Regulations of the Minneapolis Grain Exchange, Inc., MGEX, available at [*http://www.mgex.com/documents/Rulebook\_051.pdf*](http://www.mgex.com/documents/Rulebook_051.pdf) (MGEX exchange-set position limits).--------------------------------------------------------------------------- The Commission proposed to maintain (rather than remove) Federal non-spot month position limits for the nine legacy ***agricultural*** contracts, with the modifications described further below, because the Commission has observed no reason to eliminate them.\572\ These non-spot month position limits have been in place for decades, and while the Commission proposed to modify the Federal non-spot month position limit levels, the Commission believed that removing them entirely could potentially result in market disruption. The Commission's position was reinforced by the feedback it received from commercial market participants trading the nine legacy ***agricultural*** contracts who requested that the Commission maintain Federal position limits outside of the spot month in order to promote market integrity.\573\--------------------------------------------------------------------------- \572\ 85 FR at 11628. \573\ Id.---------------------------------------------------------------------------ii. Summary of the Commission Determination--Application of Federal Position Limits During the Spot Month and the Non-Spot Month The Commission is adopting the approach that was proposed in the 2020 NPRM. Under the Final Rule, Federal position limits apply to all 25 core referenced futures contracts during the spot month. The 16 non-legacy core referenced futures contracts subject to Federal position limits for the first time under the Final Rule are subject to Federal position limits only during the spot month (and not outside of the spot month). Outside of the spot month, these 16 core referenced futures contracts are subject only to exchange-set position limits or position accountability.iii. Comments--Application of Federal Position Limits During the Spot Month and the Non-Spot Month Many commenters generally agreed with the proposed approach and supported Federal position limits during the spot month for all 25 core referenced futures contracts, and outside of the spot month for only the nine legacy ***agricultural*** contracts.\574\ The Commission did not receive any comments objecting to Federal spot month position limits for all 25 core referenced futures contracts.--------------------------------------------------------------------------- \574\ See MGEX at 1; CHS at 2; CME Group at 2; IFUS at 2; ICE at 2, 3-4; Chevron at 2; CMC at 6; EEI at 4; FIA at 2; MFA/AIMA at 2-3; NCFC at 4; Shell at 3; PIMCO at 4; SIFMA AMG at 4; Suncor at 2; AQR at 2, 4-5, 7-10; CCI at 2; COPE at 4; IECA at 2; NGSA at 3; CEWG at 3; and AFIA at 2.--------------------------------------------------------------------------- On the other hand, the Commission received comments expressing concern over two related issues. First, a few commenters disagreed with the 2020 NPRM imposing Federal non-spot month position limits on only the nine legacy ***agricultural*** contracts.\575\ NEFI stated that ``the proposed rule arbitrarily fails to establish limits for non-spot month referenced energy contracts'' and stated that ``distributing limits across all[[Page 3314]]months is preferable, as it would protect market convergence and mute disruptive signals from large speculative trades.'' \576\ PMAA echoed similar concerns by stating that there was ``no ***data*** or discussion provided in the proposal indicating why the Commission believes limits for non-spot months are not appropriate.'' \577\--------------------------------------------------------------------------- \575\ In addition to comments from NEFI and PMAA, which are discussed below, AFR and Rutkowski asserted that the 2020 NPRM will likely be ``ineffective in controlling excessive speculation'' due, in part, to its failure to ``impose Federal position limits outside of the current spot month for most commodities (outside of legacy ***agricultural*** commodities).'' AFR at 2 and Rutkowski at 2. \576\ NEFI at 3 and PMAA at 3 (with respect to energy commodity positions, ``[h]istory has shown on a number of occasions that large trades in non-spot months can distort markets and increase volatility''). \577\ PMAA at 3. PMAA also suggested that the Commission apply the ``traditional 2.5% limit formula to energy contracts and economically equivalent energy futures, options, and swaps in non-spot months.''--------------------------------------------------------------------------- Second, commenters also expressed concern that, by only having Federal non-spot month position limits for the nine legacy ***agricultural*** contracts, the Commission is relying too much on the exchanges to address excessive speculation.\578\ In particular, commenters were concerned about the incentives and other conflicts of interest that exchanges may have to permit ``higher trading volumes and large numbers of market participants'' \579\ and about the exchanges' use of position accountability by alleging that it is a ``voluntary'' limit \580\ and pointing to ``recent notable failures in exchange accountability regimes.'' \581\--------------------------------------------------------------------------- \578\ NEFI at 3; PMAA at 3; and IATP at 10. \579\ NEFI at 3. \580\ Id. \581\ IATP at 10. See also PMAA at 3 (``[u]nfortunately, the proposal instead finds accountability limits to be sufficient to manage speculation'').---------------------------------------------------------------------------iv. Discussion of Final Rule--Application of Federal Position Limits During the Spot Month and the Non-Spot Month The Commission is adopting the approach that was proposed in the 2020 NPRM by applying Federal position limits to all 25 core referenced futures contracts during the spot month, but only to the existing nine legacy ***agricultural*** contracts outside of the spot month for the reasons discussed below.a. Response to Comments Opposing the 2020 NPRM's Approach To Subject Only the Nine Legacy ***Agricultural*** Contracts to Federal Non-Spot Month Position Limits The Commission has concluded that, while it may be important and, as described below, necessary \582\ to impose Federal spot month position limits on each core referenced futures contract, the analysis changes with respect to the non-spot month for the following reasons.--------------------------------------------------------------------------- \582\ See infra Section III.E (discussing necessity finding for spot month and non-spot month position limits).--------------------------------------------------------------------------- First, while the Final Rule only applies Federal position limits to the 16 non-legacy core referenced futures contracts during the spot month, the Final Rule requires exchanges to establish either position limit levels or position accountability outside of the spot month for all such contracts.\583\ Accordingly, all 16 non-legacy core referenced futures contracts will be subject to either position limits or position accountability outside of the spot month at the exchange level. Any such exchange-set position limit and position accountability must comply with the standards established by the Commission in final Sec. 150.5(b) including, among other things, that any such levels be ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' \584\ Exchanges are also required to submit any rules adopting or modifying such position limit or position accountability to the Commission in advance of implementation pursuant to part 40 of the Commission's regulations.\585\ Additionally, exchanges are subject to DCM Core Principle 5 or SEF Core Principle 6, as applicable, which establish additional protections against manipulation and congestion.\586\ These tools and legal obligations, in conjunction with surveillance at both the exchange and Federal level, will continue to offer strong deterrence and protection against manipulation and disruptions outside of the spot month.\587\--------------------------------------------------------------------------- \583\ Final Sec. 150.5(b)(2). \584\ Id. \585\ 17 CFR part 40. Under the final ``position accountability'' definition in Sec. 150.1, exchange accountability rules must require a trader whose position exceeds the accountability level to consent to: (1) Provide information about its position to the exchange; and (2) halt increasing further its position or reduce its position in an orderly manner, in each case as requested by the exchange. \586\ Commission regulation Sec. 38.300, which mirrors DCM Core Principle 5, states: ``To reduce the potential threat of market manipulation or congestion (especially during trading in the delivery month), the board of trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators. For any contract that is subject to a position limitation established by the Commission, pursuant to section 4a(a), the board of trade shall set the position limitation of the board of trade at a level not higher than the position limitation established by the Commission.'' 17 CFR 38.300 and 7 U.S.C 7(d)(5). Likewise, Commission regulation Sec. 37.600, which mirrors SEF Core Principle 6, states: ``(a) In general. To reduce the potential threat of market manipulation or congestion, especially during trading in the delivery month, a swap execution facility that is a trading facility shall adopt for each of the contracts of the facility, as is necessary and appropriate, position limitations or position accountability for speculators. (b) Position limits. For any contract that is subject to a position limitation established by the Commission pursuant to section 4a(a) of the Act, the swap execution facility shall: (1) Set its position limitation at a level no higher than the Commission limitation; and (2) Monitor positions established on or through the swap execution facility for compliance with the limit set by the Commission and the limit, if any, set by the swap execution facility.'' 17 CFR 37.600 and 7 U.S.C 7b-3(f)(6). \587\ 85 FR at 11629.--------------------------------------------------------------------------- Second, in response to the concerns expressed by NEFI and PMAA that a lack of Federal non-spot month position limits could harm market convergence and lead to disruptive signals from large speculative trades,\588\ the Commission reiterates that corners and squeezes, and related convergence issues, do not occur outside of the spot month when there is no threat of delivery.\589\ Convergence occurs during the spot month and, specifically, at the expiration of the spot month for a physically-settled contract. As a result, positions outside of the spot month have minimal impact on convergence. The Commission, however, recognizes that it is possible that unusually large positions in contracts outside of the spot month could distort the natural spread relationship between contract months. For example, if traders hold unusually large positions outside of the spot month, and if those traders exit those positions immediately before the spot month, that could cause congestion and also affect the pricing of the spot month contract. While such congestion or price distortion cannot be ruled out, exchange-set position limits and position accountability function to mitigate against such risks. Thus, the position limits framework adopted herein is able to guard against any such possibility through the tools and legal obligations applicable to exchanges that are described in the prior paragraph.--------------------------------------------------------------------------- \588\ NEFI at 3 and PMAA at 3. \589\ In the case of certain commodities, it may become difficult to exert market power via concentrated futures positions in deferred month contracts. For example, a participant with a large cash-market position and a large deferred futures position may attempt to move cash markets in order to benefit that deferred futures position. Any attempt to do so could become muted due to general futures market resistance from multiple vested interests present in that deferred futures month (i.e , the overall size of the deferred contracts may be too large for one individual to influence via cash-market activity). However, if a large position that is accumulated over time in a particular deferred month is held into the spot month, it is possible that such positions could form the groundwork for an attempted corner or squeeze in the spot month.--------------------------------------------------------------------------- Third, limiting Federal non-spot month position limits to the nine legacy ***agricultural*** commodities may limit any market disruptions that could result[[Page 3315]]from adding new Federal non-spot month position limits on certain metal and energy commodities that have never been subject to Federal position limits.\590\--------------------------------------------------------------------------- \590\ 85 FR at 11629.---------------------------------------------------------------------------b. Response to Comments Regarding the Commission's Reliance on Exchanges In response to commenters' specific concerns about the reliance on exchanges' position accountability, the Commission views position accountability outside of the spot month as a more flexible alternative to Federal non-spot month position limits.\591\ Position accountability establishes a level at which an exchange will start investigating a trader's current position. This will include, among other things, asking traders additional questions regarding their strategies and their purpose for the positions, while evaluating them under current market conditions. If a position does not raise any concerns, the exchange will allow the trader to exceed the accountability level. If the position raises concerns, the exchange has the authority to instruct the trader to stop adding to the trader's position, or to reduce the position. Position accountability is a particularly effective tool because it provides the exchanges with an opportunity to intervene once a position hits a relatively low level (vis-[agrave]-vis the level at which a Federal or an exchange position limit level would typically be set), while still affording market participants with the flexibility to establish a position that exceeds the position accountability level if it is justified by the nature of the position and market conditions. Position accountability applies to all participants on the exchange, whether commercial or non-commercial, and regardless of whether the relevant participant would qualify for an exemption.--------------------------------------------------------------------------- \591\ Id.--------------------------------------------------------------------------- The Commission has decades of experience overseeing position accountability implemented by exchanges, including for all 16 non-legacy core referenced futures contracts that are not subject to Federal position limits outside of the spot month.\592\ Based on the Commission's experience, position accountability has functioned effectively.\593\ Furthermore, the Commission notes that position accountability is not the only tool available for exchanges. As noted previously, exchanges can also utilize exchange-set position limits. Several exchanges have set non-spot month position limits for contracts that are not subject to Federal position limits, and all of them appear to have functioned effectively based on the Commission's observation of those markets.\594\--------------------------------------------------------------------------- \592\ See, e.g , 56 FR at 51687 (Oct. 15, 1991) (permitting CME to establish position accountability for certain financial contracts traded on CME); Speculative Position Limits--Exemptions from Commission Rule 1.61, 57 FR 29064 (June 30, 1992) (permitting the use of accountability for trading in energy commodity contracts); and 17 CFR 150.5(e) (2009) (formally recognizing the practice of accountability for contracts that met specified standards). \593\ 85 FR at 11629. \594\ For example, exchanges have set non-spot month position limits for the following core referenced futures contracts, even though such contracts currently are not subject to Federal non-spot month position limits (and will continue to be subject only to Federal spot month position limits under this Final Rule): (1) CME Live Cattle (LC), which has an exchange-set single month position limit level of 6,300 contracts, but no all-months-combined position limit; (2) ICE FCOJ-A (OJ), which has an exchange-set single month position limit level of 3,200 contracts and an all-months-combined position limit level of 3,200 contracts; and (3) ICE Sugar No. 16, which has an exchange-set single month position limit level of 1,000 contracts and an all-months-combined position limit level of 1,000 contracts.--------------------------------------------------------------------------- With respect to IATP's reference to ``recent notable failures'' in position accountability levels, IATP appears to be referencing the events that involve Kraft Foods Group, Inc. and Mondel[emacr]z Global LLC with respect to the CBOT Wheat (W) contract in 2011\595\ and United States Oil Fund, LP (``US Oil'') with respect to the WTI contract earlier this year.\596\ With respect to CBOT Wheat (W), CBOT did not have position accountability for that contract at that time. With respect to the WTI contract, IATP does not describe the failure in position accountability that occurred with respect to US Oil and how such failure resulted in negative prices in the WTI contract.\597\--------------------------------------------------------------------------- \595\ CFTC Charges Kraft Foods Group, Inc. and Mondel[emacr]z Global LLC with Manipulation of Wheat Futures and Cash Wheat Prices (Apr. 1, 2015), U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/PressRoom/PressReleases/7150-15*](https://www.cftc.gov/PressRoom/PressReleases/7150-15). \596\ IATP at 5, 10, and 18. \597\ Id.--------------------------------------------------------------------------- With respect to commenter concerns about the incentives of exchanges, the Commission believes that, although exchanges may have a financial interest in increased trading volume, whether speculative or hedging, the Commission closely oversees the establishment, modification, and implementation of exchange-set position limits and position accountability. As noted above, both exchange-set position limits and position accountability must comply with standards established by the Commission in final Sec. 150.5(b) including, among other things, that any such levels be ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' \598\ Exchanges are also required to submit any rules adopting or modifying exchange-set position limits or position accountability to the Commission in advance of implementation, pursuant to part 40 of the Commission's regulations.\599\ Additionally, exchanges are subject to DCM Core Principle 5 or SEF Core Principle 6, as applicable, which establishes additional protections against manipulation and congestion.\600\ Furthermore, exchange-set position limits and position accountability will be subject to rule enforcement reviews by the Commission.\601\ Finally, the Commission notes that exchanges also have significant financial incentives and regulatory obligations to maintain well-functioning markets. This observation, which has been supported by studies, is discussed in greater detail below.\602\--------------------------------------------------------------------------- \598\ Final Sec. 150.5(b)(2). \599\ 17 CFR part 40. \600\ 17 CFR 38.300 and 17 CFR 37.600 \601\ The Commission conducts regular rule enforcement reviews of each exchange's audit trail, trade practice surveillance, disciplinary, and dispute resolution programs for ongoing compliance with the Core Principles. See Rule Enforcement Reviews of Designated Contract Markets, available at [*https://www.cftc.gov/IndustryOversight/TradingOrganizations/DCMs/dcmruleenf.html*](https://www.cftc.gov/IndustryOversight/TradingOrganizations/DCMs/dcmruleenf.html). \602\ Section II.B.3.iii.b (3)(iii) (Concern over Exchanges' Conflict of Interest and Improper Incentives in Maintaining Their Markets).---------------------------------------------------------------------------3. Federal Spot Month Position Limit Levelsi. Summary of the 2020 NPRM--Federal Spot Month Position Limit Levels[[Page 3316]] Under the 2020 NPRM, the Commission proposed applying Federal spot month position limits to all 25 core referenced futures contracts and any associated referenced contracts.\603\ The spot month limits would apply separately to physically-settled and cash-settled referenced contracts, which meant that a market participant could net positions across physically-settled referenced contracts and separately net positions across cash-settled referenced contracts.\604\ However, the market participant would not be permitted to net cash-settled referenced contracts with physically-settled referenced contracts.\605\ Proposed Sec. 150.2(e) provided that Federal spot month position limit levels would be set forth in proposed Appendix E to part 150.\606\ The proposed spot month position limit levels were as follows:--------------------------------------------------------------------------- \603\ As described below, under the 2020 NPRM, Federal non-spot month position limit levels would only apply to the nine legacy ***agricultural*** contracts and their associated referenced contracts. The 16 non-legacy core referenced futures contracts and their associated referenced contracts would be subject to Federal position limits during the spot month, and exchange-set position limits or position accountability outside of the spot month. \604\ See Section II.B.10 \605\ Id. \606\ Proposed 150.2(e) additionally provided that market participants would not need to comply with the Federal position limit levels until 365 days after publication of the Final Rule in the Federal Register. For further discussion of the Final Rule's compliance and effective dates, see Section I.D (Effective Date and Compliance Period).---------------------------------------------------------------------------BILLING CODE 6351-01-P[GRAPHIC] [TIFF OMITTED] TR14JA21.007 --------------------------------------------------------------------------- \607\ As of October 15, 2020. \608\ CBOT's existing exchange-set position limit level for CBOT Wheat (W) is 600 contracts. However, for its May contract month, CBOT has a variable spot month position limit level that is dependent upon the deliverable supply that it publishes from the CBOT's Stocks and Grain report on the Friday preceding the first notice day for the May contract month. In the last five trading days of the expiring futures month in May, the speculative spot month position limit level is: (1) 600 contracts if deliverable supplies are at or above 2,400 contracts; (2) 500 contracts if deliverable supplies are between 2,000 and 2,399 contracts; (3) 400 contracts if deliverable supplies are between 1,600 and 1,999 contracts; (4) 300 contracts if deliverable supplies are between 1,200 and 1,599 contracts; and (5) 220 contracts if deliverable supplies are below 1,200 contracts. \609\ The proposed Federal spot month position limit levels for CME Live Cattle (LC) would feature step-down limit levels similar to the CME's existing Live Cattle (LC) step-down exchange-set limit levels. The proposed Federal spot month step down limit level is: (1) 600 contracts at the close of trading on the first business day following the first Friday of the contract month; (2) 300 contracts at the close of trading on the business day prior to the last five trading days of the contract month; and (3) 200 contracts at the close of trading on the business day prior to the last two trading days of the contract month. \610\ CME's existing exchange-set limit for Live Cattle (LC) has the following step-down spot month position limit levels: (1) 600 contracts at the close of trading on the first business day following the first Friday of the contract month; (2) 300 contracts at the close of trading on the business day prior to the last five trading days of the contract month; and (3) 200 contracts at the close of trading on the business day prior to the last two trading days of the contract month. \611\ CBOT's existing exchange-set spot month position limit level for Rough Rice (RR) is 600 contracts for all contract months. However, for July and September, there are step-down limit levels from 600 contracts. In the last five trading days of the expiring futures month, the speculative spot month position limit for the July futures month steps down to 200 contracts from 600 contracts and the speculative position limit for the September futures month steps down to 250 contracts from 600 contracts.---------------------------------------------------------------------------[[Page 3317]][GRAPHIC] [TIFF OMITTED] TR14JA21.008 --------------------------------------------------------------------------- \612\ IFUS technically does not have an exchange-set spot month position limit level for ICE Sugar No. 16 (SF). However, it does have a single-month position limit level of 1,000 contracts, which effectively operates as a spot month position limit. \613\ NYMEX recommended implementing the following step-down Federal spot month position limit levels with respect to its Light Sweet Crude Oil (CL) core referenced futures contract: (1) 6,000 contracts as of the close of trading three business days prior to the last trading day of the contract; (2) 5,000 contracts as of the close of trading two business days prior to the last trading day of the contract; and (3) 4,000 contracts as of the close of trading one business day prior to the last trading day of the contract. \614\ In Proposed Sec. 150.3(a)(4), the Commission also proposed an exemption that provided a Federal conditional spot month position limit for NYMEX Henry Hub Natural Gas (NG) (``NYMEX NG'') that permits a market participation that does not hold any positions in the physically-settled NYMEX NG referenced contract to hold: (1) 10,000 NYMEX NG equivalent-sized referenced contracts per exchange that lists a cash-settled NYMEX NG referenced contract; and (2) an additional position in cash-settled economically equivalent swaps with respect to NYMEX NG that has a notional amount equal to 10,000 contracts. \615\ Currently, the cash-settled natural gas contracts are subject to an exchange-set spot month position limit level of 1,000 equivalent-sized contracts per exchange. Currently, there are three exchanges that list cash-settled natural gas contracts--NYMEX, IFUS, and Nodal. As a result, a market participant may hold up to 3,000 equivalent-sized cash-settled natural gas contracts. The exchanges also have a conditional position limit framework for natural gas. The conditional position limit permits up to 5,000 cash-settled equivalent-sized natural gas contracts per exchange that lists such contracts, provided that the market participant does not hold a position in the physically-settled NYMEX NG contract.---------------------------------------------------------------------------BILLING CODE 6351-01-C[[Page 3318]] The proposed Federal spot month position limit levels for all referenced contracts were set at 25% or less of updated EDS and were derived from the recommendations by CME Group,\616\ IFUS,\617\ and MGEX\618\ for each of their respective core referenced futures contracts. Federal spot month position limit levels for any contract with a proposed level above 100 contracts were rounded up to the nearest 100 contracts from the exchange-recommended limit level or from 25% of updated EDS, as applicable.--------------------------------------------------------------------------- \616\ See Summary DSE Proposed Limits, CME Group Comment Letter (Nov. 26, 2019), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). CME Group formally provided recommended Federal spot month position limit levels for each of its core referenced futures contracts. \617\ See IFUS--Estimated Deliverable Supply--Softs Methodology, IFUS Comment Letter (May 14, 2019) and Reproposal--Position Limits for Derivatives (RIN 3038-AD99) and ICE Comment Letter (Feb. 28, 2017) (attached Sept. 28, 2016 comment letter), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596 and Proposed Rule 81 FR 96704, respectively). IFUS did not formally provide recommended Federal spot month position limit levels for each of IFUS's core referenced futures contracts. However, ICE had previously recommended setting Federal spot month position limit levels for IFUS's core referenced futures contracts at 25% of EDS in its comment letter in connection with the 2016 Reproposal and Commission staff also confirmed with ICE/IFUS's representatives that ICE/IFUS's position has remained the same with respect to the Federal spot month position limit levels since the 2016 Reproposal. The Commission notes, however, with respect to ICE Cotton No. 2 (CT), that IFUS has submitted a supplemental comment letter recommending that the Federal spot month position limit level be set at 900 contracts, instead of at 25% of EDS. See IFUS--Estimated Deliverable Supply--Cotton Methodology, August 2020, IFUS Comment Letter (August 27, 2020), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). \618\ See Updated Deliverable Supply ***Data***--Potential Position Limits Rulemaking, MGEX Comment Letter (Aug. 31, 2018), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). MGEX did not formally provide a recommended Federal spot month position limit level for its core referenced futures contract (MGEX Hard Red Spring Wheat (MWE)) because it was opposed to providing a static number for the Federal spot month position limit level that was based on a fixed formula. Instead, MGEX sought to be able to adjust the Federal spot month position limit level based on updated EDS figures and market conditions. However, MGEX stated that the Federal spot month position limit level for MGEX Hard Red Spring Wheat (MWE) should be no lower than 1,000 contracts and also submitted calculations for setting the Federal spot month position limit level at 25% of EDS. Furthermore, MGEX supported setting the Federal spot month position limit level for MGEX Hard Red Spring Wheat (MWE) at 25% of EDS level in its comment letter. MGEX at 3.--------------------------------------------------------------------------- As discussed in the 2020 NPRM, the existing Federal spot month position limit levels have remained constant for decades, but the markets have changed significantly during that time period.\619\ As a result, some of the deliverable supply estimates on which the existing Federal spot month position limits were originally based were decades out of date.\620\--------------------------------------------------------------------------- \619\ 85 FR at 11625. \620\ Id.---------------------------------------------------------------------------ii. Summary of the Commission Determination--Federal Spot Month Position Limit Levelsa. Federal Spot Month Position Limit Levels Adopted as Proposed, Except for ICE Cotton No. 2 (CT) and NYMEX Henry Hub Natural Gas (NG) The Commission is adopting the Federal spot month position limit levels as proposed, except for modifications with respect to ICE Cotton No. 2 (CT) and NYMEX NG. Specifically, the Federal spot month position limit levels for all 25 core referenced futures contracts are set at or below 25% of EDS, except for the cash-settled NYMEX NG referenced contracts. With respect to ICE Cotton No. 2 (CT), the Commission is adopting a lower Federal spot month position limit level of 900 contracts instead of the proposed 1,800 contracts. The reasons for this change are discussed in Section II.B.3.v With respect to NYMEX NG, the Final Rule is adopting the same Federal spot month position limit level as proposed in the 2020 NPRM, but the Final Rule is applying the cash-settled portion of the Federal spot month position limit for NYMEX NG separately for each exchange that lists a cash-settled NYMEX NG referenced contract, as well as the cash-settled NYMEX NG OTC swaps market, rather than on an aggregate basis across all exchanges and the OTC swaps market as it does for each of the other core referenced futures contracts. The reasons for this change are discussed in Section II.B.3.vi (1) The Final Rule Achieves the Four Statutory Objectives in CEA Section 4a(a)(3)(B) Before summarizing and addressing comments below regarding the proposed Federal spot month position limit levels, the Commission states at the outset that the final Federal spot month position limit levels, in conjunction with the rest of the Federal position limits framework, will achieve the four policy objectives in CEA section 4a(a)(3)(B). Namely, they will: (1) Diminish, eliminate, or prevent excessive speculation; (2) deter and prevent market manipulation, squeezes, and corners; (3) ensure sufficient market liquidity for bona fide hedgers; and (4) ensure that the price discovery function of the underlying market is not disrupted.\621\--------------------------------------------------------------------------- \621\ 7 U.S.C 6a(a)(3)(B).--------------------------------------------------------------------------- In achieving these four statutory objectives, the Commission first believes that the Federal spot month position limit levels are low enough to prevent excessive speculation and also protect price discovery. Setting the Federal spot month position limit levels at or below 25% of EDS is critically important because it would be difficult, in the absence of other factors, for a market participant to corner or squeeze a market if the participant holds less than or equal to 25% of deliverable supply.\622\ This is because, among other things, any potential economic gains resulting from the manipulation may be insufficient to justify the potential costs, including the costs of acquiring and ultimately offloading the positions used to effectuate the manipulation.\623\ By restricting positions to a proportion of the deliverable supply of the commodity, the Federal spot month position limits require that no one speculator can hold a position larger than 25% of deliverable supply, reducing the possibility that a market participant can use derivatives, including referenced contracts, to affect the price of the cash commodity (and vice versa). Limiting a speculative position based on a percentage of deliverable supply also restricts a speculative trader's ability to establish a leveraged position in cash-settled derivative contracts, reducing that trader's incentive to manipulate the cash settlement price. Further, by finalizing levels that are sufficiently low to prevent market manipulation, including corners and squeezes, the levels also help ensure that the price discovery function of the underlying market is not disrupted, because markets that are free from corners, squeezes, and other manipulative activity reflect fundamentals of supply and demand, rather than artificial pressures.--------------------------------------------------------------------------- \622\ 85 FR at 11625-11626. \623\ Id.--------------------------------------------------------------------------- The Commission also believes that the Federal spot month position limit levels adopted herein are high enough to ensure that there is sufficient market liquidity for bona fide hedgers.\624\ The[[Page 3319]]Commission has not observed a general lack of liquidity for bona fide hedgers in the markets for the 25 core referenced futures contracts, which are some of the most liquid markets overseen by the Commission.\625\ By generally increasing the existing Federal spot month position limit levels for the nine legacy ***agricultural*** contracts based on updated ***data***, and by adopting Federal spot month position limit levels that are generally equal to or higher than existing exchange-set levels for the 16 non-legacy core referenced futures contracts, the Commission does not expect the final Federal position limit levels to reduce liquidity for bona fide hedgers.\626\--------------------------------------------------------------------------- \624\ CEA section 4a(a)(1) requires the Commission to address ``[e]xcessive speculation . . . causing sudden or unreasonable fluctuations or unwarranted [price] changes . . . .'' Speculative activity that is not ``excessive'' in this manner is not a focus of CEA section 4a(a)(1). Rather, speculative activity may generate liquidity, including liquidity for bona fide hedgers, by enabling market participants with bona fide hedging positions to trade more efficiently. Setting position limits too low could result in reduced liquidity, including for bona fide hedgers. 85 FR at 11626. \625\ 85 FR at 11626. The Commission notes that it has observed a brief period of illiquidity during the early part of the spot month for ICE Cotton No. 2 (CT), which is discussed in Section II.B.3.v \626\ Id. Eighteen of the core referenced futures contracts will have Federal spot month position limit levels that are higher than current exchange-set spot month position limit levels. CME Live Cattle (LC), COMEX Gold (GC), COMEX Copper (HG), CBOT Oats (O), NYMEX Platinum (PL), and NYMEX Palladium (PA) will have Federal spot month position limit levels that are equal to the current exchange-set spot month position limit levels. Finally, although currently there is technically no exchange-set spot month position limit for ICE Sugar No. 16 (SF), this contract is subject to a single month position limit level of 1,000 contracts, which effectively serves as its spot month position limit level. As a result, the Federal spot month position limit level for ICE Sugar No. 16 (SF) will effectively be higher than its current exchange-set spot month position limit level.--------------------------------------------------------------------------- Furthermore, the Commission has previously stated that ``there is a range of acceptable limit levels,'' \627\ and continues to believe that is true.\628\ There is no single ``correct'' spot month position limit level for a given contract, and it is likely that a number of limit levels within a certain range could effectively achieve the four policy objectives in CEA section 4a(a)(3)(B).\629\ The Commission believes that the spot month position limit levels adopted herein fall within a range of acceptable levels.\630\ This determination is based on the Commission's experience in administering its own Federal position limits regime, overseeing exchange-set position limits, and being closely involved in determining the EDS figures underlying the position limit levels, as well as the fact that the Federal spot month position limit levels are generally set at or below 25% of EDS.\631\--------------------------------------------------------------------------- \627\ See, e.g , Revision of Federal Speculative Position Limits, 57 FR 12766, 12770 (Apr. 13, 1992). \628\ 85 FR at 11627. \629\ Id. \630\ Id. \631\ The exception to this is the cash-settled NYMEX NG referenced contracts, which is discussed in detail in Section II.B.3.vi --------------------------------------------------------------------------- In addition, the Federal spot month position limit levels are properly calibrated to ***account*** for differences between markets. For example, the Commission considered the unique delivery mechanisms for CME Live Cattle (LC) and the NYMEX metals core referenced futures contracts in calibrating the Federal spot month position limit levels for those contracts.\632\ The Commission also considered the volatility of the EDS for COMEX Copper (HG) in determining its limit level.\633\ Furthermore, with respect to NYMEX NG, the Commission, in fine-tuning the proposed limits, considered: the underlying natural gas infrastructure vis-[agrave]-vis commodities underlying other energy core referenced futures contracts; the relatively high liquidity in the cash-settled markets; and the public comments received in response to the 2020 NPRM.\634\--------------------------------------------------------------------------- \632\ 85 FR at 11627. \633\ Id. at 11628. \634\ Id.---------------------------------------------------------------------------(2) Federal Position Limit Levels Operate as Ceilings Finally, consistent with the 2020 NPRM and the Final Rule's position limits framework that leverages existing exchange-level programs and expertise, the Federal position limit levels operate as ceilings. This framework, with Federal spot month limits layered over exchange-set limits, achieves the Commission's objectives in preventing market manipulation, squeezes, corners, and excessive speculation while also ensuring sufficient market liquidity for bona fide hedgers and avoiding a disruption of the price discovery function of the underlying market. This is, in part, because a layered approach facilitates more expedited responses to rapidly evolving market conditions through exchange action. Under the Final Rule, exchanges are required to set their own spot month position limit levels at or below the respective Federal spot month position limit levels.\635\ They are also permitted to adjust those levels based on market conditions as long as they are set at or below the Federal spot month position limit levels. Exchanges may also impose liquidity and concentration surcharges to initial margin if they are vertically integrated with a derivatives clearing organization.\636\ All of these exchange actions can be implemented significantly faster than Commission action, and an immediate response is critical in managing rapidly evolving market conditions. As a result, by having the Federal position limit levels function as ceilings, the position limits framework adopted in this Final Rule will allow exchanges to lower or raise their position limit levels across a greater range of acceptable Federal position limit levels, which will facilitate a faster response to more varied market conditions than if the Federal position limit levels did not operate as ceilings.--------------------------------------------------------------------------- \635\ Final Sec. 150.5(a). For the nine legacy ***agricultural*** contracts, the Final Rule also requires exchanges to set their own non-spot month position limit levels at or below the respective Federal non-spot month position limit level. For the 16 non-legacy core referenced futures contracts, final Sec. 150.5(b)(2) requires exchanges to implement either position limits or position accountability during the non-spot month for physical commodity derivatives that are not subject to Federal position limits ``at a level that is necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' \636\ 85 FR at 11633.---------------------------------------------------------------------------iii. Comments and Discussion of Final Rule--Federal Spot Month Position Limit Levels Many commenters supported the proposed Federal spot month position limit levels and the method by which the Commission determined those limit levels.\637\ However, some commenters raised concerns or otherwise commented with respect to: (1) The proposed Federal spot month position limit levels and the methodology used to arrive at those levels generally; (2) the Commission's review of exchanges' EDS figures and their recommended spot month position limit levels; (3) a lack of a phase-in for Federal spot month position limit levels; (4) the proposed spot month position limit level for ICE Cotton No. 2 (CT); (5) the proposed spot month position limit level for NYMEX NG and other issues relating to NYMEX NG; and (6) the issue of parity among the proposed Federal spot month position limit levels for the three wheat core referenced futures contracts. The Commission will discuss each of these issues, the related comments, and the Commission's corresponding determination in greater detail below.--------------------------------------------------------------------------- \637\ See ASR at 2; CCI at 2; Shell at 3; EEI/EPSA at 3; Suncor at 2, CEWG at 3; COPE at 2, 4; SIFMA AMG at 3-4; MGEX at 1; 3; MFA/AIMA at 1; AFIA at 1; CMC at 6; NGFA at 3; PIMCO at 6; CME Group at 4-6; NOPA at 1; FIA at 2; and AQR at 8-10.---------------------------------------------------------------------------a. Federal Spot Month Position Limit Levels and the Commission's Underlying Methodology, Generally(1) Comments--Federal Spot Month Position Limit Levels and the Commission's Underlying Methodology, Generally Better Markets objected to the Commission's proposed Federal spot month position limit levels and[[Page 3320]]suggested that there should be a presumption that the Federal spot month position limit levels be set at 10% of EDS, which could be adjusted as needed.\638\ Another commenter, PMAA, requested Federal spot month position limit levels of less than 25% of EDS, but did not provide a specific level or a range of levels.\639\ Other commenters believed that the proposed spot month levels were generally too high merely because they were higher than existing levels.\640\--------------------------------------------------------------------------- \638\ Better Markets at 41. \639\ PMAA at 2. \640\ AFR at 2 and Rutkowski at 2.--------------------------------------------------------------------------- In support of its suggestion, Better Markets claimed that, ``speculative trading has been sufficient to accommodate legitimate hedging at currently permissible levels,'' noting that the Commission has previously stated that ``open interest and trading volume have reached record levels'' and ``the 25 [core referenced futures contracts] represent some of the most liquid markets overseen by the [CFTC].'' \641\ Better Markets also claimed that, if the Commission conducted a study as to whether the increase in open interest for ``particular [core referenced futures contracts] would warrant lower speculative position limits,'' those studies would have shown that substantially lower position limit levels would be warranted.\642\ Better Markets also took issue with the Commission's 25% or less of EDS formula as a basis for determining Federal spot month position limit levels by stating, ``while deliverable supply must be one key measure for constraining speculation, it is not sufficient to address all statutory objectives for Federal position limits.'' \643\--------------------------------------------------------------------------- \641\ Better Markets at 37-38. \642\ Id. at 38. \643\ Id. at 37.---------------------------------------------------------------------------(2) Discussion of Final Rule--Federal Spot Month Position Limit Levels and the Commission's Underlying Methodology, Generally The Commission declines to adopt a 10% of EDS across-the-board Federal spot month position limit level, or a general reduction in Federal spot month position limit levels to a level below 25% of EDS for those core referenced futures contracts with a proposed position limit level set at 25% of EDS. In response to Better Markets' suggestion to adopt Federal spot month position limit levels set at 10% of EDS, the Commission first notes that, although Better Markets provided some arguments for why the Commission should consider lower Federal position limit levels, Better Markets did not provide any support for the 10% level that it suggested, including any support for the comment letter's implication that setting limits at or below 25% of EDS is insufficient to prevent corners and squeezes. Likewise, PMAA did not provide any support for adopting Federal spot month position limit levels of less than 25% of EDS, other than claiming that a ``spot month limit of 25 percent of deliverable supply is not sufficiently aggressive to deter excessive speculation'' and ``prevent market manipulation.'' \644\--------------------------------------------------------------------------- \644\ PMAA at 2.--------------------------------------------------------------------------- The 25% or less of EDS formula that the Commission is utilizing, and has utilized for many years, is a longstanding methodology that was adopted to address corners and squeezes based on the Commission's experience.\645\ Also, as described in detail above, the Commission believes that the position limits framework in both the 2020 NPRM and the Final Rule that incorporates the 25% or less of EDS formula achieves the Commission's statutory objectives in preventing market manipulation, squeezes, corners, and excessive speculation while also ensuring sufficient market liquidity for bona fide hedgers and avoiding a disruption of the price discovery function of the underlying market.--------------------------------------------------------------------------- \645\ See e.g , Chicago Board of Trade Futures Contracts in Corn and Soybeans; Order To Change and To Supplement Delivery Specifications, 62 FR 60831, 60838 (Nov. 13, 1997) (``The 2,400-contract level of deliverable supplies constitutes four times the speculative position limit for the contract, a benchmark historically used by the Commission's staff in analyzing the adequacy of deliverable supplies for new contracts'').--------------------------------------------------------------------------- In addition, the Final Rule's position limits framework further addresses the statutory objectives of CEA section 4a(a)(3)(B) by utilizing the Federal position limit levels as a ceiling and leveraging the exchanges' expertise and experience in determining and adjusting exchange-set position limit levels for their referenced contracts as appropriate, as long as they are under the Federal position limit levels.\646\ This exchange action can be effectuated significantly faster than a Federal position limit level adjustment, which requires the Commission to engage in a rulemaking process that includes a notice-and-comment period. As a result, compared to the alternative approaches suggested by commenters, this framework will generally facilitate a more expedited response to a more varied set of market conditions, because the exchanges can lower or raise their position limit levels across a greater range of acceptable Federal position limit levels.--------------------------------------------------------------------------- \646\ See 85 FR at 11629, 11633.--------------------------------------------------------------------------- In response to Better Markets' claim that the Federal spot month position limit levels should not be adjusted upward as a result of the higher open interest levels and trading volumes that exist today because they demonstrate that there are sufficient levels of speculation and liquidity under the current rules, the Commission first notes that Better Markets did not provide a methodology based on open interest and/or trading volume that the Commission should consider as an alternative to the Commission's 25% or less of EDS approach. Regardless, the Commission believes that EDS is the more appropriate basis by which the Commission should adjust Federal spot month position limit levels, rather than open interest and/or trading volume, because the likelihood of a corner or squeeze occurring in the spot month is more closely correlated with the percentage of deliverable supply that a market participant controls. Corners and squeezes are possible in the spot month only because of the imminent prospect of making or taking delivery in the physically-settled contract. Therefore, understanding the amount of deliverable supply in the spot month is critically important.\647\ Accordingly, the Commission, in consultation with the exchanges, estimated the amount of the underlying commodity available at the specified delivery points in the core referenced futures contract that meet the quality standards set forth in the core referenced futures contract's terms and conditions in order to understand the size of the relevant commodity market underlying each core referenced futures contract. Once the Commission determined that information in the form of an EDS figure, the Commission was able to determine whether a Federal spot month position limit level would advance the statutory objectives of CEA section 4a(a)(3)(B), including preventing corners and squeezes.--------------------------------------------------------------------------- \647\ Deliverable supply is the quantity of the commodity that meets contract specifications that is reasonably expected to be readily available to short traders and salable by long traders at its market value in normal cash-marketing channels at the contract's delivery points during the specified delivery period, barring abnormal movements in interstate commerce. 17 CFR part 38, Appendix C.--------------------------------------------------------------------------- A spot month position limit methodology based on open interest and/or trading volume does not take into ***account*** the central factors that make corners and squeezes possible (i.e , the imminent prospect of delivery on a physically-settled contract and the deliverable supply of an underlying[[Page 3321]]commodity). Also, open interest and trading volume in an expiring physically-settled contract generally declines as the contract nears expiration, as most traders are not looking to make or take delivery of the underlying commodity. As a result, they would likely not provide additional insights that would materially inform the Commission's determination of Federal spot month position limit levels in a way that is responsive to CEA section 4a(a)(3)(B). Furthermore, the Commission did not adjust the Federal spot month position limit levels merely by applying a percentage to EDS. As discussed in further detail below, the Commission proposed Federal spot month position limit levels only after the Commission: (1) Extensively reviewed and verified the underlying methodology for each core referenced futures contract's EDS figure; and (2) reviewed the recommended Federal spot month position limit levels from exchanges that are thoroughly knowledgeable about their own respective core referenced futures contracts' markets in order to determine whether they advanced the policy objectives of CEA section 4a(a)(3)(B). Also, in adopting the final Federal spot month position limit levels, the Commission also considered comments from market participants, including comments from the end-users of these markets. On a related note, Better Markets and PMAA appear to have misunderstood the proposed Federal spot month position limit levels and the methodology on which they were based.\648\ The Commission did not propose an across-the-board Federal level set at 25% of EDS. As noted above, the Commission's methodology sets Federal spot month position limit levels at or below 25% of EDS for each particular commodity.\649\ As a result, under the Final Rule, only seven of 25 core referenced futures contracts have Federal spot month position limit levels at 25% of EDS. With respect to the 18 remaining core referenced futures contracts, all 18 are set below 20% of EDS, 14 are below 15% of EDS, and eight are already below the 10% of EDS threshold recommended by Better Markets.\650\ With respect to the petroleum core referenced futures contracts with which PMAA is most likely concerned (i.e , NYMEX Light Sweet Crude Oil (CL), NYMEX NYH ULSD Heating Oil (HO), and NYMEX RBOB Gasoline (RB)), all three levels are at or below 11.16% of EDS.--------------------------------------------------------------------------- \648\ See Better Markets at 39-40 and PMAA at 2. \649\ 85 FR at 11624. \650\ For CME Live Cattle (LC) and NYMEX Light Sweet Crude Oil (CL), which have step-down Federal spot month position limit levels, these percentages were calculated using the first and highest step.---------------------------------------------------------------------------b. Commission Review of Exchanges' EDS Figures and Recommended Federal Spot Month Position Limit Levels(1) Additional Background Information--Commission Review of Exchanges' EDS Figures and Recommended Federal Spot Month Position Limits In connection with the 2020 NPRM, the Commission received deliverable supply estimates and recommended Federal spot month position limit levels from CME Group, ICE, and MGEX for their respective core referenced futures contracts.\651\ Commission staff reviewed these recommendations and conducted its own analysis of them using its own experience, observations, and knowledge.\652\ This included closely and independently assessing the EDS figures upon which the recommended limit levels were based.\653\ In reviewing the recommended spot month position limit levels, the Commission considered the four policy objectives in CEA section 4a(a)(3)(B) and preliminarily determined that none of the recommended levels appeared improperly calibrated such that they might hinder liquidity for bona fide hedgers or invite excessive speculation, manipulation, corners, or squeezes, including activity that could impact price discovery.\654\ As a result, the Commission proposed to adopt each of the exchange-recommended spot month position limit levels as Federal spot month position limit levels.\655\--------------------------------------------------------------------------- \651\ See supra n.616, n.617, and n.618 \652\ 85 FR at 11625. \653\ Id. at 11625-11626. \654\ Id. at 11625. \655\ Id. Also, a more detailed discussion about the methodology employed by the Commission in determining proposed Federal spot month position limit levels can be found at 85 FR at 11625-11628.---------------------------------------------------------------------------(2) Comments--Commission Review of Exchanges' EDS Figures and Recommended Federal Spot Month Position Limit Levels The Commission received several comments concerning the Commission's review and verification of the EDS figures and the rationale used by the Commission in accepting the spot month position limit levels that were recommended by exchanges. One commenter, EPSA, supported adopting CME Group's EDS figures for energy commodities, stating that exchanges are in the ``best position to provide accurate and current information on the markets.'' \656\ However, other commenters expressed concerns. Better Markets commented that the Commission failed to ``explain the means by which the DCM-provided ***data*** was collected and later `verified' in arriving at proposed spot month position limits, nor the dependencies of the DCM methodologies employed to arrive at those estimates.'' \657\ Similarly, IATP commented that the 2020 NPRM provided insufficient detail about how the Commission concluded that the exchange-recommended spot month position limit levels were appropriate and how the Commission determined that the EDS figures submitted by the exchanges were reasonable.\658\ On a related note, PMAA commented that the exchanges should not be providing EDS figures and that the Commission instead should ``retain exclusive discretion in determining `deliverable supply' for the purposes of establishing speculative position limits'' and ``consult with . . . market experts when determining `deliverable supply' and formulating limits.'' \659\ Furthermore, CME Group recommended ``that the Commission not adopt final spot month position limit levels at 25% of deliverable supply as a rigid formula and . . . work with the exchange to determine an appropriate limit based on the market dynamics.'' \660\ Likewise, MGEX commented that it ``fundamentally disagrees with the 25% formulaic calculation for the spot month position, especially if a limit is codified by rule and does not allow for adjustments as deliverable supply changes.'' \661\--------------------------------------------------------------------------- \656\ EPSA at 3. \657\ Better Markets at 36. \658\ IATP at 9. \659\ PMAA at 2-3 (these market experts include governmental entities, such as the Department of Energy's Energy Information Administration and the U.S Department of ***Agriculture***, academics, and representatives of industries that produce, refine, process, store, transport, market, and consume the underlying commodity). \660\ CME Group at 5-6. Specifically, CME Group believed that using a 25% of EDS formula ``as a fixed formula for establishing recommended limits . . . is unsound as a matter of policy and incompatible with the Commission's statutory authority to determine that a specific position limit is necessary and set it at an appropriate level.'' \661\ Updated Deliverable Supply ***Data***--Potential Position Limits Rulemaking, MGEX Comment Letter (Aug. 31, 2018) at 2, available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596).--------------------------------------------------------------------------- Finally, Better Markets also raised concerns about the incentives of exchanges as public, for-profit enterprises, presumably, in part, because the exchanges submitted the EDS figures, upon which the Federal spot month position limit levels are[[Page 3322]]based.\662\ Specifically, Better Markets stated that exchanges ``must balance the interests of their shareholders against the public interest and their commercial interests in market integrity'' and, as a result, may be incentivized to permit ``speculation--even excess speculation,'' because it ``is a key revenue driver.'' \663\--------------------------------------------------------------------------- \662\ Better Markets at 22. \663\ Id. at 22-23. Better Markets referenced CME Group Inc.'s Form 10-K filings, which stated that ``[t]he adoption and implementation of position limits rules . . . could have a significant impact on our commodities business if Federal rules for position limit management differ significantly from current exchange-administered rules.''---------------------------------------------------------------------------(3) Discussion of Final Rule--Commission Review of Exchanges' EDS Figures and Recommended Federal Spot Month Position Limit Levels The Commission declines to utilize a different methodology and process for determining EDS figures and Federal spot month position limit levels.(i) Determination of EDS Figures In response to comments concerning the Commission's EDS determinations, the Commission notes that its process for reviewing and verifying the EDS figures provided by exchanges entailed extensive independent review and analysis of each EDS figure and its underlying methodology, and the Commission retained exclusive discretion to determine the reasonableness of the EDS figures. This review and analysis by Commission staff occurred prior to the exchanges' formal EDS submissions, during which time Commission staff verified that each exchange's EDS figure for each commodity underlying a core referenced futures contract was reasonable. In doing so, Commission staff confirmed that the methodology and the ***data*** \664\ for the underlying commodity for each core referenced futures contract reflected the commodity characteristics \665\ described in the core referenced futures contract's terms and conditions, while also recognizing that more than one methodology and one set of assumptions, allowances, and ***data*** sources could result in a reasonable EDS figure for a commodity. In addition, Commission staff replicated the exchanges' EDS figures using the methodology provided. For some commodities, Commission staff also determined the reasonableness of an exchange's EDS by constructing an alternate EDS using an alternate methodology using other available ***data*** and comparing that internal EDS with the exchange's EDS. In some cases, Commission staff consulted industry experts and market participants to verify that the assumptions and allowances used by the EDS methodology were reasonable and that the EDS figure itself was reasonable.--------------------------------------------------------------------------- \664\ The ***data*** underlying the EDS figures are from sources that Commission staff had determined as accurately representing the underlying commodity. These were typically from publicly available sources. For example, these include ***data*** published by the U.S Department of Energy for NYMEX Light Sweet Crude Oil (CL), ***data*** published by the U.S Department of ***Agriculture*** for CBOT Soybeans (S), ***data*** published by the Florida Department of Citrus for ICE FCOJ-A (OJ), and ***data*** published by CME Group concerning the gold inventories at its approved depositories for COMEX Gold (GC). Furthermore, most ***data*** sources were also adjusted based on interviews with market experts and market participants in order to better reflect the actual deliverable supply by taking into consideration the amount of time it takes to move the commodity to/from the delivery points, quality standards, and supplies that are not readily available due to being tied up in long-term contracts. \665\ These characteristics are provided in the guidance in section (b)(1)(i) of Appendix C to part 38, and include, among other things, the commodity's quality and grade specifications, delivery points (including storage capacity), historic storage levels, processing capacity, and adjustments to remove supply that is committed for long-term contracts and not available to underlie a futures contract. The verified EDS for each commodity reflects the quantity of the commodity that can be reasonably expected to be readily available to short traders and salable by long traders at its market value in normal cash-marketing channels at the contract's delivery points during the specified delivery period, barring abnormal movements in interstate commerce.--------------------------------------------------------------------------- When Commission staff identified any issues during the review process, they raised those concerns with the exchanges in order to revise the methodologies, including the assumptions, allowances, and ***data*** sources used therein. As a result, when the exchanges formally submitted their EDS figures, both the EDS figures and the methodologies underlying their calculations had been thoroughly reviewed and analyzed by Commission staff, and some had been refined based on input from Commission staff. The EDS figures and the methodologies used were published in the comment section of the 2020 NPRM on the Commission's website and have been available for review by the public.\666\--------------------------------------------------------------------------- \666\ See IFUS--Estimated Deliverable Supply--Softs Methodology, IFUS Comment Letter (May 14, 2019); Updated Deliverable Supply ***Data***--Potential Position Limits Rulemaking, MGEX Comment Letter (Aug. 31, 2018); and Summary DSE Proposed Limits, CME Group Comment Letter (Nov. 26, 2019) (CME Group also provided separate EDS methodology submissions for each of its 18 core referenced futures contracts, which can also be found in the comment file), all available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596).--------------------------------------------------------------------------- Additionally, for the past 10 years, commenters to previous Federal position limits rule proposals have consistently recommended that the EDS figures should be supplied by exchanges, given the exchanges' expertise with their own contract markets and because of the experience they have in producing such figures.\667\ The Commission has agreed and continues to agree with those comments. As a result, Commission staff has also previously worked in collaboration with the exchanges as part of an iterative process to review and refine the methodologies, assumptions, allowances, and ***data*** sources used in calculating the EDS figure for each commodity underlying a core referenced futures contract.--------------------------------------------------------------------------- \667\ See e.g 81 FR at 96754, n.495 (listing the commenters that expressed the view that exchanges are best able to determine appropriate spot month position limits and that the Commission should defer to their expertise).---------------------------------------------------------------------------(ii) Determination of Federal Spot Month Position Limit Levels In response to comments concerning the Commission's determination of the Federal spot month position limit levels, the Commission first notes that exchanges were invited to submit their recommended Federal spot month position limit levels for their respective core referenced futures contracts. In response, CME Group,\668\ ICE,\669\ and MGEX \670\ provided recommended levels for their core referenced futures contracts.--------------------------------------------------------------------------- \668\ See supra n.616 \669\ See supra n.617 \670\ See supra n.618 --------------------------------------------------------------------------- When deciding whether to adopt, reject, or modify the exchange-recommended position limit levels, the Commission considered a variety of factors, including whether the recommended level: (i) Was consistent with the 25% or less of EDS formula, as provided in the guidance in Appendix C to part 38; (ii) reflected changes in the EDS of the underlying commodity and trading activity in the core referenced futures contract; and (iii) achieved the four policy objectives in CEA section 4a(a)(3)(B). Furthermore, as described in detail above, the Commission also thoroughly reviewed the methodologies for determining the EDS figures upon which the exchange-recommended spot month position limit levels are based. Finally, the Commission also considered input from market participants concerning the EDS figures and the exchange-recommended Federal position limit levels in recalibrating the Federal position limit levels, as it has done for ICE Cotton No. 2 (CT) and NYMEX Henry Hub Natural Gas (NG) in this Final Rule, as discussed further below.[[Page 3323]](iii) Concern Over Exchanges' Conflict of Interest and Improper Incentives in Maintaining Their Markets In response to Better Markets' concern about the incentives of exchanges as public, for-profit businesses, as a preliminary matter, the Commission acknowledges that exchanges have a financial interest in increased trading volume, whether speculative or hedging, and, as a result, may be incentivized to increase EDS figures and recommend higher position limit levels. However, as previously discussed, the Commission independently assessed and verified the exchanges' EDS estimates. Specifically, the Commission: (1) Worked closely with the exchanges to independently verify that all EDS methodologies and figures were reasonable; \671\ and (2) reviewed each exchange-recommended level for compliance with the requirements established by the Commission and/or by Congress, including those in CEA section 4a(a)(3)(B).\672\ Also, as discussed at length above, the Commission conducted its own analysis of the exchange-recommended Federal spot month position limit levels and determined that the levels adopted herein: (1) Are low enough to diminish, eliminate, or prevent excessive speculation and also protect price discovery; (2) are high enough to ensure that there is sufficient market liquidity for bona fide hedgers; (3) fall within a range of acceptable limit levels; and (4) are properly calibrated to ***account*** for differences between markets. Thus, the Commission believes that the impact, if any, of such financial incentives were sufficiently mitigated through the Commission's close review of the methodology underlying the EDS figures, the EDS figures themselves, and the recommended Federal position limit levels.--------------------------------------------------------------------------- \671\ As discussed in detail above, the verification involved: Confirming that the methodology and ***data*** for the underlying commodity reflected the commodity characteristics described in the core referenced futures contract's terms and conditions; replicating exchange EDS figures using the methodology provided by the exchange; and working with the exchanges to revise the methodologies as needed. \672\ See Section II.B.3.iii.b (3).--------------------------------------------------------------------------- The Commission also notes that exchanges have significant incentives and obligations to maintain well-functioning markets as self-regulatory organizations that are themselves subject to regulatory requirements. Specifically, the DCM and SEF Core Principles, as applicable, require exchanges to, among other things, list contracts that are not readily susceptible to manipulation, and surveil trading on their markets to prevent market manipulation, price distortion, and disruptions of the delivery or cash-settlement process.\673\ Exchanges also have significant incentives to maintain well-functioning markets to remain competitive with other exchanges. Market participants may choose exchanges that are less susceptible to sudden or unreasonable fluctuations or unwarranted changes caused by excessive speculation or corners, squeezes, and manipulation, which could, among other things, harm the price discovery function of the commodity derivative contracts and negatively impact the delivery of the underlying commodity, bona fide hedging strategies, and market participants' general risk management.\674\ Furthermore, several academic studies, including one concerning futures exchanges and another concerning demutualized stock exchanges, support the conclusion that exchanges are able to both satisfy shareholder interests and meet their self-regulatory organization responsibilities.\675\--------------------------------------------------------------------------- \673\ 17 CFR 38.200; 17 CFR 38.250; 17 CFR 37.300; and 17 CFR 37.400 \674\ Kane, Stephen, Exploring price impact liquidity for December 2016 NYMEX energy contracts, n.33, available at [*https://www.cftc.gov/sites/default/files/idc/groups/public/@economicanalysis/documents/file/oce\_priceimpact.pdf*](https://www.cftc.gov/sites/default/files/idc/groups/public/@economicanalysis/documents/file/oce_priceimpact.pdf). \675\ See David Reiffen and Michel A. Robe, Demutualization and Customer Protection at Self-Regulatory Financial Exchanges, Journal of Futures Markets, Vol. 31, 126-164, Feb. 2011 (in many circumstances, an exchange that maximizes shareholder (rather than member) income has a greater incentive to aggressively enforce regulations that protect participants from dishonest agents); and Kobana Abukari and Isaac Otchere, Has Stock Exchange Demutualization Improved Market Quality? International Evidence, Review of Quantitative Finance and ***Accounting***, Dec 09, 2019, [*https://doi.org/10.1007/s11156-019-00863-y*](https://doi.org/10.1007/s11156-019-00863-y) (demutualized exchanges have realized significant reductions in transaction costs in the post-demutualization period).---------------------------------------------------------------------------iv. Phase-In of Federal Spot Month Position Limit Levelsa. Summary of the 2020 NPRM--Phase-In of Federal Spot Month Position Limit Levels The 2020 NPRM did not include a phase-in mechanism in which the Commission would gradually adjust the Federal position limit levels over a period of time. As a result, under the 2020 NPRM, the proposed Federal spot month position limit levels for all core referenced futures contracts would immediately go into effect on the proposed effective date.b. Summary of the Commission Determination--Phase-In of Federal Spot Month Position Limit Levels The Commission declines to adopt a formal phase-in for the Federal spot month position limit levels, because it believes that the markets would operate in an orderly fashion with the Federal position limit levels adopted under this Final Rule. However, as a practical matter, the Commission notes that the operative spot month position limit levels for market participants trading in exchange-listed referenced contracts will be the exchange-set spot month position limit levels, which will continue to remain at their existing levels unless and until an exchange affirmatively modifies its exchange-set spot month position limit levels pursuant to part 40 of the Commission's regulations.\676\--------------------------------------------------------------------------- \676\ 17 CFR part 40.---------------------------------------------------------------------------c. Comments--Phase-In of Federal Spot Month Position Limit Levels The Commission received comments requesting that the Commission ``consider phasing in these adjustments for ***agricultural*** commodities to assess the impacts of increasing limits on contract performance.'' \677\ CMC also noted that, ``A phased approach could provide market participants, exchanges, and the Commission a way to build in scheduled pauses to evaluate the effects of increased limits, thereby fostering confidence and trust in the markets.'' \678\--------------------------------------------------------------------------- \677\ AFIA at 2 and CMC at 6. \678\ CMC at 6. Although commenters did not provide specific details about what they meant by ``phase-in,'' the Commission understands these comments to mean that they are requesting a gradual, step-up increase in Federal spot month and non-spot month position limit levels over time for ***agricultural*** core referenced futures contracts, instead of having an abrupt change to the new Federal position limit levels. This section only addresses the Commission's response to commenters' request for phased-in Federal spot month position limit levels. The Commission separately addresses commenters' request for phased-in Federal non-spot month position limit levels below in Section II.B.4.iv.a (2)(v).---------------------------------------------------------------------------d. Discussion of the Final Rule--Phase-In of Federal Spot Month Position Limit Levels In response to comments, the Commission first notes that, although the Federal spot month position limit levels will generally be higher than existing Federal and/or exchange-set spot month position limit levels, the Commission believes that the referenced contract markets will be able to function in an orderly fashion when the final Federal spot month position limit levels[[Page 3324]]go into effect.\679\ This is because, among other things, these final Federal spot month position limit levels are supported by the updated EDS figures and are set at or below 25% of EDS.\680\--------------------------------------------------------------------------- \679\ A phase-in is unnecessary with respect to the Federal spot month position limit level for CBOT Oats (O), because the Federal spot month position limit level for the contract remains at the current level. \680\ The final Federal spot month position limit levels for cash-settled NYMEX NG referenced contracts may exceed 25% of EDS because the Federal spot month position limit level is being applied separately for each exchange and OTC swaps market, but the Commission believes that this approach will not cause any issues, in part, because of the highly liquid nature of that particular market. For additional details concerning the NYMEX NG market, see Section II.B.3.vi.a --------------------------------------------------------------------------- However, as a practical matter, the operative spot month position limit level for market participants with respect to exchange-listed referenced contracts is not the Federal spot month position limit levels, but the exchange-set spot month position limit levels, which must be set at or below the corresponding Federal spot month position limit levels. As a result, despite the changes in the Federal spot month position limit levels (or the imposition of a Federal spot month position limit level for the first time) in this Final Rule, there will be no practical impact on market participants trading in exchange-listed referenced contracts unless and until an exchange affirmatively modifies its exchange-set spot month position limit levels through a rule submission to the Commission pursuant to part 40 of the Commission's regulations.\681\--------------------------------------------------------------------------- \681\ 17 CFR part 40.---------------------------------------------------------------------------v. ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Levela. Summary of the 2020 NPRM--ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level The Commission proposed to increase the Federal spot month position limit level for ICE Cotton No. 2 (CT) from the existing Federal position limit of 300 contracts to 1,800 contracts. Like all of the Federal spot month position limit levels, the Commission's proposed level for ICE Cotton No. 2 (CT) was based on Commission staff's review, analysis, and verification of IFUS's updated EDS figure and Commission staff's review and analysis of IFUS's initial recommended Federal spot month position limit level.\682\--------------------------------------------------------------------------- \682\ See IFUS--Estimated Deliverable Supply--Softs Methodology, IFUS Comment Letter (May 14, 2019) and Reproposal--Position Limits for Derivatives (RIN 3038-AD99); ICE Comment Letter (Feb. 28, 2017) (attached Sept. 28, 2016 comment letter), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596 and Proposed Rule 81 FR 96704, respectively). IFUS did not formally provide recommended Federal spot month position limit levels for each of its core referenced futures contracts. However, ICE had previously recommended setting Federal spot month position limit levels for IFUS's core referenced futures contracts at 25% of EDS in its comment letter in connection with the 2016 Reproposal and Commission staff also confirmed with ICE/IFUS's representatives that ICE/IFUS's position has remained the same with respect to the Federal spot month position limit levels since the 2016 Reproposal. The Commission notes, however, with respect to ICE Cotton No. 2 (CT), IFUS submitted an updated recommended Federal spot month position limit level recommending a Federal spot month position limit level of 900 contracts. See IFUS--Estimated Deliverable Supply--Cotton Methodology, August 2020, IFUS Comment Letter (August 27, 2020), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596).---------------------------------------------------------------------------b. Summary of the Commission Determination--ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level In the Final Rule, the Commission is adopting a Federal spot month position limit level of 900 contracts instead of the proposed level of 1,800 contracts for ICE Cotton No. 2 (CT). The reasons for this change are based on the comments received in response to the 2020 NPRM.c. Comments--ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level The Commission received numerous comments objecting to the higher proposed Federal spot month position limit level for ICE Cotton No. 2 (CT) in the 2020 NPRM.\683\ The commenters requested that the Commission either maintain the current 300 contract limit level or drastically lower the limit from the proposed 1,800 contract limit level.\684\ In doing so, commenters argued that they disagreed with the EDS figure for ICE Cotton No. 2 (CT) because it does ``not reflect the cotton industry's historical ability to deliver the physical commodity.'' \685\ AMCOT similarly noted that the ``methodology used in determining the limits is flawed and lacks consideration of the industry's intricacies including the non-fungible quality as well as warehousing, location, and logistical challenges.'' \686\ Furthermore, AMCOT believed that the Federal spot month position limit level ``would likely be disruptive to orderly market flows.'' \687\ Likewise, ACSA noted that, ``[i]n a smaller market like cotton, such a drastic increase and high limit will cause excessive volatility and hinder convergence in the spot month.'' \688\--------------------------------------------------------------------------- \683\ AMCOT at 1-2; ACSA at 8; Ecom at 1; Southern Cotton at 2; NCC at 1; Mallory Alexander at 2; Canale Cotton at 2; IMC at 2; Olam at 3; DECA at 2; Moody Compress at 1; ACA at 2; Choice at 1; East Cotton at 2; Jess Smith at 2; McMeekin at 2; Memtex at 2; NCC at 2; Omnicotton at 2; Toyo at 2; Texas Cotton at 2; Walcot at 2; White Gold at 1; LDC at 1; SW Ag at 2; NCTO at 2; and Parkdale at 2. \684\ Id. \685\ See, e.g , ACA at 2. \686\ AMCOT at 1. \687\ Id. \688\ ACSA at 8.--------------------------------------------------------------------------- In addition to the market participants, IFUS also submitted a comment letter with respect to ICE Cotton No. 2 (CT), in which it provided an updated recommended Federal spot month position limit level of 900 contracts.\689\--------------------------------------------------------------------------- \689\ IFUS--Estimated Deliverable Supply--Cotton Methodology, August 2020, IFUS Comment Letter (Aug. 14, 2020), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596).---------------------------------------------------------------------------d. Discussion of Final Rule--ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level As a preliminary matter, and as discussed previously, the Commission believes that there is a range of acceptable Federal position limit levels that will achieve the objectives of CEA section 4a(a)(3)(B). Thus, the Commission acknowledges that there may be other acceptable Federal spot month position limit levels in addition to the proposed 1,800 contract level for ICE Cotton No. 2 (CT). Commenters to the 2020 NPRM suggested three alternatives to the proposed Federal spot month position limit level for ICE Cotton No. 2 (CT): (1) 300 contracts; (2) 900 contracts; or (3) a level ``drastically lower'' than 1,800 contracts. All of these alternatives are below 25% of EDS. The Commission considered the two specifically enumerated levels (i.e , 300 contracts and 900 contracts) and the proposed 1,800 contract level, and has determined that the 900 contract level is the most appropriate among the three for ICE Cotton No. 2 (CT).(1) ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level Should Be Above 300 Contracts The Commission believes that it is more appropriate to raise the Federal spot month position limit level than to maintain its existing level of 300 contracts, as long as that level is set at or below 25% of EDS. One reason is because the current 300 contract Federal spot month position limit level for ICE Cotton No. 2 (CT) has been in place since at least 1987 while the size of the ICE Cotton No. 2 (CT) market has significantly increased over the years, as evidenced by the material increases in deliverable supply and open interest.\690\--------------------------------------------------------------------------- \690\ For example, between the periods of 1994-1999 and 2015-2018, the maximum open interest in ICE Cotton No. 2 (CT) increased from 122,989 contracts to 344,302 contracts. Also, the EDS for ICE Cotton No. 2 (CT) increased from 6,005 contracts to 6,948 contracts between 2016 and 2019.---------------------------------------------------------------------------[[Page 3325]] A second reason why the Commission believes that it is appropriate to raise the Federal spot month position limit level above the existing level of 300 contracts for ICE Cotton No. 2 (CT) is because of potential liquidity concerns. At 300 contracts, the Federal spot month position limit level for ICE Cotton No. 2 (CT) would be set at 4.32% of EDS, which would be the lowest Federal spot month position limit level, by far, in terms of percentage of EDS among all core referenced futures contracts.\691\ At such a low level, the Commission is concerned that this could hamper liquidity in the market, especially if the ICE Cotton No. 2 (CT) market continues to grow as it has done over the years. This concern is supported by the Commission's observation that there has been a lack of liquidity at the start of the spot month period in recent years as speculative traders exited the market or reduced their positions to the Federal spot month position limit level of 300 contracts. The Commission's observation is based on its assessment of the daily price impact liquidity in basis points with the gauge: \692\--------------------------------------------------------------------------- \691\ CBOT KC HRS Wheat (KW) generally has the lowest Federal spot month position limit level in terms of percentage of EDS at 6.82%, which is 58% higher than 4.32%. However, following the close of trading on the business day prior to the last two trading days of the contract month, CME Live Cattle (LC) has the lowest Federal spot month position limit level in terms of percentage of EDS at 5.29%, which is 22% higher than 4.32%. \692\ Pi is the price of trade i. Pi\* is the proxy for the current market price (the price of the last trade, Pi--1). Q1 is the quantity traded (the number of futures contracts traded in trade i). See Kane, Stephen, Exploring price impact liquidity for December 2016 NYMEX energy contracts, p.5-6, available at [*https://www.cftc.gov/sites/default/files/idc/groups/public/@economicanalysis/documents/file/oce\_priceimpact.pdf*](https://www.cftc.gov/sites/default/files/idc/groups/public/@economicanalysis/documents/file/oce_priceimpact.pdf).[GRAPHIC] [TIFF OMITTED] TR14JA21.030 Raising the limit level above 300 contracts to a higher level, such as 900 contracts, should help alleviate some of the liquidity problems that market participants have experienced because they will not have to reduce their positions to such a low level (i.e , 300 contracts). A third reason for raising the Federal spot month position limit level above its existing level of 300 contracts is because a 300 contract level may not provide adequate headroom under which exchanges may set and adjust their own position limit levels, up or down, in response to market conditions within this position limits framework. This is an especially acute issue because, as noted above, a Federal spot month position limit level of 300 contracts is extremely low in terms of percentage of EDS when compared to other core referenced futures contracts, and there is no market-based reason (e.g , higher susceptibility for corners and squeezes) for why the level should be set so low. A final reason for supporting a Federal spot month position limit level higher than 300 contracts is because IFUS, which is the exchange that lists ICE Cotton No. 2 (CT), has recommended a level higher than 300 contracts.\693\ This is significant because exchanges have deep knowledge about their markets and are particularly well-positioned to recommend position limit levels for the Commission's consideration.\694\--------------------------------------------------------------------------- \693\ IFUS--Estimated Deliverable Supply--Cotton Methodology, August 2020, IFUS Comment Letter (Aug. 14, 2020), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). \694\ 85 FR at 11598. However, as noted before, the Commission independently reviewed and analyzed the exchange-recommended levels, including the EDS figures that support such levels.--------------------------------------------------------------------------- The Commission recognizes that the comments from the end-users of ICE Cotton No. 2 (CT) unanimously requested that the Commission consider, among other options, maintaining the 300 contract Federal position limit level. The main justifications underlying this request are that: (1) The ICE Cotton No. 2 (CT) market is small; and (2) the EDS figure is extremely high. In response to commenters' claim about the size of the market, the Commission notes that the market for ICE Cotton No. 2 (CT) is not as small as suggested. Open interest ***data*** indicate that the ICE Cotton No. 2 (CT) futures market had a larger average notional open interest in 2019 than nine other core referenced futures contracts.\695\ Six of these contracts have higher Federal position limit levels in terms of percentage of EDS in this Final Rule.\696\--------------------------------------------------------------------------- \695\ These are CBOT Oats (O), CBOT KC HRW Wheat (KW), MGEX HRS Wheat (MWE), CBOT Rough Rice (RR), ICE Cocoa (CC), ICE FCOJ-A (OJ), ICE Sugar No. 16 (SF), NYMEX Platinum (PL), and NYMEX Palladium (PA). See Section III.C \696\ These are CBOT Oats (O), MGEX HRS Wheat (MWE), ICE Cocoa (CC), ICE FCOJ-A (OJ), ICE Sugar No. 16 (SF), and NYMEX Platinum (PL).--------------------------------------------------------------------------- In response to commenters' issue with the EDS, the Commission notes that the cotton merchants may have focused on too narrow of a scope in their comment letters. The commenters appear to focus on the actual cotton that was delivered pursuant to holding the physically-settled ICE Cotton No. 2 (CT) core referenced futures contract to expiration, and they use that ***data*** as evidence that the EDS is extremely high.\697\ The Commission's EDS figures are not meant to reflect the actual commodity delivered. Rather, as the term estimated deliverable supply indicates, it is the quantity of the commodity that meets contract specifications that is reasonably expected to be readily available to short traders and salable by long traders at its market value in normal cash-marketing channels at the contract's delivery points during the specified delivery period, barring abnormal movements in interstate commerce.\698\ The Commission believes that limiting a speculative trader from controlling more than 25% of this supply, and not the actual commodity delivered, is critical for ensuring that corners and squeezes do not happen.\699\--------------------------------------------------------------------------- \697\ See ACSA at 7-8. \698\ 17 CFR part 38, Appendix C. \699\ Generally, only a small percentage of futures contracts actually go to delivery. Basing a speculative position limit on past deliveries for a futures contract would be far too limiting for a speculative position limit and would not reasonably achieve the four policy objectives of CEA section 4a(a)(3)(B).---------------------------------------------------------------------------[[Page 3326]] Furthermore, commenters did not provide specific issues with respect to the methodology used to determine EDS for ICE Cotton No. 2 (CT), which has been available for review by the public since the 2020 NPRM was published.\700\ As a result, the Commission believes that the EDS for ICE Cotton No. 2 (CT) is appropriate and reasonable based on its review and analysis of the methodology used.\701\--------------------------------------------------------------------------- \700\ IFUS--Estimated Deliverable Supply--Softs Methodology, IFUS Comment Letter (May 14, 2019), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). \701\ Specifically, the estimate took into ***account*** cotton certified stocks, which are reported daily for the five delivery points specified in the contract specifications, as well as the exchange estimated deliverable stocks close to the delivery points that are not included as certified stocks based on the USDA's Weekly Bales Made Available to Ship (``BMAS'') Summary report. The exchange estimated the deliverable stocks contained in or near exchange warehouses, both certified and non-certified, during notice and delivery periods for the futures contract. BMAS deliverable stocks ***data*** was also adjusted to exclude cotton at locations that were far away from the delivery points.---------------------------------------------------------------------------(2) ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level Should Be Below 1,800 Contracts However, the Commission believes that it is appropriate to lower the Federal spot month position limit for ICE Cotton No. 2 (CT) from the proposed 1,800 contract level. First, as noted previously, the Commission received an updated recommended Federal spot month position limit level from IFUS that is lower than 1,800 contracts.\702\ Second, although the Commission believes that there are issues with the cotton industry commenters' justifications for lowering the Federal spot month position limit level, the Commission still believes that their comments are informative. Specifically, the Commission believes that the unanimous comments from the end-users of the ICE Cotton No. 2 (CT) core referenced futures contract suggest that lowering the Federal spot month position limit level from 1,800 contracts will not have a material detrimental effect on liquidity for bona fide hedgers in the market. All things being equal, a lower spot month position limit level will better protect the markets against corners and squeezes, but at the expense of a reduction in liquidity for bona fide hedgers as positions held by speculators will be more constrained. However, in this instance, the Commission believes that it could improve protections against corners and squeezes without materially impacting liquidity for bona fide hedgers by adopting a Federal spot month position limit level that is lower than 1,800 contracts, based on the comments received.\703\--------------------------------------------------------------------------- \702\ IFUS--Estimated Deliverable Supply--Cotton Methodology, August 2020, IFUS Comment Letter (Aug. 14, 2020), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). \703\ However, for the reasons discussed previously, the Commission does not believe that lowering the Federal spot month position limit level to 300 contracts is appropriate, given the observed issues in liquidity during the early part of the spot month period.---------------------------------------------------------------------------(3) ICE Cotton No. 2 (CT) Federal Spot Month Position Limit Level Should Be Set at 900 Contracts Given that the Commission believes that it is preferable to set a Federal spot month position limit level higher than 300 contracts but lower than 1,800 contracts for the aforementioned reasons, the Commission believes that a Federal position limit level of 900 contracts is preferable to those alternatives. Specifically, the Commission notes that IFUS, which has deep knowledge about the ICE Cotton No. 2 (CT) market and is particularly well-positioned to recommend the position limit level for the Commission's consideration, has recommended a Federal spot month position limit level of 900 contracts. This is also supported by commenters who requested a ``drastically lower'' Federal spot month position limit level as an alternative to maintaining a Federal spot month position limit level of 300 contracts. The Commission also believes that a level of 900 contracts is sufficiently high to address concerns about a lack of liquidity. This is, in part, because a Federal spot month position limit level of 900 contracts would result in a level that is set at 12.95% of EDS, which would coincidentally place ICE Cotton No. 2 (CT) exactly at the median among the legacy ***agricultural*** contracts and all core referenced futures contracts in terms of percentage of EDS. Finally, based on the comments received and because, all things being equal, lower spot month position limit levels provide better protection against corners and squeezes, the Commission believes that a level of 900 contracts will provide stronger protection against corners and squeezes without materially impacting liquidity for bona fide hedgers vis-[agrave]-vis a level of 1,800 contracts.\704\--------------------------------------------------------------------------- \704\ The Commission recognizes that this will limit the range through which an exchange may set and adjust its own exchange-set position limit level. However, based on the comments received, the Commission believes that the stronger protections against corners and squeezes is appropriate.---------------------------------------------------------------------------vi. NYMEX Henry Hub Natural Gas (NG) This section will address the following issues concerning NYMEX NG: (i) The Federal spot month position limit level for NYMEX NG; (ii) the conditional spot month position limit exemption for positions in natural gas referenced contracts, which is located in final Sec. 150.3(a)(4); and (iii) NYMEX NG penultimate referenced contracts. The Commission is addressing the latter two issues in this section in order to allow the reader to review all discussions regarding natural gas in one place in this Final Rule.a. NYMEX Henry Hub Natural Gas (NG) Federal Spot Month Position Limit Level(1) Summary of the 2020 NPRM and Additional Background Information--NYMEX NG Federal Spot Month Position Limit Level Under the existing Federal position limits framework, there are no Federal position limits for NYMEX NG in either the spot month or the non-spot month. There is, however, an exchange-set spot month position limit for NYMEX NG, which is set at 1,000 contracts for the physically-settled NYMEX NG contract and 1,000 contracts per exchange for cash-settled equivalent-sized natural gas contracts. Because there are three exchanges that list such cash-settled natural gas contracts (NYMEX, IFUS, and Nodal), a market participant can currently hold up to 3,000 such cash-settled contracts during the spot month. In the 2020 NPRM, the Commission proposed a Federal spot month position limit level of 2,000 contracts for NYMEX NG. The 2,000 contract level was determined based on 25% of updated EDS and was recommended by CME Group. Consistent with the other core referenced futures contracts, the proposed netting and aggregation requirements permitted a market participant to hold up to 2,000 physically-settled NYMEX NG referenced contracts and another 2,000 cash-settled NYMEX NG referenced contracts across all exchanges and in the OTC swaps market.\705\--------------------------------------------------------------------------- \705\ For further discussion of netting and aggregation, see Section II.B.10 (Application of Netting and Related Treatment of Cash-settled Referenced Contracts).---------------------------------------------------------------------------(2) Summary of the Commission Determination--NYMEX NG Federal Spot Month Position Limit Level The Commission is adopting its proposed approach with respect to physically-settled NYMEX NG referenced contracts, but is modifying its proposed approach with respect to cash-settled NYMEX NG referenced contracts, as discussed below.[[Page 3327]](3) Comments--NYMEX NG Federal Spot Month Position Limit Level With respect to the proposed NYMEX NG Federal spot month position limit level, NGSA requested that the Commission ``increase the spot month limit on the NG Contract by recognizing the transportation capacity available now at Henry Hub provided by displacement and the increasing capacity which is coming from future but imminent displacement.'' \706\ In support, NGSA noted that CME Group's EDS figure has ``incorporated displacement into its estimate of deliverable supply at Henry Hub for years.'' \707\--------------------------------------------------------------------------- \706\ NGSA at 10-11. \707\ Id. at 11.--------------------------------------------------------------------------- MFA/AIMA, Citadel, and SIFMA AMG requested that the Commission raise the Federal spot month position limit level for NYMEX NG referenced contracts to at least 3,000 contracts, because the 2020 NPRM effectively decreases the total number of exchange-traded cash-settled NYMEX NG referenced contracts that a market participant may hold in the spot month from the current level of 3,000 contracts to 2,000 contracts.\708\ In support of this request, MFA/AIMA argued that the 2020 NPRM ``could adversely affect the ability of traders to optimize the proportion of physically-settled and cash-settled natural gas contracts that they wish to hold in their portfolio.'' \709\ SIFMA AMG argued that the 2020 NPRM ``would disrupt existing trading practices and business models without any corresponding regulatory or policy benefit.'' \710\--------------------------------------------------------------------------- \708\ MFA/AIMA at 11-12; Citadel at 7-8; and SIFMA AMG at 10-11 (SIFMA AMG supported the 2,000 contract limit level for physically-settled NYMEX NG referenced contracts, but requested at least a 3,000 contract limit level for the cash-settled NYMEX NG referenced contracts). \709\ MFA/AIMA at 11-12. \710\ SIFMA AMG at 11.---------------------------------------------------------------------------(4) Discussion of Final Rule--NYMEX NG Federal Spot Month Position Limit Level Under the Final Rule, market participants may hold up to 2,000 cash-settled NYMEX NG referenced contracts per exchange during the spot month and an additional 2,000 cash-settled economically equivalent OTC swaps, rather than being subject to an aggregate position limit level of 2,000 cash-settled NYMEX NG referenced contracts across all exchanges and the OTC swaps market as proposed under the 2020 NPRM. Because there are currently three exchanges that list natural gas referenced contracts, this will allow market participants to hold a total of 8,000 cash-settled NYMEX NG referenced contracts between positions held in cash-settled futures and in cash-settled economically equivalent OTC swaps.\711\ This is in addition to the 2,000 physically-settled NYMEX NG referenced contracts a market participant may hold during the spot month. These amendments to the proposal are reflected in a revised Appendix E to part 150 that the Commission is adopting in this Final Rule.--------------------------------------------------------------------------- \711\ 2,000 cash-settled referenced contracts multiplied by three exchanges plus 2,000 cash-settled economically equivalent OTC swaps equals 8,000 cash-settled NYMEX NG referenced contracts.---------------------------------------------------------------------------(i) Request To Increase the Federal Spot Month Position Limit Level To ***Account*** for Displacement In response to NGSA's request, the Commission first notes that CME Group provided the EDS figure that was used as a basis for determining its exchange-recommended Federal spot month position limit level, which the Commission ultimately used as a basis for its own proposed Federal spot month position limit level for NYMEX NG after independently reviewing and assessing the methodology underlying the EDS figure and the EDS figure itself.\712\ As NGSA noted, CME Group's EDS has ``incorporated displacement into its estimate of deliverable supply at Henry Hub for years,'' \713\ which means that the EDS figure on which the proposed Federal spot month position limit level was based already ``recogniz[ed] the transportation capacity available now at Henry Hub provided by displacement.'' \714\ As a result, the proposed Federal spot month position limit level took this into ***account*** as well. With respect to future increases in EDS based on ``future but imminent displacement,'' \715\ in the event that this occurs, CME Group may submit an updated EDS figure pursuant to Sec. 150.2(f), at which time the Commission would consider whether to modify the Federal spot month position limit level.--------------------------------------------------------------------------- \712\ Summary DSE Proposed Limits, CME Group Comment Letter (Nov. 26, 2019), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). \713\ NGSA at 11. \714\ Id. at 10. Furthermore, CME Group's methodology for determining EDS for NYMEX NG explicitly states, ``Additionally, the Exchange has taken into consideration backhaul in estimating the deliverable supply.'' New York Mercantile Exchange, Inc., Analysis of Deliverable Supply Henry Hub Natural Gas Futures, December 2018 (Dec. 1, 2018), available at [*https://comments.cftc.gov*](https://comments.cftc.gov) (comment file for Proposed Rule 85 FR 11596). \715\ NGSA at 10.---------------------------------------------------------------------------(ii) Request To Increase the Cash-Settled Federal Spot Month Position Limit Level As previewed above, in response to comments from MFA/AIMA, Citadel, and SIFMA AMG, the Commission is modifying the proposed NYMEX NG Federal spot month position limit level for cash-settled NYMEX NG referenced contracts, so that the Federal spot month position limit applies separately per each exchange and the OTC swaps market, rather than across exchanges and the OTC swaps market. The Commission believes that this modification is warranted in order to avoid disrupting the well-developed, unique liquidity characteristics of the natural gas derivatives markets. As detailed below, the cash-settled natural gas market is significantly more liquid than the physically-settled natural gas market during the spot month. This is in contrast with typical commodity markets, in which the physically-settled contracts are generally more liquid than the cash-settled contracts during the spot month.\716\--------------------------------------------------------------------------- \716\ Typically, this is because the physically-settled contract is established first and the natural formation of liquidity in the physically-settled contract historically stays in the established contract due to first mover advantage. More liquid markets provide for better bid/ask spreads and can execute larger transaction sizes without substantial effects on the price of the contract. Thus, in the past, cash-settled look-alike contracts historically have not been as liquid as the original physically-settled futures contract.--------------------------------------------------------------------------- The unique nature of the natural gas markets is reflected in the current exchange-set natural gas position limit framework, in which market participants may hold up to 1,000 cash-settled natural gas contracts per exchange, which can result in a position of up to 3,000 cash-settled natural gas contracts (instead of 1,000 cash-settled natural gas contracts altogether), despite only being able to hold up to 1,000 physically-settled NYMEX NG contracts. The Commission believes that, absent the modification adopted herein to apply the spot month limit to NYMEX NG on a per exchange basis, the proposed Federal spot month position limit level could disrupt the cash-settled natural gas markets, in part, because, as commenters have noted: (1) Market participants would be able to hold fewer cash-settled NYMEX NG referenced contracts (i.e , 2,000 contracts) than they were previously permitted under the exchange-set position limit framework (i.e , 3,000 contracts); and (2) some market participants may not be able to hold the same proportion of physically-settled to cash-settled NYMEX NG referenced contracts that they are[[Page 3328]]currently able to hold if they wish to maximize their positions in physically-settled NYMEX NG referenced contracts. The Commission also believes that it is appropriate to maintain consistency vis-[agrave]-vis the exchange-set position limit framework in order to minimize disruptions, since the Commission has not observed any issues with the exchange-set position limit framework with respect to natural gas. Accordingly, under the Final Rule, market participants (that are not availing themselves of the Federal spot month conditional position limit exemption for NYMEX NG, which is discussed below) may hold up to 2,000 cash-settled NYMEX NG referenced contracts on each exchange that lists a cash-settled NYMEX NG referenced contract (which is currently NYMEX, IFUS, and Nodal), a total position of 6,000 exchange-listed cash-settled NYMEX NG referenced contracts.\717\ Furthermore, under the Final Rule, traders may also hold an additional position in cash-settled economically equivalent NYMEX NG OTC swaps that has a notional amount of up to 2,000 equivalent-sized contracts. The Commission is separately permitting up to 2,000 referenced contracts in the NYMEX NG OTC swaps market in order to avoid disruptions to that market, given that traders may be currently participating in that market as well. As a result, under the Final Rule, traders may hold up to a total of 8,000 cash-settled NYMEX NG referenced contracts \718\ and 2,000 physically-settled NYMEX NG referenced contracts.\719\--------------------------------------------------------------------------- \717\ The Commission notes that market participants are not permitted to net cash-settled NYMEX NG referenced contract positions across exchanges or the OTC swaps market for Federal spot month position limit purposes. \718\ 2,000 cash-settled NYMEX NG referenced contracts multiplied by three exchanges plus 2,000 cash-settled economically equivalent NYMEX NG OTC swaps equals 8,000 cash-settled NYMEX NG referenced contracts. \719\ CME Group also commented that it ``objects to any disparities in the spot-month limits and would rigorously disagree if the Commission adopts any other disparities in treatment between physically-settled and cash-settled contracts,'' in the context of the proposed Federal conditional limit, which is discussed in the section below. CME Group at 6. This comment could also be viewed as an objection to the Final Rule's Federal spot month position limit level for cash-settled NYMEX NG referenced contracts. The Commission believes that the rationale set forth in this section and the Federal conditional limit section below is responsive to CME Group's possible concern with respect to the Final Rule's Federal spot month position limit level for cash-settled NYMEX NG referenced contracts.--------------------------------------------------------------------------- The Commission notes that, as discussed further below, as an initial legal matter, the Commission interprets CEA section 4a(a)(6) as generally requiring aggregate Federal position limits across exchanges.\720\ Notwithstanding the requirements of CEA section 4a(a)(6), the Commission is adopting this approach with respect to NYMEX NG referenced contracts pursuant to its exemptive authority in CEA section 4a(a)(7). In doing so, the Commission believes that, based on the foregoing reasons, applying the Federal spot month position limit level for cash-settled NYMEX NG referenced contracts separately per exchange and the OTC swaps market does not undermine the purposes of the Federal position limits framework pursuant to CEA section 4a.--------------------------------------------------------------------------- \720\ For further discussion of the Commission's aggregation and netting rules, see Section II.B.10 (application of netting section).---------------------------------------------------------------------------b. NYMEX NG Federal Spot Month Conditional Position Limit Level(1) Summary of 2020 NPRM and Additional Background Information--NYMEX NG Federal Spot Month Conditional Position Limit Level In addition to the proposed 2,000 contract Federal spot month position limit level for NYMEX NG, proposed Sec. 150.3(a)(4) also included a spot month conditional position limit exemption (``Federal conditional limit'') from the standard Federal spot month position limit level for NYMEX NG for market participants that do not hold a position in the physically-settled NYMEX NG referenced contract.\721\ The proposed Federal conditional limit would allow, during the spot month, market participants that do not hold a position in the physically-settled NYMEX NG referenced contract to hold: (1) Up to 10,000 cash-settled NYMEX NG referenced contracts per exchange that lists a cash-settled NYMEX NG referenced contract; and (2) an additional position in cash-settled economically equivalent NYMEX NG OTC swaps that has a notional amount of up to 10,000 equivalent-sized contracts. As a result, the proposed Federal conditional limit would permit a market participant that does not hold a physically-settled NYMEX NG referenced contract to hold a total of 40,000 cash-settled NYMEX NG referenced contracts (up to 10,000 contracts on each of the three exchanges (NYMEX, IFUS, and Nodal) that lists a cash-settled NYMEX NG referenced contract and in the OTC swaps market) during the spot month.--------------------------------------------------------------------------- \721\ The Commission is adopting the Federal conditional limit pursuant to its exemptive authority in CEA section 4a(a)(7). 7 U.S.C 6a(a)(7).--------------------------------------------------------------------------- The proposed framework for the Federal conditional limit was derived from the existing exchange-set spot month conditional position limit framework that has been in place for approximately a decade. This existing conditional position limit framework permits, during the spot month, up to 5,000 equivalent-sized cash-settled natural gas contracts per exchange that lists a cash-settled natural gas contract, provided that the market participant does not hold a position in the physically-settled NYMEX NG contract.\722\ The 5,000 contract conditional spot month position limit level equals five-times the existing exchange-set 1,000 contract spot month position limit level for the physically-settled NYMEX NG contract.\723\ Noting the unique circumstances of the natural gas futures markets, the Commission's proposed Federal conditional limit level applied the same multiplier of five to its proposed Federal spot month position limit level for the physically-settled NYMEX NG contract in order to arrive at the 10,000 contract Federal conditional limit level that applies for each exchange and OTC swaps market.--------------------------------------------------------------------------- \723\ See IFUS Rule 6.20(c), NYMEX Rule 559.F, and Nodal Rule 6.5.7 The spot month for such contracts is three days. See also Position Limits, CMG Group website, available at [*https://www.cmegroup.com/market-regulation/position-limits.html*](https://www.cmegroup.com/market-regulation/position-limits.html) (NYMEX position limits spreadsheet); Market Resources, IFUS website, available at [*https://www.theice.com/futures-us/market-resources*](https://www.theice.com/futures-us/market-resources) (IFUS position limits spreadsheet). NYMEX rules establish an exchange-set spot month limit of 1,000 contracts for its physically-settled NYMEX NG core referenced futures contract and a separate spot month limit of 1,000 contracts for its cash-settled Henry Hub Natural Gas Last Day Financial Futures contract. IFUS's natural gas contract is one quarter the size of the NYMEX contract. IFUS thus has rules in place establishing an exchange-set spot month limit of 4,000 contracts (equivalent to 1,000 NYMEX NG contracts) for its cash-settled Henry Hub LD1 Fixed Price Futures contract.--------------------------------------------------------------------------- The 2020 NPRM included the Federal conditional limit to accommodate certain trading dynamics unique to the natural gas contracts.\724\ For example, the Commission has observed that, as the physically-settled NYMEX NG core referenced futures contract approaches expiration, open interest tends to decline in NYMEX NG and tends to increase rapidly in ICE's cash-settled Henry Hub LD1 contract.\725\ This is in contrast with other commodities in which the physically-settled markets are more liquid than the cash-settled markets during the spot month. These dynamics suggest that cash-settled natural gas contracts serve an important function for hedgers and speculators who wish to recreate and/or hedge the physically-settled NYMEX NG contract price during the spot month without being required to make or take[[Page 3329]]delivery.\726\ In addition, the Commission also proposed the divestiture requirement in the Federal conditional limit in order to address historical concerns over the potential for manipulation of physically-settled natural gas contracts during the spot month in order to benefit positions in cash-settled natural gas contracts.\727\--------------------------------------------------------------------------- \724\ 85 FR at 11641. \725\ Id. \726\ Id. \727\ Id.---------------------------------------------------------------------------(2) Summary of the Commission Determination--NYMEX NG Federal Spot Month Conditional Position Limit Level The Commission is adopting the Federal conditional limit as proposed.(3) Comments--NYMEX NG Federal Spot Month Conditional Position Limit Level With respect to the proposed Federal conditional limit, several commenters generally supported its adoption.\728\ COPE believed that the proposed conditional limit ``permits market liquidity . . . without sacrificing the benefits of position limits.''\729\ ICE supported the Federal conditional limit, noting that ``cash-settled contracts present a reduced potential for manipulation of the price of the physically-settled contract.'' \730\ CME Group, on the other hand, objected to the proposal, arguing that it could ``drain liquidity for bona fide hedgers in the physically-settled market and could prevent physical delivery markets from serving the price discovery function that they have long provided'' and believed that it ``could incentivize the manipulation of a cash commodity price in order to benefit a position in a cash-settled contract.'' \731\--------------------------------------------------------------------------- \728\ COPE at 2-3; EEI/EPSA at 4; and ICE at 13. \729\ COPE at 2-3. \730\ ICE at 13 (referencing a sentiment previously expressed by the Commission). \731\ CME Group at 6.--------------------------------------------------------------------------- A number of commenters also requested that the Federal conditional limit levels be available to market participants that do not exit positions in the physically-settled NYMEX NG referenced contract during the spot month, which would effectively establish the Federal conditional limit level as the operative Federal spot month limit level for cash-settled NYMEX NG referenced contracts. In support of this request, several commenters argued that the 2020 NPRM's approach to the Federal conditional limit would result in liquidity leaving the physically-settled NYMEX NG referenced contract when it is needed the most.\732\ EEI/EPSA also commented that the Federal conditional limit framework in the 2020 NPRM is ``excessive and is an overly rigid solution that may unnecessarily restrict legitimate trading activity.'' \733\ NGSA commented that the 2020 NPRM ``removes important hedging optionality for physical market participants.'' \734\ Citadel argued that the 2020 NPRM would limit flexibility and impair market efficiency by preventing ``market participants with a meaningful position in the cash-settled market from participating in the physically-settled market--limiting flexibility and impairing market efficiency.'' \735\ CCI also believed that the 2020 NPRM would ``impair price discovery'' and ``negatively impact price convergence.'' \736\--------------------------------------------------------------------------- \732\ ISDA at 8; SIFMA AMG at 10-11; FIA at 7-8; NGSA at 12-14; Citadel at 7; and CCI at 4. \733\ EEI/EPSA at 4. \734\ NGSA at 12. \735\ Citadel at 7. \736\ CCI at 4.--------------------------------------------------------------------------- Finally, ICE requested that ``the Commission revert back to the five-time conditional limit for cash settled contracts . . . instead of the conditional limit of 10,000 contracts in the Proposed Rule,'' because ``[a]pplying a five-time multiplier versus a hard limit, would allow the conditional limit to track any changes in the spot month limits over time, which in turn will reflect changes in deliverable supply.'' \737\--------------------------------------------------------------------------- \737\ ICE at 13.---------------------------------------------------------------------------(4) Discussion of Final Rule--NYMEX NG Federal Spot Month Conditional Position Limit Level(i) Availability of the Federal Conditional Limit for NYMEX NG In response to CME Group's comment supporting the elimination of the Federal condition limit, the Commission is concerned that eliminating the proposed conditional limit could result in potential market disruptions, given that a conditional limit framework for natural gas has been in place at the exchange level for many years. For example, eliminating the existing conditional limit structure could restrict the positions that market participants may hold in cash-settled NYMEX NG referenced contracts during the spot month, resulting in reduced liquidity, including for commercial hedgers seeking to offset price risks but not necessarily looking to make or take delivery. Additionally, since it was instituted approximately a decade ago, the exchange-set conditional limit framework has functioned well.\738\ The Commission has not observed any of the concerns raised by CME Group come to fruition, and the physically-settled NYMEX NG referenced contract remains highly liquid. Furthermore, as discussed above, other commenters supported the availability of the Federal conditional limit.--------------------------------------------------------------------------- \738\ 85 FR at 11640.---------------------------------------------------------------------------(ii) Federal Conditional Limit's Divestiture Requirement In response to comments requesting that the Federal conditional limit be available to market participants that do not exit the spot month physically-settled NYMEX NG referenced contract, the Commission first notes that the requirement that market participants exit the physically-settled NYMEX NG referenced contract has been reflected in exchange rulebooks for many years, in part because the requirement is critically important to discouraging manipulation.\739\ Without this requirement, a trader could hold up to 40,000 cash-settled NYMEX NG referenced contracts (or more, if additional exchanges list cash-settled NYMEX NG referenced contracts in the future), which is at 500% of EDS, and 2,000 physically-settled NYMEX NG referenced contracts, which is at 25% of EDS. At these levels, it may not require much movement in the physically-settled markets to disproportionately benefit the cash-settled holdings. As a result, the requirement to exit the physically-settled contract is critical for reducing the market participant's incentive to manipulate the cash settlement price by, for example, banging-the-close or distorting physical delivery prices in the physically-settled contract to benefit leveraged cash-settled positions.\740\--------------------------------------------------------------------------- \739\ 85 FR at 11641. \740\ See 85 FR 11626, 11641.--------------------------------------------------------------------------- With respect to commenters' concerns about removing flexibility and options for market participants, as well as a potential decrease in liquidity in the physically-settled NYMEX NG referenced contract, the Commission notes that the physically-settled NYMEX NG referenced contract remains highly liquid even in spite of the implementation of the exchange-set conditional limit framework instituted approximately a decade ago. Also, market participants should have more flexibility and options than before because the Federal spot month position limit level for NYMEX NG adopted herein will now permit up to 8,000 cash-settled NYMEX NG referenced contracts, even if the market participant holds 2,000 physically-settled NYMEX[[Page 3330]]NG referenced contracts.\741\ Finally, the Commission reiterates that Federal position limit levels only apply to speculative positions and, as a result, bona fide hedging positions will continue to be allowed to exceed the Federal position limit levels, including the Federal conditional limit level, from the Federal position limits perspective.\742\--------------------------------------------------------------------------- \741\ Under the Final Rule's Federal spot month position limit level for NYMEX NG, a trader may hold 2,000 physically-settled NYMEX NG referenced contracts, 2,000 cash-settled NYMEX NG referenced contracts per exchange that lists such contracts, and 2,000 cash-settled economically equivalent NYMEX NG OTC swaps. Currently, there are three exchanges that list cash-settled NYMEX NG referenced contracts--NYMEX, IFUS, and Nodal. As a result, a trader may hold up to 6,000 exchange-listed cash-settled NYMEX NG referenced contracts and 2,000 cash-settled economically equivalent NYMEX NG OTC swaps, which brings the total number of cash-settled NYMEX NG referenced contracts a trader may hold to 8,000 under the Federal spot month position limit level. \742\ This also answers EEI/EPSA's request to confirm ``that a participant may rely upon the conditional limit in the first instance but may also utilize a hedge exemption to exceed the conditional limit.'' EEI/EPSA at 4. However, the Commission notes that exchanges have rarely, if ever, allowed a market participant to exceed the exchange-set natural gas conditional limit by layering a bona fide hedge position on top of the cash-settled natural gas contract position permitted under the natural gas conditional limit. Similar to this existing practice, the Commission expects that, under the Final Rule, a market participant will rarely be permitted to hold: (1) A bona fide hedge position in the physically-settled NYMEX NG referenced contract while taking advantage of the conditional limit for cash-settled NYMEX NG referenced contracts; or (2) a bona fide hedge position in cash-settled NYMEX NG referenced contracts on top of the maximum position permitted under the conditional limit for cash-settled NYMEX NG referenced contracts.---------------------------------------------------------------------------(iii) Application of a Five-Times Multiplier for the Federal Conditional Limit Level The Commission clarifies that, in accordance with historical practice, if the Federal spot month position limit level for the physically-settled NYMEX NG referenced contract is updated in the future through rulemaking, the Commission expects to simultaneously adjust the Federal conditional limit in the same rulemaking, such that the Federal conditional limit level is set at a multiple of five of the new Federal spot month position limit level for NYMEX NG, provided that the Commission does not observe any issues in the markets.c. NYMEX NG Penultimate Referenced Contracts(1) Summary of the 2020 NPRM and Additional Background Information--NYMEX NG Penultimate Referenced Contracts With respect to NYMEX NG, the Commission proposed that penultimate contracts, which are cash-settled contracts that settle on the trading day immediately preceding the final trading day of the corresponding referenced contract, are also considered referenced contracts that are subject to Federal spot month position limits.\743\ The Commission also proposed a slightly broader economically equivalent swap definition for natural gas, so that swaps with delivery dates that diverge by less than two calendar days (instead of one calendar day) from an associated referenced contract could still be deemed economically equivalent and therefore subject to Federal position limits. The Commission made these adjustments to: Recognize the active and vibrant penultimate natural gas contract markets; prevent and disincentivize manipulation and regulatory arbitrage; and prevent volume from shifting away from non-penultimate cash-settled NYMEX NG markets to penultimate NYMEX NG contract futures and/or penultimate NYMEX NG swaps markets in order to avoid Federal position limits.\744\--------------------------------------------------------------------------- \743\ Such penultimate contracts include: ICE's Henry Financial Penultimate Fixed Price Futures (PHH) and options on Henry Penultimate Fixed Price (PHE), and NYMEX's Henry Hub Natural Gas Penultimate Financial Futures (NPG). \744\ The Commission proposed a relatively narrow ``economically equivalent swap'' definition in order to prevent market participants from inappropriately netting positions in core referenced futures contracts against swap positions further out on the curve. The Commission acknowledges that liquidity could shift to penultimate swaps as a result, but believes that, with the exception of natural gas, this concern is mitigated since certain constraints exist that militate against this from occurring, including basis risk between the penultimate swap and the core referenced futures contract. However, this constraint does not necessarily apply to the natural gas futures markets, because natural gas has a relatively liquid penultimate futures market that enables a market participant to hedge or off-set its penultimate swap positions. As a result, the Commission believes that liquidity may be incentivized to shift from NYMEX NG to penultimate natural gas swaps in order to avoid Federal position limits in the absence of the Commission's exception for natural gas in the ``economically equivalent swap'' definition.---------------------------------------------------------------------------(2) Comments--NYMEX NG Penultimate Referenced Contracts In response to this part of the 2020 NPRM, ICE requested ``that the Commission continue to allow exchanges to impose spot month accountability levels which expire during the period when spot month limits for the Henry Hub core-referenced futures contract are in effect and to not aggregate penultimate options into the Henry Hub LD1 cash-settled limit.'' \745\ One of the ways in which ICE supported this request was by claiming that, ``The Commission states that penultimate contracts are economically the same as the last day contract, however, empirically, this statement is not correct as settlement prices have demonstrated.'' \746\--------------------------------------------------------------------------- \745\ ICE at 14. \746\ Id.---------------------------------------------------------------------------(3) Discussion of Final Rule--NYMEX NG Penultimate Referenced Contracts The Commission declines to exclude NYMEX NG penultimate contracts from Federal position limits for the reasons set forth in this Final Rule's section addressing ``Referenced Contract.'' \747\ In doing so, the Commission notes, in particular, that ICE's specific assertion that penultimate natural gas contracts are not economically the same as last day contracts based on settlement prices runs counter to the Commission's review of a sample of the daily settlement prices for NYMEX NG (the physically-settled natural gas contract), ICE Henry Hub LD1 (the ICE natural gas contract cash-settled to NYMEX NG), and ICE Henry Hub Penultimate (the ICE penultimate natural gas contract cash-settled to NYMEX NG).\748\--------------------------------------------------------------------------- \747\ For further discussion of the Commission's determination to include penultimate contracts within the Federal position limits framework, see Section II.A.16.iii.a (2)(iii). \748\ Id.---------------------------------------------------------------------------vii. Wheat Core Referenced Futures Contracts' Federal Spot Month Position Limit Levelsa. Summary of the 2020 NPRM and Additional Background Information--Wheat Federal Spot Month Position Limit Levels The Commission proposed to increase the Federal spot month position limit levels for all three wheat core referenced futures contracts (CBOT Wheat (W), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE)) from 600 contracts to 1,200 contracts. The proposed Federal limit levels were based on the underlying EDS figures for each wheat core referenced futures contract and CME's and MGEX's recommended Federal spot month position limit levels of 1,200 contracts for each of their respective wheat core referenced futures contracts.b. Summary of the Commission Determination--Wheat Federal Spot Month Position Limit Levels The Commission is adopting the Federal spot month position limit levels for all three wheat core referenced futures contracts as proposed.c. Comments--Wheat Federal Spot Month Position Limit Levels The Commission received one comment, from MGEX, fully supporting[[Page 3331]]the 2020 NPRM's Federal spot month parity among the three wheat core referenced futures contracts.\749\--------------------------------------------------------------------------- \749\ MGEX at 3.---------------------------------------------------------------------------4. Federal Non-Spot Month Position Limit Levelsi. Background--Federal Non-Spot Month Position Limit Levels The Commission most recently updated the Federal non-spot month position limit levels in 2011.\750\ At that time, the Commission utilized a formula that was called the ``10/2.5% formula,'' \751\ which calculated the Federal non-spot month position limit levels by multiplying the first 25,000 contracts in open interest by 10% and multiplying the remaining contracts by 2.5% and adding the two numbers together.\752\ The 10/2.5% formula was first adopted in 1999 based on two primary factors: Growth in open interest and the size of large traders' positions.\753\ The existing Federal non-spot month position limit levels that were adopted in 2011 have not been updated to reflect changes in open interest ***data*** in over a decade.\754\--------------------------------------------------------------------------- \750\ The Commission notes that the 2011 Final Rulemaking that adopted the most recent Federal non-spot month position limit levels was vacated by an order of the U.S District Court for the District of Columbia on September 28, 2012. However, that order did not apply with respect to the 2011 Final Rulemaking's amendments to the Federal non-spot month position limit levels in Sec. 150.2 ISDA, 887 F.Supp.2d 259 (2012). \751\ See, e.g , Revision of Federal Speculative Position Limits and Associated Rules, 64 FR at 24038 (May 5, 1999) (increasing deferred-month limit levels based on 10% of open interest up to an open interest of 25,000 contracts, with a marginal increase of 2.5% thereafter). Prior to 1999, the Commission had given little credence to the size of open interest in the contract in determining the position limit level. Instead, the Commission's traditional standard was to set limit levels based on the distribution of speculative traders in the market. See, e.g , 64 FR at 24039; Revision of Federal Speculative Position Limits and Associated Rules, 63 FR at 38525, 38527 (July 17, 1998). \752\ For example, assume a commodity contract has an aggregate open interest of 200,000 contracts over the past 12 month period. Applying the 10/2.5% formula to an aggregate open interest of 200,000 contracts would yield a non-spot month position limit level of 6,875 contracts. That is, 10% of the first 25,000 contracts would equal 2,500 contracts (25,000 contracts x 0.10 = 2,500 contracts). Then add 2.5% of the remaining 175,000 of aggregate open interest or 4,375 contracts (175,000 contracts x 0.025 = 4,375 contracts) for a total non-spot month position limit level of 6,875 contracts (2,500 contracts + 4,375 contracts = 6,875 contracts). \753\ See 64 FR at 24038. See also 63 FR at 38525, 38527 (The 1998 proposed revisions to non-spot month levels, which were eventually adopted in 1999, were based upon two criteria: ``(1) The distribution of speculative traders in the markets; and (2) the size of open interest.''). \754\ In setting the Federal non-spot month position limit levels in 2011, the Commission used open interest ***data*** from 2009. 76 FR at 71642.---------------------------------------------------------------------------ii. Summary of the 2020 NPRM--Federal Non-Spot Month Position Limit Levels Proposed Sec. 150.2(e) provided that Federal non-spot month position limit levels were set forth in proposed Appendix E to part 150 and were as follows: \755\--------------------------------------------------------------------------- \755\ 85 FR at 11624. As discussed above, the proposed Federal non-spot month position limits would apply to only the nine legacy ***agricultural*** contracts and any associated referenced contracts. All other referenced contracts subject to Federal position limits would be subject to Federal position limits only during the spot month, as specified above, and would only be subject to exchange-set position limits or position accountability levels outside of the spot month.[GRAPHIC] [TIFF OMITTED] TR14JA21.009[[Page 3332]] In generally calculating the above levels, the Commission proposed to maintain the existing 10/2.5% formula for non-spot month position limit levels, but with the following limited changes: (1) The 10% rate would apply to the first 50,000 contracts of open interest (instead of the first 25,000 contracts); (2) the 2.5% rate would apply to open interest above 50,000 contracts (rather than above the current level of 25,000 contracts); and (3) the modified 10/2.5% formula would apply to updated open interest ***data*** for the applicable futures and delta-adjusted options for the periods from July 2017 to June 2018 and July 2018 to June 2019.\756\ All Federal non-spot month position limit levels that were calculated based on the 10/2.5% formula (i.e , all legacy ***agricultural*** contracts, with the exception of CBOT Oats (O), CBOT KC HRW Wheat (KW), MGEX HRS Wheat (MWE), and the single month position limit level for ICE Cotton No. 2 (CT)) were rounded up to the nearest 100 contracts.--------------------------------------------------------------------------- \756\ The 12-month period yielding the higher open interest level is selected as the basis for the Federal non-spot month position limit level.--------------------------------------------------------------------------- As outlined in the table above, the proposed Federal non-spot month position limit levels are generally higher than the existing Federal non-spot month position limit levels, with the exception of CBOT Oats (O), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE), for which the proposed limit levels would remain at existing levels. As described in detail below, this proposed general increase is primarily due to the increases in open interest that have occurred since the Federal non-spot month position limit levels were last updated approximately a decade ago.\757\--------------------------------------------------------------------------- \757\ See 85 FR at 11630. The 2020 NPRM's proposed modification to the 10/2.5% formula from 25,000 to 50,000 contracts results in a modest increase in the Federal non-spot month position limit level of 1,875 contracts over what the limit level would be if the 10/2.5% formula were applied at 25,000 contracts, assuming that the market for the core referenced futures contract has an open interest of at least 50,000 contracts.---------------------------------------------------------------------------iii. Summary of the Commission Determination--Federal Non-Spot Month Position Limit Levels The Commission is adopting each of the Federal non-spot month position limit levels as proposed in Sec. 150.2(e) and Appendix E to part 150, with the exception of setting a lower single month position limit for ICE Cotton No. 2 (CT). The Commission will first describe the general rationale for the final Federal non-spot month position limit levels that are being adopted. Next, the Commission will describe the comments it received in connection with the proposed Federal non-spot month position limit levels. Finally, the Commission will provide responses to such comments, including further rationale for the Commission's position concerning the final Federal non-spot month position limit levels.a. Rationale for the Final Federal Non-Spot Month Position Limit Levels As explained below, the Commission believes that the final Federal non-spot month position limit levels, in conjunction with the rest of the Federal position limits framework, will achieve the four policy objectives in CEA section 4a(a)(3)(B). Namely, they will: (1) Diminish, eliminate, or prevent excessive speculation; (2) deter and prevent market manipulation, squeezes, and corners; (3) ensure sufficient market liquidity for bona fide hedgers; and (4) ensure that the price discovery function of the underlying market is not disrupted.\758\--------------------------------------------------------------------------- \758\ 7 U.S.C 6a(a)(3)(B).--------------------------------------------------------------------------- As a preliminary matter, the Commission continues to believe that a formula based on a percentage of open interest, such as the 10/2.5% formula, will permit position limit levels to better reflect the changing needs and composition of the futures markets.\759\ Open interest is a measure of market activity that reflects the number of contracts that are ``open'' or live, where each contract of open interest represents both a long and a short position.\760\ The Commission believes that limiting positions to a percentage of open interest: (1) Helps ensure that positions are not so large relative to observed market activity that they risk disrupting the market; (2) allows speculators to hold sufficient contracts to provide a healthy level of liquidity for bona fide hedgers; and (3) allows for increases in position limits and position sizes as markets expand and become more active.\761\--------------------------------------------------------------------------- \759\ 85 FR at 11630. \760\ Id. \761\ Id.---------------------------------------------------------------------------(1) Modification of the 10/2.5% Formula However, the Commission believes that the current 10/2.5% formula should be updated based on market developments since it was adopted in 1999. As a result, the Commission proposed modifying the 10/2.5% formula by adjusting the inflection point between the 10% rate and the 2.5% rate from 25,000 contracts to 50,000 contracts.\762\ The Commission also proposed applying updated open interest ***data*** to the modified 10/2.5% formula.--------------------------------------------------------------------------- \762\ This results in a modest increase in the Federal non-spot month position limit level of 1,875 contracts over what the limit level would be if the 10/2.5% formula were applied at 25,000 contracts, assuming that the market for the core referenced futures contract has an open interest of at least 50,000 contracts.--------------------------------------------------------------------------- The Commission is adopting these changes as proposed because: (1) Open interest has increased significantly since the 10/2.5% formula was originally adopted in 1999; and (2) futures market composition has changed significantly since 1999. The Commission discusses both developments in turn below.(i) Increases in Open Interest As noted in the 2020 NPRM, there has generally been a significant increase in maximum open interest for each of the legacy ***agricultural*** contracts (except for CBOT Oats (O)) since the existing 10/2.5% formula was first adopted in 1999.\763\ Under the existing 10/2.5% formula, because the 2.5% incremental increase applies after the first 25,000 contracts of open interest, limit levels with respect to contracts with open interest above 25,000 contracts (i.e , all applicable core referenced futures contracts other than CBOT Oats (O)) continue to increase at the much slower rate of 2.5% rather than the 10% rate that's applicable for the first 25,000 contracts. As a result, the existing 10/2.5% formula has become proportionally more restrictive as the percentage of open interest above 25,000 contracts increased.--------------------------------------------------------------------------- \763\ 85 FR at 11631.--------------------------------------------------------------------------- The table below provides ***data*** that describes the market environment during the period prior to, and subsequent to, the adoption of the existing 10/2.5% formula by the Commission in 1999. The ***data*** includes futures contracts and the delta-adjusted options on futures open interest.\764\ The first column of the table provides the maximum open interest in the nine legacy ***agricultural*** contracts over the five year period ending in 1999. The CBOT Corn (C) contract had a maximum open interest of approximately 463,000 contracts, and the CBOT Soybeans (S) contract had a maximum open interest[[Page 3333]]of approximately 227,000 contracts. The other seven contracts had maximum open interest figures that ranged from less than 20,000 contracts for CBOT Oats (O) to approximately 172,000 for CBOT Soybean Oil (SO). Hence, when adopting the 10/2.5% formula in 1999, the Commission's experience in these markets was of aggregate futures and options on futures open interest well below 500,000 contracts.--------------------------------------------------------------------------- \764\ Delta is a ratio comparing the change in the price of an asset (a futures contract) to the corresponding change in the price of its derivative (an option on that futures contract) and has a value that ranges between zero and one. In-the-money call options get closer to 1 as their expiration approaches. At-the-money call options typically have a delta of 0.5, and the delta of out-of-the-money call options approaches 0 as expiration nears. The deeper in-the-money the call option, the closer the delta will be to 1, and the more the option will behave like the underlying asset. Thus, delta-adjusted options on futures will represent the total position of those options as if they were converted to futures.[GRAPHIC] [TIFF OMITTED] TR14JA21.010 The table also displays the maximum open interest figures for subsequent periods up to, and including, 2018. The maximum open interest for all legacy ***agricultural*** contracts, except for CBOT Oats (O), generally increased over the period. By the 2015-2018 period covered in the last column of the table, five of the contracts had maximum open interest greater than 500,000 contracts. Also, the contracts for CBOT Corn (C), CBOT Soybeans (S), and CBOT Hard Red Winter Wheat (KW) saw maximum open interest increase by a factor of four to five times the maximum open interest observed during the 1994-1999 period when the Commission adopted the 10/2.5% formula in 1999. As open interest has increased, the current Federal non-spot month position limit levels have become significantly more restrictive over time. In particular, as discussed above, because the 2.5% incremental increase applies after the first 25,000 contracts of open interest under the existing 10/2.5% formula, Federal non-spot month position limit levels on legacy ***agricultural*** contracts with open interest above 25,000 contracts (i.e , all contracts other than CBOT Oats (O)) continue to increase at a much slower rate of 2.5% rather than the 10% that applies for the first 25,000 contracts. The existing 10/2.5% formula's inflection point of 25,000 contracts was less of a problem in the latter part of the 1990s, for example, when open interest in each of the nine legacy ***agricultural*** contracts was below 500,000, and in many cases below 200,000. More recently, however, open interest has grown above 500,000 for a majority of the legacy ***agricultural*** contracts. The existing 10/2.5% formula has thus become more restrictive for market participants, including, as discussed immediately below, certain banks and dealers with positions that may not be eligible for a bona fide hedging exemption, but who might otherwise provide valuable liquidity to commercial firms.(ii) Changes in Market Composition The potentially restrictive nature of the existing Federal non-spot month position limit levels has become more problematic over time because dealers play a much more significant role in the market today than at the time the Commission adopted the 10/2.5% formula. Prior to 1999, the Commission regulated physical commodity markets where the largest participants were often large commercial interests who held short positions. The offsetting positions were often held by small, individual traders, who tended to be long.\765\--------------------------------------------------------------------------- \765\ Stewart, Blair, An Analysis of Speculative Trading in Grain Futures, Technical Bulletin No. 1001, U.S Department of ***Agriculture*** (Oct. 1949). See also Draper, Dennis, ``The Small Public Trader in Futures Markets'', pp. 211-269, Futures Markets: Regulatory Issues (ed. Anne Peck, 1985): American Enterprise Institute.--------------------------------------------------------------------------- Several years after the Commission adopted the 10/2.5% formula, the composition of futures market participants changed as dealers began to enter the physical commodity futures market in larger size. These dealers, including ones affiliated with banks or large financial institutions that are now provisionally registered and regulated as swap dealers, sometimes held significant positions in these markets by acting as aggregators or market makers and providing swaps to commercial hedgers and to other market participants.\766\ The existing 10/2.5% formula has thus become particularly restrictive for dealers, including those with positions that may not be eligible for a bona fide hedging exemption, but[[Page 3334]]that might otherwise provide valuable liquidity to commercial firms.\767\--------------------------------------------------------------------------- \766\ Staff Report on Commodity Swap Dealers & Index Traders with Commission Recommendations, U.S Commodity Futures Trading Commission (Sept. 2008), available at [*https://www.cftc.gov/sites/default/files/idc/groups/public/@newsroom/documents/file/cftcstaffreportonswapdealers09.pdf*](https://www.cftc.gov/sites/default/files/idc/groups/public/@newsroom/documents/file/cftcstaffreportonswapdealers09.pdf). \767\ The Commission notes that this issue with respect to swap dealers is being addressed through a combination of a modification of the 10/2.5% formula and the pass-through swap provision, the latter of which is described in Section II.A.1.x (Pass-Through Swap and Pass-Through Swap Offset Provisions).--------------------------------------------------------------------------- The table below demonstrates the trend of increased dealer participation by presenting ***data*** from the Commission's publicly available ``Bank Participation Report'' (``BPR''), as of the December report for 2002-2018.\768\ The table displays the number of banks holding reportable positions for the seven futures contracts for which Federal position limits apply and that were reported in the BPR.\769\ The report presents ***data*** for every market where five or more banks hold reportable positions. The BPR is based on the same large-trader reporting system database used to generate the Commission's Commitments of Traders (``COT'') report.\770\--------------------------------------------------------------------------- \768\ Bank Participation Reports, available at [*https://www.cftc.gov/MarketReports/BankParticipationReports/index.htm*](https://www.cftc.gov/MarketReports/BankParticipationReports/index.htm). \769\ The term ``reportable position'' is defined in Sec. 15.00(p) of the Commission's regulations. 17 CFR 15.00(p). \770\ Commitments of Traders, available at [*www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm*](http://www.cftc.gov/MarketReports/CommitmentsofTraders/index.htm). Commitments of Traders reports indicate that there are generally still as many large commercial traders in the markets today as there were in the 1990s.--------------------------------------------------------------------------- No ***data*** was reported for the seven futures contracts in December 2002, indicating that fewer than five banks held reportable positions at the time of the report. The December 2003 report shows that five or more banks held reportable positions in four of the commodity futures. The number of banks with reportable positions generally increased in the early to mid-2000s, which included dealers that operated in the swaps markets by acting as aggregators or market makers, providing swaps to commercial hedgers and to other market participants while using the futures markets to hedge their own exposures.\771\ When the Commission adopted the 10/2.5% formula in 1999, it had limited experience with physical commodity derivatives markets in which such banks were significant participants.--------------------------------------------------------------------------- \771\ Staff Report on Commodity Swap Dealers & Index Traders with Commission Recommendations, U.S Commodity Futures Trading Commission (Sept. 2008), available at [*https://www.cftc.gov/sites/default/files/idc/groups/public/@newsroom/documents/file/cftcstaffreportonswapdealers09.pdf.---------------------------------------------------------------------------BILLING*](https://www.cftc.gov/sites/default/files/idc/groups/public/@newsroom/documents/file/cftcstaffreportonswapdealers09.pdf.---------------------------------------------------------------------------BILLING) CODE 6351-01-P[GRAPHIC] [TIFF OMITTED] TR14JA21.011 For 2003, which was the first year in the report with reported ***data*** on the futures for these physical commodities, the BPR showed, as displayed in the table below, that the reporting banks held modest positions, totaling 3.4% of futures long open interest for CBOT Wheat (W) and smaller positions in other futures. The positions displayed in the table below increased over the next several years, generally peaking around 2005/2006 as a percentage of the long open interest.[[Page 3335]][GRAPHIC] [TIFF OMITTED] TR14JA21.012BILLING CODE 6351-01-C The Commission believes that the application of the modified 10/2.5% formula adopted herein to updated open interest ***data*** will prevent the Federal non-spot month limits from becoming overly restrictive by providing an appropriate increase in the non-spot month position limit levels for most contracts to better reflect the above-described changes in market dynamics observed since the late 1990s.(2) Non-Spot Month Position Limit Levels for CBOT Oats (O), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE) The Commission is adopting the proposed Federal non-spot month position limit levels with respect to CBOT Oats (O), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE). These remain at the current Federal non-spot month position limit levels, which are 2,000 contracts for CBOT Oats (O) and 12,000 contracts for both CBOT KC HRW Wheat (KW) and MGEX HRS Wheat (MWE). These Federal non-spot month position limit levels are higher than the levels that would have been determined using the modified 10/2.5% formula and updated open interest ***data***, which would have resulted in 700 contracts for CBOT Oats (O), 11,900 contracts for CBOT KC HRW Wheat (KW), and 5,700 contracts for MGEX HRS Wheat (MWE). However, the Commission saw no reason to reduce these Federal non-spot month position limit levels in accordance with the 10/2.5% formula because the Commission has observed that the existing limit levels have functioned well for these core referenced futures contracts and the Commission believes that strictly following the 10/2.5% formula to determine Federal non-spot month position limit levels could harm liquidity in those markets.(3) Single Month Position Limit Level for ICE Cotton No. 2 (CT) The Commission is adopting a modified single month Federal position limit level for ICE Cotton No. 2 (CT). The Commission proposed a uniform single month and all-months-combined position limit for the ICE Cotton No. 2 (CT) contract, as well as uniform single month and all-months-combined position limits for the eight other legacy ***agricultural*** contracts. However, in the 2020 NPRM the Commission requested comments from the public concerning whether the Commission should adopt a lower single month position limit level for ICE Cotton No. 2 (CT) compared to the all-months-combined position limit level.\772\--------------------------------------------------------------------------- \772\ 85 FR 11637 (Request for Comment #26).--------------------------------------------------------------------------- The Commission received numerous comments from the end users of ICE Cotton No. 2 (CT) in the cotton industry, including growers and merchants, who requested that the Commission establish a lower Federal single month position limit level for ICE Cotton No. 2 (CT) compared to the all-months-combined position limit level, including establishing the single month position limit level at 50% of the all-months-combined position limit level.\773\ The Commission did not receive any comments from commercial end-users opposing a lower Federal single month position limit level for ICE Cotton No. 2 (CT) compared to the all-months-combined position limit level. In response to the comments received, the Commission is adopting a lower Federal single month position limit level of 5,950 contracts for ICE Cotton No. 2 (CT), which is 50% of the proposed Federal non-spot month position limit level. However, the Commission is adopting the proposed all-months-[[Page 3336]]combined position limit level of 11,900 contracts, which is based on the modified 10/2.5% formula. This change is discussed further below.--------------------------------------------------------------------------- \773\ ACSA at 2, 8; LDC at 2; Olam at 2; Ecom at 1; ACA at 2; Canale Cotton at 2; Choice at 2; Jess Smith at 2; East Cotton at 2; Memtex at 2; NCC at 1-2; Southern Cotton at 2-3; Texas Cotton at 2; Toyo Cotton Co. at 2; WCSA at 2; and Omnicotton at 2.---------------------------------------------------------------------------(4) The Final Rule's Federal Non-Spot Month Position Limits Achieve the Four Statutory Objectives in CEA Section 4a(a)(3)(B) As noted above, in the Final Rule, the Commission is not reducing Federal non-spot month position limit levels for any of the legacy ***agricultural*** contracts and will be raising them for six of the nine such contracts in accordance with the updated open interest ***data*** and the modified 10/2.5% formula.\774\ As a result, the Commission believes that the final Federal non-spot month position limit levels will generally improve liquidity for bona fide hedgers and, at the very least, not harm liquidity compared to the status quo.--------------------------------------------------------------------------- \774\ As noted previously, the Commission is not following the modified 10/2.5% formula for determining the single month position limit level for ICE Cotton No. 2 (CT). However, the Final Rule still increases that limit level compared to its existing limit level.--------------------------------------------------------------------------- The Commission also believes that the final Federal non-spot month position limit levels remain low enough to diminish, eliminate, or prevent excessive speculation, and to deter and prevent market manipulation. This is because, as discussed above, by taking into ***account*** the amount of observed market activity through open interest, the modified 10/2.5% formula adopted herein helps ensure, among other things, that positions are not so large relative to observed market activity that they risk disrupting the market.\775\ This, in turn, also helps ensure that the price discovery function of the underlying market is not disrupted, because markets that are free from manipulative activity reflect fundamentals of supply and demand rather than artificial pressures. The Commission also notes that the 10/2.5% formula has functioned well, based on the Commission's decades of experience administering the formula.\776\--------------------------------------------------------------------------- \775\ 85 FR at 11630. \776\ Id. at 11675.--------------------------------------------------------------------------- The Commission reiterates that the modified 10/2.5% formula provided in this Final Rule is generally a continuation of the same approach the Commission has taken for decades. The increased levels adopted herein are primarily driven by utilizing updated open interest figures. With respect to the slight modification to the 10/2.5% formula, the Commission does not believe that the modification will negatively impact the formula's effectiveness in ensuring that the Federal non-spot month position limit levels remain low enough to diminish, eliminate, or prevent excessive speculation, and to deter and prevent market manipulation. This is because the difference between utilizing the existing 10/2.5% formula and the modified 10/2.5% formula results in a modest increase in Federal non-spot month position limit level of 1,875 contracts, which is generally counterbalanced by the increased amount of open interest that is subject to the 2.5% rate.\777\ Additionally, the Commission has previously studied prior increases in Federal non-spot month position limit levels and concluded that the overall impact was modest, and that any changes in market performance were most likely attributable to factors other than changes in the Federal position limit rules.\778\ The Commission has since gained additional experience which supports that conclusion, including by monitoring amendments to position limit levels by exchanges. Further, given the significant increases in open interest and changes in market composition that have occurred since the 1990s, the Commission is comfortable that the Federal non-spot month position limit levels adopted herein will adequately address each of the policy objectives set forth in CEA section 4a(a)(3)(B), including preventing manipulation and excessive speculation.--------------------------------------------------------------------------- \777\ When the Commission adopted the existing Federal non-spot month position limit levels in 2011, the Federal non-spot month position limit levels for four of the nine legacy ***agricultural*** contracts were based on the existing 10/2.5% formula and utilized open interest ***data*** from 2009. These were CBOT Corn (C), CBOT Soybeans (S), CBOT Wheat (W), and CBOT Soybean Oil (SO). For those four contracts, the ratio of Federal non-spot month position limit level to open interest changes as follows: CBOT Corn (C) (the ratio increases from 0.026 to 0.027); CBOT Soybeans (S) (the ratio increases from 0.028 to 0.029); CBOT Wheat (W) (the ratio increases from 0.029 to 0.031); and CBOT Soybean Oil (SO) (the ratio increases from 0.030 to 0.032). The other five legacy ***agricultural*** contracts' Federal non-spot month position limit levels deviated from the 10/2.5% formula. The ratio changes for these five contracts are as follows (based on 2009 open interest ***data***): ICE Cotton No. 2 (CT) (the ratio increases from 0.025 to 0.037 for the all-months-combined and decreases from 0.025 to 0.018 for the single month); CBOT Soybean Meal (SM) (the ratio decreases from 0.038 to 0.032); CBOT Oats (O) (the ratio increases from 0.130 to 0.291); MGEX Hard Red Spring Wheat (MWE) (the ratio decreases from 0.323 to 0.162); and CBOT KC Hard Red Winter Wheat (KW) (the ratio decreases from 0.113 to 0.037). \778\ 64 FR at 24039.---------------------------------------------------------------------------(5) Federal Non-Spot Month Position Limits as Ceilings The Commission reiterates that, under this position limits framework, the Federal non-spot month position limit levels serve as ceilings. Exchanges are required to establish their own non-spot month position limit levels with respect to the nine legacy ***agricultural*** contracts pursuant to final Sec. 150.5(a)(1). A discussion of the implications of this approach is provided above in Section II.B.3.ii.a(2).iv. Comments and Discussion of Final Rule--Federal Non-Spot Month Position Limit Levels Most commenters did not express concerns with respect to the proposed Federal non-spot month position limit levels and the method by which the Commission determined those levels.\779\ However, some commenters raised concerns with respect to: (1) The Federal non-spot month position limit levels, generally; (2) the proposed non-spot month position limit level for ICE Cotton No. 2 (CT); and (3) the issue of partial parity for the three wheat core referenced futures contracts with respect to their Federal non-spot month position limit levels. The Commission will discuss each of these issues, the related comments, and the Commission's corresponding determination in greater detail below.--------------------------------------------------------------------------- \779\ See, e.g , COPE at 2; CMC at 6; CCI at 2; and CHS at 2.---------------------------------------------------------------------------a. Federal Non-Spot Month Position Limit Levels, Generally(1) Comments--Federal Non-Spot Month Position Limit Levels, Generally Several commenters raised concerns about the proposed Federal non-spot month position limit levels generally. Two commenters, NGFA and LDC, advocated for lowering the Federal non-spot month position limit levels for the nine legacy ***agricultural*** contracts.\780\ NGFA stated that the proposed increases are ``very large'' and that the Commission should not view increasing non-spot month position limit levels as a ``tradeoff'' for eliminating the risk management exemption, but should instead establish limits that ``will telescope down to relatively much-smaller spot-month limits in an orderly fashion.'' \781\ LDC and several others[[Page 3337]]believed that adopting lower Federal single month position limit levels would ``prevent speculative activity from concentrating in a single contract month and thus jeopardizing convergence.'' \782\ NGFA and LDC also offered the following alternatives to the proposed Federal non-spot month position limit levels: (1) Set single-month limits at some percentage of the all-months-combined limit, such as 50%; or (2) maintain existing single-month limits while adopting the proposed all-months-combined limits.\783\ NGFA also offered a third alternative, which was to adopt a phased-in approach to the higher non-spot month position limits, ``together with very active monitoring of contract performance, though NGFA does not favor this option.'' \784\--------------------------------------------------------------------------- \780\ NGFA at 3 and LDC at 2. \781\ NGFA at 3. NGFA also commented that, ``NGFA still is not completely convinced that open interest is the best yardstick for this exercise,'' because ``[a]s volume and open interest grow, Federal non-spot limits expand correspondingly . . . which leads to yet higher volume and open interest. . .which again prompts expanded Federal non-spot limits . . . and so on.'' However, NGFA did not provide any alternatives to utilizing open interest for determining Federal non-spot month position limit levels. As discussed previously, the Commission believes that open interest is an appropriate means of measuring market activity for a particular contract and that a formula based on open interest, such as the 10/2.5% formula: (1) Helps ensure that positions are not so large relative to observed market activity that they risk disrupting the market; (2) allows speculators to hold sufficient contracts to provide a healthy level of liquidity for hedgers; and (3) allows for increases in position limits and position sizes as markets expand and become more active. Furthermore, the Commission notes that under the Final Rule, Federal non-spot month position limit levels do not automatically increase with higher open interest levels. In order to make any amendments to the Federal position limit levels, the Commission is required to engage in notice-and-comment rulemaking. \782\ LDC at 2. See also e.g , Moody Compress at 1; ACA at 2; Jess Smith at 2; McMeekin at 2; Memtex at 2; Mallory Alexander at 2; Walcot at 2; and White Gold at 1. \783\ NGFA at 4 and LDC at 2. \784\ NGFA at 4. IATP also provided a similar suggestion, by stating that, ``it is prudent to phase in new non-spot month limit levels so that the Commission can acquire ***data*** and experience with how the new Federal non-spot limits are working for the commercial hedging of those legacy contracts.'' IATP at 11.--------------------------------------------------------------------------- On the other hand, ISDA requested higher Federal non-spot month position limit levels.\785\ ISDA stated that the proposed levels ``for the legacy ***agricultural*** contracts are not high enough to provide [ ] significant liquidity to these markets based on the experience of market participants and anticipated growth in these markets.'' \786\ ISDA also appeared to suggest that higher levels could ``help markets offset any liquidity that may be lost if the risk management exemption is not retained.'' \787\ Finally, ISDA also provided a table with suggested Federal non-spot month position limit levels that ranged from 18% to 191% higher than the proposed levels, except for CBOT Oats (O), which remained the same.\788\--------------------------------------------------------------------------- \785\ ISDA at 7. \786\ Id. \787\ Id. \788\ Id.--------------------------------------------------------------------------- Another commenter, MGEX, disagreed with the 10/2.5% formula, stating that ``a formulaic approach is too rigid and inflexible'' and that the ``Commission needs to be flexible in the future and should not preclude further limits or discussion.'' \789\--------------------------------------------------------------------------- \789\ MGEX at 3.---------------------------------------------------------------------------(2) Discussion of Final Rule--Federal Non-Spot Month Position Limit Levels, Generally With the exception of ICE Cotton No. 2 (CT), as discussed below, the Commission declines to modify the proposed Federal non-spot month position limit levels or the general methodology underlying the determination of those levels for the remaining legacy ***agricultural*** contracts, and also declines to adopt a phase-in for Federal non-spot month position limit levels.(i) Request To Generally Lower Federal Non-Spot Month Position Limits In response to these comments, the Commission believes that the modified 10/2.5% formula is generally an appropriate way to calculate Federal non-spot month position limit levels. The Commission also believes that the final non-spot month position limit levels are supported by updated open interest ***data***, some of which have increased significantly since 2009. The Commission continues to believe that a formula based on a percentage of open interest, such as the 10/2.5% formula, is appropriate for establishing limit levels outside of the spot month, as discussed above and in the 2020 NPRM.\790\ The Commission believes that limiting positions to a percentage of open interest, such as through the 10/2.5% formula: (1) Helps ensure that positions are not so large relative to observed market activity that they risk disrupting the market; (2) allows speculators to hold sufficient contracts to provide a healthy level of liquidity for bona fide hedgers; and (3) allows for increases in position limits and position sizes as markets expand and become more active.\791\ Furthermore, the 10/2.5% formula has functioned well for Federal non-spot month position limit purposes for many years.\792\ Also, the Commission does not believe that the slight modification to the 10/2.5% formula materially impacts the formula's efficacy in determining an appropriate Federal non-spot month position limit level as well,\793\ because the modification is modest and is supported by the general increase in open interest among the legacy ***agricultural*** contracts and the change in the composition of market participants in those markets, as discussed above.\794\--------------------------------------------------------------------------- \790\ See 85 FR at 11630-11633. \791\ Id. \792\ See id. at 11675. \793\ The Commission notes, as discussed elsewhere in this Final Rule, that CBOT KC HRW Wheat (KW), MGEX HRS Wheat (MWE), CBOT Oats (O), and ICE Cotton No. 2 (CT) (single month limit only) are subject to unique circumstances or other factors that counsel in favor of deviating from the 10/2.5% formula. \794\ The modification results in a modest increase in the Federal non-spot month position limit level of 1,875 contracts over what the limit level would be if the inflection point for the 10/2.5% formula was set at 25,000 contracts, assuming that the market for the core referenced futures contract has an open interest of at least 50,000 contracts.---------------------------------------------------------------------------(ii) Request To Generally Lower Single Month Position Limit Levels In response to comments generally requesting lower single month position limit levels, the Commission first acknowledges that it has set single-month position limit levels lower than all-months-combined position limit levels in the past. However, since the Commission set both single month and all-months-combined levels set at the same level in 2011, the Commission has not observed any issues with respect to the nine legacy ***agricultural*** contracts as a result of that change. In response to commenters' concern about possible convergence issues from setting the single-month and all-months-combined levels set at the same level, the Commission notes that positions in the non-spot months have minimal impact on convergence. This is because convergence occurs in the spot month, and, specifically, at the expiration of the physically-settled spot month contract.\795\--------------------------------------------------------------------------- \795\ The Commission, however, recognizes that it is possible that unusually large positions in contracts outside of the spot month could distort the natural spread relationship between contract months. For example, if traders hold unusually large positions outside of the spot month, and if those traders exit those positions immediately before the spot month, that could cause congestion and also affect the pricing of the spot month contract. While such congestion or price distortion cannot be ruled out, exchange-set position limits and position accountability function to mitigate against such risks.--------------------------------------------------------------------------- Furthermore, the Commission notes that an important benefit of having a single Federal non-spot month limit level for both the single-month and all-months-combined is the ability for market participants to enter into calendar spread transactions that would normally be constrained by the lower single month position limit level. However, the Commission notes that, in response to comments received, it is adopting a lower Federal single month position limit level for ICE Cotton No. 2 (CT), the reasons for which is discussed below.[[Page 3338]](iii) Request To Increase Federal Non-Spot Month Position Limit Levels In response to ISDA's comment that the proposed Federal non-spot month position limit levels should be higher to compensate for the proposed loss of risk management exemptions for swap dealers, the Commission believes that any potential impact on existing risk management exemption holders may be mitigated by the finalized pass-through swap provision, to the extent swap dealers can utilize it.\796\ The Commission believes that this is a preferable approach to either a hypothetical alternative formula or ISDA's own suggested Federal non-spot month position limit levels that would allow higher limit levels beyond those adopted in this Final Rule for all market participants. This is because, while the pass-through swap provision adopted herein is narrowly-tailored to enable liquidity providers to continue providing liquidity to bona fide hedgers, higher limit levels beyond those adopted in this Final Rule for all market participants could also permit excessive speculation and increase the possibility of market manipulation or harm to the underlying price discovery function.\797\--------------------------------------------------------------------------- \796\ See 85 FR at 11676. See also Section II.A.1.x (Pass-Through Swap and Pass-Through Swap Offset Provisions). \797\ See 85 FR at 11676.---------------------------------------------------------------------------(iv) Concern With the Commission's ``Formulaic'' Approach In response to MGEX's concern that the Commission's approach is too formulaic and rigid, the Commission notes that the Federal non-spot month position limit levels will operate as ceilings within a broader Federal position limits framework in which exchanges, including MGEX, are always free to determine their own exchange-set position limit levels and position accountability levels below the Federal position limit levels as they see fit based on market conditions. In fact, by having the Federal position limit levels operate as ceilings, this framework will enable exchanges to respond to market conditions through a greater range of acceptable position limit levels than if the Federal position limit levels did not operate as ceilings. In addition, as described further below, the Commission has deviated from the 10/2.5% formula with respect to CBOT Oats (O), ICE Cotton No. 2 (CT) (single month only), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE) based on the unique circumstances concerning those core referenced futures contracts. Furthermore, the Commission also notes that this Final Rule does not ``preclude further limits or discussion.'' \798\ The Commission is also continually monitoring market conditions to evaluate whether different Federal position limit levels may be warranted.--------------------------------------------------------------------------- \798\ MGEX at 3.---------------------------------------------------------------------------(v) Request To Implement a Phase-In Period The Commission declines to adopt a formal phase-in period for Federal non-spot month position limits, in which the Commission gradually implements the Federal non-spot month position limit levels over a period of time. The Commission believes that the markets will operate in an orderly fashion with the Federal position limit levels adopted under this Final Rule, because the final Federal non-spot month position limit levels are supported by increased open interest and are generally set pursuant to the modified 10/2.5% formula, which, as discussed above, achieves the policy objectives set forth in CEA section 4a(a)(3)(B).\799\--------------------------------------------------------------------------- \799\ A phase-in is not necessary with respect to the Federal non-spot month position limit levels for CBOT Oats (O), KC HRW Wheat (KW), and MGEX HRS Wheat (MWE), because the Federal non-spot month position limit levels will remain at the current levels.--------------------------------------------------------------------------- However, as noted in the Federal spot month position limit level phase-in discussion above, as a practical matter, the Commission emphasizes that the operative non-spot month position limit levels for a market participant trading in exchange-listed referenced contracts is not the Federal non-spot month position limit levels, but the exchange-set non-spot month position limit levels. As a result, despite the changes in the Federal non-spot month position limit levels in this Final Rule, there will be no practical impact on market participants trading in exchange-listed referenced contracts unless and until an exchange affirmatively modifies its exchange-set non-spot month position limit levels through a rule submission to the Commission pursuant to part 40 of the Commission's regulations.\800\--------------------------------------------------------------------------- \800\ 17 CFR part 40.---------------------------------------------------------------------------c. ICE Cotton No. 2 (CT) Federal Non-Spot Month Position Limit Level(1) Summary of the 2020 NPRM and Additional Background Information--ICE Cotton No. 2 (CT) Federal Non-Spot Month Position Limit Level In the 2020 NPRM, the Commission proposed to increase both the Federal single month and all-months-combined position limit levels for ICE Cotton No. 2 (CT) from the existing Federal level of 5,000 contracts to 11,900 contracts by applying the updated open interest ***data*** into the proposed modified 10/2.5% formula. The Commission also solicited comments asking whether the Commission should consider lowering the Federal single month position limit level to a percentage of the Federal all-months-combined position limit level for ICE Cotton No. 2 (CT), and if so, what percentage of the all-months-combined position limit level should be used.\801\--------------------------------------------------------------------------- \801\ 85 FR at 11637 (Request for Comment #26).---------------------------------------------------------------------------(2) Comments--ICE Cotton No. 2 (CT) Federal Non-Spot Month Position Limit Level In response to the 2020 NPRM, numerous commenters from the cotton industry, including growers and merchants, requested that the Commission ``maintain its single-month limit, particularly for smaller markets like cotton,'' \802\ or, in the alternative, set a Federal single month position limit level of 50% of the all-months-combined limit (i.e , 5,950 contracts).\803\ In support, commenters also noted that the proposed non-spot month position limit level for ICE Cotton No. 2 (CT) was ``not in line with historical limits.'' \804\ One commenter also stated, ``Experience with modern trading has shown a propensity by speculators to focus too heavily on the nearest futures contract, leaving later months with poor liquidity from time to time.'' \805\ In contrast, ISDA argued that the proposed Federal non-spot month position limit levels, including that for ICE Cotton No. 2 (CT), were too low and asserted that the level for ICE Cotton No. 2 (CT) should be increased to 24,000 contracts to make up for the elimination of the risk management exemption.\806\--------------------------------------------------------------------------- \802\ See e.g , East Cotton at 2; Omnicotton at 2; Choice at 2; Canale Cotton at 2; Ecom at 1; Olam at 2; Texas Cotton at 2; Toyo Cotton at 2; Walcot Trading at 2; White Gold at 2; and NCTO at 2. See also ACA at 2; Gerald Marshall at 1-2; Jess Smith at 2; LDC at 2; Mallory Alexander at 2; McMeekin at 2; MemTex at 2; Moody Compress at 2; Parkdale at 2; Southern Cotton at 2-3; SW Ag at 2; and ACSA at 8. \803\ ACSA at 8; LDC at 2; and Olam at 2. The following commenters also supported ACSA's comment letter: ACA at 2; Ecom at 1; East Cotton at 2; Jess Smith at 2; IMC at 2; Mallory Alexander at 2; McMeekin at 2; Memtex at 2; Moody Compress at 2; Omnicotton at 2; Canale Cotton at 2; SW Ag at 2; Texas Cotton at 2; Toyo Cotton at 2; Walcot at 2; and White Gold at 2. \804\ AMCOT at 1-2 and Parkdale at 2. \805\ Gerald Marshall at 2. \806\ ISDA at 7 (providing specific alternative levels).---------------------------------------------------------------------------(3) Discussion of Final Rule--ICE Cotton No. 2 (CT) Federal Non-Spot Month Position Limit Level The Commission is adopting the proposed all-months-combined position limit level of 11,900 contracts, but is[[Page 3339]]adopting a modified single month position limit level of 5,950 contracts for ICE Cotton No. 2 (CT). The Commission is adopting the proposed 11,900 contract Federal all-months-combined position limit level for ICE Cotton No. 2 (CT) because, as discussed earlier, the Commission believes that a formula based on a percentage of open interest--specifically the modified 10/2.5% formula--is an appropriate tool for establishing limits outside of the spot month. However, the Commission does not believe that it is appropriate to raise either the Federal single month or all-months-combined position limit level for ICE Cotton No. 2 (CT) to 24,000 contracts as suggested by ISDA, because the open interest levels do not support such a drastic increase and there is no other reason to deviate so significantly upward from the modified 10/2.5% formula.\807\--------------------------------------------------------------------------- \807\ The Commission acknowledges ISDA's comment that the proposed Federal non-spot month position limit levels should be higher to compensate for the proposed loss of risk management exemptions for swap dealers. However, as noted previously, the Commission believes that any potential impact on existing risk management exemption holders may be mitigated by the pass-through swap provision adopted herein, and that this is a preferable and more tailored approach than increasing the non-spot month position limit levels for all market participants.--------------------------------------------------------------------------- On the other hand, the Commission believes that it is appropriate to adopt a lower Federal single month position limit level at this time. As noted in the Commission's request for comment in the 2020 NPRM, the Commission believed that there could be concerns with respect to the Federal single month position limit level for ICE Cotton No. 2 (CT), especially from the commercial end-users of the core referenced futures contract.\808\ In response to the Commission's request for comment, the Commission received approximately 25 comment letters from the cotton industry (out of approximately 75 comment letters on the 2020 NPRM from all commenters) unanimously requesting a lower Federal single month position limit level compared to the Federal all-months-combined position limit level for ICE Cotton No. 2 (CT). The Commission believes that these unanimous comments from the commercial end-users of the ICE Cotton No. 2 (CT) core referenced futures contract are informative, because they suggest that lowering the 2020 NPRM's Federal single month position limit level from the proposed 11,900 contract level to either the existing 5,000 contract level or a 5,950 contract level (which is 50% of the all-months-combined position limit level of 11,900 contracts) may not have a material detrimental effect on liquidity for bona fide hedgers in the market.--------------------------------------------------------------------------- \808\ 85 FR 11637 (Request for Comment #26).--------------------------------------------------------------------------- All things being equal, a lower single month position limit level will better protect the markets against manipulation and price distortion,\809\ but at the expense of reduced liquidity for bona fide hedgers. However, in this instance, in light of the comments received, the Commission believes that it could improve protections against manipulation and price distortion without materially impacting liquidity for bona fide hedgers by adopting a lower Federal single month position limit level of either 5,000 contracts or 5,950 contracts. Of these two suggested levels, the Commission believes that it is more appropriate to adopt the 5,950 contract level over the existing 5,000 contract level to ***account***, in part, for the increase in open interest levels since the single month position limit level of 5,000 contracts was adopted in 2011.\810\--------------------------------------------------------------------------- \809\ Specifically, the Commission is referring to the price distortion that could be caused by a speculative trader who, after amassing a large position during the non-spot month, exits the entire position immediately before the spot month. \810\ The maximum open interest for ICE Cotton No. 2 (CT) was 197,191 contracts in 2009, 161,582 contracts in 2011, and 324,952 contracts in 2019.---------------------------------------------------------------------------d. Wheat Core Referenced Futures Contracts' Federal Non-Spot Month Position Limit Levels(1) Summary of the 2020 NPRM and Additional Background Information--Wheat Federal Non-Spot Month Position Limit Levels There are three wheat contracts: CBOT Wheat (W), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE). Currently, the Federal non-spot month position limit levels for all three are set at 12,000 contracts. This has been referred to as ``full wheat parity.'' In the 2020 NPRM, the Commission proposed ``partial wheat parity'' by increasing the Federal non-spot month position limit level for CBOT Wheat (W) from 12,000 contracts to 19,300 based on the application of the modified 10/2.5% formula and updated open interest levels, while maintaining the existing levels of 12,000 contracts for CBOT KC HRW Wheat (KW) and MGEX HRS Wheat (MWE). The 12,000 contract Federal non-spot month position limit levels for CBOT KC HRW Wheat (KW) and MGEX HRS Wheat (MWE) are above the levels that would be calculated based on the application of the modified 10/2.5% formula and recent open interest levels, which would be 11,900 contracts for CBOT KC HRW Wheat (KW) and 5,700 contracts for MGEX HRS Wheat (MWE). The Commission proposed partial wheat parity between CBOT KC HRW Wheat (KW) and MGEX HRS Wheat (MWE) at 12,000 contracts for two reasons. First, both contracts provide exposure to hard red wheats. As a result, the Commission believed that drastically decreasing the Federal non-spot month position limit level for MGEX HRS Wheat (MWE) vis-[agrave]-vis CBOT KC HRW Wheat (KW) by following the 10/2.5% formula could impose liquidity costs on the MGEX HRS Wheat (MWE) market and harm bona fide hedgers, which could further harm liquidity for bona fide hedgers in the related CBOT KC HRW Wheat (KW) market.\811\ Second, the existing Federal non-spot month position limit levels for CBOT KC HRW Wheat (KW) and MGEX HRS Wheat (MWE) appear to have functioned well, and the Commission saw no market-based reason to reduce those levels based on recent open interest ***data***.\812\--------------------------------------------------------------------------- \811\ 85 FR at 11633. \812\ Id. at 11632.---------------------------------------------------------------------------(2) Comments--Wheat Federal Non-Spot Month Position Limit Levels The Commission received several comments concerning the proposed Federal non-spot month position limit levels with respect to the three wheat core referenced futures contracts. One commenter, MGEX, stated that it ``supports maintaining partial wheat parity by keeping the existing non-spot month limits for [MGEX HRS Wheat (MWE)] and CBOT KC Hard Red Wheat at 12,000.'' \813\ Another commenter agreed ``with the increase in the non-spot month for CBOT Wheat (W).'' \814\--------------------------------------------------------------------------- \813\ MGEX at 3. \814\ MFA/AIMA at 12.--------------------------------------------------------------------------- However, other commenters requested that the Federal non-spot month position limit level for CBOT KC HRW Wheat (KW) be at least the same as CBOT Wheat (W) (i.e , raise it to 19,300 contracts).\815\ In support, commenters contended that the ``physical market for the wheat crop that is deliverable under [CBOT KC HRW Wheat (KW)] is much larger than the wheat crop that is deliverable under [CBOT Wheat (W)].'' \816\ Also, commenters stated that the ``characteristics of the physical wheat that is deliverable under [CBOT KC HRW Wheat (KW)] is more similar to the global wheat crop than the wheat that is deliverable under [CBOT Wheat[[Page 3340]](W)].'' \817\ As a result, commenters stated that, ``[CBOT KC HRW Wheat (KW)] may be important for hedging for many market participants.'' \818\ Similarly, MFA/AIMA stated that ``open interest ***data*** and supply ***data*** published by the USDA for hard red winter wheat, which is the underlying commodity for [CBOT KC HRW Wheat (KW)], would also justify an increase in the [CBOT KC HRW Wheat (KW)] non-spot month limit.'' \819\--------------------------------------------------------------------------- \815\ SIFMA AMG at 3-4; ISDA at 12; PIMCO at 4-5; MFA/AIMA at 12; and Citadel at 6-7. \816\ PIMCO at 4. See also ISDA at 12 and SIFMA AMG at 3-4. \817\ SIFMA AMG at 3. See also ISDA at 12 and PIMCO at 4. \818\ SIFMA AMG at 4. See also ISDA at 12. \819\ MFA/AIMA at 12. See also Citadel at 6-7.---------------------------------------------------------------------------(3) Discussion of Final Rule--Wheat Federal Non-Spot Month Position Limit Levels The Commission declines to raise the proposed 12,000 contract Federal non-spot month position limit level for CBOT KC HRW Wheat (KW) to match the final Federal non-spot month position limit level of CBOT Wheat (W) at 19,300 contracts. First, as noted earlier, the Federal non-spot month position limit level for CBOT KC HRW Wheat (KW) is already set higher, albeit slightly, than the limit level calculated under the updated open interest figure and 10/2.5% formula, which, as discussed previously, is a formula that the Commission believes is generally proper for determining Federal non-spot month position limit levels.\820\ Raising the Federal non-spot month position limit level for CBOT KC HRW Wheat (KW) to 19,300 contracts would be a drastic increase over the existing level that is not supported by the 10/2.5% formula or by the Commission's observations of how that market has functioned under the 12,000 contract Federal non-spot month position limit level. As a result, the Commission is concerned that this could result in excessive speculation and increase the possibility of market manipulation or harm to the underlying price discovery function with respect to that contract.--------------------------------------------------------------------------- \820\ 85 FR at 11630.--------------------------------------------------------------------------- Second, the Commission believes that maintaining partial wheat parity between CBOT KC HRW Wheat (KW) and MGEX HRS Wheat (MWE) is appropriate because the commodities underlying both of those wheat core referenced futures contracts are hard red wheats that, together, represent the majority of the wheat grown in both the United States and Canada, which results in those markets being closely intertwined.\821\ This is in contrast with CBOT Wheat (W), which typically sees deliveries of soft white wheat varieties (even though it allows for delivery of hard red wheat).\822\--------------------------------------------------------------------------- \821\ Id. at 11632. \822\ Id.--------------------------------------------------------------------------- Finally, the Commission reiterates that bona fide hedging positions will continue to be allowed to exceed the Federal position limit levels. Intermarket spreading is also permitted as well, which should address any concerns over the potential for loss of liquidity in the spread trades among the three wheat core referenced futures contracts during the non-spot months.\823\--------------------------------------------------------------------------- \823\ Id. at 11633.---------------------------------------------------------------------------5. Subsequent Spot and Non-Spot Month Limit Levelsi. Summary of the 2020 NPRM--Subsequent Spot and Non-Spot Month Limit Levels Unlike in previous iterations of the position limit rules, the 2020 NPRM did not require the Commission to periodically review and revise EDS figures or adjust the Federal spot month position limit levels.\824\ Instead, under proposed Sec. 150.2(f), an exchange listing a core referenced futures contract would be required to provide EDS figures only if requested by the Commission. Proposed Sec. 150.2(j) delegated the authority to make such requests to the Director of the Division of Market Oversight.\825\ The 2020 NPRM also allowed exchanges to voluntarily submit EDS figures to the Commission at any time, and encouraged them to do so.\826\ When submitting EDS figures, exchanges would be required to provide a description of the methodology used to derive the EDS figures, as well as all ***data*** and ***data*** sources used to calculate the estimate, so that the Commission could verify that the EDS figures are reasonable.\827\--------------------------------------------------------------------------- \824\ See e.g , 81 FR at 96769-96771. \825\ 85 FR at 11633. \826\ Id. at 11633-11634. \827\ Id. at 11634.--------------------------------------------------------------------------- Likewise, the 2020 NPRM also did not require the Commission to periodically review the open interest ***data*** and update the non-spot month position limit levels for the legacy ***agricultural*** core referenced futures contracts, unlike in previous iterations of the position limit rules.\828\--------------------------------------------------------------------------- \828\ See e.g , 81 FR at 96769, 96771-96773.---------------------------------------------------------------------------ii. Summary of the Commission Determination--Subsequent Spot and Non-Spot Month Limit Levels The Commission is adopting Sec. 150.2(f) as proposed and will not include a formal mechanism to periodically renew or revise EDS figures or otherwise review and update the Federal spot month or non-spot month position limit levels. The Commission is also adopting the delegation provision in Sec. 150.2(j) as proposed.\829\--------------------------------------------------------------------------- \829\ The Commission did not receive any comments on proposed Sec. 150.2(j).---------------------------------------------------------------------------iii. Comments--Subsequent Spot and Non-Spot Month Limit Levels The Commission received several comments concerning updates to the Federal position limit levels, with commenters requesting that the Commission periodically review the levels and revise them if appropriate.\830\ One commenter was concerned that the Federal position limit levels could become too high over time,\831\ while the rest were concerned that the levels could become too low.\832\ In addition, CME Group also suggested that exchanges should update the EDS figures ``every two years [and] . . . DCMs should be provided the opportunity to submit ***data*** voluntarily to the Commission on a more frequent basis.'' \833\--------------------------------------------------------------------------- \830\ MFA/AIMA at 5 (``the Commission should direct exchanges to periodically monitor the proposed new position limit levels''); PIMCO at 6 (``we urge the CFTC to include . . . a mandatory requirement to regularly (and at least annually) review and update limits as markets grow and change''); SIFMA AMG at 10 (the Final Rule should require ``that the Commission regularly consult with exchanges and review and adjust position limits when it is necessary to do so based on relevant market factors''); ISDA at 10 (``the Commission must regularly convene and consult with exchanges on deliverable supply and, if appropriate, propose notice and comment rulemaking to adjust limit levels''); and IATP at 16-17 (the Commission should engage in ``an annual review of position limit levels to give [commercial hedgers] legal certainty over that period'' and also retain ``the authority to revise position limits . . . if ***data*** monitoring and analysis show that those annual limit levels are failing to prevent excessive speculation and/or various forms of market manipulation''). \831\ IATP at 16-17. \832\ MFA/AIMA at 5-6; PIMCO at 6; SIFMA AMG at 10; and ISDA at 10. \833\ CME Group at 5.---------------------------------------------------------------------------iv. Discussion of Final Rule--Subsequent Spot and Non-Spot Month Limit Levels The Commission declines to implement a periodic, predetermined schedule to review Federal position limits because the Commission believes that it is more appropriate to retain flexibility for both the exchanges and the Commission itself in updating the Federal position limit levels. Reviewing and adjusting the Federal spot month position limit levels requires the Commission to review, among other things, updated EDS figures for the core referenced futures contracts. Having worked closely with[[Page 3341]]exchanges to analyze and independently verify the methodology underlying the EDS figures and the EDS figures themselves, the Commission recognizes that estimating deliverable supply can be a time and resource consuming process for both the exchanges and the Commission.\834\ Furthermore, periodic, predetermined review intervals may not always align with market changes or other events resulting in material changes to deliverable supply that would warrant adjusting Federal spot month position limit levels. As a result, the Commission believes that it would be more efficient, timely, and effective to review the EDS figure and the Federal position limit level for a core referenced futures contract if warranted by market conditions, including changes in the underlying cash market, which the Commission and exchanges continually monitor.--------------------------------------------------------------------------- \834\ 85 FR at 11633.--------------------------------------------------------------------------- Reviewing and adjusting the Federal non-spot month position limit levels requires the Commission to review, among other things, open interest ***data*** for the relevant core referenced futures contracts. Unlike EDS figures, open interest is easily obtainable because it is regularly updated by the exchanges. As a result, the output of the 10/2.5% formula can be quickly calculated. However, the Commission does not believe that it is appropriate to update the Federal non-spot month position limit levels separately from the Federal spot month position limit levels. The Commission has historically reviewed all of the Federal position limit levels--spot month and non-spot month--together for a particular contract because all months of a particular contract are part of the same market. As a result, updating both the spot and non-spot month position limits levels at the same time provides a holistic and integrated position limit regime for each commodity contract because the limits are based upon updated ***data*** covering the same or overlapping time period. Final Sec. 150.2(f) provides flexibility and authority for the Commission to be able to request an updated EDS figure, along with the methodology and underlying ***data***, for a core referenced futures contract whenever market conditions suggest that a change in Federal position limit levels may be warranted. The exchanges are also encouraged to submit such information at any time as well under final Sec. 150.2(f).\835\ Once the Commission receives the updated EDS figures, then the Commission can undertake the appropriate review and analysis of the EDS figures and any additional information, such as exchange recommendations, to adjust the Federal spot month position limit levels, if necessary, through rulemaking. At that time, the Commission would also review the open interest ***data*** for the core referenced futures contract and undertake the necessary analysis to ensure that the Federal non-spot month position limit levels are set at appropriate levels as well.--------------------------------------------------------------------------- \835\ In providing an updated EDS figure, exchanges should consult the guidance concerning estimating deliverable supply set forth in section (b)(1)(i) (``Estimating Deliverable Supplies'') of 17 CFR part 38, Appendix C.--------------------------------------------------------------------------- Finally, the Commission notes that, under this position limits framework, the exchanges always have the freedom to set their exchange-set position limit levels lower than the Federal position limit levels. Adjusting the Federal position limit levels necessarily requires the Commission to engage in rulemaking with notice-and-comment, which can take a significant amount of time.\836\ Thus, an exchange may adjust its exchange-set position limit levels lower in response to market conditions, while waiting for the Commission to adjust the Federal position limit levels.\837\--------------------------------------------------------------------------- \836\ Market participants may petition the Commission to adjust Federal position limit levels, subject to the Commission's notice-and-comment rulemaking, under existing Sec. 13.1, which provides that any ``person may file a petition with . . . the Commission . . . for the issuance, amendment or repeal of a rule of general application.'' \837\ However, an exchange cannot set its exchange-set position limit levels above the Federal position limit levels, even if market conditions may warrant raising the levels. Thus, in order to allow market participants to hold positions higher than the Federal position limit levels (absent an exemption), the Commission would need to raise the Federal position limit levels through rulemaking.---------------------------------------------------------------------------6. Relevant Contract Month Proposed Sec. 150.2(c) clarified that the spot month and single month for any given referenced contract is determined by the spot month and single month of the core referenced futures contract to which that referenced contract is linked. The Commission did not receive any comments and is adopting as proposed. Final Sec. 150.2(c) requires that referenced contracts be linked to the core referenced futures contract in order to be netted for position limit purposes. For example, for the NYMEX NY Harbor ULSD Heating Oil (HO) core referenced futures contract, the spot month period starts at the close of trading three business days prior to the last trading day of the contract. The spot month period for the NYMEX NY Harbor ULSD Financial (MPX) futures referenced contract would thus start at the same time--the close of trading three business days prior to the last trading day of the core referenced futures contract.7. Limits on ``Pre-Existing Positions''i. Summary of the 2020 NPRM--Pre-Existing Positions Under proposed Sec. 150.2(g)(1) Federal spot month position limits applied to ``pre-existing positions, other than pre-enactment swaps and transition period swaps,'' each defined in proposed Sec. 150.1 Accordingly, Federal spot month position limits would not apply to any pre-existing positions in economically equivalent swaps. The 2020 NPRM defined ``pre-existing positions'' in proposed Sec. 150.1 as positions established in good faith prior to the effective date of a final Federal position limits rulemaking. In contrast, proposed Sec. 150.2(g)(2) provided that Federal non-spot month limits would not apply to pre-existing positions, including pre-enactment swaps and transition period swaps, if acquired in good faith prior to the effective date of such limit. However, other than pre-enactment swaps and transition period swaps, any pre-existing positions held outside the spot month would be attributed to such person if the person's position is increased after the effective date of a final Federal position limits rulemaking. The 2020 NPRM's disparate treatment of pre-existing positions during and outside the spot month was predicated on the concern that failing to apply spot month limits to such pre-existing positions could result in a large, preexisting position either intentionally or unintentionally causing a disruption to the price discovery function of the core referenced futures contract as positions are rolled into the spot month. In contrast, outside the spot month, large, pre-existing positions may have a relatively less disruptive effect given that physical delivery occurs only during the spot month.ii. Summary of the Commission Determination--Pre-Existing Positions The Commission is adopting Sec. 150.2(g)(1) as proposed, and is adopting Sec. 150.2(g)(2) with the following two changes: First, the Commission is amending proposed Sec. 150.2(g)(2) to provide that non-spot month limits shall apply to pre-existing positions, other than pre-enactment swaps and transition period swaps. As noted above, proposed Sec. 150.2(g)(2) in the 2020 NPRM exempted pre-existing positions from the Final Rule's Federal non-spot month position limits. However, as discussed below, the nine legacy ***agricultural***[[Page 3342]]contracts currently are subject to the Commission's existing non-spot month position limits, and the Commission did not intend to exclude existing non-spot month positions in the nine legacy ***agricultural*** contracts that would otherwise qualify as ``pre-existing positions'' under the Final Rule. As discussed, the other 16 non-legacy core referenced futures contracts that are subject to Federal position limits for the first time under the Final Rule are not subject to Federal non-spot month position limits and therefore proposed Sec. 150.2(g)(2) would not have applied to these contracts in any event. The Commission based the language in proposed Sec. 150.2(g) on similar language found in the 2016 Reproposal, which imposed Federal non-spot month position limits on all of the proposed core referenced futures contracts (as opposed to only on the nine legacy ***agricultural*** contracts under the Final Rule). In the context of the 2016 Reproposal, the Commission believed it made sense to exempt pre-existing positions in non-spot months in core referenced futures contracts that would have been subject to Federal position limits for the first time under the 2016 Reproposal. However, as noted above, such core referenced futures contracts that are subject to Federal position limits for the first time under the Final Rule are not subject to Federal non-spot month position limits. Accordingly, the Commission is modifying Sec. 150.2(g) so that pre-existing positions in the nine legacy ***agricultural*** contracts remain subject to Federal non-spot month position limits under the Final Rule, as the Commission had originally intended. Second, since the Commission is clarifying that pre-existing positions in the nine legacy ***agricultural*** contracts, other than pre-enactment swaps and transition period swaps, are subject to Federal non-spot month position limits under the Final Rule, the language in proposed Sec. 150.2(g)(2) that would attribute to a person any increase in their non-spot month positions after the effective date of the Final Rule's non-spot month limits is no longer necessary. The Commission is therefore removing this language from final Sec. 150.2(g)(2).iii. Comments--Pre-Existing Positions Commenters generally supported proposed Sec. 150.2(g), although several commenters asked for additional clarity.\838\ MGEX and FIA both argued that the provision could be simplified by creating only two categories: ``pre-existing swaps'' (exempt from all spot/non-spot Federal position limits) and ``pre-existing futures'' (exempt from all non-spot Federal position limits, provided there is no increase in such non-spot positions), stating that relying upon the proposed relief as structured will be ``operationally challenging'' for market participants.\839\ MGEX and FIA also requested that the Commission clarify that a market participant is not required to rely upon the exemption so that its pre-existing positions could be netted, as applicable, with the market participant's other referenced contracts.\840\ ISDA encouraged the Commission to provide that the Final Rule's new Federal position limits do not apply to any pre-existing positions, whether in futures contracts or swaps.\841\ Finally, CHS encouraged the Commission to adopt a ``safe harbor'' provision where participants could demonstrate a ``good-faith'' effort at compliance so ``inadvertent'' violations would not trigger possible enforcement action.\842\--------------------------------------------------------------------------- \838\ MGEX at 4; FIA at 9; ISDA at 8. \839\ FIA at 8-9; MGEX at 4. \840\ MGEX at 3-4; FIA at 8-9, 18-19. \841\ ISDA at 2, 8. \842\ CHS at 5.---------------------------------------------------------------------------iv. Discussion of Final Rule--Pre-Existing Positions As stated in the 2020 NPRM, the Commission believes that the absence of spot-month limits on pre-existing positions, other than pre-existing swaps and transition period swaps, could render the Federal spot month position limits ineffective. Failure to apply spot month limits to such pre-existing positions, particularly for the 16 commodities that are not currently subject to Federal position limits and where market participants may have pre-existing positions in excess of the spot-month position limits adopted herein, could result in a large, pre-existing position either intentionally or unintentionally causing a disruption to the price discovery function of the core referenced futures contract as positions are rolled into the spot month.\843\ The Commission is particularly concerned about protecting the spot month in physically delivered futures contracts from price distortions or manipulation that would disrupt the hedging and price discovery utility of the futures contract.\844\--------------------------------------------------------------------------- \843\ 85 FR at 11634. \844\ Id.--------------------------------------------------------------------------- With respect to non-spot month position limits, only the nine legacy ***agricultural*** contracts are currently subject to such limits under the existing Federal position limits framework and will continue to be subject to Federal non-spot month position limits under the Final Rule. The Commission did not intend in the 2020 NPRM to exclude such pre-existing positions in the nine legacy ***agricultural*** contracts from non-spot month limits. Accordingly, for the Final Rule the Commission is modifying final Sec. 150.2(g)(2) to make clear that Federal non-spot month position limits do apply to these pre-existing positions. However, as noted above, the 16 non-legacy core referenced futures contracts that are subject to Federal position limits for the first time under this Final Rule are not subject to Federal non-spot month position limits and so are not affected by the Commission's change in final Sec. 150.2(g)(2). The Commission agrees with MGEX's and FIA's comments that pre-existing positions can be netted. The Commission confirms that market participants may continue to net their pre-existing positions, as applicable, with market participants' post-effective date referenced contract positions. In the 2020 NPRM, the Commission made explicit in proposed Sec. 150.3(a)(5) that market participants would be permitted to net pre-existing swap positions with post-effective date referenced contract positions (to the extent such pre-existing swap positions qualify as ``economically equivalent swaps'' under the Final Rule).\845\ The Commission adopted this clarification in final Sec. 150.3(a)(5) for the avoidance of doubt. The Commission believes this explicit clarification with respect to swaps is helpful to market participants since swaps are subject to Federal position limits for the first time under this Final Rule and since it may not otherwise be clear whether a market participant could net a pre-enactment swap or transition period swap given that such pre-enactment and transition period swaps are exempt from Federal position limits under final Sec. 150.3(a)(5).--------------------------------------------------------------------------- \845\ Pre-existing swap positions (i.e , pre-enactment swaps and transition period swaps) would otherwise be exempt from Federal position limits.--------------------------------------------------------------------------- However, the Commission similarly intended that market participants also would be able to net pre-existing futures contracts and option on futures contracts against post-effective date positions. The Commission did not feel such a clarification was necessary since futures contracts and options thereon have been subject to the existing Federal position limits framework. Accordingly, for the avoidance of doubt, the Commission is affirming that market participants may continue to net pre-existing futures contracts and option on[[Page 3343]]futures contracts with post-effective date positions in referenced contracts. In response to ISDA's request for clarification, the Commission notes that Federal non-spot month position limits will apply to pre-existing positions in the nine legacy ***agricultural*** contracts (but not to the 16 non-legacy core referenced futures contracts). However, for the reasons articulated above, Federal position limits will apply during the spot month for futures contracts and options on futures contracts for all 25 core referenced futures contracts, other than pre-enactment swaps and transition period swaps. While the Commission is not adopting a ``safe harbor'' provision, it is providing a transition period, as requested by CHS,\846\ so that market participants will have until January 1, 2022 (or January 1, 2023 for economically-equivalent swaps or positions relying on the risk-management exemption) to comply with the Final Rule. The Commission believes this will provide sufficient time for market participants to implement and test new systems and processes that have been established to comply with the Final Rule.--------------------------------------------------------------------------- \846\ CHS at 5.---------------------------------------------------------------------------8. Positions on Foreign Boards of Tradei. Background CEA section 4a(a)(6)(B) directs the Commission to establish limits on the aggregate number of positions in contracts based upon the same underlying commodity that may be held by any person across contracts traded on a foreign board of trade (``FBOT'') with respect to a contract that settles against any price of at least one contract listed for trading on a registered entity.\847\--------------------------------------------------------------------------- \847\ 7 U.S.C 6a(a)(6)(B). The CEA's definition of ``registered entity'' includes DCMs and SEFs. 7 U.S.C 1a(40).---------------------------------------------------------------------------ii. Summary of the 2020 NPRM--Foreign Boards of Trade Proposed Sec. 150.2(h) applied the proposed Federal position limits to a market participant's aggregate positions in referenced contracts executed on a DCM or SEF and on, or pursuant to the rules of, an FBOT, provided that (1) the referenced contracts settle against a price of a contract listed for trading on a DCM or SEF and (2) the FBOT makes such contract available in the United States through ``direct access.'' \848\ In other words, a market participant's positions in referenced contracts listed on a DCM or SEF and on an FBOT registered to provide direct access would collectively have to stay below the Federal position limit for the relevant core referenced futures contract.--------------------------------------------------------------------------- \848\ Commission regulation Sec. 48.2(c) defines ``direct access'' to mean an explicit grant of authority by an FBOT to an identified member or other participant located in the United States to enter trades directly into the trade matching system of the FBOT. 17 CFR 48.2(c).---------------------------------------------------------------------------iii. Summary of the Commission Determination--Foreign Boards of Trade The Commission is adopting Sec. 150.2(h) as proposed.iv. Comments--Foreign Boards of Trade The Commission received comments from CEWG, Chevron, and Suncor regarding proposed Sec. 150.2(h) and its possible effects with respect to certain contracts listed on ICE Futures Europe (``IFEU'') that are price-linked to the energy core referenced futures contracts.\849\ Each of the commenters expressed concern that the extension of the proposed Federal position limits regime to referenced contracts listed for trading on IFEU could have unintended consequences, such as: (1) Requiring U.S -based market participants to comply with potentially conflicting requirements of multiple regulators and position limits regimes; and (2) incentivizing foreign regulators to extend their reach into the Commission's jurisdictional markets.\850\--------------------------------------------------------------------------- \849\ CEWG at 28-29; Chevron at 15-16; Suncor at 14-15. \850\ CEWG at 28; Chevron at 16; Suncor at 15.--------------------------------------------------------------------------- Chevron and Suncor requested that the Commission reconsider what they perceive to be the potential regulatory conflicts and burdens that could be imposed on market participants who transact referenced contracts listed on IFEU, and adopt a policy of substituted compliance to minimize such conflicts.\851\ CEWG recommended that the Commission adopt an approach based on substituted compliance with respect to referenced contracts listed on FBOTs similar to that adopted for swaps under CEA section 2(i).\852\--------------------------------------------------------------------------- \851\ Chevron at 16; Suncor at 15. \852\ CEWG at 29.---------------------------------------------------------------------------v. Discussion of Final Rule--Foreign Boards of Trade As stated above, the Commission is adopting Sec. 150.2(h) as proposed. As stated in the 2020 NPRM,\853\ CEA section 4a(a)(6)(B) requires the Commission to establish limits on the aggregate number or amount of positions in contracts based upon the same underlying commodity that may be held by any person across certain contracts traded on an FBOT with linkages to a contract traded on a registered entity. Final Sec. 150.2(h) simply codifies requirements set forth in CEA section 4a(a)(6)(B), and will lessen regulatory arbitrage by eliminating a potential loophole whereby a market participant could accumulate positions on certain FBOTs in excess of limits in referenced contracts.\854\--------------------------------------------------------------------------- \853\ 85 FR at 11634. \854\ In addition, CEA section 4(b)(1)(B) prohibits the Commission from permitting an FBOT to provide direct access to its trading system to its participants located in the United States unless the Commission determines, in regards to any FBOT contract that settles against any price of one or more contracts listed for trading on a registered entity, that the FBOT (or its foreign futures authority) adopts position limits that are comparable to the position limits adopted by the registered entity. 7 U.S.C 6(b)(1)(B).--------------------------------------------------------------------------- Accordingly, the Commission believes that Sec. 150.2(h) is consistent with the goal set forth in CEA section 4a(a)(2)(C) to ensure that liquidity does not move to foreign jurisdictions or place U.S exchanges at a competitive disadvantage to foreign competitors. If the Commission did not attribute positions held in referenced contracts on FBOTs, the Commission inadvertently could incentivize market participants to shift trading and liquidity in referenced contracts to FBOTs in order to avoid Federal position limits.9. Anti-Evasioni. Summary of the 2020 NPRM--Anti-Evasion Pursuant to the Commission's rulemaking authority in section 8a(5) of the CEA,\855\ the Commission proposed Sec. 150.2(i), which was intended to deter and prevent a number of potential methods of evading Federal position limits. The proposed anti-evasion provision provided: (1) A commodity index contract and/or location basis contract, which would otherwise be excluded from the proposed referenced contract definition, would be considered a referenced contract subject to Federal position limits if used to willfully circumvent position limits; (2) a bona fide hedge recognition or spread exemption would no longer apply if used to willfully circumvent speculative position limits; and (3) a swap contract used to willfully circumvent speculative position limits would be deemed an economically equivalent swap, and thus a referenced contract, even if the swap does not meet the economically equivalent swap definition set forth in proposed Sec. 150.1 --------------------------------------------------------------------------- \855\ 7 U.S.C 12a(5).---------------------------------------------------------------------------ii. Summary of the Commission Determination--Anti-Evasion The Commission is adopting Sec. 150.2(i) as proposed with conforming changes that reflect revisions to the ``referenced contract'' definition adopted herein in[[Page 3344]]which the Final Rule additionally is excluding ``monthly average pricing contracts'' and ``outright price reporting agency index contracts'' from the ``referenced contract'' definition.\856\ A discussion of these conforming changes appears immediately below, followed by a summary of the comments, which addressed different aspects of the proposed anti-evasion provision.--------------------------------------------------------------------------- \856\ See supra Section II.A.16.iii.b (explanation of proposed exclusions from the ``referenced contract'' definition).---------------------------------------------------------------------------a. Discussion of Conforming Changes--Anti-Evasion The Commission is revising proposed Sec. 150.2(i)(1), which addressed evasion of Federal position limits by using commodity index contracts and location basis contracts, to also cover monthly average pricing contracts and outright price reporting agency index contracts. This change is needed to conform the anti-evasion provision to the ``referenced contract'' definition adopted herein. In particular, while the 2020 NPRM would exclude commodity index contracts and location basis contracts from the ``referenced contract'' definition, the Final Rule excludes those contracts as well as monthly average pricing contracts and outright price reporting agency index contracts from the ``referenced contract definition.'' \857\--------------------------------------------------------------------------- \857\ See Section II.A.16.iii.b --------------------------------------------------------------------------- Because contracts that are excluded from the final ``referenced contract'' definition are not subject to Federal position limits, the Commission intends that final Sec. 150.2(i)(1) will prevent a potential loophole whereby a market participant who has reached its limits could otherwise utilize these contract types to willfully circumvent or evade speculative position limits. For example, a market participant could purchase a commodity index contract in a manner that allowed the participant to exceed limits when taking into ***account*** the weighting in the component commodities of the index contract. The Final Rule also will avoid creating what could otherwise be similar potential loopholes with respect to monthly average pricing contracts, outright price reporting agency index contracts, and location basis contracts. Additionally, the Commission is adopting Sec. 150.2(i)(2) as proposed. This provision provides that a bona fide hedge recognition or spread exemption will no longer apply if used to willfully circumvent speculative position limits. This provision is intended to help ensure that bona fide hedge recognitions and spread exemptions are granted and utilized in a manner that comports with the CEA and Commission regulations, and that the ability to obtain bona fide hedge recognitions and spread exemptions does not become an avenue for market participants to inappropriately exceed speculative position limits. The Commission is also adopting Sec. 150.2(i)(3) as proposed. Under this provision, a swap contract used to willfully circumvent speculative position limits is deemed an economically equivalent swap, and thus a referenced contract, even if the swap does not meet the economically equivalent definition set forth in final Sec. 150.1 This provision is intended to deter and prevent the structuring of a swap in order to willfully evade speculative position limits.iii. Comments--Anti-Evasion Several commenters stated that the anti-evasion provision is prudent, but would be difficult to apply in practice, in part due to the subjective ``willful circumvention'' standard.\858\ FIA recommended that, instead, the anti-evasion analysis should be based on the presence of ``deceit, deception, or other unlawful or illegitimate activity'' so market participants will be better equipped to evaluate the surrounding facts and circumstances in making an evasion determination.\859\ FIA further expressed that, because markets evolve, it is inadvisable to consider ``historical practices behind the market participant and transaction in question.'' \860\ FIA also asked the Commission to confirm that it is not evasion for a market participant to consider ``costs or regulatory burdens, including the avoidance thereof,'' if that participant has a legitimate business purpose for a transaction.\861\--------------------------------------------------------------------------- \858\ SIFMA AMG at 7, n.16 (noting that the anti-evasion provision makes the application of the proposed ``economically equivalent swap'' definition less clear because it incorporates a subjective measure of intent); see also FIA at 25 (questioning how a participant would distinguish a strategy that minimizes position size with an evasive strategy); Better Markets at 33 (describing the anti-evasion provision as a ``useful deterrent,'' but noting that the willful circumvention standard would be difficult to meet and partially turns on the Commission's consideration of the legitimate business purpose analysis). \859\ FIA at 25-26. \860\ Id. \861\ Id.--------------------------------------------------------------------------- Specific to swaps, ISDA encouraged the Commission to expressly acknowledge and confirm that an out-of-scope swap transaction would not be considered evasion under any set of circumstances.\862\ FIA recommended that, for structured swaps, the anti-evasion analysis should ask whether the swap serves the market participant's commercial needs or objectives.\863\ Finally, FIA suggested that the Final Rule should provide an automatic safe harbor from a retroactive evasion determination for all swaps entered into prior to the compliance date.\864\--------------------------------------------------------------------------- \862\ ISDA at 5, n.7 \863\ FIA at 25. \864\ Id.---------------------------------------------------------------------------iv. Discussion of Final Rule--Anti-Evasion The Final Rule's anti-evasion provision is not intended to capture a trading strategy merely because the strategy may result in a smaller position size for purposes of position limits. Instead, the anti-evasion provision is intended to deter and prevent cases of willful evasion of speculative position limits, the specifics of which the Commission may be unable to anticipate. The Federal position limit requirements adopted herein will apply during the spot month for all referenced contracts subject to Federal position limits, while non-spot month Federal position limit requirements will only apply for the nine legacy ***agricultural*** contracts. Under this framework, and because the threat of corners and squeezes is the greatest in the spot month, the Commission anticipates that it may focus its attention on anti-evasion activity during the spot month. The determination of whether particular conduct is intended to circumvent or evade requires a facts and circumstances analysis. In interpreting these anti-evasion rules, the Commission is guided by its interpretations of anti-evasion provisions appearing elsewhere in the Commission's regulations, including the interpretation of the anti-evasion rules that the Commission adopted in its rulemakings to further define the term ``swap'' and to establish a clearing requirement under section 2(h)(1)(A) of the CEA.\865\--------------------------------------------------------------------------- \865\ See Further Definition of ``Swap, ``Security-Based Swap,'' and ''Security-Based Swap Agreement;'' Mixed Swaps; Security-Based Swap Agreement Recordkeeping, 77 FR 48208, 48297-48303 (Aug. 13, 2012); Clearing Requirement Determination Under Section 2(h) of the CEA, 77 FR 74284, 74317-74319 (Dec. 13, 2012).--------------------------------------------------------------------------- Generally, consistent with those interpretations, in evaluating whether conduct constitutes evasion, the Commission will consider, among other things, the extent to which the person lacked a legitimate business purpose for structuring the transaction in that particular manner. For example, an analysis of how a swap was structured could reveal that a person or persons crafted derivatives transactions, structured entities, or conducted[[Page 3345]]themselves in a manner without a legitimate business purpose and with the intent to willfully evade position limits by structuring one or more swaps such that such swap(s) would not meet the ``economically equivalent swap'' definition in final Sec. 150.1 In response to FIA's comment that the Commission should confirm that it is not evasion for a market participant with a legitimate business purpose for a transaction to consider ``costs or regulatory burdens,\866\ the Commission acknowledges that it fully expects that a person acting for legitimate business purposes within its respective industry will naturally consider a multitude of costs and benefits associated with different types of financial transactions, entities or instruments, including the applicable regulatory obligations.\867\ As stated in a prior rulemaking, a person's specific consideration of, for example, costs or regulatory burdens, including the avoidance thereof, is not, in and of itself, dispositive that the person is acting without a legitimate business purpose in a particular case.\868\--------------------------------------------------------------------------- \866\ FIA at 25. \867\ See 77 FR at 48301. \868\ See 77 FR at 74319.--------------------------------------------------------------------------- In response to FIA's comment \869\ that an anti-evasion analysis of a structured swap should evaluate whether the transaction serves the market participant's commercial needs or objectives, as stated in the 2020 NPRM, the Commission will view legitimate business purpose considerations on a case-by-case basis in conjunction with all other relevant facts and circumstances. Additionally, the Commission disagrees with FIA's comment \870\ that an historical practices inquiry is inadvisable. Because transactions and instruments are regularly structured, and entities regularly formed, in a particular way and for various, often times multiple, reasons, the Commission believes it is essential that all relevant facts and circumstances be considered, including historical practices.\871\ While historical practice is a factor the Commission will consider as part of its facts and circumstances analysis, it is not dispositive in determining whether particular conduct constitutes evasion.--------------------------------------------------------------------------- \869\ FIA at 25. \870\ Id. at 25-26. \871\ See 77 FR at 48302.--------------------------------------------------------------------------- As part of its facts and circumstances analysis, the Commission will look at factors such as the historical practices behind the market participant and transaction in question. For example, with respect to Sec. 150.2(i)(2) (i.e , bona fide hedges or spreads used to evade), the Commission is adopting guidance in Appendix B to part 150 with respect to gross versus net hedging. As discussed elsewhere in this release, the Commission believes that measuring risk on a gross basis to willfully circumvent or evade speculative position limits would potentially run afoul of Sec. 150.2(i)(2).\872\ Use of gross or net hedging that is inconsistent with an entity's historical practice, or a change from gross to net hedging (or vice versa), could be an indication that an entity is seeking to evade position limits regulations.\873\ With respect to Sec. 150.2(i)(3) (i.e , swaps used to evade), the Commission will consider whether a market participant has a history of structuring its swaps one way, but then starts structuring its swaps a different way around the time the participant risked exceeding a speculative position limit as a result of its swap position, such as by modifying the delivery date or other material terms and conditions such that the swap no longer meets the definition of an ``economically equivalent swap.''--------------------------------------------------------------------------- \872\ See Section II.A.1.ix \873\ Id.--------------------------------------------------------------------------- Consistent with interpretive language in prior rulemakings addressing evasion,\874\ when determining whether a particular activity constitutes willful evasion, the Commission will consider the extent to which the activity involves deceit, deception, or other unlawful or illegitimate activity. Although it is likely that fraud, deceit, or unlawful activity will be present where willful evasion has occurred, the Commission disagrees with FIA's comment \875\ that these factors should be a prerequisite to an evasion finding. A position that does not involve fraud, deceit, or unlawful activity could still lack a legitimate business purpose or involve other indicia of evasive activity. The presence or absence of fraud, deceit, or unlawful activity is one fact the Commission will consider when evaluating a person's activity. That said, the final anti-evasion provision does require willfulness, i.e ``scienter.'' In response to commenters \876\ who expressed concern regarding the practical application of this intent standard, the Commission will interpret ``willful'' consistently with how the Commission has done so in the past, i.e , that acting either intentionally or with reckless disregard constitutes acting ``willfully.'' \877\--------------------------------------------------------------------------- \874\ See 77 FR at 48297-48303; 77 FR at 74317-74319. \875\ FIA at 25. \876\ SIFMA AMG at 7, n.16; see also FIA at 25; Better Markets at 33. \877\ See In re Squadrito, [1990-1992 Transfer Binder] Comm. Fut. L. Rep. (CCH) ] 25,262 (CFTC Mar. 27, 1992) (adopting definition of ``willful'' in McLaughlin v. Richland Shoe Co., 486 U.S 128 (1987)).--------------------------------------------------------------------------- In determining whether a transaction has been entered into or structured willfully to evade position limits, the Commission will not consider the form, label, or written documentation as dispositive. The Commission also is not requiring a pattern of evasive transactions as a prerequisite to prove evasion, although such a pattern may be one factor in analyzing whether evasion has occurred. In instances where one party willfully structures a transaction to evade but the other counterparty does not, Sec. 150.2(i) will apply to the party who willfully structured the transaction to evade. Further, entering into transactions that qualify for the forward exclusion from the swap definition, standing alone, shall not be considered evasive. However, in circumstances where a transaction does not, in fact, qualify for the forward exclusion, the transaction may or may not be evasive depending on an analysis of all relevant facts and circumstances. The Commission declines to adopt ISDA's request \878\ to carve out-of-scope swap transactions from the anti-evasion provision. This request was unsupported and did not address whether an out-of-scope swap could be used to evade position limits.--------------------------------------------------------------------------- \878\ ISDA at 5, n.7 --------------------------------------------------------------------------- Finally, the Commission declines to adopt FIA's request \879\ that all swaps entered into prior to the compliance date be granted an automatic safe harbor from a retroactive finding of evasion. This change is unnecessary given that under final Sec. 150.3, pre-enactment swaps and transition period swaps will not be subject to Federal position limits at all during or outside the spot month.\880\--------------------------------------------------------------------------- \879\ FIA at 25. \880\ See final Sec. 150.3(a)(5).---------------------------------------------------------------------------10. Application of Netting and Related Treatment of Cash-Settled Referenced Contractsi. Background Under the existing Federal framework, Federal position limits apply only to the nine legacy ***agricultural*** contracts, which are all physically-settled. However, existing part 150 does not include the equivalent concept of a ``referenced contract,'' and therefore existing Federal position limits do not apply to any cash-settled look-alike contracts as they would under the Final Rule. Accordingly, the issue of netting across look-alike contracts that may be located across[[Page 3346]]different exchanges is not addressed under the existing framework.ii. Summary of the 2020 NPRM--Netting and Related Treatment of Cash-Settled Referenced Contracts Under the 2020 NPRM, the referenced contract definition in proposed Sec. 150.1 included, among other things, (i) cash-settled contracts that are linked, either directly or indirectly, to a core referenced futures contract, and (ii) ``economically equivalent swaps.'' \881\--------------------------------------------------------------------------- \881\ See Section II.A.16 (discussion of the proposed referenced contract definition).--------------------------------------------------------------------------- Proposed Sec. 150.2(a) provided that during the spot month, Federal position limits would apply ``separately'' to physically delivered referenced contracts and cash-settled referenced contracts. Under the 2020 NPRM, positions in a physically-settled core referenced futures contract would not be required to be added to, nor permitted to be netted down by, positions in corresponding cash-settled referenced contracts (and vice-versa). Proposed Sec. 150.2(b), in contrast, provided that during the non-spot months, including the single month and all-months-combined, Federal position limits would apply in the aggregate to both physically-delivered referenced contracts and cash-settled referenced contracts. This meant that for the purposes of determining whether a market participant complies with the Federal non-spot month position limits, a person's physically-settled and cash-settled referenced contract positions would be added together and could net against each other. Under both proposed Sec. Sec. 150.2(a) and (b), positions in referenced contracts would be aggregated across exchanges for purposes of determining one's net position for Federal position limit purposes.iii. Summary of the Commission Determination--Netting and Related Treatment of Cash-Settled Referenced Contracts The Commission is finalizing Sec. 150.2(a) and (b) of the 2020 NPRM as proposed.\882\--------------------------------------------------------------------------- \882\ As discussed above, the Commission is making an exception for natural gas referenced contracts to the general netting rules discussed below. For further discussion on the Final Rule's treatment of natural gas referenced contracts, see Section II.B.3.vi ---------------------------------------------------------------------------iv. Comments--Netting and Related Treatment of Cash-Settled Referenced Contracts PIMCO, SIFMA AMG, and ISDA contended that cash-settled referenced contracts should not be subject to Federal position limits at all because cash-settled contracts do not introduce the same risk of market manipulation. They argued that subjecting cash-settled referenced contracts to Federal position limits would reduce market liquidity and depth in these instruments.\883\--------------------------------------------------------------------------- \883\ PIMCO at 3; SIFMA AMG at 4-7; ISDA at 3-5. These entities did not specifically argue that cash-settled contracts should be excluded from the ``referenced contract'' definition, but rather in general that such instruments should not be subject to Federal position limits. The Commission noted that this is technically a different argument since cash-settled instruments could be exempt from position limits while still technically qualifying as ``referenced contracts,'' but the end result is the same as a practical matter.--------------------------------------------------------------------------- FIA and ICE argued that limits for cash-settled referenced contracts should be higher relative to Federal position limits for physically-settled referenced contracts. They similarly argued that cash-settled referenced contracts are ``not subject to corners and squeezes'' and will `` `ensure market liquidity for bona fide hedgers.' '' \884\ FIA and ICE further suggested that Federal position limits for cash-settled referenced contracts should apply per DCM (rather than in aggregate across DCMs).\885\ FIA additionally suggested setting a separate Federal spot-month position limit for economically equivalent swaps.\886\--------------------------------------------------------------------------- \884\ ICE at 3, 15 (also arguing that cash-settled limits should apply per exchange, rather than across exchanges); FIA at 7-8. \885\ FIA at 7-8; ICE at 13. \886\ FIA 7-8.--------------------------------------------------------------------------- In contrast, CME Group supported the Commission's approach for spot-month parity for physically-settled and cash-settled referenced contracts across all commodity markets. CME Group explained that absent such parity, one side of the market could be vulnerable to: Artificial distortions from manipulations on the other side of the market; regulatory arbitrage; and liquidity drain to the other side of the market.\887\ CME Group warned that, ultimately, a lack of parity could undermine the statutory goals of position limits.\888\ NEFI agreed, arguing similarly that ``this move is essential to guard against manipulation by a trader who holds positions in both physically-settled and cash-settled contracts for the same underlying commodity.'' \889\--------------------------------------------------------------------------- \887\ CME Group at 3-4. \888\ Id. at 6. \889\ NEFI at 3.---------------------------------------------------------------------------v. Discussion of Final Rule--Netting and Related Treatment of Cash-Settled Referenced Contracts The Commission is finalizing Sec. Sec. 150.2(a) and (b) as proposed. Under final Sec. 150.2(a), Federal spot month limits apply to physical-delivery referenced contracts ``separately'' from Federal spot month limits applied to cash-settled referenced contracts, meaning that during the spot month, positions in physically-settled contracts may not be netted with positions in linked cash-settled contracts but also are not required to be added to linked cash-settled contracts for the purposes of determining compliance with Federal position limits. Specifically, all of a trader's positions (long or short) in a given physically-settled referenced contract (across all exchanges and OTC as applicable) \890\ are netted and subject to the spot month limit for the relevant commodity, and all of such trader's positions in any cash-settled referenced contracts (across all exchanges and OTC as applicable) linked to such physically-settled core referenced futures contract are netted and independently (rather than collectively along with the physically-settled positions) subject to the Federal spot month limit for that commodity.\891\--------------------------------------------------------------------------- \890\ In practice, the only physically-settled referenced contracts subject to the Final Rule will be the 25 core referenced futures contracts, none of which are listed on multiple DCMs, although there could potentially be physically-settled OTC swaps that would satisfy the ``economically equivalent swap'' definition and therefore would also qualify as referenced contracts. For further discussion on economically equivalent swaps, see Section II.A.4 \891\ Consistent with CEA section 4a(a)(6), this would include positions across exchanges. However, for the reasons discussed in Section II.B.3.vi , the Commission is exercising its exemptive authority under CEA section 4a(a)(7) to provide an exception for natural gas to the general aggregation rule in CEA section 4a(a)(6). As discussed above, the Commission has concluded that the natural gas market is well-established with contracts that currently trade across several exchanges, and is relatively liquid with significant open interest. Accordingly, the Commission is exercising its judgment to establish Federal position limits on a per-exchange (and OTC as applicable) basis in order to maintain the status quo rather than risk disturbing the existing natural gas market.--------------------------------------------------------------------------- Additionally, a position in a commodity contract that is not a referenced contract, and therefore is not subject to Federal position limits, as a consequence, cannot be netted with positions in referenced contracts for purposes of Federal position limits.\892\ For example, a swap that is not a referenced contract because it does not meet the economically equivalent swap definition could not be netted with positions in a referenced contract.--------------------------------------------------------------------------- \892\ Proposed Appendix C to part 150 provides guidance regarding the referenced contract definition, including that the following types of contracts are not deemed referenced contracts, meaning such contracts are not subject to Federal position limits and cannot be netted with positions in referenced contracts for purposes of Federal position limits: Location basis contracts; commodity index contracts; swap guarantees; trade options that meet the requirements of 17 CFR 32.3; monthly average pricing contracts; and outright price reporting agency index contracts.---------------------------------------------------------------------------[[Page 3347]] Allowing the netting of linked physically-settled and cash-settled contracts during the spot month could lead to disruptions in the price discovery function of the core referenced futures contract or allow a market participant to manipulate the price of the core referenced futures contract. Absent separate spot month position limits for physically-settled and cash-settled contracts, the spot month position limit would be rendered ineffective, as a participant could maintain large positions in excess of limits in both the physically-settled contract and the linked cash-settled contract, enabling the participant to disrupt the price discovery function as the contracts go to expiration by taking large opposite positions in the physically-settled core referenced futures and cash-settled referenced contracts, or potentially allowing a participant to effect a corner or squeeze.\893\ Consistent with current and historical practice, the Federal position limits adopted herein apply to positions throughout each trading session (i.e , on an intra-day basis during each trading session), as well as at the close of each trading session.\894\--------------------------------------------------------------------------- \893\ For example, absent such a restriction in the spot month, a trader could stand for 100 percent of deliverable supply during the spot month by holding a large long position in the physical-delivery contract along with an offsetting short position in a cash-settled contract, which effectively would corner the market. \894\ See, e.g , Elimination of Daily Speculative Trading Limits, 44 FR 7124, 7125 (Feb. 6, 1979).--------------------------------------------------------------------------- In response to the comments from PIMCO, SIFMA AMG, and ISDA that cash-settled referenced contracts should not be subject to position limits at all because such contracts do not introduce the same risk of market manipulation, as discussed above under Section II.A.16.iii.a , the Commission has concluded that cash-settled referenced contracts should be subject to Federal position limits since they form one market with their corresponding physically-settled core referenced futures contracts.\895\--------------------------------------------------------------------------- \895\ For further discussion, see Section II.A.16.iii.a(2).--------------------------------------------------------------------------- In response to ISDA's recommendation that the Final Rule only include physically-settled referenced contracts and that the Commission apply Federal position limits on cash-settled referenced contracts at a later time, the Commission notes that as discussed under Section I.D , the Final Rule will be subject to a general compliance period until January 1, 2022. During this period, exchanges may choose to implement exchange-set position limits that provide for a different phased-in approach for cash-settled versus physically-settled referenced contracts as the exchanges may find appropriate for their respective markets. Additionally, the compliance period will be further extended until January 1, 2023 for economically equivalent swaps and positions held in reliance on a risk-management exemption, which in each case the Commission notes include mostly cash-settled positions. Accordingly, as a practical matter, many cash-settled contracts will be subject to a longer compliance period. However, as discussed further above under Section II.A.16.iii.a, the Commission has determined that it is appropriate to include cash-settled referenced contracts in Federal position limits under this Final Rule.\896\--------------------------------------------------------------------------- \896\ For further discussion of the Commission's rationale for including cash-settled referenced contracts under the Final Rule, see Section II.A.16.iii.a --------------------------------------------------------------------------- FIA and ICE similarly argued that cash-settled referenced contracts should be subject to higher Federal position limits compared to the physically-settled core referenced futures contracts. Their arguments were predicated, in part, on their conclusions that market participants cannot use cash-settled contracts to effect a corner or squeeze.\897\--------------------------------------------------------------------------- \897\ FIA at 7; ICE at 12-13.--------------------------------------------------------------------------- The Commission declines to adopt higher Federal position limits for cash-settled referenced contracts for several reasons. First, as an initial matter, the Commission acknowledges that preventing corners and squeezes is a crucial focus of the Commission. However, in response to FIA's and ICE's arguments that cash-settled referenced contracts should be subject to higher Federal position limits compared to physically-settled futures contracts because cash-settled contracts cannot be used to effect a corner or squeeze, the Commission notes that there are other forms of manipulation, such as ``banging'' or ``marking'' the close, that cash-settled referenced contracts can effect, and the Commission emphasizes that it endeavors to prevent all such market manipulation, consistent with CEA section 4a(a)(3)(B)(ii).\898\ While CEA section 4a(a)(3)(B)(ii) specifically references corners and squeezes, the CEA section also references ``manipulation'' generally, and neither FIA nor ICE recognized the existence of other types of market manipulation, such as ``banging'' the close, in their analysis.--------------------------------------------------------------------------- \898\ For further discussion, see Sections II.A.16 , II.A.4.iii.d(2), and II.B.10.iv --------------------------------------------------------------------------- Second, the Commission believes that FIA's and ICE's arguments for higher Federal position limits for cash-settled referenced contracts is intrinsically related to the comments from PIMCO, SIFMA AMG, and ISDA discussed above arguing that cash-settled referenced contracts should not be subject to Federal position limits at all. That is, the higher the Federal position limits for cash-settled referenced contracts that FIA or ICE recommend establishing, the closer, as a practical matter, it is to having no Federal position limits for cash-settled referenced contracts.\899\ As a result, the Commission believes that its general rationale for including cash-settled referenced contracts within the Federal position limits framework similarly supports parity between cash-settled and physically-settled referenced contracts.--------------------------------------------------------------------------- \899\ See Section II.A.16.iii.a --------------------------------------------------------------------------- Third, the Commission generally agrees with the reasons articulated in the comments from CME Group and NEFI that it is appropriate to establish spot-month parity for physically-settled and cash-settled referenced contracts across all commodity markets. While FIA argued that higher position limits for cash-settled referenced contracts could ensure liquidity for bona fide hedgers,\900\ the Final Rule has established the Federal position limit levels in general for the 25 core referenced futures contracts (including increases for many of the nine legacy ***agricultural*** contracts) and has expanded the enumerated bona fide hedges and streamlined the related application process under final Sec. Sec. 150.3 and 150.9 in order to ensure sufficient liquidity for bona fide hedgers.--------------------------------------------------------------------------- \900\ FIA at 7-8.--------------------------------------------------------------------------- FIA and ICE similarly argued that market participants should not be required to aggregate cash-settled positions across all exchanges but rather should be subject to a disaggregated Federal position limit that applies per-exchange. In other words, as the Commission understands FIA's and ICE's request, if the Federal position limit is 1,000 contracts, FIA and ICE believe that a market participant should be able to hold 1,000 cash-settled referenced contracts per exchange rather than being required to aggregate positions across all exchanges. Under this approach, a long position of 1,000 contracts on Exchange A would not be aggregated with a long position of 1,000 contracts on Exchange B. However, under this approach, a long position on Exchange A also would not net with a short position on Exchange B. ICE specifically argued that a single, aggregate Federal position limit for all[[Page 3348]]referenced contracts across exchanges may make it difficult for an exchange to launch a new referenced contract since the hypothetical new referenced contract would be aggregated with an existing referenced contract for purposes of Federal position limits.\901\ According to ICE, establishing new exchanges and/or new contracts is made more difficult under the Commission's aggregated approach, since it is purportedly more difficult to attract sufficient liquidity to establish a sustainable exchange or contract.\902\ ICE also references the Commission's obligations under CEA section 15 to consider the public interest and antitrust laws.\903\ ICE recommends a more flexible approach to allow an exchange to develop its own liquidity and establish its own limits, even for similar or look-alike cash-settled referenced contracts, to help develop robust and liquid markets while protecting against excessive speculation.\904\--------------------------------------------------------------------------- \901\ ICE at 12-13. \902\ ICE at 12-13. \903\ Id. \904\ Id.--------------------------------------------------------------------------- In response to FIA and ICE, as discussed immediately below, the Commission believes that, as a general matter, establishing aggregate limits across exchanges promotes competition and innovation while also better addressing the statutory goals in CEA section 4a(a)(3) as compared to ICE's request to establish disaggregated, per-exchange position limits. However, before discussing the Commission's underlying policy rationale supporting aggregate Federal position limits, the Commission has determined that as an initial legal matter that CEA section 4a(a)(6)(B) requires the Commission to establish the ``aggregate number or amount of positions . . . that maybe held by any person . . . for each month across . . . contracts listed by [DCMs] . . . .'' (emphasis added).\905\ While ICE cites CEA section 15 in its comment letter, ICE does not address CEA section 4a(a)(6)'s requirement that the Commission generally must establish aggregate position limits across exchanges. Accordingly, in addition to the policy rationale discussed immediately below, the Commission further has determined that the Final Rule's requirement to aggregate positions across exchanges does not on its face violate CEA section 15.\906\--------------------------------------------------------------------------- \905\ 7 U.S.C 6a(a)(6); CEA 4a(a)(6). \906\ See Section IV.D As discussed elsewhere in this release, the Commission is exercising its exemptive authority pursuant to CEA Section 4a(a)(7) to establish an exception to this rule in connection with, and based on the particular circumstances of the natural gas market. See Section II.B.3.iv (discussing natural gas).--------------------------------------------------------------------------- As noted above, the Commission also believes it is appropriate to aggregate positions across exchanges for Federal position limit purposes for the same general reasons that the Commission has determined both to include cash-settled referenced contracts within the Federal position limits framework and also to maintain parity for Federal position limit levels between physically-settled and cash-settled referenced contracts. For example, applying a per-exchange Federal position limit, rather than aggregating across exchanges, effectively increases the applicable Federal position limit. Accordingly, the Commission likewise believes it generally is inappropriate to permit per-exchange Federal position limits for cash-settled referenced contracts. In response to ICE's concern regarding liquidity formation and that aggregating cash-settled positions across exchanges would harm competitiveness and innovation by making it more difficult to attract enough liquidity to become sustainable on an ongoing basis,\907\ the Commission believes that to the extent Federal position limit levels under the Final Rule have been correctly calibrated, the Federal position limits framework should promote--or at least not disincentivize--liquidity formation.--------------------------------------------------------------------------- \907\ ICE at 12-13.--------------------------------------------------------------------------- However, ICE's proposal to allow Federal position limits to apply on a disaggregated, per-exchange basis risks dividing liquidity among several liquidity pools, which itself could harm liquidity for bona fide hedgers and reduce price discovery. The Commission also observes that, as a practical matter, ICE's request to disaggregate positions across exchanges would significantly increase the applicable position limit (possibly by a multiple of two or three--or more--depending on the number of exchanges that list referenced contracts). Consequently, if the Commission assumes, in arguendo, that Federal position limit levels are reasonably calibrated under the Final Rule, then applying a per-exchange limit by definition would increase the potential risks of excessive speculation and possible manipulation as market participants are permitted to hold larger directional positions in referenced contracts. Moreover, to the extent Federal position limits under this Final Rule are not reasonably calibrated to ensure necessary liquidity for bona fide hedgers, then the Commission, as a general matter, would prefer to address the lack of liquidity by adjusting the Federal position limit levels to appropriate levels rather than applying Federal position limits on a per-exchange basis for the reasons discussed in the paragraphs above and as discussed in the paragraph immediately below. Last, the Commission believes that ICE's approach could actually harm innovation since under ICE's rationale, Federal position limit levels would need to be set lower than the Federal levels adopted herein. For example, if the Commission were to allow disaggregated netting across exchanges as a general rule, then it would likely lead to increased excessive speculation and possible manipulation, as discussed above. Accordingly, in order to avoid the threat of excessive speculation and manipulation, the Commission would be obligated to set Federal position limits sufficiently low in order to compensate for a per-exchange position limit disaggregated approach. However if the Commission were to establish Federal position limits sufficiently low to prevent these concerns from happening, then innovation could be adversely affected since it means that the concomitant lower Federal position limit levels likely would make it difficult for exchanges to develop sufficient liquidity for a new product--unless other competing exchanges offered linked contracts to add sufficient liquidity to the market. In such a case, the success of any new product offered by the initial exchange could be dependent upon competing exchanges offering competing look-alike contracts to allow for sufficient liquidity. In contrast, the Commission believes that the Final Rule's approach to make the full aggregated Federal position limit available to the contract is more responsive to the needs of the market compared to a disaggregated approach, and the Commission believes that the Final Rule's aggregated approach promotes innovation and competition in the marketplace. Accordingly, the Commission does not believe that applying netting on an aggregate basis harms competition and innovation. Rather, the Commission believes its approach supports healthy competition and innovation while ICE's approach could harm liquidity and innovation. While the Commission believes the above rationale generally applies, the Commission notes that for the reasons discussed in Section II.B.3.vi , the Commission is exercising its exemptive authority under CEA section 4a(a)(7) to provide an exception for natural gas to the general aggregation rule in CEA section 4a(a)(6). The Commission does[[Page 3349]]not believe that the rationale above necessarily applies to the natural gas market. As discussed above, the natural gas market has existing natural gas commodity derivatives contracts that are well-established with liquidity, trading, and open interest currently across several exchanges. Accordingly, the Commission is exercising its judgment to establish Federal position limits on a per-exchange basis in order to maintain the status quo rather than risk disturbing the structure of the existing natural gas market, which could harm liquidity for bona fide hedgers or price discovery. In response to FIA's suggestion that economically equivalent swaps should be subject to separate Federal spot-month position limits, as discussed under Section II.A.4.iii , the Commission does not believe doing so would be appropriate.\908\ As discussed above, the Commission believes that establishing separate class position limits for futures contracts and swaps could harm liquidity formation while establishing a single Federal position limit promotes integration between the futures and swaps markets.--------------------------------------------------------------------------- \908\ FIA 7-8.---------------------------------------------------------------------------11. ``Eligible Affiliates'' and Position Aggregationi. Background In 2016, the Commission amended Sec. 150.4 to adopt new rules governing the aggregation of positions for purposes of compliance with Federal position limits.\909\ These aggregation rules currently apply only to the nine legacy ***agricultural*** contracts previously subject to Federal position limits, but now will also apply to the 16 new contracts subject to Federal position limits for the first time under this Final Rule. Under the existing aggregation rules, unless an exemption applies, all of the positions held and trading done by the person must be aggregated with positions for which the person controls trading or for which the person holds a 10% or greater ownership interest. DMO has issued time-limited no-action relief through August 12, 2022 (``NAL 19-19'') from some of the aggregation requirements contained in that rulemaking.\910\--------------------------------------------------------------------------- \909\ See 81 FR at 91454. \910\ See CFTC Letter No. 19-19 (July 31, 2019), available at [*https://www.cftc.gov/csl/19-19/download*](https://www.cftc.gov/csl/19-19/download). NAL 19-19 extends NAL 17-37 and provides an additional three-year period of no-action relief from compliance with certain position aggregation requirements under Commission Regulation 150.4 by streamlining the compliance requirements that must be satisfied for a person or entity to rely on an exemption from aggregation.---------------------------------------------------------------------------ii. Summary of the 2020 NPRM--Eligible Affiliates and Position Aggregation Proposed Sec. 150.2(k) addressed entities that would qualify as an ``eligible affiliate'' as defined in proposed Sec. 150.1 Under the proposed definition, an ``eligible affiliate'' would include certain entities that, among other things, are required to aggregate their positions under Sec. 150.4 and that do not claim an exemption from aggregation. There may be certain entities that would be eligible for an exemption from aggregation, but that prefer to aggregate rather than disaggregate their positions (such as when aggregation would result in advantageous netting of positions with affiliated entities). Proposed Sec. 150.2(k) intended to address such a circumstance by making clear that an ``eligible affiliate'' may opt to aggregate its positions even though it is eligible to disaggregate.iii. Summary of the Commission Determination--Eligible Affiliates and Position Aggregation The Commission is adopting Sec. 150.2(k) as proposed.iv. Comments--Eligible Affiliates and Position Aggregation Although the Commission did not receive any comments on this provision, it received a number of comments related to position aggregation in general. These commenters urged the Commission to amend the Federal position limits aggregation rules in existing Sec. 150.4 by codifying existing NAL 19-19.\911\ Some commenters further requested that the Commission revisit certain aspects of NAL 19-19 and the aggregation rules, such as the threshold ownership percentage set forth in existing Sec. 150.4 that triggers the requirement to aggregate positions or rely upon an exemption.\912\ Conversely, IATP argued that before applying the existing aggregation rules, and accompanying exemptions, to additional commodities, the Commission should study whether the existing exemptions from aggregation have resulted in increased speculation.\913\--------------------------------------------------------------------------- \911\ FIA at 28; ISDA at 11; PIMCO at 6; CMC at 12-13; and SIFMA AMG at 2, 9. \912\ CMC at 12-13; FIA at 28. \913\ IATP at 18-19.---------------------------------------------------------------------------v. Discussion of Final Rule--Eligible Affiliates and Position Aggregation The Commission declines to codify NAL 19-19 \914\ in this rulemaking since NAL 19-19's relief from some of the aggregation requirements contained in 2016 Final Aggregation Rulemaking \915\ continues to apply until August 12, 2022. DMO extended this relief for three years to provide sufficient time to ``evaluate whether the relief granted is hindering Commission staff's ability to conduct surveillance; assess the impact of the relief; and consider long-term solutions that must, appropriately, be implemented by a notice and comment rulemaking.'' \916\ Accordingly, the Commission believes it is appropriate to first monitor the application of the existing position aggregation requirements before considering amendments to those aggregation requirements, and the Commission will address the aggregation rules, including whether to codify NAL 19-19, as needed, after this Final Rule goes into effect.--------------------------------------------------------------------------- \914\ See CFTC Letter No. 19-19 (July 31, 2019), available at [*https://www.cftc.gov/csl/19-19/download*](https://www.cftc.gov/csl/19-19/download). \915\ 81 FR 91454 (December 16, 2016). \916\ See CFTC Letter No. 19-19 at 4.---------------------------------------------------------------------------C. Sec. 150.3--Exemptions From Federal Position Limits1. Background--Existing Sec. Sec. 150.3, 1.47, and 1.48--Exemptions From Federal Position Limits Existing Sec. 150.3(a), which pre-dates the Dodd-Frank Act, lists positions that may, under certain circumstances, exceed Federal position limits, including: (1) Bona fide hedging transactions, as defined in the current bona fide hedging definition in Sec. 1.3; and (2) spread or arbitrage positions, subject to certain conditions.\917\ Existing Sec. 150.3(b) provides that the Commission or certain Commission staff may make a ``call'' to demand certain information from exemption holders so that the Commission can effectively oversee the use of such exemption. Section Sec. 150.3(b) also provides that any such call may request information relating to positions owned or controlled by that person, trading done pursuant to that exemption, the futures, options or cash-market positions that support the claimed exemption, and the relevant business relationships supporting a claim of exemption.\918\--------------------------------------------------------------------------- \917\ 17 CFR 150.3(a). \918\ 17 CFR 150.3(b).--------------------------------------------------------------------------- The current bona fide hedge definition in existing Sec. 1.3 requires applicants who wish to receive bona fide hedging recognition and exceed Federal position limits to apply for non-enumerated bona fide hedges under Sec. 1.47 and to apply for anticipatory bona fide hedges under Sec. 1.48 of the Commission's existing regulations. Under Sec. 1.47, persons seeking recognition by the Commission of a non-[[Page 3350]]enumerated bona fide hedging transaction or position must file certain initial statements with the Commission at least 30 days in advance of the date that such transaction or position would be in excess of Federal position limits.\919\ Similarly, persons seeking recognition by the Commission of certain anticipatory bona fide hedges must submit their application 10 days in advance of the date that such transactions or positions would be in excess of Federal position limits.\920\--------------------------------------------------------------------------- \919\ 17 CFR 1.47 \920\ 17 CFR 1.48 --------------------------------------------------------------------------- With respect to spread exemptions, the Commission's authority and existing regulation for exempting certain spread positions can be found in CEA section 4a(a)(1) and existing Sec. 150.3(a)(3) of the Commission's regulations. In particular, CEA section 4a(a)(1) authorizes the Commission to exempt from Federal position limits transactions ``normally known to the trade as 'spreads' or 'straddles' or 'arbitrage.''' Similarly, in existing Sec. 150.3(a)(3), the Commission exempts ``spread or arbitrage positions,'' and allows such exemptions to be self-effectuating for the nine legacy ***agricultural*** contracts currently subject to Federal position limits. The Commission does not specify a formal process, in Sec. 150.3(a)(3), for granting spread exemptions.\921\--------------------------------------------------------------------------- \921\ Since 1938, the Commission (then known as the Commodity Exchange Commission) has recognized the use of spread positions to facilitate liquidity and hedging. See Notice of Proposed Order in the Matter of Limits on Position and Daily Trading in Grain for Future Delivery, 3 FR 1408 (June 14, 1938).---------------------------------------------------------------------------2. Overview of Proposed Sec. 150.3, Commenters' Views, and the Commission's Final Rule Determination This section provides a brief overview of proposed Sec. 150.3, commenters' general views, and the Commission's determination. The Commission will summarize and address each sub-section of Sec. 150.3 in greater detail further below. The Commission proposed several changes to Sec. 150.3 First, the Commission proposed to update Sec. 150.3 to conform to the proposed bona fide hedging definition in Sec. 150.1 (described above) and the new streamlined process in proposed Sec. 150.9 for recognizing non-enumerated bona fide hedging positions (described further below). The Commission also proposed to amend Sec. 150.3 to include new exemption types not explicitly listed in existing Sec. 150.3, including: (i) Exemptions for financial distress situations; (ii) conditional exemptions for certain spot month positions in cash-settled natural gas contracts; and (iii) exemptions for pre-enactment swaps and transition period swaps.\922\ Proposed Sec. 150.3(b)-(g) respectively addressed: Non-enumerated bona fide hedge and spread exemption requests submitted directly to the Commission; previously-granted risk management exemptions to Federal position limits; exemption-related recordkeeping and reporting requirements; the aggregation of ***accounts***; and the delegation of certain authorities to the Director of the Division of Market Oversight.--------------------------------------------------------------------------- \922\ The Commission revised Sec. 150.3(a) in 2016, relocating the independent ***account*** controller aggregation exemption from Sec. 150.3(a)(4) in order to consolidate it with the Commission's aggregation requirements in Sec. 150.4(b)(4). See Final Aggregation Rulemaking, 81 FR at 91489-91490.--------------------------------------------------------------------------- The most substantive comments on proposed Sec. 150.3 relate to the spread transaction exemption in proposed Sec. 150.3(a)(2) and to the natural gas conditional position limit exemption in proposed Sec. 150.3(a)(4), as described in detail below and under the discussion of Sec. 150.2, above.\923\ In addition, one commenter expressed general support for the Commission's proposed approach to recognizing exemptions under Sec. 150.3 \924\--------------------------------------------------------------------------- \923\ See supra Section II.B.3.vi.a (discussing the spot-month limit for natural gas). \924\ See CMC at 6.--------------------------------------------------------------------------- The Commission has determined to adopt Sec. 150.3 largely as proposed, with certain modifications and clarifications in response to commenters' views and other considerations, as described in detail below.3. Section 150.3(a)(1)--Exemption for Bona Fide Hedging Transaction or Positioni. Summary of the 2020 NPRM--Exemption for Bona Fide Hedging Transaction or Position First, under proposed Sec. 150.3(a)(1)(i), a bona fide hedging transaction or position that falls within one of the proposed enumerated hedges set forth in proposed Appendix A to part 150, discussed above, would be self-effectuating for purposes of Federal position limits. A market participant thus would not be required to request Commission approval prior to exceeding Federal position limits for such transaction or position. However, this does not affect a market participant's obligations under proposed Sec. 150.5(a) and under the relevant exchange's rules and thus, the market participant would be required to request a bona fide hedge exemption from the relevant exchange for purposes of exchange-set limits established pursuant to proposed Sec. 150.5(a), and submit required cash-market information to the exchange as part of that request.\925\ The Commission also proposed to allow the existing enumerated anticipatory bona fide hedges (some of which are not currently self-effectuating, and must be approved by the Commission, under existing Sec. 1.48) to be self-effectuating for purposes of Federal position limits (and thus would not require prior Commission approval).--------------------------------------------------------------------------- \925\ See infra Section II.D.3 See also 85 FR at 11644 (proposed Sec. 150.5(a)(2)(ii)(A)).--------------------------------------------------------------------------- Second, under proposed Sec. 150.3(a)(1)(ii), for positions in referenced contracts that do not satisfy one of the proposed enumerated hedges in Appendix A, (i.e , non-enumerated bona fide hedges), a market participant must request approval from the Commission either directly, or indirectly through an exchange, prior to exceeding Federal position limits. Such exemptions thus would not be self-effectuating and a market participant in such cases would have one of the following two options for requesting such a non-enumerated bona fide hedge recognition: (1) Apply directly to the Commission in accordance with Sec. 150.3(b) (described below), and, separately, also apply to an exchange pursuant to exchange rules established under proposed Sec. 150.5(a); \926\ or (2) apply through an exchange pursuant to proposed Sec. 150.9 for a non-enumerated bona fide hedge recognition that could ultimately be valid both for purposes of Federal and exchange-set position limit requirements, unless the Commission (and not staff, which would not have delegated authority) denies the application within a limited period of time.\927\ As discussed in the 2020 NPRM, market participants relying on enumerated or non-enumerated bona fide hedge recognitions would no longer have to file the monthly Form 204/304 with supporting cash-market information.\928\--------------------------------------------------------------------------- \926\ See infra Section II.D.3 (discussion of proposed Sec. 150.5). \927\ See infra Section II.G (discussion of proposed Sec. 150.9). \928\ See infra Section II.H.2 (discussion of the proposed elimination of Form 204).---------------------------------------------------------------------------ii. Comments and Discussion of Final Rule--Exemption for Bona Fide Hedging Transactions or Positions The Commission did not receive any comments on proposed Sec. 150.3(a)(1). As such, the Commission is finalizing Sec. 150.3(a)(1) with a few grammatical and organizational changes to improve readability. The Commission is also finalizing the introductory text in Sec. 150.3(a) with a clarification that ``each'' of a person's transactions or positions must satisfy at least one of the[[Page 3351]]exemptions in Sec. 150.3(a) in order to exceed Federal limits. None of the technical revisions are intended to change the substance of proposed Sec. 150.3(a)(1).4. Section 150.3(a)(2)--Spread Exemptionsi. Summary of the 2020 NPRM--Spread Exemptions Under proposed Sec. 150.3(a)(2)(i), a spread position would be self-effectuating for purposes of Federal position limits, provided that the position fits within at least one of the types of spread strategies listed in the ``spread transaction'' definition in proposed Sec. 150.1,\929\ and provided further that the market participant separately requests a spread exemption from the relevant exchange's limits established pursuant to proposed Sec. 150.5(a).--------------------------------------------------------------------------- \929\ See supra Section II.A.20 (proposed definition of ``spread transaction'' in Sec. 150.1, which would cover: Intra-market, inter-market, intra-commodity, or inter-commodity spreads, including calendar spreads, quality differential spreads, processing spreads (such as energy ``crack'' or soybean ``crush'' spreads), product or by-product differential spreads, and futures-options spreads.)--------------------------------------------------------------------------- Under proposed Sec. 150.3(a)(2)(ii), for a spread strategy that does not meet the ``spread transaction'' definition in proposed Sec. 150.1, a market participant must apply for a spread exemption directly from the Commission in accordance with proposed Sec. 150.3(b). The market participant must also receive a notification of the approved spread exemption under proposed Sec. 150.3(b)(4) before exceeding the Federal speculative position limits for that spread position. The Commission thus did not propose a process akin to Sec. 150.9 for spreads that do not meet the proposed ``spread transaction'' definition.ii. Comments--Spread Exemptions Several commenters advocated for the Commission to expand the proposed Sec. 150.9 process, which would allow exchanges to process applications for non-enumerated bona fide hedge exemptions for purposes of both Federal and exchange limits, to also allow exchanges to grant ``non-enumerated'' spread exemptions for spread positions that do not meet the ``spread transaction'' definition.\930\ Commenters also requested that the Commission provide an explanation for why the Commission would not expand Sec. 150.9 to cover ``non-enumerated'' spread exemptions.\931\ Finally, commenters requested that market participants be able to apply for spread exemptions on a late or retroactive basis the same way they would be permitted to apply for bona fide hedge exemptions within five days of exceeding Federal position limits under proposed Sec. Sec. 150.3 and 150.9 \932\--------------------------------------------------------------------------- \930\ See MFA/AIMA at 10; FIA at 21; Citadel at 8-9; ISDA at 9; ICE at 7-8 (suggesting that if the list of spread positions in the spread transaction definition is determined to be an exhaustive list, then the Commission should permit additional flexibility for an exchange to grant additional spread exemptions--that are not covered in the spread transaction definition--using the proposed Sec. 150.9 process). \931\ See MFA/AIMA at 10. \932\ See ICE at 8.---------------------------------------------------------------------------iii. Discussion of Final Rule--Spread Exemptions The Commission has determined to adopt Sec. 150.3(a)(2) with non-substantive revisions to address technical edits or improve readability. For the reasons discussed immediately below, the Commission has determined not to expand Sec. 150.3(a)(2) as requested by commenters to allow market participants to apply to exchanges for ``non-enumerated'' spread exemptions that are not covered in the ``spread transaction'' definition in Sec. 150.1 First, as discussed above,\933\ the Commission has determined to expand the ``spread transaction'' definition so that it covers most, if not all, of the most common spread exemptions used by market participants. With this expansion, the Commission expects that most spread exemption requests will fall within the scope of the ``spread transaction'' definition. Accordingly, the Commission expects that most spread exemptions will thus be self-effectuating for purposes of Federal position limits. Also, the Commission expects that any spread exemption requests falling outside of the ``spread transaction'' definition are likely to be novel exemption requests that the Commission--and not exchanges--should review, considering certain statutory considerations in CEA section 4a(a)(3)(B). As explained immediately below, the Commission cannot authorize exchanges to conduct this analysis because exchanges would lack clear standards for assessing whether a particular spread position satisfies the requirements of the CEA.--------------------------------------------------------------------------- \933\ See supra Section II.A.20 (discussing changes to expand the spread transaction definition).--------------------------------------------------------------------------- Second, bona fide hedge recognitions and spread exemptions are subject to different legal standards. That is, under CEA section 4a(a)(c)(2), Congress provided clear criteria to the Commission for determining what constitutes a bona fide hedging transaction or position. In turn, the Commission has defined in detail the term bona fide hedging transaction or position in Sec. 150.1 As a result, under final Sec. 150.9, the Commission is permitting exchanges to evaluate applications for non-enumerated bona fide hedges for purposes of exchange-set limits in accordance with the same clear criteria used by the Commission. In contrast, the CEA does not include clear criteria for granting spread exemptions. Instead, CEA section 4a(a)(1) generally permits the Commission to exempt ``transactions normally known to the trade as ``spreads'' or ``straddles'' or ``arbitrage'' from position limits \934\ and requires the Commission to administer Federal position limits in a manner that comports with certain policy considerations in CEA section 4a(a)(3)(B).\935\ Analyzing novel spread exemption requests in accordance with these general principles requires the Commission to use its judgment to conduct a highly fact-specific analysis. And, in the absence of any detailed statutory or regulatory criteria, the Commission is not comfortable, at this time, with leveraging an exchange's analysis and determination with respect to novel spread exemption requests. As such, the Commission has determined that the Commission should conduct a direct review of any spread exemptions that do not meet the ``spread transaction'' definition, and the Commission thus will not expand Sec. 150.9 to cover spreads because exchanges would lack clear standards for assessing whether a particular spread position satisfies the requirements of the CEA. In the future, the Commission may, however, consider developing regulatory criteria for spread exemptions such that novel spread exemptions could be considered through a more streamlined process, such as Sec. 150.9 --------------------------------------------------------------------------- \934\ 7 U.S.C 6a(a)(1). \935\ 7 U.S.C 6a(a)(3)(b).--------------------------------------------------------------------------- Finally, unlike for certain bona fide hedge recognitions as discussed below, the Commission has determined not to permit retroactive applications for spread exemptions or other exemptions permitted under this Sec. 150.3(a). The Commission believes that the Federal position limits framework adopted herein provides sufficient flexibility through expanded speculative limits, and a clear, comprehensive set of exemptions, most of which are self-effectuating and thus do not require prior Commission approval. As such, the Commission believes that market participants will be able to identify their exemption needs based on these clear regulatory requirements and apply for[[Page 3352]]all such exemptions ahead of time. In addition, the Commission believes that allowing retroactive spread exemptions and other types of retroactive exemptions (such as the financial distress or conditional natural gas spot month exemption) could potentially be harmful to the market as these types of strategies may involve non-risk-reducing or speculative activity that should be evaluated prior to a person exceeding Federal position limits.5. Section 150.3(a)(3)--Financial Distress Exemptionsi. Summary of the 2020 NPRM--Financial Distress Exemptions Proposed Sec. 150.3(a)(3) would allow for a financial distress exemption in certain situations, including the potential default or bankruptcy of a customer or a potential acquisition target. For example, in periods of financial distress, such as a customer default at an FCM or a potential bankruptcy of a market participant, it may be beneficial for a financially-sound market participant to take on the positions and corresponding risk of a less stable market participant, and in doing so, exceed Federal speculative position limits. Pursuant to authority delegated under Sec. Sec. 140.97 and 140.99, Commission staff previously granted exemptions in these types of situations to avoid sudden liquidations required to comply with a position limit.\936\ Such sudden liquidations could otherwise potentially hinder statutory objectives, including by reducing liquidity, disrupting price discovery, and/or increasing systemic risk.\937\--------------------------------------------------------------------------- \936\ See, e.g , CFTC Press Release No. 5551-08, CFTC Update on Efforts Underway to Oversee Markets, (Sept. 19, 2008), available at [*http://www.cftc.gov/PressRoom/PressReleases/pr5551-08*](http://www.cftc.gov/PressRoom/PressReleases/pr5551-08). \937\ See 7 U.S.C 6a(a)(3).--------------------------------------------------------------------------- The proposed exemption would be available for the positions of ``a person, or related persons,'' meaning that a financial distress exemption request should be specific to the circumstances of a particular person, or to persons affiliated with that person, and not a more general request by a large group of unrelated people whose financial distress circumstances may differ from one another. The proposed exemption would be granted on a case-by-case basis in response to a request submitted to the Commission pursuant to Sec. 140.99, and would be evaluated based on the specific facts and circumstances of a particular person or a related person or persons. Any such financial distress position would not be a bona fide hedging transaction or position unless it otherwise met the substantive and procedural requirements set forth in proposed Sec. Sec. 150.1, 150.3, and 150.9, as applicable.ii. Comments and Summary of the Commission Determination--Financial Distress Exemptions The Commission did not receive any substantive comments on proposed Sec. 150.3(a)(3), although one commenter expressed general support for the financial distress exemption.\938\ As such, the Commission has determined to finalize Sec. 150.3(a)(3) as proposed, for the reasons discussed above and in the 2020 NPRM.--------------------------------------------------------------------------- \938\ CCI at 2.---------------------------------------------------------------------------6. Section 150.3(a)(4)--Conditional Spot Month Exemption in Natural Gasi. Summary of the 2020 NPRM--Conditional Spot Month Exemption in Natural Gas Certain natural gas contracts are currently subject to exchange-set position limits, but not Federal position limits.\939\ In the 2020 NPRM, the Commission proposed applying Federal position limits to certain natural gas contracts for the first time by including the physically-settled NYMEX Henry Hub Natural Gas (``NYMEX NG'') contract as a core referenced futures contract listed in proposed Sec. 150.2(d). The Commission also proposed, consistent with existing exchange practice, establishing a conditional spot month exemption for Federal position limit purposes that would permit larger positions during the spot month for cash-settled natural gas referenced contracts so long as the market participant held no physically-settled NYMEX NG.--------------------------------------------------------------------------- \939\ Some examples include natural gas contracts that use the NYMEX NG futures contract as a reference price, such as ICE's Henry Financial Penultimate Fixed Price Futures (PHH), options on Henry Penultimate Fixed Price (PHE), Henry Basis Futures (HEN) and Henry Swing Futures (HHD), NYMEX's E-mini Natural Gas Futures (QG), Henry Hub Natural Gas Last Day Financial Futures (HH), and Henry Hub Natural Gas Financial Calendar Spread (3 Month) Option (G3).---------------------------------------------------------------------------ii. Summary of the Commission Determination--Conditional Spot Month Exemption in Natural Gas For the Final Rule, the Commission is adopting the conditional spot month exemption in natural gas, as proposed. The Commission discusses this conditional spot month exemption, as well as other issues in connection with NYMEX NG, above under the discussion of Sec. 150.2 \940\ The Commission is discussing all the issues related to the NYMEX NG core referenced futures contract, including this conditional spot month exemption, together in one place in this release for the reader's convenience.--------------------------------------------------------------------------- \940\ See supra Section II.B.3.vi.a (discussing the Federal spot-month limit for natural gas).---------------------------------------------------------------------------7. Section 150.3(a)(5)--Exemption for Pre-Enactment Swaps and Transition Period Swapsi. Background and Summary of the 2020 NPRM--Exemption for Pre-Enactment Swaps and Transition Period Swaps Currently, swaps are not subject to the existing Federal position limits framework, and the Commission is unaware of any exchange-set limits on swaps with respect to any of the 25 core referenced futures contracts. In order to promote a smooth transition to compliance for swaps, which were not previously subject to Federal speculative position limits, in the 2020 NPRM, the Commission proposed to exempt pre-enactment swaps and transition period swaps from Federal position limits. Proposed Sec. 150.3(a)(5) provided that Federal position limits would not apply to positions acquired in good faith in any pre-enactment swaps or in any transition period swaps, in either case as defined by Sec. 150.1 \941\ Under the 2020 NPRM, any pre-enactment swap or transition period swap would be exempt from Federal position limits--even if the swap would qualify as an economically equivalent swap under the 2020 NPRM. This proposed exemption would be self-effectuating and would not require a market participant to request relief from the Commission.--------------------------------------------------------------------------- \941\ ``Pre-enactment swap'' would mean any swap entered into prior to enactment of the Dodd-Frank Act of 2010 (July 21, 2010), the terms of which have not expired as of the date of enactment of that Act. ``Transition period swap'' would mean a swap entered into during the period commencing after the enactment of the Dodd-Frank Act of 2010 (July 21, 2010), and ending 60 days after the publication in the Federal Register of final amendments to this part implementing section 737 of the Dodd-Frank Act of 2010, the terms of which have not expired as of 60 days after the publication date.--------------------------------------------------------------------------- For purposes of complying with the proposed Federal non-spot month limits, the 2020 NPRM would also allow both pre-enactment swaps and transition period swaps (to the extent such swaps qualify as ``economically equivalent swaps'') to be netted with post-Effective Date commodity derivative contracts. The 2020 NPRM did not permit such positions to be netted during the spot month so as to avoid rendering spot month limits ineffective. Specifically, the Commission explained that it was particularly concerned about protecting the spot month in physically-delivered futures contracts from price distortions or manipulation to protect against[[Page 3353]]disrupting the hedging and price discovery utility of the futures contract.ii. Comments and Summary of the Commission Determination--Exemption for Pre-Enactment Swaps and Transition Period Swaps The Commission did not receive any comments specifically addressing the exemption for pre-enactment swaps and transition period swaps addressed in proposed Sec. 150.3(a)(5). The Commission is adopting Sec. 150.3(a)(5) as proposed with certain limited grammatical and technical changes that are not intended to reflect a change in the substantive meaning. For comments generally related to the exemption for pre-enactment swaps and transition period swaps, please refer to the discussion of pre-existing positions in general and comments thereto, in Sec. 150.2(g) above,\942\ and Sec. 150.5(a)(3)(ii) below.\943\--------------------------------------------------------------------------- \942\ See supra Section II.B.7 (discussing Sec. 150.2 Federal position limits on pre-existing positions). \943\ See infra Section II.D.3 (discussing Sec. 150.5 requirements for exchange limits on pre-existing positions in a non-spot month).---------------------------------------------------------------------------8. Section 150.3(b)--Application for Relief and Removal of Existing Commission Application Processesi. Summary of the 2020 NPRM--Application for Relief and Removal of Existing Commission Application Processes The Commission proposed two avenues for a market participant to request a non-enumerated bona fide hedge recognition: Sec. 150.3(b), described below, which would allow market participants to apply directly to the Commission; and Sec. 150.9, which, as described in detail further below, would allow market participants to apply to exchanges for a non-enumerated bona fide hedge exemption for purposes of both Federal and exchange limits.\944\ The Commission proposed to remove its existing processes for applying for such exemptions under Sec. Sec. 1.47 and 1.48 The Commission also proposed to remove existing Sec. 140.97, which delegates to the Director of the Division of Enforcement or his designee authority regarding requests for classification of positions as bona fide hedges under existing Sec. Sec. 1.47 and 1.48 \945\--------------------------------------------------------------------------- \944\ See infra Section II.G \945\ 17 CFR 140.97 --------------------------------------------------------------------------- In the 2020 NPRM, the Commission explained that it did not intend the proposed replacement of Sec. Sec. 1.47 and 1.48 to have any bearing on bona fide hedges previously recognized under those provisions. With the exception of certain recognitions for risk management positions discussed below, positions that were previously recognized as bona fide hedges under Sec. Sec. 1.47 or 1.48 would continue to be recognized, provided such positions continue to meet the statutory bona fide hedging definition and all other existing and proposed requirements. With respect to a Sec. 150.3(b) application for a bona fide hedge recognition, the Commission proposed that such application must include: (i) A description of the position in the commodity derivative contract for which the application is submitted, including the name of the underlying commodity and the position size; (ii) information to demonstrate why the position satisfies CEA section 4a(c)(2) and the definition of bona fide hedging transaction or position in proposed Sec. 150.1, including ``factual and legal analysis;'' (iii) a statement concerning the maximum size of all gross positions in derivative contracts for which the application is submitted (in order to provide a view of the true footprint of the position in the market); (iv) information regarding the applicant's activity in the cash markets and the swaps markets for the commodity underlying the position for which the application is submitted; \946\ and (v) any other information that may help the Commission determine whether the position meets the requirements of CEA section 4a(c)(2) and the definition of bona fide hedging transaction or position in Sec. 150.1 \947\--------------------------------------------------------------------------- \946\ The Commission stated that it would expect applicants to provide cash-market ***data*** for at least the prior year. \947\ For example, the Commission may, in its discretion, request a description of any positions in other commodity derivative contracts in the same commodity underlying the commodity derivative contract for which the application is submitted. Other commodity derivative contracts could include other futures contracts, option on futures contracts, and swaps (including OTC swaps) positions held by the applicant.--------------------------------------------------------------------------- In addition, under the 2020 NPRM, a market participant would be required to apply to the Commission using the application process in Sec. 150.3(b) for exemptions for any spread positions that do not meet the proposed ``spread transaction'' definition. With respect to a Sec. 150.3(b) application for a spread exemption, the Commission proposed that such application must include: (i) A description of the spread transaction for which the exemption application is submitted; \948\ (ii) a statement concerning the maximum size of all gross positions in derivative contracts for which the application is submitted; and (iii) any other information that may help the Commission determine whether the position is consistent with CEA section 4a(a)(3)(B).--------------------------------------------------------------------------- \948\ The nature of such description would depend on the facts and circumstances, and different details may be required depending on the particular spread.--------------------------------------------------------------------------- Under proposed Sec. 150.3(b)(2), the Commission (or Commission staff pursuant to delegated authority proposed in Sec. 150.3(g)) could request additional information from the applicant and would provide the applicant with ten business days to respond. Under proposed Sec. 150.3(b)(3) and (4), the applicant, however, could not exceed Federal position limits unless it receives a notice of approval from the Commission or from Commission staff pursuant to delegated authority proposed in Sec. 150.3(g)--with one exception. That is, due to demonstrated sudden or unforeseen increases in a person's bona fide hedging needs, the person could request a recognition of a bona fide hedging transaction or position within five business days after the person established the position that exceeded the Federal speculative position limit.\949\--------------------------------------------------------------------------- \949\ Where a person requests a bona fide hedge recognition within five business days after exceeding Federal position limits, such person would be required to demonstrate that they encountered sudden or unforeseen circumstances that required them to exceed Federal position limits before submitting and receiving approval of their bona fide hedge application. These applications submitted after a person has exceeded Federal position limits should not be habitual and would be reviewed closely. If the Commission reviews such application and finds that the position does not qualify as a bona fide hedge, then the applicant would be required to bring its position into compliance within a commercially reasonable time, as determined by the Commission in consultation with the applicant and the applicable DCM or SEF. If the applicant brings the position into compliance within a commercially reasonable time, then the applicant would not be considered to have violated the position limits rules. Further, any intentional misstatements to the Commission, including statements to demonstrate why the bona fide hedging needs were sudden and unforeseen, would be a violation of sections 6(c)(2) and 9(a)(2) of the Act. 7 U.S.C 9(2) and 13(a)(2).--------------------------------------------------------------------------- Under this proposed process, market participants would be encouraged to submit their requests for bona fide hedge recognitions and spread exemptions as early as possible since proposed Sec. 150.3(b) would not set a specific timeframe within which the Commission must make a determination for such requests. Further, under the 2020 NPRM, all approved bona fide hedge recognitions and spread exemptions would need to be renewed if there are any changes to the information submitted as part of the request, or upon request by the Commission or Commission staff.\950\[[Page 3354]]Finally, under proposed Sec. 150.3(b)(6), the Commission (and not staff) could revoke or modify any bona fide hedge recognition or spread exemption at any time if the Commission determines that the bona fide hedge recognition or spread exemption, or portions thereof, are no longer consistent with the applicable statutory and regulatory requirements.\951\--------------------------------------------------------------------------- \950\ See proposed Sec. 150.3(b)(5). Currently, the Commission does not require automatic updates to bona fide hedge applications, and does not require applications or updates thereto for spread exemptions, which are self-effectuating. Consistent with current practices, under proposed Sec. 150.3(b)(5), the Commission would not require automatic annual updates to bona fide hedge and spread exemption applications; rather, updated applications would only be required if there are changes to information the requestor initially submitted or upon Commission request. This approach is different than the proposed streamlined process in Sec. 150.9, which would require automatic annual updates to such applications, which is more consistent with current exchange practices. See, e.g , CME Rule 559. \951\ This proposed authority to revoke or modify a bona fide hedge recognition or spread exemption would not be delegated to Commission staff.--------------------------------------------------------------------------- In the 2020 NPRM, the Commission noted that it anticipates that most market participants would utilize the streamlined process set forth in proposed Sec. 150.9 rather than the process proposed in Sec. 150.3(b) because: Exchanges would generally be able to make an initial determination more efficiently than Commission staff; and market participants are likely already familiar with the proposed processes set forth in Sec. 150.9 (which are intended to leverage the processes currently used by exchanges to address requests for exemptions from exchange-set limits). Nevertheless, proposed Sec. 150.3(a)(1) and (2) clarify that market participants could request non-enumerated bona fide hedge recognitions and spread exemptions that do not meet the ``spread transaction'' definition directly from the Commission. After receiving any approval of a bona fide hedge recognition or spread exemption from the Commission under proposed Sec. 150.3(b), the market participant would still be required to request a bona fide hedge recognition or spread exemption from the relevant exchange for purposes of exchange-set limits established pursuant to proposed Sec. 150.5(a).ii. Comments--Application for Relief and Removal of Existing Commission Application Processes The Commission received one comment on proposed Sec. 150.3(b) requesting that the Commission remove the requirement proposed in Sec. 150.3(b)(1)(i)(B) that an applicant provide a ``factual and legal analysis'' as part of an exemption application for a non-enumerated bona fide hedge.\952\--------------------------------------------------------------------------- \952\ CME Group at 10.---------------------------------------------------------------------------iii. Discussion of Final Rule--Application for Relief and Removal of Existing Commission Application Processes The Commission has determined to finalize its proposal to remove existing Sec. Sec. 1.47, 1.48, and 140.97 \953\ The Commission has also determined to finalize Sec. 150.3(b) largely as proposed but with the following modifications in response to commenters and other considerations.--------------------------------------------------------------------------- \953\ Although Sec. Sec. 1.47 and 1.48 are currently reflected in the Code of Federal Regulations (``CFR'') as ``[Reserved]'', Sec. Sec. 1.47 and 1.48 that existed prior to the 2011 Final Rulemaking are currently in effect. The 2011 Final Rulemaking removed and reserved Sec. Sec. 1.47 and 1.48 However, the U.S District Court for the District of Columbia in ISDA subsequently vacated the 2011 Final Rulemaking on September 28, 2012. As a result, Sec. Sec. 1.47 and 1.48 that existed prior to the 2011 Final Rulemaking went back into effect, though they were not recodified in the CFR. This Final Rule removes Sec. Sec. 1.47 and 1.48 as they are currently in effect (i.e , as they existed prior to the 2011 Final Rulemaking) and leaves those two sections reserved in the CFR. As this action does not result in a change to the currently codified CFR, there is no corresponding amendment in the regulatory text of this document.--------------------------------------------------------------------------- Generally, the information required to be submitted as part of the Sec. 150.3(b) application is necessary to allow the Commission to evaluate whether the applicant's position satisfies the requirements in Sec. 150.3(b)(1), as applicable. The Commission has determined to modify the requirement, as it appears in both Sec. 150.3(b) and Sec. 150.9(c), that an applicant provide a ``factual and legal analysis'' as part of its non-enumerated bona fide hedge exemption application. As explained further below, in proposing this requirement, the Commission did not intend to require that applicants engage legal counsel to complete their applications for non-enumerated bona fide hedge recognitions. Rather, the purpose of this proposed requirement was to ensure that applicants explain their hedging strategies and provide sufficient information to demonstrate why a particular position satisfies the bona fide hedge definition in proposed Sec. 150.1 and CEA section 4a(c)(2).\954\ Accordingly, the Commission has revised Sec. 150.3(b)(1)(i)(B) to replace the requirement to provide ``factual and legal'' analysis with the requirement that an applicant provide: (1) An explanation of the hedging strategy, including a statement that the applicant's position complies with the applicable requirements of the bona fide hedge definition, and (2) information that demonstrates why the position satisfies the applicable requirements.--------------------------------------------------------------------------- \954\ See supra Section II.G.5 (providing a more detailed discussion of this requirement as it appears in Sec. 150.9(c)).--------------------------------------------------------------------------- The Commission is also making several other clarifications to Sec. 150.3(b). First, in Sec. 150.3(b)(3)(ii)(C), the Commission proposed that, for a retroactive application submitted to the Commission after a person has already exceeded Federal position limits, the Commission would not hold an applicant ***accountable*** for a position limits violation during the period of the Commission's review, nor once the Commission has issued its determination. The Commission is revising this provision to clarify that the Commission ``will not pursue an enforcement action'' in these circumstances. The Commission is also revising this provision to clarify that the provision applies so long as the applicant submitted its application in good faith and, if required, the applicant brings its position below the Federal position limits. This revision is simply intended to make explicit an implicit presumption that the applicant should have a reasonable and good faith basis for determining that its position meets the requirements of Sec. 150.3(b) and for submitting the retroactive application. This requirement is also intended to deter the filing of frivolous retroactive exemption applications. Finally, the Commission is making a few technical revisions to clarify that this section is referring to the retroactive application provisions in Sec. 150.3(b)(3)(ii), and to correct a cross-reference in this paragraph to correctly reference paragraph Sec. 150.3(b)(3)(ii)(B). In addition, the Commission is modifying proposed Sec. 150.3(b)(5) to clarify that an applicant who received its original approval of a recognition of a non-enumerated bona fide hedge or spread exemption through the Commission's Sec. 150.3(b) process is required to submit a renewal application if there are any ``material'' changes to the original application, but is not required to submit a renewal application as a result of circumstances involving any minor or non-substantive changes to the information underlying the original application. If a market participant using the Sec. 150.3(b) process has any questions regarding what qualifies as a material change to the original application, the Commission encourages the market participant to contact DMO staff for guidance on a case-by-case basis. Next, the Commission is revising its revocation authority under Sec. 150.3(b)(6) to expressly require that the Commission provide a person with an opportunity to respond after the Commission notifies such person that[[Page 3355]]the Commission believes their transactions or positions no longer satisfy the bona fide hedge definition or spread exemption requirements, as applicable. The Commission is also revising Sec. 150.3(b)(6) to clarify that the Commission will discuss with the applicant and consult with the relevant exchange when determining what is a commercially reasonable amount of time for the applicant to bring its position below the Federal position limits. The Commission also reorganized this section to improve readability. Finally, the Commission made several grammatical and technical changes to Sec. 150.3(b) that are not intended to change the substance of the remaining sections, unless discussed above.9. Section 150.3(c)--Previously-Granted Risk Management Exemptionsi. Summary of the 2020 NPRM--Previously-Granted Risk Management Exemptions As discussed above, the Commission previously recognized, as bona fide hedges under Sec. 1.47, certain risk-management positions in physical commodity futures and/or option on futures contracts held outside of the spot month that were used to offset the risk of commodity index swaps and other related exposures, but that did not represent substitutes for transactions or positions to be taken in a physical marketing channel.\955\ However, the 2020 NPRM interpreted the Dodd-Frank Act amendments to the CEA as eliminating the Commission's authority to grant such relief unless the position satisfies the pass-through provision in CEA section 4a(c)(2)(B).\956\ Accordingly, to ensure consistency with the Dodd-Frank Act, the Commission proposed that it would not recognize further risk management positions as bona fide hedges, unless the position otherwise satisfies the requirements of the pass-through provisions.\957\--------------------------------------------------------------------------- \955\ See supra Section II.A.1.iii (discussing the temporary substitute test and risk management exemption under Sec. 150.1). \956\ Id. \957\ 85 FR at 11641.--------------------------------------------------------------------------- In addition, the Commission proposed in Sec. 150.3(c) that such previously-granted exemptions shall not apply after the effective date of a final Federal position limits rulemaking implementing the Dodd-Frank Act. Proposed Sec. 150.3(c) used the phrase ``positions in financial instruments'' to refer to such commodity index swaps and related exposure, and would have the effect of revoking the ability to use previously-granted risk management exemptions once the limits proposed in Sec. 150.2 go into effect.ii. Comments and Discussion of Final Rule--Previously-Granted Risk Management Exemptions The Commission has addressed any comments on risk management exemptions in the discussion of Sec. 150.1 above.\958\ As discussed above, to ensure consistency with the Dodd-Frank Act, the Commission will not recognize risk management positions as bona fide hedges under the Final Rule, unless the position otherwise satisfies the requirements of the Final Rule's pass-through swap provisions.\959\ Consequently, the Commission is adopting Sec. 150.3(c) largely as proposed, which provides that such previously-granted risk management exemptions issued pursuant to Sec. 1.47 shall no longer be recognized.\960\ However, the Final Rule is also providing for a compliance date of January 1, 2023 with respect to the elimination of the risk management exemption by which risk management exemption holders must reduce their risk management exemption positions to comply with Federal position limits under the Final Rule.\961\--------------------------------------------------------------------------- \958\ See supra Section II.A.1.iii (discussing risk management exemptions and comments received in greater detail). \959\ See supra Section II.A.1.x (discussing the proposed pass-through swap provisions). \960\ Under this Final Rule, however, exchanges may continue to grant risk management exemptions (that do not otherwise meet the bona fide hedge definition in Sec. 150.1) up to the applicable Federal position limit. \961\ See supra Section I.D (discussing the effective and compliance dates).--------------------------------------------------------------------------- Section 150.3(c) uses the phrase ``positions in financial instruments'' to refer to such commodity index swaps and related exposure and would have the effect of revoking the ability to use previously-granted risk management exemptions once the Final Rule's Federal position limits in Sec. 150.2 become effective. However, the Final Rule will also include an extended compliance date until January 1, 2023 with respect to positions entered into upon reliance of an existing risk management exemption.\962\--------------------------------------------------------------------------- \962\ Id.--------------------------------------------------------------------------- The Final Rule also deletes the sentence in proposed Sec. 150.3(c), which stated that nothing in Sec. 150.3(c) shall preclude the Commission, a DCM, or SEF from recognizing a bona fide hedging transaction or position for the former holder of such a risk management exemption if the position complies with the definition of bona fide hedging transaction or position under this part, including appendices hereto. This sentence was intended to clarify what has been explained above--risk management exemptions that meet the pass-through swap provisions are permitted under the Final Rule.\963\ The Commission has determined that this sentence is unnecessary.--------------------------------------------------------------------------- \963\ See supra Section II.A.1.x (discussing the proposed pass-through language).--------------------------------------------------------------------------- The Commission is making several technical changes to proposed Sec. 150.3(c), including to clarify that the provision covers risk management exemptions previously granted by the Commission or by Commission staff. The Commission also reorganized Sec. 150.3(c) to improve readability.10. Section 150.3(d)--Recordkeepingi. Summary of the 2020 NPRM--Recordkeeping Proposed Sec. 150.3(d) would establish recordkeeping requirements for persons who claim any exemption under proposed Sec. 150.3 Proposed Sec. 150.3(d) is intended to help ensure that any person who claims any exemption permitted under proposed Sec. 150.3 could demonstrate compliance with the applicable requirements by providing all relevant records to support the claim of a particular exemption. That is, under proposed Sec. 150.3(d)(1), any persons claiming an exemption would be required to keep and maintain complete books and records concerning all details of their related cash, forward, futures, options on futures, and swap positions and transactions, including anticipated requirements, production and royalties, contracts for services, cash commodity products and by-products, cross-commodity hedges, and records of bona fide hedging swap counterparties. Proposed Sec. 150.3(d)(2) would address recordkeeping requirements related to the pass-through swap provision in the proposed definition of bona fide hedging transaction or position in proposed Sec. 150.1 \964\ Under proposed Sec. 150.3(d)(2), a pass-through swap counterparty, as contemplated by proposed Sec. 150.1, that relies on a representation received from a bona fide hedging swap counterparty that a swap qualifies in good faith as a bona fide hedging position or transaction under proposed Sec. 150.1, would be required to: (i) Maintain any written representation for at least two years following the expiration of the swap; and (ii) furnish the representation to the Commission upon request.--------------------------------------------------------------------------- \964\ See supra Section II.A.1.x (discussion of proposed pass-through swap provision).---------------------------------------------------------------------------ii. Comments--Recordkeeping Several commenters requested clarification that the recordkeeping[[Page 3356]]requirements in proposed Sec. 150.3(d)(1) would not impose an additional recordkeeping obligation on commercial end-users beyond the records that are kept in the normal course of business and are typical for the relevant industry.\965\--------------------------------------------------------------------------- \965\ Cope at 5-6; EEI/EPSA at 7-8.--------------------------------------------------------------------------- In addition, commenters recommended that the Commission delete the pass-through swap recordkeeping requirements in proposed Sec. 150.3(d)(2).\966\ Commenters were concerned that the pass-through swap provision in Sec. 150.1 places all compliance burdens on the pass-through swap counterparty offering the swap, and not on the bona fide hedging counterparty using the swap.\967\ Commenters expressed that this recordkeeping provision would require the pass-through swap counterparty to maintain records of each representation made by the bona fide hedging counterparty on a trade-by-trade basis--a practice commenters view as onerous and unnecessary.\968\ Commenters suggested that the Commission will have access to records from anyone availing themselves of any exemption from speculative limits, and thus does not need the additional recordkeeping requirement in proposed Sec. 150.3(d)(2).\969\ One commenter also requested that the Commission clarify that the pass-through swap counterparty can rely on the bona fide hedging counterparty's good faith representation that a record of an agreement or confirmation of the transaction containing the bona fide hedge pass-through representation would satisfy the record retention requirements set forth in proposed Sec. 150.3(d)(2).\970\--------------------------------------------------------------------------- \966\ Cargill at 6; Shell at 6. \967\ Id. \968\ Shell at 7; CMC at 5. \969\ COPE at 5-6. \970\ Shell at 6.---------------------------------------------------------------------------iii. Discussion of Final Rule--Recordkeeping The Commission has determined to finalize Sec. 150.3(d), for the reasons stated in the 2020 NPRM, with certain clarifications discussed below. First, the Commission clarifies that the recordkeeping requirements in Sec. 150.3(d)(1) are not intended to impose any additional recordkeeping obligations on market participants beyond the records they are required to keep in the normal course of business. The Commission notes, however, that, consistent with the general recordkeeping obligations in Commission regulation 1.31, and as explained in the 2020 NPRM, Sec. 150.3(d)(1) is intended to capture records market participants should be maintaining with respect to each of their exemptions from Federal position limits. The Commission is revising Sec. 150.3(d)(1) to clarify that market participants that avail themselves of exemptions under this section are required to keep the relevant ``books and records'' of ``each of their exemptions'' and any related position or transaction information for such applications, including any books and records market participants create for related ``merchandising activity'' or other relevant aspects of a particular exemption (including the items listed in Sec. 150.3(d)(1)), as applicable. Next, regarding the pass-through swap recordkeeping requirements, in Sec. 150.2(d)(2), the Commission intended for this requirement to be an extension of market participants' existing obligations to maintain swap ***data*** records under Part 45 and regulatory records under Sec. 1.31 \971\ That is, under Sec. 150.1, the Commission has revised paragraph (2) of the bona fide hedging transaction or position definition to require that a pass-through swap counterparty receive a written representation from its bona fide hedging swap counterparty that the swap ``qualifies as a bona fide hedging transaction or position'' pursuant to paragraph (1) of the definition of a bona fide hedging transaction or position in Sec. 150.1 in order for the pass-through swap to qualify as a bona fide hedge. The pass-through swap counterparty may rely in good faith on such written representation from the bona fide hedging swap counterparty, unless the pass-through swap counterparty has information that would cause a reasonable person to question the accuracy of the representation. Thus, the recordkeeping requirements in Sec. 150.3(d)(2) are intended to capture any ``written'' record created for purposes of making such demonstration. The Commission provides additional explanation above on how a pass-through swap counterparty can demonstrate good faith reliance.\972\ For the avoidance of doubt, the Commission is revising Sec. 150.3(d)(2) to clarify that a person relying on the pass-through swap provision is required to maintain any records created for purposes of demonstrating a good faith reliance on that provision in accordance with Sec. 150.1 --------------------------------------------------------------------------- \971\ 17 CFR 1.31(a)-(b). \972\ See supra Section II.A.1.x (discussing the pass-through swap provision in greater detail).--------------------------------------------------------------------------- The Commission also clarifies that, pursuant to the swap recordkeeping requirements in Sec. 45.2(b) \973\ and the general recordkeeping requirements in Sec. 1.31,\974\ the bona fide hedging swap counterparty to the pass-through swap is required to maintain a record of such pass-through swap. The Commission considers any written representation the bona fide hedging swap counterparty provides to the pass-through swap counterparty as being part of the full, complete, and systematic records that the bona fide hedging swap counterparty is required to keep pursuant to Sec. 45.2(b), with respect to each pass-through swap to which it is a counterparty. The bona fide hedging swap counterparty is required to keep such records according to the form and duration requirements of Sec. 1.31 Such records are also subject to the inspection and production requirements of both Sec. 1.31(d) \975\ and Sec. 45.2(h).\976\ As such, the Commission reminds bona fide hedging swap counterparties to a pass-through swap that they are responsible for maintaining an accurate and true record of any written representations they make to the pass-through swap counterparty regarding the bona fides of the pass-through swap. Further, any such records and written representations that a bona fide hedging swap counterparty makes may, upon request, be filed with the Commission as part of an inspection, pursuant to Sec. Sec. 1.31(d) and 45.2(h), and would be subject to the Commission's prohibition regarding false statements in section 6(c)(2) of the Act, as well as any other applicable provisions regarding false information.\977\--------------------------------------------------------------------------- \973\ 17 CFR 45.2(b) (requiring that all non-swap dealer/non-major swap participant counterparties keep full, complete, and systematic records, together with all pertinent ***data*** and memoranda, with respect to each swap in which they are a counterparty). \974\ 17 CFR 1.31 (regulatory records, retention, and production requirements). \975\ 17 CFR 1.31(d) (requirement for a records entity, as defined in Sec. 1.31(a), to produce or make accessible for inspection all regulatory records). \976\ 17 CFR 45.2(h) (swap record inspection requirements). \977\ 7 U.S.C 9(2) (prohibition on making a false or misleading statement of material fact to the Commission); see also 7 U.S.C 9(4) (general enforcement authority of the Commission).---------------------------------------------------------------------------11. Section 150.3(e)--Call for Informationi. Summary of the 2020 NPRM--Call for Information The Commission proposed to move existing Sec. 150.3(b), which currently allows the Commission or certain Commission staff to make calls to demand certain information regarding positions or trading, to proposed[[Page 3357]]Sec. 150.3(e), with some technical modifications. Together with the recordkeeping provision of proposed Sec. 150.3(d), proposed Sec. 150.3(e) should enable the Commission to monitor the use of exemptions from speculative position limits and help to ensure that any person who claims any exemption permitted by proposed Sec. 150.3 can demonstrate compliance with the applicable requirements.ii. Comments and Summary of Commission Determination--Call for Information The Commission did not receive comments on proposed Sec. 150.3(e). Accordingly, the Commission is adopting Sec. 150.3(e) with one grammatical edit that is not intended to reflect a substantive change to this section.12. Section 150.3(f)--Aggregation of Accountsi. Summary of the 2020 NPRM--Aggregation of ***Accounts*** Proposed Sec. 150.3(f) would clarify that entities required to aggregate under Sec. 150.4 would be considered the same person for purposes of determining whether they are eligible for a bona fide hedge recognition under Sec. 150.3(a)(1).\978\--------------------------------------------------------------------------- \978\ See 17 CFR 150.4 (providing the Commission's existing aggregation requirements for Federal position limits); See also supra Section II.B.11 (discussing eligible affiliates and position aggregation requirements).---------------------------------------------------------------------------ii. Comments and Summary of Commission Determination--Aggregation of ***Accounts*** The Commission did not receive comments on proposed Sec. 150.3(f). Accordingly, the Commission is adopting Sec. 150.3(f) as proposed.\979\--------------------------------------------------------------------------- \979\ The Commission did receive general comments on position aggregation discussing existing no-action relief in connection with the position aggregation requirement in existing Sec. 150.4 For a discussion on comments received in connection with existing staff no-action relief for position aggregation requirements, see supra Section II.B.11 ---------------------------------------------------------------------------13. Section Sec. 150.3(g)--Delegation of Authorityi. Summary of the 2020 NPRM--Delegation of Authority Proposed Sec. 150.3(g) would delegate authority to the Director of the Division of Market Oversight to: Grant financial distress exemptions pursuant to proposed Sec. 150.3(a)(3); request additional information with respect to an exemption request pursuant to proposed Sec. 150.3(b)(2); determine, in consultation with the exchange and applicant, a commercially reasonable amount of time for a person to bring its positions within the Federal position limits pursuant to proposed Sec. 150.3(b)(3)(ii)(B); make a determination whether to recognize a position as a bona fide hedging transaction or to grant a spread exemption pursuant to proposed Sec. 150.3(b)(4); and to request that a person submit additional application information or updated materials or renew their request pursuant to proposed Sec. 150.3(b)(2) or (5). This proposed delegation would enable the Division of Market Oversight to act quickly in the event of financial distress and in the other circumstances described above.ii. Comments and Summary of the Commission Determination--Delegation of Authority The Commission did not receive comments on proposed 150.3(g). Accordingly, the Commission is adopting Sec. 150.3(g) with one technical edit to correct a punctuation error, which is not intended to reflect a change in the substance of this section.14. Request for a New Exemption in Sec. 150.3(a) for Certain Energy Utility Entitiesi. Summary of the 2020 NPRM and Comments--New Exemption for Certain Energy Utility Entities Although the 2020 NPRM did not include a new exemption explicitly applicable to certain energy utility entities, it did include a request for comment regarding the possibility of such an exemption.\980\ In response, NRECA (which encompasses several not-for-profit energy associations) \981\ along with other commenters,\982\ requested that the Commission use its authority in CEA section 4a(a)(7) to exempt certain not-for-profit electric and natural gas utility entities (``NFP Energy Entities'') from position limits.--------------------------------------------------------------------------- \980\ See 85 FR at 11642. \981\ NRECA at 3-14. \982\ See IECA at 5; LIPA at 1; NFPEA at 6.--------------------------------------------------------------------------- These commenters (in particular, NRECA) argued that Congress did not intend for the Commission's position limits regime to apply to commercial market participants engaged in hedging and mitigating commercial risk, such as the NFP Energy Entities.\983\ The commenters also provided several reasons why the Commission's position limits regulatory regime is incongruous with the operations of NFP Energy Entities, including that NFP Energy Entities: (a) Operate on a not-for-profit basis; (b) have unique public service obligations to provide reliable, affordable utility services to residential, commercial, and industrial customers; (c) have governance structures with oversight by elected or appointed government officials or cooperative members/consumers; (d) do not engage in speculative trading in derivatives markets; and (e) enter into energy commodity swaps and trade options only to hedge or mitigate commercial risk arising from ongoing business operations.\984\ NRECA expressed concern that the effort required for NFP Energy Entities to analyze and identify every transaction as non-speculative would be purely academic and would unnecessarily increase the cost of electricity, natural gas and other fuels for generation for American consumers and businesses served by the NFP Energy Entities.\985\--------------------------------------------------------------------------- \983\ NRECA at 19. \984\ Id. \985\ Id.---------------------------------------------------------------------------ii. Discussion of the Commission Determination--New Exemption for Certain Energy Utility Entities The Commission has considered these comments and believes that many of the concerns raised by NFP Energy Entities are addressed through the Final Rule's pass-through swap provision and the expanded list of enumerated bona fide hedge exemptions. That is, the Commission believes that most, if not all, of the hedging needs of NFP Energy Entities will be considered enumerated, self-effectuating bona fide hedges that will not be subject to Federal position limits. Further, NFP Energy Entity counterparties that are not bona fide hedgers would receive pass-through bona fide hedging treatment for any swaps with NFP Energy Entities, or any offsetting positions as a result of such swaps with NFP Energy Entities. This expanded flexibility should significantly alleviate the compliance burdens and cost concerns voiced by NFP Energy Entities. The Commission recommends that NFP Energy Entities assess the impact of the Final Rule on their operations, and if needed, pursue the requested exemption separate from this Final Rule. The Commission also believes that the extended compliance date for the Final Rule of January 1, 2022 in connection with the Federal position limits for the 16 non-legacy core referenced futures contracts, and the further extended compliance date of January 1, 2023 for swaps that are subject to Federal position limits under the Final Rule, should give commenters and the Commission sufficient time to[[Page 3358]]continue to discuss this request if necessary.D. Sec. 150.5--Exchange-Set Position Limits and Exemptions Therefrom For the avoidance of confusion, this discussion of Sec. 150.5 addresses exchange-set limits and exemptions therefrom, not Federal position limits. For a discussion of the proposed processes by which an exemption may be recognized for purposes of Federal position limits, please see the discussion of proposed Sec. 150.3 above and Sec. 150.9 below.\986\--------------------------------------------------------------------------- \986\ See supra Section II.C (discussing Sec. 150.3 exemptions from Federal position limits). See also infra Section II.G (discussing the Sec. 150.9 streamlined process for recognizing non-enumerated bona fide hedges for purposes of both exchange and Federal position limits).---------------------------------------------------------------------------1. Background--Existing Requirements for Exchange-Set Position Limitsi. Applicable DCM and SEF Core Principles Under DCM Core Principle 5, a DCM shall adopt for each contract, as is necessary and appropriate, position limitations or position accountability for speculators. In addition, for any contract that is listed on a DCM and subject to a Federal position limit, the DCM must establish exchange-set limits for such contract no higher than the Federal limit level.\987\ Finally, DCMs are required to monitor their markets and enforce compliance with their rules.\988\--------------------------------------------------------------------------- \987\ See 7 U.S.C 7(d)(5). \988\ See 7 U.S.C 7(d)(2).--------------------------------------------------------------------------- Similarly, under SEF Core Principle 6, a SEF that is a trading facility must adopt for each contract, as is necessary and appropriate, position limitations or position accountability for speculators.\989\ Such SEF must also, for any contract that is listed on the SEF and subject to a Federal position limit, establish exchange-set limits for such contract no higher than the Federal limit.\990\ Finally, such SEF must monitor positions established on or through the SEF for compliance with the limit set by the Commission and the limit, if any, set by the SEF.\991\ Beyond these and other statutory and certain specified Commission requirements, unless otherwise determined by the Commission, DCM Core Principle 1 and SEF Core Principle 1 afford DCMs and SEFs, respectively, ``reasonable discretion'' in establishing the manner in which they comply with the core principles.\992\--------------------------------------------------------------------------- \989\ See 7 U.S.C 7b-3(f)(6). \990\ Id. \991\ Id. \992\ See 7 U.S.C 7(d)(1) and 7 U.S.C 7b-3(f)(1).--------------------------------------------------------------------------- The current regulatory provisions governing exchange-set position limits and exemptions therefrom appear in Sec. 150.5 \993\ To align Sec. 150.5 with statutory changes made by the Dodd-Frank Act,\994\ and with other changes in the 2020 NPRM,\995\ the Commission proposed a new version of Sec. 150.5 This new proposed Sec. 150.5 would generally afford exchanges the discretion to decide how best to set limit levels and grant exemptions from such limits in a manner that best reflects their specific markets.--------------------------------------------------------------------------- \993\ 17 CFR 150.5 \994\ While existing Sec. 150.5 on its face only applies to contracts that are not subject to Federal position limits, DCM Core Principle 5, as amended by the Dodd-Frank Act, and SEF Core Principle 6, establish requirements both for contracts that are, and are not, subject to Federal position limits. 7 U.S.C 7(d)(5) and 7 U.S.C 7b-3(f)(6). \995\ Significant changes discussed herein include the process set forth in proposed Sec. 150.9 and revisions to the bona fide hedging definition proposed in Sec. 150.1 ---------------------------------------------------------------------------ii. Existing Sec. 150.5 As noted above, existing Sec. 150.5 pre-dates the Dodd-Frank Act and addresses the establishment of DCM-set position limits for all contracts not subject to Federal position limits under existing Sec. 150.2 (aside from certain major foreign currencies).\996\ First, existing Sec. 150.5(a) authorizes DCMs to set different limits for different contracts and contract months, and permits DCMs to grant exemptions from DCM-set limits for spreads, straddles, or arbitrage trades. Existing Sec. 150.5(b) provides a limited set of methodologies for DCMs to use in establishing initial limit levels, including separate maximum spot-month limit levels for physical-delivery contracts and cash-settled contracts,\997\ as well as separate non-spot month limits for tangible commodities (other than energy),\998\ and for energy products and non-tangible commodities, including financials.\999\ Existing Sec. 150.5(c) provides guidelines for how DCMs may adjust their speculative initial levels.--------------------------------------------------------------------------- \996\ Existing Sec. 150.5(a) states that the requirement to set position limits shall not apply to futures or option contract markets on major foreign currencies, for which there is no legal impediment to delivery and for which there exists a highly liquid cash market. 17 CFR 150.5(a). \997\ See 17 CFR 150.5(b)(1) (providing that, for physical delivery contracts, the spot month limit level must be no greater than one-quarter of the estimated spot month deliverable supply, calculated separately for each month to be listed, and for cash settled contracts, the spot month limit level must be no greater than necessary to minimize the potential for manipulation or distortion of the contract's or the underlying commodity's price). \998\ See 17 CFR 150.5(b)(2) (providing that individual non-spot or all-months-combined levels must be no greater than 1,000 contracts for tangible commodities other than energy products). \999\ See 17 CFR 150.5(b)(3) (providing that individual non-spot or all-months-combined levels must be no greater than 5,000 contracts for energy products and nontangible commodities, including contracts on financial products).--------------------------------------------------------------------------- Next, existing Sec. 150.5(d) addresses bona fide hedging exemptions from DCM-set limits, including an exemption application process, providing that exchange-set speculative position limits shall not apply to bona fide hedging positions as defined by a DCM in accordance with the definition of bona fide hedging transactions and positions for excluded commodities in Sec. 1.3 Existing Sec. 150.5(d) also addresses factors for DCMs to consider in recognizing bona fide hedging exemptions (or position accountability), including whether such positions ``are not in accord with sound commercial practices or exceed an amount which may be established and liquidated in an orderly fashion.'' \1000\--------------------------------------------------------------------------- \1000\ See 17 CFR 150.5(d)(1).--------------------------------------------------------------------------- As an alternative to exchange-set position limits set in accordance with the provisions described above, existing Sec. 150.5(e) permits a DCM, in certain circumstances, to submit for Commission approval a rule requiring traders ``to be ***accountable*** for large positions'' (or position accountability levels). That is, under certain circumstances, the DCM would require traders to, upon request, provide information about their position to the exchange, and/or consent to halt further increasing a position if so ordered by the exchange.\1001\ Among other things, this provision includes open interest and volume-based parameters for determining when DCMs may do so.\1002\--------------------------------------------------------------------------- \1001\ 17 CFR 150.5(e). \1002\ 17 CFR 150.5(e)(1)-(4).--------------------------------------------------------------------------- In addition, existing Sec. 150.5(f) provides that DCM speculative position limits adopted pursuant to Sec. 150.5 shall not apply to certain positions acquired in good faith prior to the effective date of such limits or to a person that is registered as an FCM or as a floor broker under the CEA except to the extent that transactions made by such person are made on behalf of, or for the ***account*** or benefit of, such person.\1003\ This provision also provides that in addition to the express exemptions specified in Sec. 150.5, a DCM may propose such other exemptions from the requirements of Sec. 150.5 as are consistent with the purposes of Sec. 150.5, and submit such rules for Commission review.\1004\ Finally, existing Sec. 150.5(g) addresses aggregation of positions for which a person directly or indirectly controls trading.--------------------------------------------------------------------------- \1003\ 17 CFR 150.5(f). \1004\ Id.---------------------------------------------------------------------------[[Page 3359]]2. Overview of the 2020 NPRM, Commenters' Views, and Commission Final Rule Determination--Exchange-Set Position Limits and Exemptions Therefrom This section provides a brief overview of proposed Sec. 150.5, commenters' general views, and the Commission's determination. The Commission will summarize and address each sub-section of Sec. 150.5 in greater detail further below. Pursuant to CEA sections 5(d)(1) and 5h(f)(1), the Commission proposed a new version of Sec. 150.5 \1005\ Proposed Sec. 150.5 is intended to allow DCMs and SEFs to set limit levels and grant exemptions in a manner that best accommodates activity particular to their markets, while promoting compliance with DCM Core Principle 5 and SEF Core Principle 6. Proposed Sec. 150.5 is also intended to ensure consistency with other changes proposed herein, including the process for exchanges to administer applications for non-enumerated bona fide hedge exemptions for purposes of Federal position limits proposed in Sec. 150.9 \1006\--------------------------------------------------------------------------- \1005\ While proposed Sec. 150.5 included references to swaps and SEFs, the proposed rule would initially only apply to DCMs, as requirements relating to exchange-set limits on swaps would be phased in at a later time. \1006\ To avoid confusion created by the parallel Federal and exchange-set position limit frameworks, the Commission clarifies that proposed Sec. 150.5 deals solely with exchange-set position limits and exemptions therefrom, whereas proposed Sec. 150.9 deals solely with a streamlined process for the Commission to recognize non-enumerated bona fide hedges for purposes of Federal position limits by leveraging exchanges.--------------------------------------------------------------------------- Proposed Sec. 150.5 contains two main sub-sections, with each sub-section addressing a different category of contract: (i) Sec. 150.5(a) proposed rules governing exchange-set limits for referenced contracts subject to Federal position limits; and (ii) Sec. 150.5(b) proposed rules governing exchange-set limits for physical commodity derivative contracts that are not subject to Federal position limits. Notably, with respect to exchange-set limits on swaps, the Commission proposed to delay compliance with DCM Core Principle 5 and SEF Core Principle 6, as compliance would otherwise be impracticable, and, in some cases, impossible, at this time. In the 2020 NPRM, the Commission explained that this delay was based largely on the fact that exchanges cannot view positions in OTC swaps across the various places they are trading, including on competitor exchanges. The Commission has determined to finalize Sec. 150.5 largely as proposed, with certain modifications and clarifications in response to commenters and other considerations, as discussed below. The Commission will oversee swaps in connection with compliance with Federal position limits under the Final Rule. The Commission has also determined to delay compliance for the requirement for exchanges to set position limits on swaps at this time. Specifically, with respect to exchange-set position limits on swaps, the Commission notes that in two years, the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms with respect to swaps and to implement DCM Core Principle 5 and SEF Core Principle 6, as applicable. The Commission believes that delayed implementation of exchange-set position limits on swaps at this time is not inconsistent with the statutory objectives outlined in section 4a(a)(3) of the CEA for several reasons. First, as explained above, at this time, it would be impracticable and, in some cases, impossible for exchanges to comply with any requirement for establishing exchange-set limits on swaps. Next, the Commission is adopting in this Final Rule Federal position limits on economically equivalent swaps, which the Commission will monitor. These factors, coupled with the Commission's existing ability to surveil swap exposure across markets in a manner that at this time would be impracticable for the exchanges, will help ensure that the Commission meets its statutory obligations. Accordingly, while Sec. 150.5 as finalized herein will apply to DCMs and SEFs, the Final Rule's requirements associated with exchange oversight of swaps, including with respect to exchange-set position limits, will be enforced at a later time. In other words, upon the compliance date, exchanges must comply with final Sec. 150.5 only with respect to futures and options on futures traded on DCMs.3. Section 150.5(a)--Requirements for Exchange-Set Limits on Commodity Derivative Contracts Subject to Federal Position Limits Set Forth in Sec. 150.2 The following section discusses the 2020 NPRM, comments received, and the Commission's final determination with respect to each sub-section of Sec. 150.5(a), which addresses exchange-set position limits on contracts that are subject to Federal position limits.i. Section Sec. 150.5(a)(1)--Requirements for Exchange-Set Limits on Contracts Subject to Federal Position Limitsa. Summary of the 2020 NPRM--Requirements for Exchange-Set Limits on Contracts Subject to Federal Position Limits Proposed Sec. 150.5(a) would apply to all contracts subject to the Federal position limits proposed in Sec. 150.2 and, among other things, is intended to help ensure that exchange-set limits do not undermine the Federal position limits framework. Under proposed Sec. 150.5(a)(1), for any contract subject to a Federal limit, DCMs and, ultimately, SEFs, would be required to establish exchange-set limits for such contracts. Consistent with DCM Core Principle 5 and SEF Core Principle 6, the exchange-set limit levels on such contracts, whether cash-settled or physically-settled, and whether during or outside the spot month, would have to be no higher than the level specified for the applicable referenced contract in proposed Sec. 150.2 An exchange would be free to set position limits that are lower than the Federal limit. An exchange would also be permitted to adopt position accountability levels that are lower than the Federal position limits, in addition to any exchange-set position limits it adopts that are equal to or less than the Federal position limits.b. Comments--Requirements for Exchange-Set Limits on Contracts Subject to Federal Position Limits With respect to requirements for exchange-set limits under proposed Sec. 150.5(a)(1), some commenters expressed concern that if an exchange determines to set a position limit for a particular contract significantly below the Federal position limit for that contract, then market participants could be restricted in their ability to provide liquidity, hedge activity, and otherwise pursue their trading objectives.\1007\ ISDA recommended that to the extent that an exchange determines to set position limits significantly below Federal position limits, CFTC staff, through its exchange examination process, should make transparent the exchange's reasoning and analysis underlying any lower position limits.\1008\ Likewise, SIFMA AMG encouraged the Commission to require exchanges to explain and justify any exchange-set limits that are below Federal position limits, and to work[[Page 3360]]with exchanges to ensure that exchange limits do not discourage liquidity.\1009\--------------------------------------------------------------------------- \1007\ ISDA at 11; SIFMA AMG at 4. \1008\ ISDA at 11. \1009\ SIFMA AMG at 4.---------------------------------------------------------------------------c. Discussion of Final Rule--Requirements for Exchange-Set Limits on Contracts Subject to Federal Position Limits The Commission is adopting Sec. 150.5(a)(1) as proposed. In response to comments on Sec. 150.5(a)(1) requesting that the Commission require transparency into exchanges' reasoning for when they set limits well below Federal position limits, the Commission believes market participants already have sufficient transparency under part 40 of the Commission's regulations. When exchanges seek to implement rules to establish new or amended exchange-set limits, exchanges are required to submit those rules through the Commission's part 40 process, and the rules are made publicly available on the CFTC's website.\1010\ Exchanges are also required to post such submissions on their own websites.\1011\--------------------------------------------------------------------------- \1010\ See CFTC Industry Filings available at [*https://www.cftc.gov/IndustryOversight/IndustryFilings/index.htm*](https://www.cftc.gov/IndustryOversight/IndustryFilings/index.htm). \1011\ See 17 CFR 40.2(a)(3)(vi), 40.3(a)(9), 40.5(a)(6), 40.6(a)(2).--------------------------------------------------------------------------- Further, regarding the request that the Commission work with exchanges on exchange-set limits that are below Federal position limits, exchanges are permitted to establish exchange-set limits in a manner that is most appropriate for their own marketplaces and in a manner that allows them to comply with the applicable DCM and SEF core principles. The Commission views this process as a business and compliance decision that is best left in the discretion of each exchange. However, pursuant to DCM Core Principle 5 and SEF Core Principle 6, exchanges must implement exchange-set position limits in a manner that reduces market manipulation and congestion.ii. Section 150.5(a)(2)--Exemptions to Exchange-Set Limits for Contracts Subject to Federal Position Limitsa. Summary of the 2020 NPRM--Exemptions to Exchange-Set Limits for Contracts Subject to Federal Position Limits Under the 2020 NPRM, Sec. 150.5(a)(2)(ii) would permit exchanges to grant exemptions from exchange-set limits according to the guidelines outlined below. First, if such exemptions from exchange-set limits conform to the types of exemptions that may be granted for purposes of Federal position limits under proposed sections: (1) 150.3(a)(1)(i) (enumerated bona fide hedge recognitions), (2) 150.3(a)(2)(i) (spread exemptions that meet the ``spread transaction'' definition in Sec. 150.1), (3) 150.3(a)(4) (exempt conditional spot month positions in natural gas), or (4) 150.3(a)(5) (pre-enactment and transition period swaps), then the level of the exemption may exceed the applicable Federal position limit under proposed Sec. 150.2 Because the proposed exemptions listed in the four provisions above are self-effectuating for purposes of Federal position limits, exchanges may grant such exemptions pursuant to proposed Sec. 150.5(a)(2)(i) without prior Commission approval. Second, if such exemptions from exchange-set limits conform to the exemptions from Federal position limits that may be granted under proposed Sec. Sec. 150.3(a)(1)(ii) (non-enumerated bona fide hedges) and 150.3(a)(2)(ii) (spread positions that do not meet the ``spread transaction'' definition in proposed Sec. 150.1), then the level of the exemption may exceed the applicable Federal position limit under proposed Sec. 150.2, provided that the exemption for purposes of Federal position limits is first approved in accordance with proposed Sec. 150.3(b) or, in the case of non-enumerated bona fide hedges, Sec. 150.9, as applicable. Third, if such exemptions conform to the exemptions from Federal position limits that may be granted under proposed Sec. 150.3(a)(3) (financial distress positions), then the level of the exemption may exceed the applicable Federal position limit under proposed Sec. 150.2, provided that the Commission has first issued a letter or other notice approving such exemption pursuant to a request submitted under Sec. 140.99 \1012\--------------------------------------------------------------------------- \1012\ Under the 2020 NPRM, requests for exemptions for financial distress positions would be submitted directly to the Commission (or delegated staff) for consideration, and any approval of such exemption would be issued in the form of an exemption letter from the Commission (or delegated staff) pursuant to Sec. 140.99 --------------------------------------------------------------------------- Finally, for purposes of exchange-set limits only, under the 2020 NPRM, exchanges may grant exemption types that are not listed in Sec. 150.3(a). However, in such cases, the exemption level would have to be capped at the level of the applicable Federal position limit, so as not to undermine the Federal position limits framework, unless the Commission has first approved such exemption for purposes of Federal position limits pursuant to Sec. 140.99 or proposed Sec. 150.3(b). The 2020 NPRM also explained that exchanges that wish to offer exemptions from their own limits other than the types listed in proposed Sec. 150.3(a) could also submit rules for the Commission's review, pursuant to part 40, allowing for such exemptions. The Commission would carefully review any such exemption types for compliance with applicable standards, including any statutory requirements \1013\ and Commission regulations.\1014\--------------------------------------------------------------------------- \1013\ For example, an exchange would not be permitted to adopt rules allowing for risk management exemptions for positions in physical commodities that exceed Federal limits because the Commission interprets the Dodd-Frank Act amendments to CEA section 4a(c)(2) as prohibiting risk management exemptions in such commodities (unless such position is considered a pass-through swap under paragraph (2) of the bona fide hedging definition in Sec. 150.1). See supra Section II.A.1 (discussing of the temporary substitute test, risk-management exemptions, and the pass-through swap provision). \1014\ For example, as discussed below, proposed Sec. 150.5(a)(2)(ii)(C) would require that exchanges consider whether the requested exemption would result in positions that are not in accord with sound commercial practices in the relevant commodity derivative market and/or would not exceed an amount that may be established and liquidated in an orderly fashion in that market.--------------------------------------------------------------------------- Under proposed Sec. 150.5(a)(2)(ii)(A)(1), exchanges that wish to grant exemptions from their own limits would have to require traders to file an application. The 2020 NPRM explained that, generally, exchanges would have flexibility to establish the application process as they see fit, but subject to the requirements discussed below, including the requirement that the exchange collect cash-market and swaps market information from the applicant. For all exemption types, exchanges would have to generally require that such applications be filed in advance of the date such position would be in excess of the limits. However, under proposed Sec. 150.5(a)(2)(ii)(B) and (C), exchanges would be given the discretion to adopt rules allowing traders to file retroactive applications for bona fide hedges within five business days after a trader established such position so long as the applicant demonstrates a sudden and unforeseen increase in its hedging needs. Further, under proposed Sec. 150.5(a)(2)(ii)(D), if the exchange denies a retroactive application, it would require that the applicant bring its position into compliance with exchange-set limits within a commercially reasonable amount of time (as determined by the exchange). Finally, pursuant to proposed Sec. 150.5(a)(2)(ii)(A)(5), neither the Commission nor the exchange would enforce a position limits violation for such retroactive applications. Proposed Sec. 150.5(a)(2)(ii)(B) provided that an exchange would require that a trader reapply for the exemption granted[[Page 3361]]under proposed Sec. 150.5(a)(2) at least annually so that the exchange and the Commission can closely monitor exemptions for contracts subject to Federal position limits, and to help ensure that the exchange and the Commission remain aware of the trader's activities. Proposed Sec. 150.5(a)(2)(ii)(C) would authorize an exchange to deny, limit, condition, or revoke any exemption request in accordance with exchange rules,\1015\ and would set forth a principles-based standard for doing so. Specifically, under proposed Sec. 150.5(a)(2)(ii)(C), exchanges would be required to take into ***account***: (i) Whether granting the exemption request would result in a position that is ``not in accord with sound commercial practices'' in the market in which the DCM is granting the exemption; and (ii) whether granting the exemption request would result in a position that would ``exceed an amount that may be established or liquidated in an orderly fashion in that market.'' The 2020 NPRM explained that exchanges' evaluation of exemption requests against these standards would be a facts and circumstances determination.--------------------------------------------------------------------------- \1015\ Currently, DCMs review and set exemption levels annually based on the facts and circumstances of a particular exemption and the market conditions at that time. As such, a DCM may decide to deny, limit, condition, or revoke a particular exemption, typically, if the DCM determines that certain conditions have changed and warrant such action. This may happen if, for example, there are droughts, floods, embargoes, trade disputes, or other events that cause shocks to the supply or demand of a particular commodity and thus impact the DCM's disposition of a particular exemption.--------------------------------------------------------------------------- The 2020 NPRM further explained that activity may reflect ``sound commercial practice'' for a particular market or market participant but not for another market or market participant. Similarly, activity may reflect ``sound commercial practice'' outside the spot month, but not in the spot month. Further, activity with manipulative intent or effect, or that has the potential or effect of causing price distortion or disruption, would be inconsistent with ``sound commercial practice,'' even if it is common practice among market participants. While an exemption granted to an individual market participant may reflect ``sound commercial practice'' and may not ``exceed an amount that may be established or liquidated in an orderly fashion in that market,'' the 2020 NPRM clarified that the Commission expects exchanges to also evaluate whether the granting of a particular exemption type to multiple participants could have a collective impact on the market in a manner inconsistent with ``sound commercial practice'' or in a manner that could result in a position that would ``exceed an amount that may be established or liquidated in an orderly fashion in that market.'' In the 2020 NPRM, the Commission explained that it understands that the above-described parameters for exemptions from exchange-set limits are generally consistent with current practice among DCMs. Bearing in mind that proposed Sec. 150.5(a) would apply to contracts subject to Federal position limits, the Commission proposed codifying such parameters, as they would establish important, minimum standards needed for exchanges to administer, and the Commission to oversee, a robust program for granting exemptions from exchange-set limits in a manner that does not undermine the Federal position limits framework. Proposed Sec. 150.5(a) also would afford exchanges the ability to generally oversee their programs for granting exemptions from exchange-set limits as they see fit, including to establish different application processes and requirements to accommodate the unique characteristics of different contracts. Finally, proposed Sec. 150.5(a)(2)(ii)(D) would permit an exchange, in its discretion, to require a person relying on an exchange-granted exemption (for contracts subject to Federal position limits) to exit or limit the size of any position in excess of exchange-set limits during the lesser of the last five days of trading or the time period for the spot month in a physical-delivery contract. The Commission has traditionally referred to such requirements as a ``Five-Day Rule.''b. Comments--Exemptions to Exchange-Set Limits for Contracts Subject to Federal Position Limits With respect to permitted exemptions from exchange-set limits under proposed Sec. 150.5(a)(2), CMC requested that the Commission clarify that each exchange has discretion to determine what information is required of applicants when applying for a spread exemption from exchange-set limits, and that an exchange is not responsible for monitoring the use of spread positions for purposes of Federal position limits.\1016\--------------------------------------------------------------------------- \1016\ CMC at 7.--------------------------------------------------------------------------- In addition, regarding the retroactive application provision in proposed Sec. 150.5(a)(2)(ii)(A)(5), CME Group recommended that the Commission should implement a standard that permits exchanges to impose position limits violations in cases where a person has exceeded Federal position limits and filed a late or retroactive application that the exchange then denies.\1017\--------------------------------------------------------------------------- \1017\ See CME Group at 10 (explaining that today at the exchange level, CME Group considers firms to be in violation of a position limit if the firms exceed a limit and the exemption application is denied. CME Group believes the Commission should implement this standard, rather than permitting the proposed grace period for denial of an exemption application. CME Group explains that, otherwise, market participants with excessively large speculative positions could exploit the grace period accompanying an application for an exemption and intentionally go over the applicable limit without consequences--all the while disrupting orderly market operations. In CME Group's experience, the prospect of having an application denied and being found in violation of position limits has worked to deter market participants from attempting to exploit the retroactive exemption process).--------------------------------------------------------------------------- The Commission also received several comments regarding the provision that allows exchanges to impose a Five-Day Rule in proposed Sec. 150.5(a)(2)(ii)(D). In particular, commenters requested that the Commission expressly clarify that the Five-Day Rule does not apply to markets for energy commodity derivatives.\1018\ Commenters also requested clarification about whether, in cases where an exchange opts not to apply the Five-Day Rule, the Commission expects the exchange to follow the waiver guidance in proposed Appendix B, or whether the exchange can simply take no further action.\1019\--------------------------------------------------------------------------- \1018\ Chevron at 13; Suncor at 12. \1019\ CCI at 9-10; CEWG at 25-26. See also supra Section II.A.1.viii (explaining Appendix B, which provides guidance the Commission believes exchanges should consider when determining whether to apply the Five-Day Rule restriction).---------------------------------------------------------------------------c. Discussion of Final Rule--Exemptions to Exchange-Set Limits for Contracts Subject to Federal Position Limits The Commission has determined to finalize Sec. 150.5(a)(2) largely as proposed and with the clarifications and modifications, described below, in response to commenters and other considerations. Regarding comments on application information exchanges are required to collect under Sec. 150.5(a)(2), as explained in the 2020 NPRM, the Commission is providing exchanges great flexibility to create an application process for exemptions from exchange-set limits as they see fit. This means an exchange has discretion to determine what information is required of applicants applying for a spread exemption, or any other exemption from exchange-set limits, except for instances where the exchange is processing a non-enumerated bona fide hedge application[[Page 3362]]in accordance with the application requirements of Sec. 150.9 The Commission is making one modification to clarify the Commission's posture when reviewing exchange-granted exemptions. In proposed Sec. 150.5(a)(2)(ii)(A), the Commission proposed to require exchanges to collect sufficient information for the exchange to determine and the Commission to ``verify'' that the facts and circumstances demonstrate that the exchange may grant the exemption. In final Sec. 150.5(a)(2)(ii)(A), the Commission is revising this provision to make clear that the Commission will conduct an independent evaluation of any application it reviews to ``determine'' (not verify) whether the facts and circumstances demonstrate that the exchange may grant the exemption. Further, regarding monitoring spread exemptions, exchanges are required to administer and monitor their position limits and any exemptions therefrom in accordance with DCM Core Principle 5 and SEF Core Principle 6, as applicable. To the extent, however, that an exchange grants an inter-market spread exemption where part of the spread position is executed on another exchange or OTC, although an exchange is not responsible for monitoring a trader's position on other exchanges or OTC, an exchange should request information from the spread exemption applicant about the entire composition of the spread position so that the exchange is best informed about whether to grant the exemption. Ultimately, the person relying on the spread exemption is responsible for monitoring for compliance with the applicable Federal position limits. The Commission reminds market participants that an approved exemption does not preclude the Commission from finding that a person has otherwise disrupted or manipulated the market. Next, regarding comments on the retroactive application provision in proposed Sec. 150.5(a)(2)(ii)(A)(5), the Commission believes that exchanges are in the best position to determine whether to pursue enforcement actions for violations of exchange-set limits. Accordingly, the Commission has determined to revise this provision so that exchanges have discretion to determine whether to impose a position limits violation for any retroactive exemption request for exchange-set limits that the exchange ultimately denies. The Commission, however, retains its position that the Commission will not pursue a position limits violation in those circumstances, provided that the application was submitted in good faith and the applicant brings its position within the DCM or SEF's speculative position limits within a commercially reasonable time, as determined by the DCM or SEF.\1020\ This revision is simply intended to make explicit an implicit presumption that the applicant should have a reasonable and good faith basis for determining that its position meets the requirements of Sec. 150.5(a)(2)(ii)(A) and for submitting the retroactive application.--------------------------------------------------------------------------- \1020\ The Commission notes that, under Section 4a(e) of the Act, the Commission could pursue violations of exchange position limit rules; however, the Commission, as a matter of policy, will not pursue such violations so long as the conditions of Sec. 150.5(a)(2)(ii)(E) are met.--------------------------------------------------------------------------- Next, regarding various comments on the provision that allows exchanges to impose the Five-Day Rule, or a similar requirement, in proposed Sec. 150.5(a)(2)(ii)(D), for the avoidance of doubt, the Commission reiterates that exchanges are not required to impose the Five-Day Rule. Further, the Commission is adopting Appendix B and Appendix G to provide guidance for exchanges to consider when determining whether to impose the Five-Day Rule or similar requirements in the spot period with respect to bona fide hedge exemptions or spread exemptions, respectively.\1021\ The Final Rule permits exchanges to determine whether any such restriction on trading in the spot period is necessary given the facts and circumstances of a particular exemption request. Further, when an exchange determines not to impose the Five-Day Rule or similar requirement for an approved exemption, it is not obligated to take any additional steps. The Commission has revised Sec. 150.5(a)(2)(ii)(H) to make these points clear.--------------------------------------------------------------------------- \1021\ See supra Sections II.A.1.viii (discussing Appendix B) and II.A.20 (discussing Appendix G). See also infra Appendices B and G.--------------------------------------------------------------------------- Finally, the Commission is making various non-substantive technical and grammatical changes to Sec. 150.5(a)(2) to improve readability. The Commission has also updated the outline numbering of Sec. 150.5(a)(2)(ii). These changes are not intended to change the substance of this section.iii. Section 150.5(a)(3)--Exchange-Set Limits on Pre-Existing Positions for Contracts Subject to Federal Position Limitsa. Summary of the 2020 NPRM--Exchange-Set Limits on Pre-Existing Positions for Contracts Subject to Federal Position Limits In the 2020 NPRM, the Commission recognized that the proposed Federal position limits framework may result in certain ``pre-existing positions'' being subject to speculative position limits, even though the positions predated the adoption of such limits. So as not to undermine the Federal position limits framework during the spot month, and to minimize disruption outside the spot month, proposed Sec. 150.5(a)(3) would require that during the spot month, for contracts subject to Federal position limits, exchanges impose limits no larger than Federal levels on ``pre-existing positions,'' other than for pre-enactment swaps and transition period swaps. However, outside the spot month, an exchange would not be required to impose limits on any such position, provided the position is acquired in good faith consistent with the ``pre-existing position'' definition of proposed Sec. 150.1, and provided further that if the person's position is increased after the effective date of the limit, such pre-existing position (other than pre-enactment swaps and transition period swaps) along with the position increased after the effective date, would be attributed to the person. This provision is consistent with the proposed treatment of pre-existing positions for purposes of Federal position limits set forth in proposed Sec. 150.2(g), and was intended to prevent spot-month limits from being rendered ineffective. That is, not subjecting pre-existing positions to spot-month position limits could result in a large, pre-existing position either intentionally or unintentionally causing a disruption as it is rolled into the spot month, and the Commission was particularly concerned about protecting the spot month in physical-delivery futures from corners and squeezes. Outside of the spot month, however, concerns over corners and squeezes may be less acute.b. Comments--Exchange-Set Limits on Pre-Existing Positions for Contracts Subject to Federal Position Limits The Commission addressed comments on pre-existing positions under its discussion of Sec. 150.2(g)(2) above.\1022\--------------------------------------------------------------------------- \1022\ See supra Section II.B.7 (further discussing limits on pre-existing positions).---------------------------------------------------------------------------[[Page 3363]]c. Discussion of Final Rule--Exchange-Set Limits on Pre-Existing Positions for Contracts Subject to Federal Position Limits The Commission is adopting Sec. 150.5(a)(3) with two modifications to conform to the changes made to Sec. 150.2(g)(2), described below. First, the Commission is amending Sec. 150.5(a)(3)(ii) to clarify that non-spot month limits shall apply to pre-existing positions, other than pre-enactment swaps and transition period swaps. As discussed above in Section II.B.7 , the Commission did not intend in the 2020 NPRM to exclude existing non-spot month positions in the nine legacy ***agricultural*** contracts that would otherwise qualify as ``pre-existing positions.'' As discussed, the other 16 non-legacy core referenced futures contracts that are subject to Federal position limits for the first time under the Final Rule are not subject to Federal non-spot month position limits and therefore proposed Sec. 150.5(a)(3)(ii) would not have applied to these contracts in any event.\1023\--------------------------------------------------------------------------- \1023\ See supra Section II.B.7 (discussing Sec. 150.2 Federal position limits on pre-existing positions).--------------------------------------------------------------------------- Second, the Commission is eliminating the language in proposed Sec. 150.5(a)(3)(ii) that would attribute to a person any increase in their position after the effective date of the non-spot month limit. This language is no longer necessary since final Sec. 150.5(a)(3)(ii) clarifies that pre-existing positions, other than pre-enactment swaps and transition period swaps, are subject to non-spot month limits. For further discussion on pre-existing positions in general and comments thereto, please refer to Sec. Sec. 150.2(g).\1024\--------------------------------------------------------------------------- \1024\ Id.---------------------------------------------------------------------------iv. Section 150.5(a)(4)--Monthly Report Detailing Exemption Applications for Contracts Subject to Federal Limitsa. Summary of the 2020 NPRM--Monthly Report Detailing Exemption Applications for Contracts Subject to Federal Limits In the 2020 NPRM, the Commission explained that it seeks a balance between having sufficient information to oversee the exchange-granted exemptions, and not burdening exchanges with excessive periodic reporting requirements. The Commission thus proposed under Sec. 150.5(a)(4) to require one monthly report by each exchange providing certain information about exchange-granted exemptions for contracts that are subject to Federal position limits. Certain exchanges already voluntarily file these types of monthly reports with the Commission, and proposed Sec. 150.5(a)(4) would standardize such reports for all exchanges that process applications for bona fide hedges, spread exemptions, and other exemptions from exchange-set limits for contracts that are subject to Federal position limits. The proposed report would provide information regarding the disposition of any application to recognize a position as a bona fide hedge (both enumerated and non-enumerated) or to grant a spread or other exemption, including any renewal, revocation of, or modification to the terms and conditions of, a prior recognition or exemption.\1025\--------------------------------------------------------------------------- \1025\ Under the 2020 NPRM, in the monthly report, exchanges may elect to list new recognitions or exemptions, and modifications to or revocations of prior recognitions and exemptions each month. Alternatively, exchanges may submit cumulative monthly reports listing all active recognitions and exemptions (i.e , including exemptions that are not new or have not changed).--------------------------------------------------------------------------- As specified under proposed Sec. 150.5(a)(4), the report would provide certain details regarding any application to recognize a bona fide hedging position, or grant a spread exemption or other exemption, including: The effective date and expiration date of any recognition or exemption; any unique identifier assigned to track the application or position; identifying information about the applicant; the derivative contract or positions to which the application pertains; the maximum size of the commodity derivative position that is recognized or exempted by the exchange (including any ``walk-down'' requirements); \1026\ any size limitations the exchange sets for the position; and a brief narrative summarizing the applicant's relevant cash-market activity.--------------------------------------------------------------------------- \1026\ An exchange could determine to recognize as a bona fide hedge or spread exemption all, or a portion, of the commodity derivative position for which an application has been submitted, provided that such determination is made in accordance with the requirements of proposed Sec. 150.5 and is consistent with the Act and the Commission's regulations. In addition, an exchange could require that a bona fide hedging position or spread position be subject to ``walk-down'' provisions that require the trader to scale down its positions in the spot month in order to reduce market congestion as needed based on the facts and circumstances.--------------------------------------------------------------------------- With respect to any unique identifiers to be included in the proposed monthly report, the exchange's assignment of a unique identifier would assist the Commission's tracking process. Accordingly, the Commission suggested that, as a ``best practice,'' the exchange's procedures for processing bona fide hedging position and spread exemption applications contemplate the assignment of such unique identifiers.\1027\ The proposed report would also be required to specify the maximum size and/or size limitations by contract month and/or type of limit (e.g , spot month, single month, or all-months-combined), as applicable. The proposed monthly report would be a critical element of the Commission's surveillance program by facilitating the Commission's ability to track bona fide hedging positions and spread exemptions approved by exchanges. The proposed monthly report would also keep the Commission informed as to the manner in which an exchange is administering its application procedures, the exchange's rationale for permitting large positions, and relevant cash-market activity. The Commission expected that exchanges would be able to leverage their current exemption processes and recordkeeping procedures to generate such reports.--------------------------------------------------------------------------- \1027\ The unique identifier could apply to each of the bona fide hedge or spread exemption applications that the exchange receives, and, separately, each type of commodity derivative position that the exchange wishes to recognize as a bona fide hedge or spread exemption.--------------------------------------------------------------------------- In certain instances, information included in the proposed monthly report may prompt the Commission to request records required to be maintained by an exchange. For example, the Commission proposed that, for each derivative position that an exchange wishes to recognize as a bona fide hedge, or any revocation or modification of such recognition, the report would include a concise summary of the applicant's activity in the cash markets and swaps markets for the commodity underlying the position. The Commission explained that it expects that this summary would focus on the facts and circumstances upon which an exchange based its determination to recognize a bona fide hedge, to grant a spread exemption, or to revoke or modify such recognition or exemption. In light of the information provided in the summary, or any other information included in the proposed monthly report regarding the position, the Commission may request the exchange's complete record of the application. The Commission also explained that it expects that it would only need to request such complete records in the event that it noticed an issue that could cause market disruptions. Proposed Sec. 150.5(a)(4) would require an exchange, unless instructed otherwise by the Commission, to submit such monthly reports according to the form and manner requirements the Commission specifies. In order to facilitate the processing of such reports,[[Page 3364]]and the analysis of the information contained therein, the Commission would establish reporting and ***transmission*** standards. The 2020 NPRM would also require that such reports be submitted to the Commission using an electronic ***data*** format, coding structure, and electronic ***data*** ***transmission*** procedures specified on the Commission's Forms and Submissions page of its website.b. Comments--Monthly Report Detailing Exemption Applications for Contracts Subject to Federal Limits With respect to the monthly reporting requirement in proposed Sec. 150.5(a)(4), ICE requested that the Commission clarify that the monthly report is only required to capture positions that are subject to Federal position limits and does not apply to other exchange-set non-enumerated exemptions.\1028\ ICE also requested that the Commission codify when the monthly reports are required to be submitted, and that any regular reports can be made at the discretion of the exchange.\1029\ Other commenters expressed that they prefer that the Commission not specify a particular day each month as a deadline for exchanges to submit their monthly reports pursuant to Sec. 150.5(a)(4).\1030\ Finally, ICE requested that the Commission clarify how factual and legal justifications for exemptions should be provided in the monthly report, and the level of granularity required.\1031\--------------------------------------------------------------------------- \1028\ ICE at 14. \1029\ Id. \1030\ CME Group at 14; IFUS at 13. \1031\ ICE at 14.---------------------------------------------------------------------------c. Discussion of Final Rule--Monthly Report Detailing Exemption Applications for Contracts Subject to Federal Limits The Commission is finalizing Sec. 150.5(a)(4) as proposed, with minor technical revisions. The Commission clarifies, as stated in the proposed and final regulation text, that the monthly reporting requirement only applies to exemptions an exchange grants for contracts that are subject to Federal position limits. Further, in consideration of comments and the Commission's past with collecting voluntary monthly reports from exchanges, the Commission has determined not to prescribe a particular day of the month or monthly deadline for exchanges to submit the monthly reports. Rather, the Commission defers to exchanges on the best timing for submitting their reports so long as the reports are submitted on a monthly basis in accordance with Sec. 150.5(a)(4). Finally, the Commission clarifies that Sec. 150.5(a)(4) does not require exchanges to provide factual and legal analysis in the monthly report. The monthly report is intended to give the Commission a snapshot of all exemptions the exchange has granted from exchange-set limits for contracts that are subject to Federal position limits. The Commission's expectation is that in circumstances when it needs additional information on the exchange's analysis for a particular exemption application, it will work with the exchange to obtain such additional information.4. Section 150.5(b)--Requirements and Acceptable Practices for Exchange-Set Limits on Commodity Derivative Contracts in a Physical Commodity That Are Not Subject to the Limits Set Forth in Sec. 150.2i. Summary of the 2020 NPRM--Exchange-Set Limits on Commodity Derivative Contracts in a Physical Commodity Not Subject to the Limits Set Forth in Sec. 150.2 Under proposed Sec. 150.5(b), for physical commodity derivative contracts that are not subject to Federal position limits, whether cash-settled or physically-settled, exchanges would be subject to flexible standards for setting exchange limits during the contract's spot month and non-spot month. During the spot month, under proposed Sec. 150.5(b)(1)(i), exchanges would be required to establish position limits, and such limits would have to be set at a level that is no greater than 25 percent of deliverable supply. As described in detail in connection with the proposed Federal spot-month limits described above, it would be difficult, in the absence of other factors, for a participant to corner or squeeze a market if the participant holds less than or equal to 25 percent of deliverable supply, and the Commission has long used deliverable supply as the basis for spot month position limits due to concerns regarding corners, squeezes, and other settlement-period manipulative activity.\1032\--------------------------------------------------------------------------- \1032\ See supra Section II.B (discussing proposed Sec. 150.2).--------------------------------------------------------------------------- In the 2020 NPRM, the Commission recognized, however, that there may be circumstances where an exchange may not wish to use the 25% formula, including, for example, if the contract is cash-settled, does not have a measurable deliverable supply, or if the exchange can demonstrate that a different parameter is better suited for a particular contract or market.\1033\ Accordingly, proposed Sec. 150.5(b)(1) would afford exchanges the ability to submit to the Commission alternative potential methodologies for calculating spot month limit levels, provided that the limits are set at a level that is ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' This standard has appeared in existing Sec. 150.5 since its adoption in connection with spot-month limits on cash-settled contracts.--------------------------------------------------------------------------- \1033\ Guidance for calculating deliverable supply can be found in Appendix C to part 38. 17 CFR part 38, Appendix C.--------------------------------------------------------------------------- As noted above, existing Sec. 150.5 includes separate parameters for spot-month limits in physical-delivery contracts and for cash-settled contracts, but does not include flexibility for exchanges to consider alternative parameters. In an effort to both simplify the regulation and provide the ability for exchanges to consider multiple parameters that may be better suited for certain products, the Commission proposed the above standard as a principles-based requirement for both cash-settled and physically-settled contracts subject to proposed Sec. 150.5(b). Outside of the spot month, where, historically, attempts at certain types of market manipulation is generally less of a concern, proposed Sec. 150.5(b)(2)(i) would allow exchanges to choose between position limits or position accountability for physical commodity contracts that are not subject to Federal position limits. While exchanges would be permitted to decide whether to use limit levels or accountability levels for any such contract, under either approach, the exchange would have to set a level that is ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' To help exchanges efficiently demonstrate compliance with this standard for physical commodity contracts outside of the spot month, the Commission proposed separate acceptable practices for exchanges that wish to adopt non-spot month position limits and exchanges that wish to adopt non-spot month accountability.\1034\ For[[Page 3365]]exchanges that choose to adopt non-spot month position limits, rather than position accountability, proposed paragraph (a)(1) to Appendix F of part 150 would set forth non-exclusive acceptable practices. Under that provision, an exchange would be deemed in compliance with proposed Sec. 150.5(b)(2)(i) if the exchange sets non-spot limit levels for each contract subject to Sec. 150.5(b) at a level no greater than: (1) The average of historical position sizes held by speculative traders in the contract as a percentage of the contract's open interest; \1035\ (2) the spot month limit level for the contract; (3) 5,000 contracts (scaled up proportionally to the ratio of the notional quantity per contract to the typical cash-market transaction if the notional quantity per contract is smaller than the typical cash-market transaction, or scaled down proportionally if the notional quantity per contract is larger than the typical cash-market transaction); \1036\ or (4) 10% of open interest in that contract for the most recent calendar year up to 50,000 contracts, with a marginal increase of 2.5% of open interest thereafter.\1037\ When evaluating average position sizes held by speculative traders, the Commission expected exchanges: (i) To be cognizant of speculative positions that are extraordinarily large relative to other speculative positions, and (ii) to not consider any such outliers in their calculations.--------------------------------------------------------------------------- \1034\ The acceptable practices in Appendix F to part 150 of the 2020 NPRM reflected non-exclusive methods of compliance. Accordingly, the language of these proposed acceptable practices, used the word ``shall'' not to indicate that the acceptable practice is a required method of compliance, but rather to indicate that in order to satisfy the acceptable practice, a market participant must (i.e , shall) establish compliance with that particular acceptable practice. \1035\ For example, if speculative traders in a particular contract typically make up 12 percent of open interest in that contract, the exchange could set limit levels no greater than 12 percent of open interest. \1036\ Under the 2020 NPRM, for exchanges that choose to adopt a non-spot month limit level of 5,000 contracts, this level assumes that the notional quantity per contract is set at a level that reflects the size of a typical cash-market transaction in the underlying commodity. However, if the notional quantity of the contract is larger/smaller than the typical cash-market transaction in the underlying commodity, then the DCM must reduce/increase the 5,000 contract non-spot month limit until it is proportional to the notional quantity of the contract relative to the typical cash-market transaction. These required adjustments to the 5,000-contract metric are intended to avoid a circumstance where an exchange could allow excessive speculation by setting excessively large notional quantities relative to typical cash-market transaction sizes. For example, if the notional quantity per contract is set at 30,000 units, and the typical observed cash-market transaction is 2,500 units, the notional quantity per contract would be 12 times larger than the typical cash-market transaction. In that case, the non-spot month limit would need to be 12 times smaller than 5,000 (i.e , at 417 contracts.). Similarly, if the notional quantity per contract is 1,000 contracts, and the typical observed cash-market transaction is 2,500 units, the notional quantity per contract would be 2.5 times smaller than the typical cash-market transaction. In that case, the non-spot month limit would need to be 2.5 times larger than 5,000, and would need to be set at 12,500 contracts. \1037\ In connection with the proposed Appendix F to part 150 acceptable practices, open interest should be calculated by averaging the month-end open positions in a futures contract and its related option contract, on a delta-adjusted basis, for all months listed during the most recent calendar year.--------------------------------------------------------------------------- These proposed parameters have largely appeared in existing Sec. 150.5 for many years in connection with either initial or subsequent levels.\1038\ The Commission was of the view that these parameters would be useful, flexible standards to carry forward as acceptable practices. For example, the Commission expected that the 5,000-contract acceptable practice would be a useful benchmark for exchanges because it would allow them to establish limits and demonstrate compliance with Commission regulations in a relatively efficient manner, particularly for new contracts that have yet to establish open interest. Similarly, for purposes of exchange-set limits on physical commodity contracts that are not subject to Federal position limits, the Commission proposed to maintain the baseline 10/2.5 percent formula as an acceptable practice. Because these parameters are simply acceptable practices, exchanges may, after evaluation, propose higher limits or accountability levels.--------------------------------------------------------------------------- \1038\ 17 CFR 150.5(b) and (c). Proposed Sec. 150.5(b) would address physical commodity contracts that are not subject to Federal position limits.--------------------------------------------------------------------------- Along those lines, the Commission recognized that other parameters may be preferable and/or just as effective, and was open to considering alternative parameters submitted pursuant to part 40 of the Commission's regulations, provided, at a minimum, that the parameter complies with Sec. 150.5(b)(2)(i). The Commission encouraged exchanges to submit potential new parameters to Commission staff in draft form prior to submitting them under part 40. For exchanges that choose to adopt position accountability, rather than limits, outside of the spot month, proposed paragraph (a)(2) of Appendix F to part 150 would set forth a non-exclusive acceptable practice that would permit such exchanges to comply with proposed Sec. 150.5(b)(2)(i) by adopting rules establishing ``position accountability'' as defined in proposed Sec. 150.1 ``Position accountability'' would mean rules that the exchange submits to the Commission pursuant to part 40 that require a trader, upon request by the exchange, to consent to: (i) Provide information to the exchange about their position, including, but not limited to, information about the nature of the positions, trading strategies, and hedging information; and (ii) halt further increases to their position or to reduce their position in an orderly manner.\1039\--------------------------------------------------------------------------- \1039\ While existing Sec. 150.5(e) includes open-interest and volume-based limitations on the use of position accountability, the Commission opted not to include such limitations in the 2020 NPRM. Under the 2020 NPRM, if an exchange submitted a part 40 filing seeking to adopt position accountability, the Commission would determine on a case-by-case basis whether such rules are consistent with the Act and the Commission's regulations. The Commission did not want to use one-size-fits-all volume-based limitations for making such determinations.--------------------------------------------------------------------------- Proposed Sec. 150.5(b)(3) addressed a circumstance where multiple exchanges list contracts that are substantially the same, including physically-settled contracts that have the same underlying physical commodity and delivery location, or cash-settled contracts that are directly or indirectly linked to a physically-settled contract. Under proposed Sec. 150.5(b)(3), exchanges listing contracts that are substantially the same in this manner must either adopt ``comparable'' limits for such contracts, or demonstrate to the Commission how the non-comparable levels comply with the standards set forth in proposed Sec. 150.5(b)(1) and (2). Such a determination also must address how the levels are necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index. Proposed Sec. 150.5(b)(3) would apply equally to cash-settled and physically-settled contracts, and to limits during and outside of the spot month, as applicable.\1040\ Proposed Sec. 150.5(b)(3) was intended to help ensure that position limits established on one exchange would not jeopardize market integrity or otherwise harm other markets. Further, proposed Sec. 150.5(b)(3) would be consistent with the Commission's proposed approach to generally apply equivalent Federal position limits to linked contracts, including linked contracts listed on multiple exchanges.\1041\--------------------------------------------------------------------------- \1040\ For reasons discussed elsewhere in the 2020 NPRM, this provision would not apply to natural gas contracts. See supra Section II.C.6 (discussion of proposed conditional spot month exemption in natural gas). \1041\ See supra Section II.A.16 (discussion of the proposed referenced contract definition and linked contracts).--------------------------------------------------------------------------- Finally, under proposed Sec. 150.5(b)(4), exchanges would be permitted to grant exemptions from any limits established under proposed Sec. 150.5(b). As noted, proposed Sec. 150.5(b) would apply to physical commodity contracts not subject to Federal position limits; thus, exchanges would be given flexibility to[[Page 3366]]grant exemptions in such contracts, including exemptions for both intra-market and inter-market spread positions,\1042\ as well as other exemption types (including risk management exemptions) not explicitly listed in proposed Sec. 150.3 \1043\ However, such exchanges must require that traders apply for the exemption. In considering any such application, the exchanges would be required to consider whether the exemption would result in a position that would not be in accord with ``sound commercial practices'' in the market for which the exchange is considering the application, and/or would ``exceed an amount that may be established and liquidated in an orderly fashion in that market.''--------------------------------------------------------------------------- \1042\ See Appendix G (providing additional guidance on spread exemptions). \1043\ As noted above, proposed Sec. 150.3 would allow for several exemption types, including: Bona fide hedging positions; certain spreads; financial distress positions; and conditional spot month limit exemption positions in natural gas.--------------------------------------------------------------------------- While exchanges would be subject to the requirements of Sec. 150.5(a) and (b) described above, such proposed requirements are not intended to limit the discretion of exchanges to utilize other tools to protect their markets. Among other things, an exchange would have the discretion to: Impose additional restrictions on a person with a long position in the spot month of a physical-delivery contract who stands for delivery, takes that delivery, and then re-establishes a long position; establish limits on the amount of delivery instruments that a person may hold in a physical-delivery contract; and impose such other restrictions as it deems necessary to reduce the potential threat of market manipulation or congestion, to maintain orderly execution of transactions, or for such other purposes consistent with its responsibilities.ii. Comments--Exchange-Set Limits on Commodity Derivative Contracts in a Physical Commodity Not Subject to the Limits Set Forth in Sec. 150.2 Better Markets recommended revisions for proposed Sec. 150.5(b)(2) if the Commission decides to finalize the proposed approach to only implement spot month limits on contracts that are not subject to Federal position limits.\1044\ Proposed Sec. 150.5(b)(2) requires exchanges to have either non-spot month position limits or accountability levels, as necessary and appropriate, to reduce manipulation and price distortions for contracts that are not subject to limits in Sec. 150.2 Better Markets' recommendation goes a step further and would require exchanges to set position limits and position accountability levels outside of the spot month to reduce the potential threat of market manipulation or price distortion and the potential for sudden or unreasonable fluctuations or unwarranted changes.\1045\--------------------------------------------------------------------------- \1044\ Better Markets at 47-48. \1045\ Id.---------------------------------------------------------------------------iii. Discussion of Final Rule--Exchange-Set Limits on Commodity Derivative Contracts in a Physical Commodity Not Subject to the Limits Set Forth in Sec. 150.2 The Commission is adopting Sec. 150.5(b), as proposed, with a few technical or grammatical revisions to improve readability and the following explanation. Of note, the Commission is revising the beginning of Sec. 150.5(b)(1) to clarify that this section applies to exchange-set limits on cash-settled and physically-settled commodity derivative contracts in a physical commodity that are not subject to the Federal position limits set forth in Sec. 150.2 Although this point is made clear in the preamble and the introductory title of Sec. 150.5(b), the Commission has added the additional clarification for the avoidance of any confusion. In response to comments from Better Markets, and as explained in detail earlier in this release, the Commission believes that outside the spot month, either exchange-set position limits or exchange-set accountability levels will be sufficient for exchanges to reduce the potential threat of market manipulation and price distortions and manage fluctuations and changes in their markets.\1046\ Accordingly, the Commission has determined to finalize the position limits and accountability requirements as proposed.--------------------------------------------------------------------------- \1046\ See supra Section II.B.2.iv (providing a detailed discussion of the Commission's extensive experience monitoring position accountability levels, which have been effective at exchanges).---------------------------------------------------------------------------5. Section 150.5(c)--Requirements for Security Futures Productsi. Background and Summary of the 2020 NPRM--Requirements for Security Futures Products As the Commission has previously noted, security futures products and security options may serve economically equivalent or similar functions to one another.\1047\ Therefore, when the Commission originally adopted position limits regulations for security futures products in part 41, it set levels that were generally comparable to, although not identical with, the limits that applied to options on individual securities.\1048\ The Commission has pointed out that security futures products may be at a competitive disadvantage if position limits for security futures products vary too much from those of security options.\1049\ As a result, the Commission in 2019 adopted amendments to the position limitations and accountability requirements for security futures products, noting that one goal was to provide a level regulatory playing field with security options.\1050\ The Commission proposed Sec. 150.5(c), therefore, to include a cross-reference clarifying that for security futures products, position limitations and accountability requirements for exchanges are specified in Sec. 41.25 \1051\ This would allow the Commission to take into ***account*** the position limits regime that applies to security options when considering position limits regulations for security futures products.--------------------------------------------------------------------------- \1047\ See Position Limits and Position Accountability for Security Futures Products, 83 FR at 36799, 36802 (July 31, 2018). \1048\ Id. See also Listing Standards and Conditions for Trading Security Futures Products, 66 FR at 55078, 55082 (Nov. 1, 2001) (explaining the Commission's adoption of position limits for security futures products). \1049\ See 83 FR at 36802. \1050\ See Position Limits and Position Accountability for Security Futures Products, 84 FR at 51005, 51009 (Sept. 27, 2019). \1051\ See 17 CFR 41.25 Rule Sec. 41.25 establishes conditions for the trading of security futures products.---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Requirements for Security Futures Products The Commission did not receive comments on Sec. 150.5(c) and is adopting this section as proposed.6. Section 150.5(d)--Rules on Aggregationi. Summary of the 2020 NPRM--Rules on Aggregation As noted earlier in this release, the Commission adopted in 2016 final aggregation rules under Sec. 150.4 that apply to all contracts subject to Federal position limits. The Commission recognized that with respect to contracts not subject to Federal position limits, market participants may find it burdensome if different exchanges adopt different aggregation standards. Accordingly, under proposed Sec. 150.5(d), all DCMs, and, ultimately, SEFs, that list any physical commodity derivatives, regardless of whether the contract is subject to Federal position limits, would be required to adopt position aggregation rules for such contracts that[[Page 3367]]conform to Sec. 150.4 \1052\ Exchanges that list excluded commodities would be encouraged to also adopt position aggregation rules that conform to Sec. 150.4 Aggregation policies that otherwise vary from exchange to exchange would increase the administrative burden on a trader active on multiple exchanges, as well as increase the administrative burden on the Commission in monitoring and enforcing exchange-set position limits.--------------------------------------------------------------------------- \1052\ Under Sec. 150.4, unless an exemption applies, a person's positions must be aggregated with positions for which the person controls trading or for which the person holds a 10% or greater ownership interest. Commission Regulation Sec. 150.4(b) sets forth several exemptions from aggregation. See Final Aggregation Rulemaking, 81 FR at 91454. The Division of Market Oversight has issued time-limited no-action relief from some of the aggregation requirements contained in that rulemaking. See CFTC Letter No. 19-19 (July 31, 2019), available at [*https://www.cftc.gov/csl/19-19/download.---------------------------------------------------------------------------ii*](https://www.cftc.gov/csl/19-19/download.---------------------------------------------------------------------------ii). Comments and Summary of the Commission Determination--Rules on Aggregation The Commission did not receive comments on Sec. 150.5(d) and is adopting this section as proposed.7. Section 150.5(e)--Requirements for Submissions to the Commissioni. Summary of the 2020 NPRM--Requirements for Submissions to the Commission Proposed Sec. 150.5(e) reflects that, consistent with the definition of ``rule'' in existing Sec. 40.1, any exchange action establishing or modifying exchange-set position limits or exemptions therefrom, or position accountability, in any case pursuant to proposed Sec. 150.5(a), (b), (c), or Appendix F to part 150, would qualify as a ``rule'' and must be submitted to the Commission as such pursuant to part 40 of the Commission's regulations. Such rules would also include, among other things, parameters used for determining position limit levels, and policies and related processes setting forth parameters addressing, among other things, which types of exemptions are permitted, the parameters for the granting of such exemptions, and any exemption application requirements. Proposed Sec. 150.5(e) further provides that exchanges would be required to review regularly\1053\ any position limit levels established under proposed Sec. 150.5 to ensure the level continues to comply with the requirements of those sections. For example, in the case of Sec. 150.5(b), exchanges would be expected to ensure the limits comply with the requirement that limits be set ``at a level that is necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' Exchanges would also be required to update such levels as needed, including if the levels no longer comply with the proposed rules.--------------------------------------------------------------------------- \1053\ Under the 2020 NPRM, an acceptable, regular review regime would consist of both a periodic review and an event-specific review (e.g , in the event of supply and demand shocks such as unanticipated shocks to supply and demand of the underlying commodity, geo-political shocks, and other events that may result in congestion and/or other disruptions).---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Requirements for Submissions to the Commission The Commission did not receive comments on Sec. 150.5(e) and is adopting this section with a few non-substantive revisions to address grammatical issues and improve the readability and organization of the section. These revisions are not intended to change the substance of this section.8. Section 150.5(f)--Delegation of Authority to the Director of the Division of Market Oversighti. Summary of the 2020 NPRM--Delegation of Authority to the Director of the Division of Market Oversight The Commission proposed to delegate its authority, pursuant to proposed Sec. 150.5(a)(4)(ii), to the Director of the Commission's Division of Market Oversight, or such other employee(s) that the Director may designate from time to time, to provide instructions regarding the submission of information required to be reported by exchanges to the Commission on a monthly basis, and to determine the manner, format, coding structure, and electronic ***data*** ***transmission*** procedures for submitting such information.ii. Comments and Summary of the Commission Determination--Delegation of Authority to the Director of the Division of Market Oversight The Commission did not receive comments on Sec. 150.5(f) and is adopting this section as proposed.9. Commission Enforcement of Exchange-Set Limits As discussed throughout this Final Rule, the framework for exchange-set limits operates in conjunction with the Federal position limits framework. The Futures Trading Act of 1982 gave the Commission, under CEA section 4a(5) (since re-designated as section 4a(e)), the authority to directly enforce violations of exchange-set, Commission-approved speculative position limits in addition to position limits established directly by the Commission.\1054\ Since 2008, it has also been a violation of the Act for any person to violate an exchange position limit rule certified to the Commission by such exchange pursuant to CEA section 5c(c)(1).\1055\ Thus, under CEA section 4a(e), it is a violation of the Act for any person to violate an exchange position limit rule certified to or approved by the Commission, including to violate any subsequent amendments thereto, and the Commission has the authority to enforce those violations.--------------------------------------------------------------------------- \1054\ See Futures Trading Act of 1982, Public Law 97-444, 96 Stat. 2299-30 (1983). \1055\ See CFTC Reauthorization Act of 2008, Food, Conservation and Energy Act of 2008, Public Law 110-246, 122 Stat. 1624 (June 18, 2008) (also known as the ``Farm Bill'') (amending CEA section 4a(e), among other things, to assure that a violation of exchange-set position limits, regardless of whether such position limits have been approved by or certified to the Commission, would constitute a violation of the Act that the Commission could independently enforce). See also Federal Speculative Position Limits for Referenced Energy Contracts and Associated Regulations, 75 FR at 4144, 4145 (Jan. 26, 2010) (summarizing the history of the Commission's authority to directly enforce violations of exchange-set speculative position limits).--------------------------------------------------------------------------- The Commission did not receive comments on its authority to enforce exchange-set position limits.E. Sec. 150.6--Scope Existing Sec. 150.6 provides that nothing in this part shall be construed to affect any provisions of the CEA relating to manipulation or corners nor to relieve any contract market or its governing board from responsibility under the CEA to prevent manipulation and corners.\1056\--------------------------------------------------------------------------- \1056\ 17 CFR 150.6 The Commission notes that while existing Sec. 150.6 references ``section 5(4) of the [CEA]'' no such CEA section currently exists. The Final Rule instead references section 5(d)(4) of the CEA.---------------------------------------------------------------------------1. Summary of the 2020 NPRM--Scope Proposed Sec. 150.6 was intended to make clear that fulfillment of specific part 150 requirements alone does not necessarily satisfy other obligations of an exchange. Proposed Sec. 150.6 provided that part 150 of the Commission's regulations would only be construed as having an effect on position limits set by the Commission or an exchange including any associated recordkeeping and reporting requirements. Proposed Sec. 150.6 provided further that nothing in part 150 would affect any other provisions of the CEA or Commission regulations including those relating to actual or attempted manipulation, corners, squeezes, fraudulent or deceptive conduct, or to prohibited[[Page 3368]]transactions. For example, proposed Sec. 150.5 would require DCMs, and, ultimately, SEFs, to impose and enforce exchange-set speculative position limits. The fulfillment of the requirements of Sec. 150.5 alone would not satisfy any other legal obligations under the CEA or Commission regulations applicable to exchanges to prevent manipulation and corners. Likewise, a market participant's compliance with position limits or an exemption thereto would not confer any type of safe harbor or good faith defense to a claim that the participant had engaged in an attempted or perfected manipulation. Further, the proposed amendments were intended to help clarify that Sec. 150.6 would apply to: Regulations related to position limits found outside of part 150 of the Commission's regulations (e.g , relevant sections of part 1 and part 19); and recordkeeping and reporting regulations associated with speculative position limits.2. Comments and Discussion of Final Rule--Scope The Commission received no comments on proposed Sec. 150.6 and is adopting as proposed. As the Commission explained in the 2020 NPRM, position limits are meant to diminish, eliminate, and prevent excessive speculation and to deter and prevent market manipulation, squeezes, and corners. The Commission stresses that nothing in the Final Rule's revisions to part 150 would impact the anti-disruptive, anti-cornering, and anti-manipulation provisions of the CEA and Commission regulations, including but not limited to CEA sections 6(c) or 9(a)(2) regarding manipulation, CEA section 4c(a)(5) regarding disruptive practices including spoofing, or sections 180.1 and 180.2 of the Commission's regulations regarding manipulative and deceptive practices. It may be possible for a trader to manipulate or attempt to manipulate the prices of futures contracts or the underlying commodity with a position that is within the Federal position limits. It may also be possible for a trader holding a bona fide hedge, as recognized by the Commission or an exchange, to manipulate or attempt to manipulate the markets. The Commission would not consider it a defense to a charge under the anti-manipulation provisions of the CEA or the regulations that a trader's position was within position limits.F. Sec. 150.8--Severability Final Sec. 150.8 provides that should any provision(s) of part 150 be declared invalid, including the application thereof to any person or circumstance, all remaining provisions of part 150 shall not be affected to the extent that such remaining provisions, or the application thereof, can be given effect without the invalid provisions. The Commission did not receive comments on proposed Sec. 150.8, and is adopting it as proposed.G. Sec. 150.9--Process for Recognizing Non-Enumerated Bona Fide Hedging Transactions or Positions With Respect to Federal Speculative Position Limits1. Background--Non-Enumerated Bona Fide Hedging Transactions or Positions The Commission's authority and existing processes for recognizing bona fide hedges can be found in CEA section 4a(c), and Sec. Sec. 1.3, 1.47, and 1.48 of the Commission's regulations.\1057\ In particular, CEA section 4a(c)(1) provides that no CFTC rule issued under CEA section 4a(a) applies to ``transactions or positions which are shown to be bona fide hedging transactions or positions.'' \1058\ Under the existing definition of ``bona fide hedging transactions and positions'' in Sec. 1.3,\1059\ paragraph (1) provides the Commission's general definition of bona fide hedging transactions or positions; paragraph (2) provides a list of enumerated bona fide hedging positions that, generally, are self-effectuating, and must be reported (along with supporting cash-market information) to the Commission monthly on Form 204 after the positions are taken; \1060\ and paragraph (3) provides a procedure for market participants to seek recognition from the Commission for non-enumerated bona fide hedging positions. Under paragraph (3), any person that seeks a Commission recognition of a position as a non-enumerated bona fide hedge must apply to the Commission in advance of taking on the position, and pursuant to the processes outlined in Sec. 1.47 (30 days in advance for non-enumerated bona fide hedges) or Sec. 1.48 (10 days in advance for enumerated anticipatory hedges), as applicable.--------------------------------------------------------------------------- \1057\ 7 U.S.C 6a(c); 17 CFR 1.3, 1.47, and 1.48 \1058\ 7 U.S.C 6a(c)(1). \1059\ As described above, the Commission is moving an amended version of the bona fide hedging definition from Sec. 1.3 to Sec. 150.1 See supra Section II.A.1 (discussion of Sec. 150.1). \1060\ As described below, the Commission is eliminating Form 204 and relying instead on the cash-market information submitted to exchanges pursuant to Sec. Sec. 150.5 and 150.9 See infra Section II.H (discussion of amendments to part 19).--------------------------------------------------------------------------- For the nine legacy ***agricultural*** contracts currently subject to Federal position limits, the Commission's current process for recognizing non-enumerated bona fide hedge positions exists in parallel with exchange processes for granting exemptions from exchange-set limits, as described below. The exchange processes for granting exemptions vary by exchange, and generally do not mirror the Commission's processes.\1061\ Thus, when requesting a non-enumerated bona fide hedging position recognition, currently market participants must submit two applications--one application submitted to the Commission in accordance with Sec. 1.47 for purposes of compliance with Federal position limits, and another application submitted to the relevant exchange in accordance with the exchange's rules for purposes of exchange-set position limits.--------------------------------------------------------------------------- \1061\ As discussed in the 2020 NPRM, exchanges typically use one application process to grant all exemption types, whereas the Commission has different processes for different bona fide hedge exemption types. That is, the Commission currently has different processes for permitting enumerated bona fide hedges and for recognizing positions as non-enumerated bona fide hedges or anticipatory bona fide hedges. Generally, for bona fide hedges enumerated in paragraph (2) of the bona fide hedge definition in Sec. 1.3, no formal process is required by the Commission. Instead, such enumerated bona fide hedge recognitions are self-effectuating and Commission staff reviews monthly reporting of cash-market positions on existing Form 204 and part 17 position ***data*** to monitor such positions. Requests for recognitions of non-enumerated bona fide hedging positions and for certain enumerated anticipatory bona fide hedge positions, as explained above, must be submitted to the Commission pursuant to the processes in existing Sec. Sec. 1.47 and 1.48 of the regulations, as applicable. Further, exchanges generally do not require the submission of monthly cash-market information; instead, they generally require exemption applications to include cash-market information supporting positions that exceed the limits, to be filed prior to exceeding a position limit, and to be updated on an annual basis. On the other hand, the Commission has various monthly reporting requirements under Form 204 and part 17 of the Commission's regulations as described above.---------------------------------------------------------------------------2. Overview of the 2020 NPRM, Comments, and the Commission's Determination Generally, the Commission is adopting Sec. 150.9 largely as proposed, but with certain clarifications and modifications to address commenters' views and other considerations. This section provides an overview of, and addresses general comments regarding, proposed Sec. 150.9 Further below, the Commission summarizes each sub-section of Sec. 150.9 and comments relevant to that sub-section, and provides a more detailed discussion of the Commission's determination and any changes to each sub-section of Sec. 150.9 i. General Overview of the 2020 NPRM The Commission proposed Sec. 150.9 to establish a new framework whereby a[[Page 3369]]market participant seeking a non-enumerated bona fide hedge recognition could file one application with an exchange to receive a non-enumerated bona fide hedge recognition for purposes of both exchange-set limits and Federal position limits.\1062\ The proposed framework was intended to be independent of, and serve as an alternative to, the Commission's process for reviewing exemption requests under proposed Sec. 150.3 The proposed framework was also intended to help: (1) Streamline the process by which non-enumerated bona fide hedge applications are addressed; (2) minimize disruptions by leveraging existing exchange-level processes with which many market participants are already familiar; \1063\ and (3) reduce inefficiencies created when market participants are required to comply with different Federal and exchange-level processes.--------------------------------------------------------------------------- \1062\ Alternatively, under the proposed framework, a trader could submit a request directly to the Commission pursuant to proposed Sec. 150.3(b). A trader that submitted such a request directly to the Commission for purposes of Federal position limits would have to separately request an exemption from the applicable exchange for purposes of exchange-set limits. As discussed earlier in this release, the Commission proposed to separately allow for enumerated hedges and spreads that meet the ``spread transaction'' definition to be self-effectuating. See supra Section II.C (discussing proposed Sec. 150.3). \1063\ In particular, the Commission recognizes that, in the energy and metals spaces, market participants are familiar with exchange application processes and are not familiar with the Commission's processes since, currently, there are no Federal position limits for those commodities.--------------------------------------------------------------------------- In the 2020 NPRM, the Commission emphasized that proposed Sec. 150.9 would serve as a separate, self-contained process that is related to, but independent of, the proposed regulations governing: (1) The process in proposed Sec. 150.3 for traders to apply directly to the Commission for a bona fide hedge recognition; and (2) exchange processes for establishing exchange-set limits and granting exemptions therefrom in proposed Sec. 150.5 The Commission also emphasized that proposed Sec. 150.9 would serve as a voluntary process that exchanges could implement to provide additional flexibility for their market participants to file one non-enumerated bona fide hedge application with an exchange to receive a recognition for purposes of both exchange-set limits and Federal speculative position limits. Finally, the 2020 NPRM made clear that an exchange's determination to recognize a non-enumerated bona fide hedge in accordance with proposed Sec. 150.9 with respect to exchange-set limits would serve to inform the Commission's own decision as to whether to recognize the exchange's determination for purposes of Federal speculative position limits set forth in proposed Sec. 150.2, and would not be a substitute for the Commission's determination. Under the proposed procedural framework, an exchange's determination to recognize a non-enumerated bona fide hedge in accordance with proposed Sec. 150.9 with respect to exchange-set limits would serve to inform the Commission's own decision as to whether to recognize the exchange's determination for purposes of Federal position limits set forth in proposed Sec. 150.2 Among other conditions, the exchange would be required to base its determination on standards that conform to the Commission's own standards for recognizing bona fide hedges for purposes of Federal position limits. Further, the exchange's determination with respect to its own position limits and application process would be subject to Commission review and oversight. These requirements were proposed to facilitate the Commission's independent review and determination by ensuring that any bona fide hedge recognized by an exchange for purposes of exchange-set limits in accordance with proposed Sec. 150.9 conforms to the Commission's standards. For a given referenced contract, proposed Sec. 150.9 would allow a person to exceed Federal position limits if the exchange listing the contract recognized the position as a bona fide hedge with respect to exchange-set limits, unless the Commission denies or stays the application within ten business days (or two business days for applications, including retroactive applications, filed due to sudden or unforeseen circumstances) (the ``10/2-day review''). Under the 2020 NPRM, if the Commission does not intervene during that 10/2-day review period, then the exemption would be deemed approved for purposes of Federal position limits. The Commission provides a more detailed discussion of each sub-section of proposed Sec. 150.9 further below.ii. General Comments--Non-Enumerated Bona Fide Hedging Transactions or Positions, Generally Generally, the majority of commenters supported the Commission's proposed approach in Sec. 150.9 \1064\ In particular, one commenter expressed that Sec. 150.9 represents a ``fair and balanced'' approach,\1065\ and another commenter expressed that Sec. 150.9 offers an ``efficient and timely process for hedgers to obtain permission to mitigate their risk.'' \1066\ On the other hand, certain commenters opposed the streamlined process in Sec. 150.9 and requested that the Commission reduce or eliminate the role of exchanges in processing non-enumerated bona fide hedge exemptions.\1067\--------------------------------------------------------------------------- \1064\ ICE at 8; CCI at 2; IECA at 1-2; NGFA at 9; MGEX at 4; AGA at 11; CME Group at 7; FIA at 2; CMC at 10-11; EPSA at 6-7; Suncor at 2; COPE at 4; Shell at 3-4; and CEWG at 3; See also ASR at 3 (noting that proposed Sec. 150.9 effectively leverages existing exchange frameworks). \1065\ Suncor at 2. \1066\ COPE at 4. \1067\ Rutkowski at 1; AFR at 2; IECA at 2-3; Public Citizen at 2-3; NEFI at 4; Better Markets at 3, 62; IATP at 13-14; NEFI at 4; and PMAA at 4 (noting a concern that non-enumerated bona fide hedges would be granted outside of the notice and comment rulemaking process).--------------------------------------------------------------------------- In particular, certain commenters expressed concerns regarding the proposed role of exchanges in Sec. 150.9 That is, certain commenters were concerned that the streamlined approach in proposed Sec. 150.9 would create conflicts of interest for exchanges (which commenters note are for-profit entities) where exchanges could benefit from granting non-compliant non-enumerated bona fide hedge exemptions to boost trading volume and profits.\1068\ Other commenters expressed concern that Sec. 150.9 delegates too much discretion to exchanges to determine what qualifies as a non-enumerated bona fide hedge without well-defined criteria, and that such discretion could lead to an unlimited universe of new non-enumerated bona fide hedge exemptions that could adversely impact[[Page 3370]]markets.\1069\ Finally, several commenters shared the view that Sec. 150.9 would erode the Commission's authority over exchange-granted exemptions, and that the Commission should retain all authority to grant non-enumerated bona fide hedge exemptions.\1070\--------------------------------------------------------------------------- \1068\ Rutkowski at 1; see also AFR at 2 (stating concerns that proposed Sec. 150.9 would be ineffective at controlling speculation due, in part, to the substantially increased flexibility of exchanges and market participants to determine whether positions qualify for bona fide hedge exemptions or to propose and institute new non-enumerated hedge exemptions, despite clear conflicts posed by exchanges' incentive to directly profit from trading volume); IECA at 2-3 and NEFI at 4 (stating that proposed Sec. 150.9 would perpetuate a concern, raised by Congress in the Dodd-Frank Act, that exchanges may be motivated by profit to allow broad hedge exemptions that may include non-commercial market participants); Public Citizen at 2-3 (stating that proposed Sec. 150.9 puts for-profit exchanges in the driver's seat of making decisions on granting exemptions, and that customer incentive programs offered by exchanges to increase trading volumes would undermine the exchanges' efforts to determine hedge exemptions; arguing that certain exchanges have experienced difficulty in ``cooperating'' with current laws and regulations, thus casting doubt on their ability to enforce the proposed rule; and arguing that no additional authority should be granted to CME pending resolution of CFTC v. Byrnes, Case. No. 13-cv-01174 (SDNY) (alleging a violation of internal firewalls and sales of confidential trading information to an outside broker). Regarding Public Citizen's comment on CFTC v. Byrnes, the Commission notes that this case has been resolved and is not a condition precedent to this Final Rule. \1069\ PMAA at 4; see also Better Markets at 63 (arguing that the standards for exchanges to grant non-enumerated bona fide hedge recognitions are too flexible and lack meaningful constraints). \1070\ PMAA at 4 (noting a concern that non-enumerated bona fide hedges would be granted outside of the notice and comment rulemaking process); IATP at 13-14; NEFI at 4.---------------------------------------------------------------------------iii. Discussion of Final Rule--Non-Enumerated Bona Fide Hedging Transactions or Positions, Generally--General Concerns and Comments on Sec. 150.9 First, the Commission reiterates, as stated in the 2020 NPRM, that an exchange's determination to recognize a non-enumerated bona fide hedge in accordance with proposed Sec. 150.9 with respect to exchange-set limits would serve to inform the Commission's decision whether to recognize such position as a non-enumerated bona fide hedge for purposes of Federal position limits set forth in proposed Sec. 150.2 The Commission is not delegating or ceding its authority to exchanges to make the determination for purposes of Federal position limits to recognize a position as a non-enumerated bona fide hedge for applications submitted under Sec. 150.9 In that regard, the exchange's determination to recognize a bona fide hedge with respect to exchange-set limits established under Sec. 150.5 is not a substitute for the Commission's independent review of, and determination with respect to, non-enumerated bona fide hedge applications submitted pursuant to Sec. 150.9 As described in detail below, under Sec. 150.9 as adopted herein, exchanges that elect to review non-enumerated bona fide hedge applications under Sec. 150.9 are required to establish and maintain standards and processes for such review, approved by the Commission pursuant to Sec. 40.5 Section 150.9 requires, among other things, that the exchanges base their determinations on standards that conform to the Commission's own standards for recognizing bona fide hedges for purposes of Federal position limits. The Final Rule also requires an exchange to directly notify the Commission of any determinations to recognize a non-enumerated bona fide hedge for purposes of exchange-set limits, and, upon such notification, the Commission will make its determination as to such applications for purposes of Federal position limits. The Commission also reserves authority to, at a later date and after providing an opportunity to respond, revoke a non-enumerated bona fide hedge recognition that is approved through the Sec. 150.9 process and require a participant to lower its position below the Federal position limit level within a commercially reasonable time if the Commission finds that the position no longer meets the bona fide hedge definition in Sec. 150.1 In response to general concerns that Sec. 150.9 would create conflicts of interest for exchanges, the Commission does not believe that Sec. 150.9 creates incentives for exchanges to grant non-enumerated bona fide hedge exemptions in order to boost trading volume and profits.\1071\ On the contrary, the Commission believes there are several requirements and obligations that incentivize and require exchanges to implement Sec. 150.9 in a manner that protects their markets.--------------------------------------------------------------------------- \1071\ See generally supra Sections II.B.2.iv.b and II.G.2 (discussing studies that indicate that exchanges are incentivized to maintain market integrity).--------------------------------------------------------------------------- First, under Sec. 150.9, exchanges may only grant non-enumerated bona fide hedges that meet the Commission's bona fide hedging definition, and each non-enumerated bona fide hedge approved by an exchange for purposes of its own limits is separately and independently reviewed by the Commission for purposes of Federal position limits. Next, under Sec. 150.5(a)(2)(ii)(G) finalized herein, exchanges are required to consider whether approving a particular exemption request would result in positions that would not be in accord with sound commercial practices in the relevant commodity derivatives market and/or whether the position resulting from an approved exemption would exceed an amount that may be established and liquidated in an orderly fashion in that market.\1072\--------------------------------------------------------------------------- \1072\ See infra Final Rule Sec. 150.5(a)(2)(ii)(G).--------------------------------------------------------------------------- Finally, under DCM Core Principle 5 and SEF Core Principle 6, exchanges are ***accountable*** for administering position limits in a manner that reduces the potential threat of market manipulation or congestion.\1073\ The Commission believes that these requirements, working in concert, provide sufficient guardrails to mitigate any potential conflicts of interest for exchanges.--------------------------------------------------------------------------- \1073\ See 17 CFR 37.600 and 38.300 --------------------------------------------------------------------------- Further, the Commission does not agree that Sec. 150.9 improperly delegates discretion to exchanges or erodes the Commission's authority over exchanges and the non-enumerated bona fide hedge recognition process because, as discussed above, the Commission is not delegating its decision-making authority with respect to the granting of bona fide hedge recognitions for purposes of Federal position limits. Rather, the Commission is allowing exchanges to offer traders the opportunity to submit their applications for a bona fide hedge recognition pursuant to a consolidated review process under which the Commission will conduct its own review and make an independent determination for purposes of Federal speculative position limits. The Commission has thus determined to adopt Sec. 150.9 largely as proposed, but with certain modifications and clarifications, as described further below, to address commenters' views and other considerations. The following discussions summarize each sub-section of proposed Sec. 150.9, as well as comments received and the Commission's final determination with respect to each sub-section of Sec. 150.9 3. Section 150.9(a)--Approval of Exchange Rules Related to the Application Submission Process for Non-Enumerated Bona Fide Hedging Transactions or Positionsi. Summary of 2020 NPRM--Approval of Rules Proposed Sec. 150.9(a) would require an exchange to have rules, adopted pursuant to the existing rule-approval process in Sec. 40.5 of the Commission's regulations, that establish standards and processes in accordance with proposed Sec. 150.9 as described below. The Commission would review such rules to ensure that the exchange's standards and processes for recognizing bona fide hedges for its own exchange-set limits conform to the Commission's standards and processes for recognizing bona fide hedges for Federal position limits.ii. Comments--Approval of Exchange Rules Related to the Application Submission Process for Non-Enumerated Bona Fide Hedging Transactions or Positions Although the Commission did not receive comments directly about the requirements under proposed Sec. 150.9(a), the Commission did receive comments related to when an exchange could start implementing Sec. 150.9, which is contingent on the exchange having approved rules in place. That is, several commenters recommended a phased implementation for starting the Sec. 150.9 process to avoid a concentration of non-enumerated bona fide hedge applications at one time.\1074\[[Page 3371]]Commenters suggested starting the process either six months prior to the effective date or permitting phased compliance for six months after the effective date of the Final Rule.--------------------------------------------------------------------------- \1074\ See ICE at 9; IFUS at 7; CMC at 12; Shell at 4; FIA at 18; Chevron at 16; and CEWG at 27. See also CME Group at 8 (supporting a 12-month compliance date, but suggesting that the Commission work with exchanges to implement a rolling process where market participants are ``grandfathered into current exchange approved exemptions they hold today, permitting them to file for those exemptions on the same annual schedule'').---------------------------------------------------------------------------iii. Discussion of Final Rule--Approval of Exchange Rules Related to the Application Submission Process for Non-Enumerated Bona Fide Hedging Transactions or Positions The Commission is finalizing Sec. 150.9(a) with the clarifications and rewording changes described below. As explained in the Proposal, the Commission's pre-approval of an exchange's standards and process for review of non-enumerated bona fide hedge applications ensures that the exchange's determination is based on the Commission's applicable standards and process, allowing the Commission to leverage off exchange determinations in conducting the Commission's own, independent review. While the Commission has determined, as described above, to extend the compliance period with respect to certain obligations under this Final Rule,\1075\ exchanges may start, but are not required, to implement and begin processing non-enumerated bona fide hedge applications under Sec. 150.9 as early as the Effective Date of the Final Rule.\1076\ The Commission reminds exchanges that, to implement Sec. 150.9, they will first need to submit new or amended rules to the Commission, pursuant to the existing rule-approval process in Sec. 40.5 (which could take up to 45-90 days or longer, as agreed to by the exchange) before they exchanges can begin processing applications under Sec. 150.9 --------------------------------------------------------------------------- \1075\ See supra Section I.D (discussing the effective and compliance dates for the Final Rule). \1076\ Id.--------------------------------------------------------------------------- Finally, the Commission clarifies that market participants with existing Commission-granted non-enumerated or anticipatory bona fide hedge recognitions (other than risk management exemptions) are not required to reapply to the Commission for a new recognition under the Final Rule. That is, if the Commission previously issued a non-enumerated or anticipatory bona fide hedge recognition for one of the nine legacy ***agricultural*** contracts pursuant to existing Sec. 1.47 or Sec. 1.48, as applicable, a market participant is not required, under the Final Rule, to reapply to the Commission for such recognition pursuant to final Sec. 150.3 or Sec. 150.9 In addition, the Commission is making a technical change by rewording Sec. 150.9(a) to clarify that exchanges must seek approval, using the Commission's rule approval process in existing Sec. 40.5, to implement their rules establishing application processes under Sec. 150.9 4. Section 150.9(b)--Prerequisites for an Exchange To Recognize Non-Enumerated Bona Fide Hedges in Accordance With This Sectioni. Summary of 2020 NPRM--Prerequisites for an Exchange To Recognize Non-Enumerated Bona Fide Hedges Proposed Sec. 150.9(b) set forth conditions that would require an exchange-recognized bona fide hedge to conform to the corresponding definitions and standards the Commission uses in proposed Sec. Sec. 150.1 and 150.3 for purposes of the Federal position limits regime. Proposed Sec. 150.9(b) would require the exchange to meet the following conditions: (i) The exchange lists the applicable referenced contract for trading; (ii) the position is consistent with both the definition of bona fide hedging transaction or position in proposed Sec. 150.1 and existing CEA section 4a(c)(2); and (iii) the exchange does not recognize as bona fide hedges any positions that include commodity index contracts and one or more referenced contracts, including exemptions known as risk management exemptions.\1077\--------------------------------------------------------------------------- \1077\ The Commission finds that financial products are not substitutes for positions taken or to be taken in a physical marketing channel. Thus, the offset of financial risks arising from financial products would be inconsistent with the definition of bona fide hedging transactions or positions for physical commodities in proposed Sec. 150.1 See supra Section II.A.1 (discussion of the temporary substitute test and risk-management exemptions).---------------------------------------------------------------------------ii. Comments and Summary of Commission Determination--Prerequisites for an Exchange To Recognize Non-Enumerated Bona Fide Hedges The Commission did not receive any comments on proposed Sec. 150.9(b) and is finalizing this section as proposed, for reasons stated above with respect to Sec. 150.9(b), and with only minor grammatical edits to change certain words to a singular tense.5. Section 150.9(c)--Application Process Proposed Sec. 150.9(c) set forth the information and representations that the exchange, at a minimum, would be required to obtain from applicants as part of the Sec. 150.9 application process. Proposed Sec. 150.9(c) would permit exchanges to rely upon their existing application forms and processes in making such determinations, provided that they collect the information outlined below. The following sections summarize each sub-section of proposed Sec. 150.9(c) as well as comments received and the Commission's determination on each sub-section.i. Section 150.9(c)(1)--Required Information for Non-Enumerated Bona Fide Hedging Positionsa. Summary of 2020 NPRM--Required Information for Non-Enumerated Bona Fide Hedging Positions With respect to bona fide hedging positions in referenced contracts, proposed Sec. 150.9(c)(1) would require that any application include: (i) A description of the position in the commodity derivative contract for which the application is submitted (which would include the name of the underlying commodity and the position size); (ii) information to demonstrate why the position satisfies CEA section 4a(c)(2) and the definition of bona fide hedging transaction or position in proposed Sec. 150.1, including ``factual and legal analysis;'' (iii) a statement concerning the maximum size of all gross positions in derivative contracts for which the application is submitted (in order to provide a view of the true footprint of the position in the market); (iv) information regarding the applicant's activity in the cash markets for the commodity underlying the position for which the application is submitted; \1078\ and (v) any other information the exchange requires, in its discretion, to enable the exchange and the Commission to determine whether such position should be recognized as a bona fide hedge.\1079\--------------------------------------------------------------------------- \1078\ The Commission expects that exchanges would require applicants to provide cash-market ***data*** for at least the prior year. \1079\ Under proposed Sec. 150.9(c)(1)(iv) and (v), exchanges, in their discretion, could request additional information as necessary, including information for cash-market ***data*** similar to what is required in the Commission's existing Form 204. See infra Section II.H.2 (discussion of Form 204 and amendments to part 19). Exchanges could also request a description of any positions in other commodity derivative contracts in the same commodity underlying the commodity derivative contract for which the application is submitted. Other commodity derivatives contracts could include other futures contracts, option on futures contracts, and swaps (including OTC swaps) positions held by the applicant.--------------------------------------------------------------------------- In the 2020 NPRM, the Commission noted that exchanges would not need to require the identification of a hedging need against a particular identified[[Page 3372]]category, but that the requesting party must satisfy all applicable requirements in proposed Sec. 150.9, including demonstrating with a factual and legal analysis that a position would fit within the bona fide hedge definition. The 2020 NPRM was not intended to require the hedging party's books and records to identify the particular type of hedge being applied.b. Comments--Required Information for Non-Enumerated Bona Fide Hedging Positions The Commission received few comments related to the application requirements exchanges must implement under proposed Sec. 150.9(c)(1). Some commenters requested that the Commission remove the requirement that the exchange applications implemented under proposed Sec. 150.9(c)(1)(ii) require a ``factual and legal analysis'' from applicants.\1080\ Another commenter requested that the Commission clarify any additional factors exchanges should consider when granting non-enumerated bona fide hedge applications pursuant to proposed Sec. 150.9 \1081\--------------------------------------------------------------------------- \1080\ CME Group at 10 (noting its concern that this requirement could be interpreted as requiring applicants to engage legal counsel to complete their applications. CME Group stated that by way of background, CME Group exchanges have never required detailed legal or economic analysis to demonstrate compliance with regulatory requirements. Instead, CME Group requires the applicant to explain its strategy, and CME Group considers and analyzes this explanation using the exchange's expertise. CME Group recommends that the CFTC instead require an applicant to ``explain its strategy and state that it complies with the regulatory requirements for a bona fide hedge exemption without having to provide a legal analysis.'' The exchange can solicit additional information from the applicant as needed.) and CMC at 11 (providing that, in the alternative, the Commission could clarify that exchanges or the Commission might request legal analyses at their discretion, which may be in the form of analysis provided by in-house counsel). \1081\ See ISDA at 9 (requesting that the final rule include factors exchanges should consider, such as ``sound commercial practices'' or ``necessary and appropriate to reduce potential threat of market manipulation'').---------------------------------------------------------------------------c. Discussion of Final Rule--Required Information for Non-Enumerated Bona Fide Hedging Positions The Commission is adopting Sec. 150.9(c)(1), with certain revisions and clarifications, explained below. The information required to be submitted as part of the application is necessary to allow the exchange and the Commission to evaluate whether the applicant's hedging position satisfies the bona fide hedge definition in proposed Sec. 150.1 and CEA section 4a(c)(2). The Commission is making one modification to clarify the Commission's posture when reviewing non-enumerated bona fide hedge applications under the Sec. 150.9 process. In proposed Sec. 150.9(c)(1) the Commission proposed to require exchanges to collect sufficient information for the exchange to determine and the Commission to ``verify'' that the facts and circumstances demonstrate that the exchange may recognize a position as a bona fide hedge. In final Sec. 150.9(c)(1), the Commission is revising this provision to make clear that the Commission will conduct an independent evaluation of any application it reviews to ``determine'' (not verify) whether the facts and circumstances demonstrate that the exchange may recognize the position as a bona fide hedge. Likewise, the Commission is also revising final Sec. 150.9(c)(1)(v), to require that exchanges collect any other information they deem necessary to ``determine'' (not ``verify'' as proposed) whether a particular position meets the bona fide hedge definition. The term ``determine'' more accurately describes the exchange's responsibility to conduct an independent evaluation of each application, as opposed to a verification, as proposed. In final Sec. 150.9(c)(1)(ii), the Commission is modifying the requirement from proposed Sec. 150.9(c)(1)(ii) that exchanges request a ``factual and legal'' analysis from applicants for non-enumerated bona fide hedge recognitions. In proposing this requirement, the Commission did not intend for exchanges to require that applicants engage legal counsel to complete their applications for non-enumerated bona fide hedge recognitions. Rather, the purpose of this proposed provision was to ensure that applicants provide an explanation and information that sufficiently demonstrates why a particular position qualifies as bona fide hedge, as defined in Sec. 150.1 and CEA section 4a(c)(2). Instead of requiring a ``factual and legal analysis,'' the Commission has revised Sec. 150.9(c)(1)(ii) in the Final Rule accordingly so that an applicant must provide an explanation of the hedging strategy, including a statement that the applicant's position complies with the applicable requirements of the bona fide hedge definition, and information to demonstrate why the position satisfies the applicable requirements. This revision is intended to clarify that the applicant is not required to provide a detailed legal analysis or engage legal counsel to complete their application. Rather, the applicant must provide: (1) A simple explanation or description of the hedging strategy (and include a statement that the strategy complies with the bona fide hedge definition requirements); and (2) the relevant information that shows why or how the strategy meets the bona fide hedge definition requirements. The exchange can then consider this explanation and information in light of its expertise with the relevant market in performing its own analysis. Also, under Sec. 150.9(c)(1), regarding the request that the Commission provide additional factors that exchanges should consider when granting non-enumerated bona fide hedge recognitions, the Commission believes that the requirements under final Sec. 150.9(c) provide sufficient criteria for exchanges to consider when evaluating applications. As stated in the 2020 NPRM, the Commission believes the information an exchange is required to collect under Sec. 150.9(c) is sufficient for the exchange and the Commission to determine whether a particular transaction or position satisfies the definition of bona fide hedging transaction for purposes of Federal position limits. The Commission further highlights that, under final Sec. 150.9(c)(1)(v), an exchange has the authority to collect any additional information that, in its discretion, would help it assess whether to approve a request for a non-enumerated bona fide hedge recognition. Further, in response to ISDA's request, an exchange is required by Sec. 150.5(a)(2)(ii)(G) to consider some of the factors ISDA recommended when determining whether to grant an exemption, including whether the approval of an exemption would result in positions that are in accord with sound commercial practices, among other considerations.\1082\ In summary, the Commission believes that the final regulations strike the proper balance by providing sufficient guidance to the exchanges for their review and determination in the context of exchange-set limits, while preserving the exchanges' discretionary authority to determine what types of additional information, if any, to collect.--------------------------------------------------------------------------- \1082\ See supra Section II.D.3 (addressing other factors exchanges must consider, under Sec. 150.5(a)(2)(ii)(G), when granting exemptions for contracts that are subject to Federal position limits).--------------------------------------------------------------------------- In addition to the revisions and explanations above, the Commission is adding the word ``needed'' to Sec. 150.9(c)(1) to clarify that exchanges may collect all information needed to conduct their analysis of a particular application.[[Page 3373]]ii. Section 150.9(c)(2)--Timing of Non-Enumerated Bona Fide Hedge Applicationa. Summary of 2020 NPRM--Timing of Non-Enumerated Bona Fide Hedge Application The Commission did not propose to prescribe timelines (e.g , a specified number of days) for exchanges to review applications because the Commission believed that exchanges are in the best position to determine how to best accommodate the needs of their market participants. Rather, under proposed Sec. 150.9(c)(2), an applicant must submit its application in advance of exceeding the applicable Federal position limits for any given referenced contract. However, the 2020 NPRM would permit a person to submit a bona fide hedge application within five days after the person has exceeded Federal speculative limits (commonly referred to as retroactive applications) if such person exceeds the limits due to ``demonstrated sudden or unforeseen increases in its bona fide hedging needs.'' Where an applicant claims a sudden or unforeseen increase in its bona fide hedging needs, the 2020 NPRM would require exchanges to require that the person provide materials demonstrating that the person exceeded the Federal speculative limit due to sudden or unforeseen circumstances. Further, in the 2020 NPRM, the Commission cautioned exchanges that applications submitted after a person has exceeded Federal position limits should not be habitual and would be reviewed closely. Finally, if the Commission found that the position did not qualify as a bona fide hedge, then the applicant would be required to bring its position into compliance, and could face a position limits violation if it did not reduce the position within a commercially reasonable time.b. Comments--Timing of Non-Enumerated Bona Fide Hedge Application The Commission received several comments regarding the retroactive application provision in proposed Sec. 150.9(c)(2)(ii). CME preferred allowing retroactive application exemptions that are not limited to circumstances involving sudden/unforeseen increases in bona fide hedging needs.\1083\ Instead, CME Group recommended that the Commission (i) allow retroactive applications regardless of the circumstances, and (ii) impose a position limits violation upon an applicant if the exchange denies the retroactive application.\1084\ ICE recommended that the Commission permit retroactive exemptions for other types of exemptions (including spread exemptions and pass-through-swap exemptions) as well as for position limit overages that occur as a result of operational or incidental issues where the applicant did not intend to evade position limits.\1085\ Finally, IFUS supported the retroactive application provision as it was proposed.\1086\ IFUS noted that it follows a similar approach under its existing rules.\1087\--------------------------------------------------------------------------- \1083\ CME Group at 9-10 (explaining that in its experience, position limit violations ``often occur unintentionally due to operational or administrative oversight, not because the market participant needed to enter into a hedge quickly in response to changing market conditions'' and that over the past three years, CME Group has received at least 49 retroactive exemption applications to address some type of administrative oversight issue); See also CMC at 11 (agreeing with CME Group), and FIA at 18 (recommending the Commission allow retroactive exemptions within five business days for any reason). \1084\ CME Group at 9-10 (explaining that without the threat of a potential position limits violation, market participants could exploit the retroactive provision and intentionally exceed position limits without consequences--``all while disrupting orderly market operations.'' According to CME Group, the prospect of having an application denied and being found in violation of position limits has worked to deter market participants from attempting to exploit the retroactive exemption process). \1085\ ICE at 10. \1086\ IFUS at 13-14. \1087\ Id.---------------------------------------------------------------------------c. Discussion of Final Rule--Timing of Non-Enumerated Bona Fide Hedge Application The Commission is adopting Sec. 150.9(c) largely as proposed, with certain modifications and clarifications to reflect commenters' views and other considerations. First, the Commission is revising Final Rule Sec. 150.9(c)(2)(i) so that it is consistent with changes the Commission is making to Sec. 150.9(e)(3), discussed further below.\1088\ As explained below, under Final Rule Sec. 150.9(e)(3),\1089\ applicants may elect (at their own risk) \1090\ to exceed Federal position limits after an exchange notifies the Commission of the exchange's approval of the application for purposes of exchange-set limits,\1091\ and during the Commission's 10-day review period. This is a change from the 2020 NPRM under which a person would be required to wait until the Commission's 10-day review period expired before exceeding Federal position limits. Proposed Sec. 150.9(c)(2)(i) was drafted in a manner that reflects this proposed requirement. Accordingly, the Commission is revising Sec. 150.9(c)(2)(i) to clarify that an applicant may exceed Federal position limits after receiving a notice of approval from the relevant designated contract market or swap execution facility.--------------------------------------------------------------------------- \1088\ See infra Section II.G.7 (discussing when a person may exceed Federal position limits). \1089\ Id. \1090\ See infra Section II.G.7.ii (explaining that an applicant bears the risk that the Commission could deny the application and require the person to bring their position into compliance with Federal position limits). \1091\ The Commission clarifies, for the avoidance of doubt, that an exchange approval of a non-enumerated bona fide hedge (for purposes of exchange limits) issued under Sec. 150.9 is not a Commission approval of the non-enumerated bona fide hedge.--------------------------------------------------------------------------- Next, the Commission has determined not to expand the retroactive application provision in Sec. 150.9(c)(2)(ii) to be available in any circumstances (i.e , not just for sudden or unforeseen hedging needs) or for other exemption types. The Final Rule provides broad flexibility to market participants in the form of various exemptions from Federal position limits. In particular, this Final Rule significantly expands the list of self-effectuating enumerated bona fide hedges available to market participants,\1092\ provides an expansive spread transaction exemption provision,\1093\ and provides new exemptions for relief for financial distress positions and conditional spot month limits for certain natural gas positions.\1094\ This Final Rule also grants additional flexibility for market participants to exceed Federal position limits during the pendency of the Commission's review of the application. Given these additional enhancements to the Federal position limits framework for bona fide hedges and other exemptions, the Commission expects that there will be a limited number of non-enumerated bona fide hedge requests submitted through the Sec. 150.9 process and that it is reasonable to expect that market participants will be able to file any such non-enumerated bona fide hedge requests ahead of needing to exceed limits.--------------------------------------------------------------------------- \1092\ See supra Section II.A.1 (discussing the expanded list of enumerated bona fide hedges in Appendix A). \1093\ See supra Section II.A.20 (discussing the expanded spread transaction definition in Sec. 150.1). \1094\ See supra Section II.C.5-6. (discussing the financial distress exemption and the conditional spot month limit exemption in natural gas).--------------------------------------------------------------------------- The Commission is willing to permit the limited exception for retroactive applications that occur due to sudden or unforeseen bona fide hedging needs, as described above. Otherwise, market participants would be penalized and prevented from assuming appropriate hedges even though their hedging need arises from circumstances beyond their[[Page 3374]]control. Beyond that exception, the Commission believes that market participants are able, and should be required, to file timely applications. The Commission believes this is particularly true for trading strategies that are not enumerated bona fide hedges and thus may involve some element of non-risk reducing activity. Expanding the exception beyond bona fide hedging needs that arise due to sudden or unforeseen circumstances may dis-incentivize market participants from properly monitoring their hedging activities and filing exemption applications in a timely manner.iii. Section 150.9(c)(3)--Renewal of Applications for Non-Enumerated Bona Fide Hedgesa. Summary of 2020 NPRM--Renewal of Applications for Non-Enumerated Bona Fide Hedges Proposed Sec. 150.9(c)(3) would require that the exchange require persons with approved non-enumerated bona fide hedges that were previously granted pursuant to proposed Sec. 150.9 to reapply to the exchange at least on an annual basis by updating their original applications. Proposed Sec. 150.9(c)(3) would also require that the exchange require applicants to receive a notice of approval of the renewal from the exchange prior to exceeding the applicable position limit.b. Comments--Renewal of Applications for Non-Enumerated Bona Fide Hedges Several commenters requested a clarification that an applicant (i) would only be subject to the Commission's 10/2-day review process in Sec. 150.9(e) (described below) for initial applications for non-enumerated bona fide hedge recognitions, and (ii) would not be subject to such review for annual renewal applications, unless the facts and circumstances materially change from those presented in the initial application.\1095\--------------------------------------------------------------------------- \1095\ CEWG at 27; MGEX at 3; CME Group at 8; FIA at 17; ICE at 9; and IFUS at 7 (further requesting that if a non-enumerated bona fide hedge is granted, a participant should be able to treat similar positions as bona fide hedges so long as they re-apply to the exchange through the annual renewal process).---------------------------------------------------------------------------c. Discussion of Final Rule--Renewal of Applications for Non-Enumerated Bona Fide Hedges The Commission is adopting Sec. 150.9(c)(3) with modifications to clarify that the Commission's review and determination conducted under final Sec. 150.9(e) is required only for initial applications for non-enumerated bona fide hedge recognitions. The Commission is also clarifying that, except as provided below, renewals of previously-approved non-enumerated bona fide hedge applications are not required to be submitted to the Commission under Sec. 150.9, and need only be submitted to and approved by the relevant exchange at least on an annual basis for the applicant to continue relying on such recognition for purposes of Federal position limits. Such renewal application serves the purpose of confirming that the facts and circumstances underlying the original application approved by the Commission remain operative. However, if the facts and circumstances underlying a renewal application are materially different than the initial application, then such application should be treated as a new request that should be submitted through the Sec. 150.9 process and subject to the Commission's 10/2-day review process in Sec. 150.9(e).iv. Section 150.9(c)(4)--Exchange Revocation Authoritya. Summary of the 2020 NPRM--Exchange Revocation Authority Proposed Sec. 150.9(c)(4) would require that an exchange retain its authority to limit, condition, or revoke, at any time, any recognition previously issued pursuant to proposed Sec. 150.9, for any reason, including if the exchange determines that the recognition is no longer consistent with the bona fide hedge definition in proposed Sec. 150.1 or section 4a(c)(2) of the Act.b. Comments and Summary of the Commission Determination--Exchange Revocation Authority The Commission did not receive comments on proposed Sec. 150.9(c)(4) and is finalizing this section as proposed.6. Section 150.9(d)--Recordkeepingi. Summary of the 2020 NPRM--Recordkeeping Proposed Sec. 150.9(d) would require exchanges to maintain complete books and records of all activities relating to the processing and disposition of applications in a manner consistent with the Commission's existing general regulations regarding recordkeeping.\1096\ Such records would need to include: All information and documents submitted by an applicant in connection with its application; records of oral and written communications between the exchange and the applicant in connection with the application; and information and documents in connection with the exchange's analysis of, and action on, such application. Exchanges would also be required to maintain any documentation submitted by an applicant after the disposition of an application, including, for example, any reports or updates the applicant files with the exchange.--------------------------------------------------------------------------- \1096\ Requirements regarding the keeping and inspection of all books and records required to be kept by the Act or the Commission's regulations are found at Sec. 1.31 17 CFR 1.31 DCMs are already required to maintain records of their business activities in accordance with the requirements of Sec. 1.31 and Sec. 38.951 17 CFR 38.951 ---------------------------------------------------------------------------ii. Comments--Recordkeeping The Commission received one comment regarding exchange recordkeeping requirements under proposed Sec. 150.9 NGSA requested that any exchange recordkeeping/reporting requirements that apply to the proposed Sec. 150.9 process do not require matching applicants' hedge positions to their underlying cash positions on a one-to-basis, but should instead allow for recordkeeping/reporting of positions on an aggregate basis.\1097\--------------------------------------------------------------------------- \1097\ See NGSA at 9 (noting that allowing matching on an aggregate basis would accommodate the practical needs of many market participants to hedge their risks on a portfolio basis).---------------------------------------------------------------------------iii. Discussion of Final Rule--Recordkeeping The Commission is adopting Sec. 150.9(d) as proposed, and with only one minor grammatical edit to change the term ``designated contract market'' to the correct possessive tense. The Commission also clarifies here, in response to comments, that the Sec. 150.9(d) recordkeeping requirements do not prescribe the manner in which exchanges record how they match applicants' bona fide hedge positions to applicants' underlying cash positions. Rather, final Sec. 150.9(c)(1)(iv) requires that an exchange collect the necessary information regarding an applicant's cash-market activity and offsetting cash positions, and final Sec. 150.9(d) simply requires the exchange to keep a record of such application materials and information collected. However, an exchange's records should be sufficient to demonstrate that any approved non-enumerated bona fide hedges meet the requirements of Sec. 150.9(b). The Commission also reiterates, as explained in the 2020 NPRM, that exchanges are required to store and produce records pursuant to existing Sec. 1.31,\1098\ and will[[Page 3375]]be subject to requests for information pursuant to other applicable Commission regulations, including, for example, existing Sec. 38.5 \1099\--------------------------------------------------------------------------- \1098\ Consistent with existing Sec. 1.31, the Commission expects that these records would be readily available during the first two years of the required five-year recordkeeping period for paper records, and readily accessible for the entire five-year recordkeeping period for electronic records. In addition, the Commission expects that records required to be maintained by an exchange pursuant to this section would be readily accessible during the pendency of any application, and for two years following any disposition that did not recognize a derivative position as a bona fide hedge. \1099\ See 17 CFR 38.5 (requiring, in general, that upon request by the Commission, a DCM must file responsive information with the Commission, such as information related to its business, or a written demonstration of the DCM's compliance with one or more core principles).---------------------------------------------------------------------------7. Section 150.9(e)--Process for a Person To Exceed Federal Position Limits The following discussion summarizes proposed Sec. 150.9(e), comments received, and the Commission's determination according to each sub-section, or a combination of certain subsections, of Sec. 150.9(e).i. Section 150.9(e)(1)-(2)--Notification to the Commission and Notification Requirementsa. Summary of the 2020 NPRM--Notification to the Commission and Notification Requirements Under proposed Sec. 150.9(e)(1), once an exchange recognizes a non-enumerated bona fide hedge with respect to its own exchange-set position limits established pursuant to Sec. 150.5(a), the exchange would be required to notify the Commission concurrently with the approval notice it provides to the applicant. Under proposed Sec. 150.9(e)(2), such notification to the Commission would need to include a copy of the application and any supporting materials, as well as certain basic information, outlined in Sec. 150.9(e)(2)(i)-(vi), about the exemption. The exchange would only be required to provide this notice to the Commission with respect to its initial (and not renewal) determination for a particular application.b. Comments--Notification to the Commission and Notification Requirements While proposed Sec. 150.9(e)(1) would require an exchange to notify the Commission upon making an initial determination to recognize a non-enumerated bona fide hedge, that rule would not require the exchange to notify the public of any such determination. Commenters submitted several general requests related to the publication of non-enumerated bona fide hedges and the future expansion of the list of enumerated bona fide hedges in Appendix A to the proposed regulatory text in the 2020 NPRM. Specifically, certain commenters requested that exchanges be required to publicize approved non-enumerated bona fide hedge recognitions so that market participants are aware of the types of recognitions they can receive.\1100\--------------------------------------------------------------------------- \1100\ See COPE at 5 (noting that such notice should provide market participants the facts upon which the recognition is based, and would save the Commission from repeatedly processing requests for the same hedging strategy); FIA at 15, 19 (requesting that exchanges be required to publish anonymized descriptions of non-enumerated hedging recognitions granted by the exchange); EPSA at 5-7.---------------------------------------------------------------------------c. Discussion of Final Rule--Notification to the Commission and Notification Requirements The Commission has determined to finalize Sec. 150.9(e)(1)-(2) as proposed. While the Final Rule does not require exchanges to publicize approved non-enumerated bona fide hedge recognitions, an exchange may elect, in its discretion, to provide such a list. The Commission understands, however, that in the past, exchanges and market participants have raised concerns that publicizing information about approved non-enumerated bona fide hedges could divulge confidential information (such as trade secrets, intellectual property, the market participant's identity or position).\1101\--------------------------------------------------------------------------- \1101\ See 81 FR at 96824.--------------------------------------------------------------------------- To the extent that an exchange elects to publicize descriptions of approved non-enumerated bona fide hedges, the Commission cautions that any such ***data*** published should not disclose the identity of, or confidential information about, the applicant. Rather, any published summaries are expected to be general (generic facts and circumstances). While the decision whether to publicize descriptions of approved non-enumerated bona fide hedges is at the discretion of the exchange, the exchange remains subject to all applicable laws and regulations (including exchange bylaws) governing the protection of confidential trade and trader information. The Commission also cautions exchanges to make clear that any descriptions or lists of approved non-enumerated bona fide hedges they elect to publish are for informational purposes only and do not bestow any rights upon applicants to a claim that a particular strategy is a non-enumerated bona fide hedge simply because it aligns with a published example or description provided by the exchange.ii. Section 150.9(e)(3)-(4)--Exceeding Federal Speculative Position Limits and the Commission's 10/2-Day Review Processa. Summary of the 2020 NPRM--Exceeding Federal Speculative Position Limits and the Commission's 10/2-Day Review Process Under proposed Sec. 150.9(e)(3), a person could exceed Federal position limits ten business days after the exchange notifies the Commission in accordance with proposed Sec. 150.9(e)(2) that the exchange has approved the non-enumerated bona fide hedge application for purposes of exchange limits, provided that the Commission does not notify the exchange or applicant that the Commission has determined to stay or deny the application during its ten-day review. Under proposed Sec. 150.9(e)(4), if a person exceeds Federal position limits due to sudden or unforeseen bona fide hedging needs and then files a retroactive application pursuant to proposed Sec. 150.9(c)(2)(ii), then such application would be deemed approved by the Commission two business days after the exchange issues the required notification, provided that the Commission does not notify the exchange or applicant that the Commission has determined to stay or deny the application during its two-day review. Under the 2020 NPRM, once those ten (or two) business days have passed, the person could rely on the bona fide hedge recognition both for purposes of exchange-set and Federal position limits, with the certainty that the Commission (and not Commission staff) would only revoke that determination in the limited circumstances set forth in proposed Sec. 150.9(f)(1) and (2) described further below.b. Comments--Exceeding Federal Speculative Position Limits and the Commission's 10/2-Day Review Process The bulk of the comments the Commission received on proposed Sec. 150.9 relate to the Commission's proposed ten-day or two-day period for reviewing a non-enumerated bona fide hedge application after an exchange has already approved the application for purposes of the exchange-set limits (as noted above,\1102\ the 10/2-day review). In particular, the Commission received several comments on the sufficiency of the proposed review periods, including that the Commission's proposed 10/2-[[Page 3376]]day review period is: (1) Too long; \1103\ (2) too short; \1104\ and (3) just right.\1105\--------------------------------------------------------------------------- \1102\ See supra Section II.G \1103\ ADM at 6 (suggesting a five/one business day review period); ICE at 9 (explaining that the 10-day review period would impose unnecessary burdens and delay and create uncertainty for market participants); IFUS at 14 (explaining that the 10-day review period potentially conflicts with the exchange's spot-month exemption review process, as contracts could expire before the review period ends, and noting that a two day review, although not ideal, is preferred); NGFA at 9 (suggesting a two-business-day review period). \1104\ IATP at 13-14 (contending that the 10/2-day review period would burden an under-resourced Commission); Better Markets at 3, 63 (asserting that, under proposed Sec. 150.9, it is impossible for Commission staff to, within the prescribed amount of time: review and collect additional information on non-enumerated bona fide hedge applications; draft orders; receive the Chairman's approval for a seriatim process; and secure the necessary Commissioner votes). \1105\ CME Group at 7 (also agreeing that a timeline for exchanges' review of applications should not be prescribed).--------------------------------------------------------------------------- In addition, several commenters suggested that the Commission permit applicants to exceed Federal position limits during the Commission's ten-day review period (which occurs after an exchange issues its approval with respect to exchange-set limits).\1106\ Commenters also suggested that rather than the CFTC reviewing each non-enumerated bona fide hedge exemption application after each exchange determination, the CFTC should monitor exchanges at a higher level (such as through the rule enforcement review process).\1107\--------------------------------------------------------------------------- \1106\ ADM at 6; ICE at 9; IFUS at 7; CME Group at 7-8 (explaining that exchanges have ``strong incentives to grant exemptions only after careful review'' because they have statutory obligations to prevent manipulation); CMC at 12 (noting that it is currently unclear whether an applicant can enter into a position during the Commission's 10/2-day review). \1107\ ICE at 9; IFUS at 7 (questioning whether it is necessary for the Commission to routinely review each non-enumerated bona fide hedge application); CEWG at 26-27 (suggesting an annual exchange rule enforcement review process instead of the 10/2-day review).---------------------------------------------------------------------------c. Discussion of Final Rule--Exceeding Federal Speculative Position Limits and the Commission's 10/2-Day Review Process The Commission is adopting Sec. 150.9(e)(3)-(4) with certain revisions and clarifications as discussed below. First, regarding general comments on the length of the Commission's 10/2-day review periods, the Commission acknowledges commenters' concerns regarding whether the Commission will have enough time to review and act on non-enumerated bona fide hedge applications. However, the Commission will continue to develop internal processes and systems to respond to Sec. 150.9 applications as needed and within those timeframes. In addition, the Sec. 150.9 process enables the Commission to leverage the exchange's review and analysis, which would serve to inform the Commission's own review. The Commission believes that this streamlined approach will reduce the amount of time required for the Commission's review each application. In addition, regarding comments suggesting that the 10/2-day review periods are too long and will impose unnecessary delays on market participants, and the request that market participants be able to exceed Federal position limits during the Commission's 10-day review, the Commission is revising proposed Sec. 150.9(e)(3) to provided additional flexibility. Under Sec. 150.9(e)(3), applicants may elect to exceed Federal position limits once they receive a notice of approval from the relevant exchange and during the Commission's 10-day review period, but will do so at their own risk. That is, if an applicant exceeds Federal position limits before the Commission's 10-day review period ends, the applicant bears market risk for that position, in that the Commission could, in accordance with Sec. 150.9(e)(6) described below, deny the application for purposes of Federal position limits and require the applicant to bring its position back into compliance with the Federal position limits within a commercially reasonable amount of time, as determined by the Commission in consultation with the relevant exchange and applicant. As discussed below in connection with Sec. 150.9(e)(6), in these circumstances where an applicant is required to lower its position, as a matter of policy, the Commission will not pursue an enforcement action against the applicant so long as the application was filed in good faith (meaning the applicant and exchange have a reasonable and good faith basis for determining that the position meets the requirements of Sec. 150.9(b)) and the applicant brings its position into compliance within a commercially reasonable amount of time. Further, regarding general comments that the length of the 10/2-day review period is too long, the Commission believes allowing applicants to exceed Federal position limits during the Commission's ten-day review period addresses many commenter concerns. As described above, the Final Rule also affords applicants the ability to file retroactive applications in certain limited circumstances, and to hold positions above Federal position limits during the Commission's two-day review of such retroactive application. The Commission believes that these avenues adequately accommodate market participants' needs to hedge in a timely manner, and are well-balanced with the Commission's need to maintain adequate oversight of non-enumerated bona fide hedge applications through its limited 10/2-day review periods. Furthermore, the Commission would consider it to be a reasonable and helpful practice if exchanges elect to provide information to the Commission on non-enumerated bona fide hedge applications as the exchange is considering such applications. That is, the Commission would find it helpful to receive an advance courtesy copy of any Sec. 150.9 applications the exchange receives. The exchange is not, however, required to provide such advance copies, and would not be required to obtain an opinion on such applications from the Commission before making its determination. Rather, providing such application information as the exchange receives it could facilitate a more rapid Commission evaluation of Sec. 150.9 applications. This would help facilitate additional regulatory certainty for market participants and would aid the Commission in its review of applications processed under Sec. 150.9 Also, while commenters requested that the Commission should not review each non-enumerated bona fide hedge application, the Commission is of the view that it must review each application in order to conform to the legal limits on what an agency may delegate to persons outside the agency.\1108\ Under the new model finalized herein, the Commission will be informed by the exchanges' determinations to make the Commission's own determination for purposes of Federal position limits before the 10/2-day review period expires. Accordingly, the Commission will retain its decision-making authority with respect to the Federal position limits and provide legal certainty to market participants of their determinations.--------------------------------------------------------------------------- \1108\ In U.S Telecom Ass'n v. FCC, the D.C Circuit held ``that, while Federal agency officials may sub-delegate their decision-making authority to subordinates absent evidence of contrary congressional intent, they may not sub-delegate to outside entities--private or sovereign--absent affirmative evidence of authority to do so.'' U.S Telecom Ass'n v. FCC, 359 F.3d 554, 565-68 (D.C Cir. 2004) (citations omitted). Nevertheless, there are three circumstances that the agency may ``delegate'' its authority to an outside party because they do not involve sub-delegation of decision-making authority: (1) Establishing a reasonable condition for granting Federal approval; (2) fact gathering; and (3) advice giving. Id. at 568.--------------------------------------------------------------------------- Finally, in Sec. 150.9(e)(3) and (4), the Commission is making one technical correction to clarify that a person may exceed Federal position limits or rely on[[Page 3377]]an approved retroactive application after the 10/2-day review period, as applicable, unless the Commission notifies the person and relevant exchange that it has determined to stay or deny the application, pursuant to Sec. 150.9(e)(5) or (e)(6). In the 2020 NPRM, the Commission only referred to its stay authority in Sec. 150.9(e)(5), discussed in detail below. However, as clarified in the Final Rule, the Commission could also notify the applicant and exchange of its determination to deny the application for purposes of Federal position limits under Sec. 150.9(e)(6), also discussed below. This change is a technical correction and does not change the substance of Sec. 150.9(e)(3) or (4).iii. Section 150.9(e)(5)--Commission Stay of Pending Applications and Requests for Additional Informationa. Summary of the 2020 NPRM--Commission Stay of Pending Applications and Requests for Additional Information Under proposed Sec. 150.9(e)(5), the Commission could stay a non-enumerated bona fide hedge application that an exchange has approved, pursuant to Sec. 150.9(e)(2), for purposes of exchange-set limits. Under the 2020 NPRM, if, during the ten (or two) business day timeframe in Sec. 150.9(e)(3) or (4), the Commission notifies the exchange and applicant that the Commission (and not staff) has determined to stay the application, the applicant would not be able to rely on the exchange's approval of the application for purposes of exceeding Federal position limits, unless the Commission approves the application after further review. The proposed stay provision did not include a time limitation on the duration of a Commission stay. Separately, under proposed Sec. 150.9(e)(5), the Commission (or Commission staff) could request additional information from the exchange or applicant in order to evaluate the application, and the exchange and applicant would have an opportunity to provide the Commission with any supplemental information requested to continue the application process. Any such request for additional information by the Commission (or staff), however, would not stay or toll the ten (or two) business day application review period.b. Comments--Commission Stay of Pending Applications and Requests for Additional Information With respect to instances where the Commission has stayed an exchange-granted non-enumerated bona fide hedge application or elects to review a previously approved-application, several commenters requested that the Commission limit the duration of its review period, which was unlimited in the 2020 NPRM.\1109\--------------------------------------------------------------------------- \1109\ ICE at 9; FIA at 18; CME Group at 7 (suggesting that the Commission's stay or review of an application should not exceed 30 calendar days); IFUS at 15 (noting that any Commission stay will almost certainly conflict with IFUS procedures for reviewing exemptions in the spot month, where certain exemptions may be in effect for less than 10 days).---------------------------------------------------------------------------c. Discussion of Final Rule--Commission Stay of Pending Applications and Requests for Additional Information The Commission has determined to finalize Sec. 150.9(e)(5) with certain modifications and clarifications in response to commenters and other considerations. In response to commenters' requests, the Commission is modifying its stay authority under proposed Sec. 150.9(e)(5). Under the Final Rule, any Commission stay issued pursuant to Sec. 150.9(e)(5) will be limited to 45 days. The Commission has a long history of conducting other extensive regulatory reviews within a 45-day period.\1110\ The Commission has found that this timeframe provides sufficient time for the Commission to conduct an adequate review while also providing certainty to market participants that the review will not be indefinite.--------------------------------------------------------------------------- \1110\ See 17 CFR 40.3 and 40.5 (providing the Commission's 45-day review period for new product and rule approval applications).--------------------------------------------------------------------------- The Commission is also clarifying in final Sec. 150.9(e)(5) that if the Commission stays a pending application where the applicant has not yet exceeded Federal position limits, then the applicant may not exceed Federal position limits until the Commission issues a final determination. Further, if the Commission stays a pending application and the applicant has already exceeded Federal position limits (either during the Commission's 10-day review period or as part of a retroactive application), then the applicant may continue to maintain its position unless the Commission notifies the designated contract market or swap execution facility and the applicant otherwise, pursuant to Sec. 150.9(e)(6). In addition to the changes above, the Commission is making several technical edits to improve readability, none of which impact the substance of the section.iv. Section 150.9(e)(6)--Commission Determination for Applications During the 10/2-Day Review The following discussion addresses Sec. 150.9(e)(6), which deals with any Commission determinations that are issued for pending applications and during the Commission's 10/2-day review.a. Summary of the 2020 NPRM--Commission Determination for Applications During the 10/2-Day Review Under proposed Sec. 150.9(e)(6), if the Commission determined that an application does not meet the conditions set forth in proposed Sec. 150.9(b), the Commission would notify the exchange and the applicant and provide an opportunity for the applicant to respond. After doing so, the Commission could, in its discretion, deny the application for purposes of Federal position limits, and require the person to reduce the position within a commercially reasonable amount of time, as determined by the Commission in consultation with the applicant and the exchange. In such a case, the applicant would not be subject to any finding of a position limits violation during the Commission's review of a pending application or after the Commission makes its determination. A person would also not be subject to a violation if they already exceeded Federal position limits and filed a retroactive application, and the Commission then determined that the bona fide hedge is not approved for purposes of Federal position limits. In either case, the 2020 NPRM provided that the Commission would not find that the person had committed a position limits violation so long as the person brings the position into compliance within a commercially reasonable time.b. Comments--Commission Determination for Applications During the 10/2-Day Review Commenters requested that the Commission allow traders sufficient time to exit a position if the Commission denies an exchange-approved non-enumerated bona fide hedge application before the end of the 10/2-day review period.\1111\--------------------------------------------------------------------------- \1111\ CMC at 12 (requesting a commercially reasonably amount of time to exit positions); ADM at 6 (requesting, in addition, that the Commission consult exchanges on what is a commercially reasonable amount of time for an applicant to exit a position); CME Group at 7-8.---------------------------------------------------------------------------[[Page 3378]]c. Discussion of Final Rule--Commission Determination for Applications During the 10/2-Day Review The Commission has determined to finalize Sec. 150.9(e)(6) with certain modifications and clarifications in response to commenters and other considerations. First, for the avoidance of doubt and in response to comments, the Commission clarifies and reiterates how it will handle any determination to deny an application under final Sec. 150.9(e)(6). Generally, if the Commission denies an application under Sec. 150.9(e)(6), and the applicant consequently is required to reduce its position below the applicable Federal position limit, the Commission will allow the applicant a commercially reasonable amount of time to do so. The Commission will determine the commercially reasonable amount of time in consultation with the relevant exchange and the applicant. The Commission intends for the applicant and the relevant exchange to have input regarding what amount of time is sufficient. Further, the Commission is clarifying for final Sec. 150.9(e)(6) that it expects all applicants to submit their applications in good faith. As part of that good faith submission, the Commission expects each applicant will have a reasonable basis for determining that the purported non-enumerated bona fide hedge meets the requirements of Sec. 150.9(b). Accordingly, the Commission is revising Sec. 150.9(e)(6) to clarify that the Commission will not pursue an enforcement action for a position limits violation for the applicant holding the position if the applicant exceeds Federal position limits during the 10/2-day review and the Commission subsequently determines to deny the application, so long as: (1) The application was submitted to the exchange pursuant to Sec. 150.9 in good faith, and (2) if required, the applicant reduces its positions within a commercially reasonable amount of time. In addition, the Commission is making several non-substantive clarifications to final Sec. 150.9(e)(6). The Commission is clarifying that this section deals with any Commission determination issued for pending applications during the 10/2-day review period (as opposed to Commission determinations issued under Sec. 150.9(f) after the 10/2-day review period). The Commission is also adding language to clarify that the Commission must notify the applicant and relevant exchange of any determination within the 10/2-day review period. In addition, the Commission is adding language to clarify that Sec. 150.9(e)(6) is not limited to Commission denials of applications; rather, the Commission could also determine to issue an approval with certain conditions or limitations that may be different from the approval issued by the exchange for purposes of exchange-set limits. Finally, the Commission is making various non-substantive technical and organizational changes to make the section more readable.v. Section 150.9(e)--Recognition of Additional Enumerated Bona Fide Hedgesa. Summary of the 2020 NPRM--Recognition of Additional Enumerated Bona Fide Hedges Proposed Appendix A to the Final Rule identified each of the enumerated bona fide hedges, and under the 2020 NPRM, the Commission's recognition of a non-enumerated bona fide hedge, pursuant to Sec. 150.3 or Sec. 150.9, would not add new bona fide hedges to the list of enumerated bona fide hedges in Appendix A.b. Comments--Recognition of Additional Enumerated Bona Fide Hedges Commenters requested that the Commission codify a path to move commonly granted non-enumerated bona fide hedge recognitions to the list of enumerated bona fide hedge recognitions in Appendix A.\1112\--------------------------------------------------------------------------- \1112\ See MGEX at 4; EPSA at 5-7; COPE at 5; FIA at 19 (noting that the process should be subject to the notice and comment rulemaking process); ICE at 10; and IFUS at 7 (requesting that such process also require Commission staff to provide an annual report to the Commission recommending non-enumerated bona fide hedges that should be enumerated).---------------------------------------------------------------------------c. Discussion of Final Rule--Recognition of Additional Enumerated Bona Fide Hedges The Commission has determined to finalize the approach as proposed. Regarding a path forward for the Commission to expand the list of enumerated bona fide hedges to include certain non-enumerated bona fide hedges that are commonly granted, the Commission notes that it has an existing rulemaking process (which requires public notice and comment) to accomplish this. The Commission also clarifies, for the avoidance of doubt, that it remains open to expanding the list of enumerated hedges, as appropriate, but that the Commission would be required to do so under its existing rulemaking process subject to public notice and comment. Market participants are welcome to request that the Commission take up future rulemakings to amend the list of enumerated bona fide hedges.\1113\--------------------------------------------------------------------------- \1113\ Market participants may petition the Commission to expand the list of enumerated bona fide hedges under existing Sec. 13.1, which provides that any ``person may file a petition with . . . the Commission . . . for the issuance, amendment or repeal of a rule of general application.''---------------------------------------------------------------------------8. Section 150.9(f)--Commission Revocation of an Approved Applicationi. Summary of 2020 NPRM--Commission Revocation of an Approved Application Proposed Sec. 150.9(f) set forth the limited circumstances under which the Commission would revoke a previously-approved non-enumerated bona fide hedge recognition granted pursuant to proposed Sec. 150.9 First, under proposed Sec. 150.9(f)(1), if an exchange limits, conditions, or revokes its recognition of a non-enumerated bona fide hedge that was previously approved under Sec. 150.9, then such bona fide hedge would also be deemed limited, conditioned, or revoked for purposes of Federal position limits. Next, under proposed Sec. 150.9(f)(2), if the Commission determines that an application that has been approved or deemed approved by the Commission is no longer consistent with the applicable sections of the Act and the Commission's regulations, the Commission could revoke the non-enumerated bona fide hedge recognition and/or require the person to reduce its position within a commercially reasonable time, or otherwise come into compliance. Under proposed Sec. 150.9(f)(2), if the Commission makes such determination, it would need to first notify the person holding the position and provide them with an opportunity to respond. The Commission would also provide a notification briefly explaining the nature of the issues raised and the regulatory provision with which the position is inconsistent. If the Commission requires the person to reduce the position, the Commission would allow the person a commercially reasonable amount of time to do so, as determined by the Commission in consultation with the applicable exchange and applicant. Finally, under the 2020 NPRM, the Commission would not find that the person has committed a position limit violation so long as the person comes into compliance within the commercially reasonable time.[[Page 3379]]ii. Comments--Commission Revocation of an Approved Application Commenters' views on proposed Sec. 150.9(f) tended to overlap with their views on the Commission's determination authority under Sec. 150.9(e)(6) (discussed above). In particular, commenters requested that the Commission allow traders sufficient time to exit a position if the Commission revokes a previously approved non-enumerated bona fide hedge recognition.\1114\ Commenters also requested that the Commission further clarify that an applicant will not be penalized for relying on an approved non-enumerated bona fide hedge recognition if the Commission later revokes such approval after the 10/2-day review period.\1115\--------------------------------------------------------------------------- \1114\ CMC at 12 (requesting a commercially reasonable amount of time to exit positions); ADM at 6 (requesting, in addition, that the Commission consult exchanges on what is a commercially reasonably amount of time for an applicant to exit a position). \1115\ CMC at 12; ADM at 6.---------------------------------------------------------------------------iii. Discussion of Final Rule--Commission Revocation of an Approved Application The Commission has determined to finalize Sec. 150.9(f) with certain modifications and clarifications in response to commenters and other considerations. First, under the Final Rule, if the Commission limits, conditions, or revokes a previously approved non-enumerated bona fide hedge recognition under Sec. 150.9(f)(2), and the applicant consequently is required to reduce its position below the applicable Federal position limit, the Commission will allow the applicant a commercially reasonable amount of time to do so. The Commission will determine the commercially reasonable amount of time in consultation with the relevant exchange and the applicant. The Commission intends for the applicant and the relevant exchange to have input regarding what amount of time is sufficient. Further, if the Commission limits, conditions, or revokes a previously approved non-enumerated bona fide hedge recognition under Sec. 150.9(f)(2), the Commission will not pursue an enforcement action for a position limits violation for the person holding the position in excess of Federal position limits so long as the person: (1) Submitted its application pursuant to Sec. 150.9 in good faith,\1116\ and (2) if required, reduces the position within a commercially reasonable amount of time as determined by the Commission in consultation with the person and the relevant exchange.--------------------------------------------------------------------------- \1116\ See supra Section II.G.7 (providing additional discussion of the premise that a person submit their Sec. 150.9 application in good faith).--------------------------------------------------------------------------- The Commission is revising the title of final Sec. 150.9(f) to clarify that this section is limited to revocations of non-enumerated bona fide hedges previously approved by the Commission. The Commission is also adding language to final Sec. 150.9(f)(2)(i) (consistent with language in Sec. 150.9(f)(1)) to clarify that, in addition to revoking a previously-granted non-enumerated bona fide hedge recognition, the Commission could alternatively determine to limit or condition a previously-granted recognition. The Commission believes that there could be circumstances where it would not need to completely revoke a previously-granted recognition, but instead may determine a less drastic measure is more appropriate to enable a market participant to achieve compliance with the applicable requirements. Finally, the Commission is revising Sec. 150.9(f)(2)(iii) to include the same language that it added to Sec. 150.9(e)(6) to explicitly make clear an underlying premise that the Commission will not pursue Federal position limits violations so long as any applications are filed in good faith. Finally, the Commission is making a number of technical and grammatical corrections in Sec. 150.9(f) that are not substantive revisions. In addition to the clarifications and modifications above, the Commission would like to reiterate the following explanations and guidance from the 2020 NPRM. The Commission expects for persons to be able to rely on non-enumerated bona fide hedge recognitions granted pursuant to Sec. 150.9 with the certainty that the final determination would only be limited, conditioned, or revoked in very limited circumstances. The Commission expects that it (and not Commission staff) would only exercise such authority under rare circumstances where the disposition of an application has resulted, or is likely to result, in price anomalies, threatened manipulation, actual manipulation, market disruptions, or disorderly markets. The Commission also expects that any action compelling a market participant to reduce its position pursuant to Sec. 150.9(f)(2) would be a rare Commission action, and such action is not delegated to Commission staff. In determining requirements for a person to reduce a position, the Commission may consult the person and relevant exchange, and may also consider factors such as current market conditions and the protection of price discovery in the market. Finally, for the avoidance of doubt, the Commission expects that its exercise of its authorities under Sec. 150.9(f)(2) would not be subject to the requirements of CEA section 8a(9), that is, the Commission would not be compelled to find that a CEA section 8a(9) emergency condition exists prior to requiring that a market participant reduce certain positions.9. Section 150.9(g)--Delegation of Authority to the Director of the Division of Market Oversighti. Summary of the 2020 NPRM--Delegation of Authority to the Director of the Division of Market Oversight The Commission proposed to delegate certain of its authorities under proposed Sec. 150.9 to the Director of the Commission's Division of Market Oversight, or such other employee(s) that the Director may designate from time to time. Proposed Sec. 150.9(g)(1) would delegate the Commission's authority, in Sec. 150.9(e)(5), to request additional information from the exchange and applicant. The Commission did not propose, however, to delegate its authority, in proposed Sec. 150.9(e)(5) and (6) to stay or deny a non-enumerated bona fide hedge application. The Commission also did not delegate its authority in proposed Sec. 150.9(f)(2) to revoke a non-enumerated bona fide hedge recognition granted pursuant to Sec. 150.9, or to require an applicant to reduce its positions or otherwise come into compliance. The Commission stated that if an exchange's disposition of an application raises concerns regarding consistency with the CEA, presents novel or complex issues, or requires remediation, then the Commission (and not Commission staff) would make the final determination, after taking into consideration any supplemental information provided by the exchange or the applicant. As with all authorities delegated by the Commission to staff, under the 2020 NPRM, the Commission would maintain the authority to consider any matter which has been delegated. The Commission stated in the 2020 NPRM that it intended to closely monitor staff administration of the proposed processes for granting non-enumerated bona fide hedge recognitions.ii. Comments and Summary of the Commission Determination--Delegation of Authority to the Director of the Division of Market Oversight The Commission did not receive comments on proposed Sec. 150.9(g). The Commission is finalizing Sec. 150.9(g) with one revision to reorganize certain text to improve readability. This update is not[[Page 3380]]intended to change the substance of this section.H. Part 19 and Related Provisions--Reporting of Cash-Market Positions1. Background Key reports currently used for purposes of monitoring compliance with Federal position limits include Form 204 \1117\ and Parts I and II of Form 304,\1118\ known collectively as the ``series `04'' reports. Under existing Sec. 19.01, market participants that hold bona fide hedging positions in excess of limits for the nine legacy ***agricultural*** contracts currently subject to Federal position limits must justify such overages by filing the applicable report each month: Form 304 for cotton, and Form 204 for the other commodities.\1119\ These reports are: Generally filed after exceeding the Federal position limit; show a snapshot of such trader's cash positions on one given day each month; and are used by the Commission to determine whether a trader has sufficient cash positions to justify futures and options on futures positions above the speculative limits.--------------------------------------------------------------------------- \1117\ CFTC Form 204: Statement of Cash Positions in Grains, Soybeans, Soybean Oil, and Soybean Meal, available at [*https://www.cftc.gov/sites/default/files/idc/groups/public/@forms/documents/file/cftcform204.pdf*](https://www.cftc.gov/sites/default/files/idc/groups/public/@forms/documents/file/cftcform204.pdf) (existing Form 204). \1118\ CFTC Form 304: Statement of Cash Positions in Cotton, available at [*http://www.cftc.gov/ucm/groups/public/@forms/documents/file/cftcform304.pdf*](http://www.cftc.gov/ucm/groups/public/@forms/documents/file/cftcform304.pdf) (existing Form 304). Parts I and II of Form 304 address fixed-price cash positions used to justify cotton positions in excess of Federal position limits. As described below, Part III of Form 304 addresses unfixed-price cotton ``on-call'' information, which is not used to justify cotton positions in excess of limits, but rather to allow the Commission to prepare its weekly cotton on-call report. \1119\ 17 CFR 19.01 --------------------------------------------------------------------------- The existing series `04 reports are both duplicative of, and inconsistent with, the processes market participants use to report cash-market information to the exchanges. When granting exemptions from their own limits, exchanges do not use a monthly cash-market reporting framework akin to the `04 reports. Instead, exchanges generally require market participants who wish to exceed exchange-set limits, including for bona fide hedging positions, to submit an annual exemption application form in advance of exceeding the limits.\1120\ Such applications are typically updated annually and generally include a month-by-month breakdown of cash-market positions for the previous year supporting any position-limits overages during that period.\1121\--------------------------------------------------------------------------- \1120\ See, e.g , ICE Rule 6.29 and CME Rule 559. \1121\ For certain physically-delivered ***agricultural*** contracts, some exchanges may require that spot month exemption applications be renewed several times a year for each spot month, rather than annually.---------------------------------------------------------------------------2. Elimination of Form 204 and Cash-Reporting Elements of Form 304i. Summary of the 2020 NPRM--Elimination of Form 204 and Cash-Reporting Elements of Form 304 The Commission proposed to eliminate existing Form 204. The Commission also proposed to eliminate Parts I and II of existing Form 304, which request information on cash-market positions for cotton akin to the information requested in Form 204.\1122\ As discussed in the 2020 NPRM, the Commission believed that eliminating these forms would reduce duplicative reporting requirements for market participants without hindering the Commission's ability to access cash-market information, which the exchanges would be required to collect and provide to the Commission under proposed Sec. Sec. 150.3, 150.5, and 150.9 \1123\--------------------------------------------------------------------------- \1122\ Part III of Form 304, which addresses cotton-on-call, is discussed below. \1123\ 78 FR at 11694, 11655-11656.--------------------------------------------------------------------------- For a market participant accustomed to filing series `04 reports the 2020 NPRM would result in a slight change in practice. Under the 2020 NPRM, such participant's bona fide hedge recognitions could still be self-effectuating for purposes of Federal position limits, provided that the market participant also separately applies for a bona fide hedge exemption from exchange-set limits established pursuant to proposed Sec. 150.5(a), discussed above, and provided further that the participant submits the requisite cash-market information to the exchange as required by proposed Sec. 150.5(a)(2)(ii)(A).ii. Summary of the Commission Determination--Elimination of Form 204 and Cash-Reporting Elements of Form 304 The Commission has carefully considered the comments received and is eliminating existing Form 204 and Parts I and II of existing Form 304 as proposed.iii. Comments--Elimination of Form 204 and Cash-Reporting Elements of Form 304 Numerous commenters supported the elimination of the Form 204 and Parts I and II of the Form 304.\1124\ In particular, several commenters supported the proposed streamlined process that eliminates duplicative reporting requirements to both the Commission and the exchanges.\1125\ ISDA additionally recommended that the Commission rely on its special call authority and relevant exchange authority to request additional information on an as-need basis.\1126\--------------------------------------------------------------------------- \1124\ See, e.g , ACSA at 3; AMCOT at 2-3; ACA at 3; Canale Cotton at 3; Cargill at 9-10; CCI at 2; CEWG at 4; Chevron at 3; CHS at 2, 6; CMC at 12; COPE at 3-4; DECA at 2; East Cotton at 3; Ecom at 1; EEI at 7; EPSA at 7; FIA at 3; IMC at 3; ISDA at 9-10; Jess Smith at 3; LDC at 2; Mallory Alexander at 2; McMeekin at 2-3; Memtex at 2-3; Moody Compress at 2; Namoi at 1; NCFC at 2; Olam at 3; Omnicotton at 2-3; Parkdale at 2; SEMI at 3; Shell at 4; SCA at 3; SW Ag at 2-3; Texas Cotton at 2-3; Toyo at 2-3; Walcot at 3; WCSA at 3; White Gold at 2-3. \1125\ See, e.g , Cargill at 9-10; CCI at 2; CEWG at 4; COPE at 3-4; ISDA at 10. \1126\ ISDA at 10.--------------------------------------------------------------------------- Three commenters opposed the elimination of the series `04 reports. In particular, AFR and Rutkowski expressed concern that eliminating Form 204 will delegate position limit oversight and enforcement responsibilities to the exchanges.\1127\ These commenters contended that the exchanges are financially disincentivized from imposing limits on speculation because the exchanges profit from trading volume.\1128\ Similarly, Better Markets also opposed the elimination of the series `04 reports, contending that Federal law provides more substantial deterrents for misreporting information on a form provided to Federal agencies such as the Commission.\1129\--------------------------------------------------------------------------- \1127\ AFR at 2-3; Rutkowski at 2. \1128\ Id. \1129\ Better Markets at 59-60.--------------------------------------------------------------------------- Better Markets also commented that the reporting changes would increase the industry's overall reporting burdens because market participants would have to report information to multiple exchanges.\1130\ Better Markets suggested that the Commission should instead ``ensure that all cash positions reporting is automated'' and ``amenable to aggregation'' in order to provide such information to the exchanges.\1131\--------------------------------------------------------------------------- \1130\ Id. at 59. \1131\ Id. at 60.---------------------------------------------------------------------------iv. Discussion of Final Rule--Elimination of Form 204 and Cash-Reporting Elements of Form 304 The Commission is eliminating Form 204 and Sections I and II of existing Form 304, as proposed. For the reasons described below and as discussed in the 2020 NPRM, the Commission believes that the elimination of these forms will reduce duplication and inefficiency resulting from market participants submitting cash-market information to both the Commission and the exchanges under the existing framework.\1132\ As described below, under the approach[[Page 3381]]adopted herein, the Commission will receive any necessary information related to market participants' recognized bona fide hedges by leveraging existing expertise and processes at the exchanges, as well as information that market participants will be required to submit to exchanges under the Final Rule.--------------------------------------------------------------------------- \1132\ 85 FR at 11694.--------------------------------------------------------------------------- The Commission finds comments that the elimination of the series `04 reports would require the Commission to delegate authority to the exchanges to be misplaced for several reasons. First, by eliminating the series `04 reports, the Commission is not delegating any oversight or enforcement responsibilities to the exchanges. The CEA establishes the statutory framework under which the Commission operates.\1133\ Even without the series `04 reports, the Commission will continue to administer the CEA to monitor and protect the derivatives markets, market users, and the public from fraud, manipulation, and other abusive practices that are prohibited by the CEA and Commission regulations. The Commission will continue to do so through its market surveillance program,\1134\ rule enforcement reviews,\1135\ and other regulatory tools. The Commission will also continue to investigate and prosecute persons who violate the CEA and Commission regulations in connection with derivatives trading on exchanges and related conduct in cash-market commodities.\1136\--------------------------------------------------------------------------- \1133\ See 7 U.S.C 2(a)(1). \1134\ CFTC Market Surveillance Program, U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/IndustryOversight/MarketSurveillance/CFTCMarketSurveillanceProgram/index.htm#P5\_912*](https://www.cftc.gov/IndustryOversight/MarketSurveillance/CFTCMarketSurveillanceProgram/index.htm#P5_912). The Commission's Market Surveillance Program is responsible for collecting market ***data*** and position information from registrants and large traders, and for monitoring the daily activities of large traders, key price relationships, and relevant supply and demand factors in a continuous review for potential market problems. Id. \1135\ The Commission conducts regular rule enforcement reviews of each exchange's audit trail, trade practice surveillance, disciplinary, and dispute resolution programs for ongoing compliance with the Core Principles. See Rule Enforcement Reviews of Designated Contract Markets, U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/IndustryOversight/TradingOrganizations/DCMs/dcmruleenf.html*](https://www.cftc.gov/IndustryOversight/TradingOrganizations/DCMs/dcmruleenf.html). \1136\ Enforcement, U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/LawRegulation/Enforcement/OfficeofDirectorEnforcement.html.---------------------------------------------------------------------------*](https://www.cftc.gov/LawRegulation/Enforcement/OfficeofDirectorEnforcement.html.---------------------------------------------------------------------------) Second, the elimination of Form 204 and the cash-market reporting portions of Form 304 will not hinder the Commission's access to the cash-market information needed for the Commission to effectuate its oversight and enforcement responsibilities. Instead, the Commission is ensuring that it will continue to have access to sufficient cash-market information by adopting several reporting and recordkeeping requirements in final Sec. Sec. 150.3, 150.5, and 150.9 \1137\ In particular, under Sec. 150.5, an exchange will be required to collect applications, which must be updated at least on an annual basis, for purposes of granting bona fide hedge recognitions from exchange-set limits for contracts subject to Federal position limits,\1138\ and for recognizing bona fide hedging positions for purposes of Federal position limits.\1139\ Among other things, each application will be required to include: (1) Information regarding the applicant's activity in the cash markets for the underlying commodity; and (2) any other information to enable the exchange and the Commission to determine whether the exchange may recognize such position as a bona fide hedge.\1140\ Additionally, consistent with existing industry practice for certain exchanges, exchanges will be required to file monthly reports to the Commission showing, among other things, for all bona fide hedges (whether enumerated or non-enumerated), a concise summary of the applicant's activity in the cash markets.\1141\--------------------------------------------------------------------------- \1137\ As discussed earlier in this Final Rule, Final Sec. 150.9 also includes reporting and recordkeeping requirements pertaining to spread exemptions. Those requirements will not be discussed again in this Section of the Final Rule, which addresses cash-market reporting in connection with bona fide hedges. \1138\ See Final Sec. 150.5(a)(2)(ii)(A). \1139\ As discussed above in connection with Final Sec. 150.9, market participants who wish to request a bona fide hedge recognition under Sec. 150.9 will not be required to file such applications with both the exchange and the Commission. They will only file the applications with the exchange, which will then be subject to recordkeeping requirements in Final Sec. 150.9(d), as well as Final Sec. Sec. 150.5 and 150.9 requirements to provide certain information to the Commission on a monthly basis and upon demand. \1140\ See Final Sec. 150.5(a)(2)(ii)(G). \1141\ See Final Sec. 150.5(a)(4).--------------------------------------------------------------------------- Collectively, final Sec. Sec. 150.5 and 150.9 will provide the Commission with the same substantive information from monthly reports about all recognitions granted for purposes of contracts subject to Federal position limits, including cash-market information supporting the applications, and annual information regarding all month-by-month cash-market positions used to support a bona fide hedging recognition. These reports will help the Commission determine whether any person who claims a bona fide hedging position can demonstrate satisfaction of the relevant requirements. This information will also help the Commission perform market surveillance in order to detect and deter manipulation and abusive trading practices in physical commodity markets. While the Commission will no longer receive the monthly snapshot ***data*** currently included on the series `04 reports, the Commission will have broad access, at any time, to the cash-market information described above, as well as any other ***data*** or information exchanges collect as part of their application processes.\1142\ This will include any updated application forms and periodic reports that exchanges may require applicants to file regarding their positions. To the extent that the Commission observes market activity or positions that warrant further investigation, Sec. 150.9 will also provide the Commission with access to any supporting or related records the exchanges will be required to maintain.\1143\--------------------------------------------------------------------------- \1142\ See, e.g , Final Sec. 150.9(d) (requiring that all such records, including cash-market information submitted to the exchange, be kept in accordance with the requirements of Sec. 1.31), and Final Sec. 19.00(b) (requiring, among other things, all persons exceeding speculative position limits who have received a special call to file any pertinent information as specified in the call). \1143\ See Final Sec. 150.9(d).--------------------------------------------------------------------------- Furthermore, the Final Rule will not impact the Commission's existing provisions for gathering information through special calls relating to positions exceeding limits and/or to reportable positions. As discussed further below, under the Final Rule, all persons exceeding the Federal position limits set forth in final Sec. 150.2, as well as all persons holding or controlling reportable positions pursuant to Sec. 15.00(p)(1), must file any pertinent information as instructed in a special call.\1144\--------------------------------------------------------------------------- \1144\ See Final Sec. 19.00(b).--------------------------------------------------------------------------- In response to commenter concerns that elimination of the series `04 reports may increase reliance on exchanges which may lack incentives to impose position limits, the Commission does not view the question of whether exchanges impose speculative position limits in this context as a matter of incentives. Even with the elimination of the series `04 reports, exchanges will be under statutory and regulatory obligations, as they are today, to establish speculative position limits for all contracts subject to Federal position limits.\1145\ Additionally, as discussed above, the Commission does not believe that exchanges generally lack proper incentives to maintain the integrity of their markets; to the contrary, they are subject to various statutory core principles and regulatory obligations[[Page 3382]]that require them to maintain integrity in their markets.\1146\ Further, exchanges will remain subject to regulatory oversight and enforcement responsibilities required for DCMs by CEA section 5(d) and part 38 of the Commission's regulations and for SEFs by CEA section 5h and part 37 of the Commission's regulations.\1147\ Specifically, several existing Commission regulations in parts 38 and 37 require exchanges to monitor for violations of exchange-set position limits,\1148\ and detect and prevent manipulation, price distortions and, where possible, disruptions of the physical-delivery or cash-settlement process.\1149\--------------------------------------------------------------------------- \1145\ See 7 U.S.C 7(d)(5) and Sec. 150.5(a). \1146\ For further discussion, see Section II.B.3.iii.b(3)(iii) (addressing comments from Better Markets related to conflicts-of-interest). \1147\ See 7 U.S.C 7(d); 17 CFR 38; 7 U.S.C 7b-3(f); 17 CFR 37. \1148\ See 17 CFR 38.251(d); 17 CFR 37.205(b). \1149\ See 17 CFR 38.251(a); 17 CFR 37.205(a).--------------------------------------------------------------------------- In response to Better Markets' concern that eliminating the '04 reports will reduce deterrents for misreporting, the Commission believes that the false reporting provision in Section 9(a)(4) of the CEA, which makes it a felony to make any false statements to an exchange, is sufficient to deter market participants from misreporting cash-market information to exchanges.\1150\--------------------------------------------------------------------------- \1150\ 7 U.S.C 13(a)(4). The Commission has not hesitated to impose severe penalties on market participants that mislead exchanges about cash positions. See, e.g , In the Matter of EMF Financial Products LLC, CFTC Docket No. 10-02, U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/PressRoom/PressReleases/5751-09*](https://www.cftc.gov/PressRoom/PressReleases/5751-09) (imposing a $4,000,000 civil monetary penalty on a firm that misled an exchange about the firm's cash positions in treasury futures). See also supra Section II.D.9 (discussing Commission enforcement of exchange-set position limits).--------------------------------------------------------------------------- Further, the Commission disagrees with Better Markets' concerns about increased burdens. Given that market participants are currently required both to file the series `04 reports with the Commission, and to submit cash-market information to the exchanges, eliminating the series `04 reports will reduce burdens on market participants.\1151\ In fact, the Commission did not receive any comments opposing the elimination of the series `04 reports from traders who currently have an obligation to file such forms. While the Commission supports streamlined and automated reporting requirements whenever possible, Better Markets has not identified any practicable method or program that would permit the automated reporting of the kinds of disparate cash-market information currently reflected in Forms 204 and 304.--------------------------------------------------------------------------- \1151\ See infra Section IV.A.5.iii (discussing the benefits of elimination of Form 204 and amendment of Form 304).--------------------------------------------------------------------------- In addition to the justifications for eliminating the series `04 reports described above, the Commission has also determined that Form 204, including the timing and procedures for its filing, is inadequate for the reporting of cash-market positions relating to certain energy contracts, which will be subject to Federal position limits for the first time under the Final Rule. For example, when compared to ***agricultural*** contracts, energy contracts generally expire more frequently, have a shorter delivery cycle, and have significantly more product grades. The information required by Form 204, as well as the timing and procedures for its filing, reflects the way ***agricultural*** contracts trade, but is inadequate for purposes of reporting cash-market information involving energy contracts. Finally, the Commission understands that the exchanges maintain regular dialogue with their participants regarding cash-market positions, and that it is common for exchange surveillance staff to make informal inquiries of market participants, including if the exchange has questions about market events or a participant's use of an exemption or recognition. The Commission encourages exchanges to continue this practice. Similarly, the Commission anticipates that its own staff will engage in dialogue with market participants, either through the use of informal conversations or, in limited circumstances, via special call authority.3. Changes to Parts 15 and 19 To Implement the Elimination of Form 204 and Portions of Form 304i. Background--Changes to Parts 15 and 19 To Implement the Elimination of Form 204 and Portions of Form 304 The market and large-trader reporting rules are contained in parts 15 through 21 of the Commission's regulations. Collectively, these reporting rules effectuate the Commission's market and financial surveillance programs by enabling the Commission to gather information concerning the size and composition of the commodity derivative markets and to monitor and enforce any established speculative position limits, among other regulatory goals.ii. Summary of the 2020 NPRM--Changes to Parts 15 and 19 To Implement the Elimination of Form 204 and Portions of Form 304 To effectuate the proposed elimination of Form 204 and the cash-market reporting components of Form 304, the Commission proposed to eliminate: (a) Existing Sec. 19.00(a)(1), which requires persons holding reportable positions which constitute bona fide hedging positions to file a Form 204; and (b) existing Sec. 19.01, which, among other things, sets forth the cash-market information required on Forms 204 and 304.\1152\ Based on the proposed elimination of existing Sec. Sec. 19.00(a)(1) and 19.01 and Form 204, the Commission proposed conforming technical changes to remove related reporting provisions from: (i) The ``reportable position'' definition in Sec. 15.00(p); (ii) the list of ``persons required to report'' in Sec. 15.01; and (iii) the list of reporting forms in Sec. 15.02 --------------------------------------------------------------------------- \1152\ 17 CFR 19.01 ---------------------------------------------------------------------------iii. Comments and Summary of the Commission Determination--Changes to Parts 15 and 19 To Implement the Elimination of Form 204 and Portions of Form 304 The Commission did not receive any comments on the conforming changes to parts 15 and 19 that implement the elimination of Form 204 and Sections I and II of Form 304, and is adopting the changes as proposed.4. Special Callsi. Summary of the 2020 NPRM--Special Calls Notwithstanding the proposed elimination of the series `04 reports, the Commission did not propose to make any significant substantive changes to information requirements relating to positions exceeding limits and/or to reportable positions. Accordingly, in proposed Sec. 19.00(b), the Commission proposed that all persons exceeding the proposed limits set forth in Sec. 150.2, as well as all persons holding or controlling reportable positions pursuant to Sec. 15.00(p)(1), must file any pertinent information as instructed in a special call. This proposed provision is similar to existing Sec. 19.00(a)(3), but would require any such person to file the information as instructed in the special call, rather than to file the information on a series `04 report.\1153\--------------------------------------------------------------------------- \1153\ 17 CFR 19.00(a)(3).--------------------------------------------------------------------------- The Commission also proposed to add language to existing Sec. 15.01(d) to clarify that persons who have received a special call are deemed ``persons required to report'' as defined in Sec. 15.01 \1154\ The Commission proposed this change to clarify an existing requirement found in Sec. 19.00(a)(3), which requires persons holding or controlling positions that are reportable[[Page 3383]]pursuant to Sec. 15.00(p)(1) who have received a special call to respond.\1155\ The proposed changes to part 19 operate in tandem with the proposed additional language for Sec. 15.01(d) to reiterate the Commission's existing special call authority without creating any new substantive reporting obligations. Finally, proposed Sec. 19.03 delegated authority to issue such special calls to the Director of the Division of Enforcement, and proposed Sec. 19.03(b) delegated to the Director of the Division of Enforcement the authority in proposed Sec. 19.00(b) to provide instructions or to determine the format, coding structure, and electronic ***data*** ***transmission*** procedures for submitting ***data*** records and any other information required under part 19.--------------------------------------------------------------------------- \1154\ 17 CFR 15.01 \1155\ 17 CFR 19.00(a)(3).---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Special Calls The Commission did not receive any comments on these changes and is adopting the changes to Sec. Sec. 15.01(d), Sec. 19.00(b), and 19.03(b) as proposed.5. Form 304 Cotton On-Call Reportingi. Summary of the 2020 NPRM--Form 304 Cotton On-Call Reporting With the proposed elimination of the cash-market reporting portions of Form 304 as described above, Form 304 would be used exclusively to collect the information needed to publish the Commission's weekly cotton on-call report, which shows the quantity of unfixed-price cash cotton purchases and sales that are outstanding against each cotton futures month.\1156\ While the Commission did not propose to eliminate the cotton on-call portions of Form 304, or to stop publishing the cotton on-call report, the Commission did request comment about the implications of doing so.\1157\--------------------------------------------------------------------------- \1156\ Cotton On-Call, U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/MarketReports/CottonOnCall/index.htm*](https://www.cftc.gov/MarketReports/CottonOnCall/index.htm) (weekly report). \1157\ Specifically, the Commission requested comments on the following issues: To what extent, and for what purpose, do market participants and others rely on the information contained in the Commission's weekly cotton on-call report; Whether publication of the cotton on-call report creates any informational advantages or disadvantages, and/or otherwise impact competition in any way; Whether the Commission should stop publishing the cotton on-call report, but continue to collect, for internal use only, the information required in Part III of Form 304 (Unfixed-Price Cotton ``On-Call''); Or alternatively, whether the Commission should stop publishing the cotton on-call report and also eliminate the Form 304 altogether, including Part III. See 85 FR at 11657.--------------------------------------------------------------------------- In addition to requesting comment regarding continued collection of the Form 304 and publication of the cotton-on-call report, the Commission proposed a number of technical changes to the Form 304. Under the 2020 NPRM, the requirements pertaining to that report would remain in proposed Sec. Sec. 19.00(a) and 19.02, with minor modifications to existing provisions. In particular, the Commission proposed to update cross references (including to renumber Sec. 19.00(a)(2) as Sec. 19.00(a)) and to clarify and update the procedures and timing for the submission of Form 304. Specifically, proposed Sec. 19.02(b) would require that each Form 304 report be made weekly, dated as of the close of business on Friday, and filed not later than 9 a.m Eastern Time on the third business day following that Friday using the format, coding structure, and electronic ***data*** ***transmission*** procedures approved in writing by the Commission. The Commission also proposed some modifications to the Form 304 itself, including conforming and technical changes to the organization, instructions, and required identifying information.\1158\--------------------------------------------------------------------------- \1158\ Among other things, the proposed changes to the instructions would clarify that traders must identify themselves on Form 304 using their Public Trader Identification Number, in lieu of the CFTC Code Number required on previous versions of Form 304. This change will help Commission staff to connect the various reports filed by the same market participants. This release includes a representation of the final Form 304, which is to be submitted in an electronic format published pursuant to this Final Rule, either via the Commission's web portal or via XML-based, secure FTP ***transmission***.---------------------------------------------------------------------------ii. Summary of the Commission Determination--Form 304 Cotton On-Call Reporting The Commission has determined to maintain the status quo as proposed by not eliminating the cotton on-call portions (currently Part III) of the Form 304, and by continuing to publish the cotton on-call report. The Commission is also adopting the proposed technical changes described above.iii. Comments--Form 304 Cotton On-Call Reporting Commenters were divided on the questions posed by the Commission on whether to retain Part III of the Form 304 and to continue publishing the weekly cotton on-call report. CMC, along with numerous commenters from the cotton industry, believed the Commission should eliminate Form 304 in its entirety and stop publishing the cotton on-call report.\1159\ For example, Namoi and ACSA both argued that the cotton on-call report allows market participants to see proprietary cash-market information for every other participant in the cotton market, which among other things, creates an opportunity for speculators to profit by trading against this publicly disclosed unfixed-price positions.\1160\ Additionally, Namoi and ACSA each highlighted that the Commission does not collect or publish similar information for any other commodities.\1161\ ACSA also argued that the cotton on-call report causes competitive harm to the U.S cotton industry because, according to ACSA, foreign mills believe that the report imposes risks and costs and are therefore more likely to purchase cotton from outside of the United States in order to avoid completing Part III of Form 304.\1162\ The NCTO suggested that textile mills are particularly harmed when speculators trade against the cash-market positions disclosed in the cotton on-call report because textile mills purchase the majority of their cotton on call.\1163\--------------------------------------------------------------------------- \1159\ ACA at 3; ACSA at 3, 9-11; Cargill at 10; CMC at 12; East Cotton at 3; McMeekin at 2-3; Namoi at 1-2; Omnicotton at 2-3; Texas Cotton at 2-3; Toyo at 2-3; Walcot at 3; and White Gold at 2. \1160\ Namoi at 1-2; ACSA at 9-11. \1161\ Namoi at 1-2. \1162\ ACSA at 9-11. \1163\ NCTO at 1-2.--------------------------------------------------------------------------- Conversely, several commenters, including other cotton industry members, stated that the Commission should continue to collect the information required by Form 304 and to publish the cotton on-call report.\1164\ For example, Glencore argued that discontinuing the report would reduce transparency, open the market to more manipulation, and harm smaller participants due to asymmetrical information.\1165\ Similarly, AMCOT argued that without the report, large participants, who ***account*** for a significant amount of the cotton bought or sold on call, would have an informational advantage over small producers who have less visibility into a large portion of the cotton market.\1166\--------------------------------------------------------------------------- \1164\ VLM Comment Text; Eric Matsen Comment Text; AMCOT at 2-3; Gerald Marshall at 3; Lawson/O'Neill at 1; Glencore at 2; and Dunavant at 1. \1165\ Glencore at 2; Dunavant at 1. \1166\ AMCOT at 2.---------------------------------------------------------------------------iv. Discussion of Final Rule--Form 304 Cotton On-Call Reporting After reviewing the comments discussed above, the Commission has decided to retain the cotton on-call portions (currently Section III) of existing Form 304 and to continue publishing its weekly cotton on-call report. Because the comments from cotton industry firms were divided, and[[Page 3384]]because the cotton on-call report has been a part of the cotton market for more than 80 years, the Commission believes that it would be imprudent to eliminate the report based solely on the information provided in the comment letters, which do not include any concrete ***data***, studies, or quantifiable financial harms. The Commission further notes that continued publication of the cotton on-call report will not change the existing dynamics of the cotton market. In the future, the Commission may solicit comments to determine whether the cotton on-call report continues to benefit the market and whether the report hinders the competitiveness of U.S firms in the global cotton market. The Commission may seek input from cotton market participants in the form of additional comments, ***data***, studies, or information about specific financial harms that would warrant discontinuing the report. The Commission emphasizes that it remains open to continuing to discuss this important issue with market participants and to receive additional ***data*** and information that may more concretely demonstrate the competitive harms discussed by commenters above.6. Proposed Technical Changes to Part 17i. Summary of the 2020 NPRM--Proposed Technical Changes to Part 17 Part 17 of the Commission's regulations addresses reports by reporting markets, FCMs, clearing members, and foreign brokers.\1167\ The Commission proposed to amend existing Sec. 17.00(b), which addresses information to be furnished by FCMs, clearing members, and foreign brokers, to delete certain provisions related to position aggregation, because those provisions have become duplicative of aggregation provisions that were adopted in Sec. 150.4 in the 2016 Final Aggregation Rulemaking.\1168\ The Commission also proposed to add a new provision, Sec. 17.03(i), which delegates certain authority under Sec. 17.00(b) to the Director of the Office of ***Data*** and Technology.\1169\--------------------------------------------------------------------------- \1167\ 17 CFR part 17. \1168\ See Final Aggregation Rulemaking, 81 FR at 91455. Specifically, the Commission proposes to delete paragraphs (1), (2), and (3) from Sec. 17.00(b). 17 CFR 17.00(b). \1169\ Under Sec. 150.4(e)(2), which was adopted in the 2016 Final Aggregation Rulemaking, the Director of the Division of Market Oversight is delegated authority to, among other things, provide instructions relating to the format, coding structure, and electronic ***data*** ***transmission*** procedures for submitting certain ***data*** records. 17 CFR 150.4(e)(2). A subsequent rulemaking changed this delegation of authority from the Director of the Division of Market Oversight to the Director of the Office of ***Data*** and Technology, with the concurrence of the Director of the Division of Enforcement. See 82 FR at 28763 (June 26, 2017). The proposed addition of Sec. 17.03(i) would conform Sec. 17.03 to that change in delegation.---------------------------------------------------------------------------ii. Comments and Summary of the Commission Determination--Proposed Technical Changes to Part 17 The Commission did not receive any comments addressing these changes and is adopting these technical changes as proposed.I. Removal of Part 1511. Summary of the 2020 NPRM--Removal of Part 151 Finally, the Commission proposed to remove and reserve part 151 in response to its vacatur by the U.S District Court for the District of Columbia,\1170\ as well as in light of the proposed revisions to part 150 that conform part 150 to the amendments made to CEA section 4a by the Dodd-Frank Act.--------------------------------------------------------------------------- \1170\ See supra notes 10-11 and accompanying discussion.---------------------------------------------------------------------------2. Comments and Summary of the Commission Determination--Removal of Part 151 The Commission did not receive any comments regarding these changes and is adopting these conforming changes as proposed.III. Legal Matters This section of the release sets forth certain legal determinations by the Commission that underlie the determinations regarding the specifics of the Final Rule set forth previously in this preamble, as well as the reasons for those legal determinations and consideration of relevant comments. Specifically, Part A sets forth the Commission's determination that, in a rulemaking pursuant to CEA section 4a(a)(2), the Commission must find position limits to be ``necessary'' within the meaning of paragraph 4a(a)(1). Part B sets forth the Commission's interpretation of the criteria for finding position limits to be necessary within the meaning of the statute. Part C sets forth the Commission's necessity findings for the 25 core referenced futures contracts. Part D sets forth the Commission's necessity finding for futures contracts and options on futures contracts linked to a core referenced futures contract. Finally, Part E sets forth the Commission's necessity finding for spot and non-spot months.A. Interpretation of Statute Regarding Whether Necessity Finding Is Required for Position Limits Established Pursuant to CEA Section 4a(a)(2)1. The Commission's Preliminary Interpretation in the 2020 NPRM In the 2020 NPRM the Commission considered whether CEA section 4a, as amended, requires the Commission to issue Federal position limits for all physical commodities other than excluded commodities without making its own antecedent finding that such position limits are necessary. This was in response to ISDA, in which the U.S District Court for the District of Columbia held that the CEA was ambiguous in that respect. Specifically, the court held that where CEA section 4a(a)(2) (``paragraph 4a(a)(2)'') states that the Commission shall issue such position limits ``[i]n accordance with the standards set forth in paragraph (1),'' \1171\ it is unclear whether the ``standards'' include the requirement in paragraph (1) of CEA section 4a(a) (``paragraph 4a(a)(1)'') that the Commission establish such limits as it ``finds are necessary to diminish, eliminate, or prevent'' specified burdens on interstate commerce.\1172\ In the 2020 NPRM, the Commission preliminarily determined that paragraph 4a(a)(2) should be interpreted as incorporating the necessity requirement of paragraph 4a(a)(1).\1173\ For the Final Rule, the Commission herein adopts that determination as final, along with the reasoning set forth in the 2020 NPRM.--------------------------------------------------------------------------- \1171\ Paragraph 4a(a)(1) of the CEA states, in relevant part: ``Excessive speculation in any commodity under contracts of sale of such commodity for future delivery made on or subject to the rules of contract markets or derivatives transaction execution facilities, or swaps that perform or affect a significant price discovery function with respect to registered entities causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the Commission shall, from time to time, after due notice and opportunity for hearing, by rule, regulation, or order, proclaim and fix such limits on the amounts of trading which may be done or positions which may be held by any person, including any group or class of traders, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market or derivatives transaction execution facility, or swaps traded on or subject to the rules of a designated contract market or a swap execution facility, or swaps not traded on or subject to the rules of a designated contract market or a swap execution facility that performs a significant price discovery function with respect to a registered entity as the Commission finds are necessary to diminish, eliminate, or prevent such burden.'' \1172\ Paragraphs 4a(a)(1) and 4a(a)(2)(A); ISDA, 887 F. Supp. 2d at 280-81. \1173\ 85 FR at 11659.---------------------------------------------------------------------------[[Page 3385]] The Commission's preliminary determination was based on a number of considerations, set forth in detail in the 2020 NPRM.\1174\ Consistent with the district court's instructions,\1175\ the Commission based its determination both on analysis of the CEA's statutory language and on application of the Commission's experience and expertise to relevant facts and policy concerns.\1176\ Among the most important factual and policy concerns relied upon by the Commission in the 2020 NPRM were:--------------------------------------------------------------------------- \1174\ Id. at 11659-11661. \1175\ The court directed the Commission, on remand, to resolve the ambiguity not by ``rest[ing] simply on its parsing of the statutory language'' but by ``bring[ing] its experience and expertise to bear in light of the competing interests at stake.'' 85 FR at 11659, quoting ISDA, 887 F. Supp. 2d at 281. \1176\ 85 FR at 11659-11661.--------------------------------------------------------------------------- a. Absent the necessity-finding requirement, the language of paragraph 4a(a)(2) would evidently require the imposition of some level of position limits for a physical commodity even if limits at any level would be likely to do more harm than good, including with respect to public interests specifically identified in paragraph 4a(a)(1) and elsewhere in section 4a or the CEA generally.\1177\ In addition to being inconsistent with the thrust of section 4a taken as a whole, this approach makes little sense as a matter of policy.\1178\--------------------------------------------------------------------------- \1177\ Id. at 11659, citing as examples CEA sections 5, 4a(a)(2)(C), and 4a(a)(3)(B). \1178\ Id. at 11660.--------------------------------------------------------------------------- b. Subparagraph 4a(a)(2)(A) requires that position limits be set ``as appropriate.'' At a minimum, this language requires the Commission to use its best judgment in determining the levels at which position limits are set. In addition, there is authority from case law that the word ``appropriate'' in a regulatory statute requires agencies to take into ***account*** the costs of regulation, if only in a rough or approximate way, and that consideration may preclude the considered action if the costs are highly disproportionate.\1179\ The statute thus allows for the possibility that, in establishing position limit levels for some commodities or contracts, the Commission, in its judgment, may determine that the optimal level is no limit at all. This possibility does not harmonize with a requirement to impose limits for all physical commodities, but is consistent with a requirement to impose limits where they are necessary.--------------------------------------------------------------------------- \1179\ See Michigan v. EPA, 132 S.Ct 2699, 2707-08, 2711 (2015) (agency could not disregard major costs under statute requiring that regulation be ``appropriate,'' but use of this word did not require formal cost-benefit analysis).--------------------------------------------------------------------------- c. Requiring position limits without a necessity finding would be a ``sea change'' in derivatives regulation since it would involve a shift from Federal limits on a small number of ***agricultural*** commodities to limits on all physical commodities.\1180\ The Commission was skeptical that Congress would have made such a change through ambiguous language.\1181\ The Commission noted that there are currently over 1,200 listed futures contracts on physical commodities and that there is no indication that Congress had concerns about, or even considered, all of them.\1182\ To the contrary, the legislative history suggests that enactment of paragraph 4a(a)(2) was driven, in part, by studies of potential excessive speculation in a small number of particularly important commodities.\1183\ This history is consistent with an interpretation of the statute as requiring position limits for commodities where controlling excessive speculation is most important, absent statutory language that unambiguously requires limits for all commodities.--------------------------------------------------------------------------- \1180\ 85 FR at 11660. \1181\ Id. \1182\ Id. \1183\ 85 FR at 1160 (discussing Congressional staff studies of potential excessive speculation in oil, natural gas, and wheat).--------------------------------------------------------------------------- d. A necessity finding allows the Commission to apply its experience and expertise to impose position limits where they are likely to do the most good, taking into consideration the fact that even well-crafted position limits create compliance costs and potentially may have a negative effect on liquidity and forms of speculation that benefit the market.\1184\--------------------------------------------------------------------------- \1184\ 85 FR at 11660.--------------------------------------------------------------------------- In the 2020 NPRM, the Commission recognized that it was proposing to change its interpretation regarding whether paragraph 4a(a)(2) incorporates a requirement to find position limits necessary.\1185\ The Commission noted that, in the preamble to the 2011 Final Rulemaking as well as the Commission's subsequent position limits proposals,\1186\ the Commission had interpreted paragraph 4a(a)(2) to mandate the imposition of position limits without the need for a necessity finding.\1187\ As part of its preliminary determinations in the 2020 NPRM that the CEA does require a necessity finding, the Commission explained in detail why the reasons it had previously given for the ``mandate'' approach do not compel that interpretation of the statute. Taken as a whole, such reasons are insufficiently persuasive to outweigh the factors that favor a necessity finding.\1188\--------------------------------------------------------------------------- \1185\ Id. at 11658. \1186\ See supra Section I.A \1187\ 85 FR at 11658. \1188\ 85 FR at 11661-64. CEA Section 4a(a)(2), which was enacted as part of the Dodd-Frank Act, directs the Commission to ``establish'' limits on positions. The Commission does not interpret this directive to apply to the nine legacy ***agricultural*** contracts included in the list of core referenced futures contracts because they are already subject to Federal position limits that have existed for decades based on prior necessity findings pursuant to CEA Section 4a(a)(1). Nevertheless, as discussed infra at Section III.C, the Commission has determined that such limits are necessary.---------------------------------------------------------------------------2. Comments on the Commission's Preliminary Interpretation in the 2020 NPRM and Commission Responses In response to the Commission's preliminary interpretation provided in the 2020 NPRM, a number of commenters stated that the Commission must make a necessity finding before establishing position limits under paragraph 4a(a)(2).\1189\ These commenters generally asserted that this result was required by the language of the statute, although they did not provide a detailed analysis of that language beyond that set forth in the 2020 NPRM.\1190\ Some commenters also asserted that a necessity finding is important to avoid imposing unwarranted costs on market participants, a position consistent with the policy concerns that entered into the Commission's preliminary determination that paragraph 4a(a)(2) requires a necessity finding.\1191\--------------------------------------------------------------------------- \1189\ E.g , Citadel at 2; EEI at 2-3; ISDA at 3; MFA/AIMA at 1, 14; SIFMA AMG at 1-2. \1190\ Id. \1191\ E.g , EEI at 3.--------------------------------------------------------------------------- A number of other commenters stated that the statute does not require a necessity finding for the establishment of position limits pursuant to paragraph 4a(a)(2).\1192\ These commenters made the following points:--------------------------------------------------------------------------- \1192\ E.g , AFR at 1; Better Markets at 3-4, 64; IATP at 4; NEFI at 2-3.--------------------------------------------------------------------------- a. Some commenters asserted that the language of paragraph 4a(a)(2) requires the Commission to establish position limits for all physical commodities without first determining that limits are necessary.\1193\ Commenters making this point emphasized the language of subparagraph 4a(a)(2)(A) stating that the Commission ``shall'' impose position limits on physical commodities and the[[Page 3386]]language of subparagraph 4a(a)(2)(B) referring to position limits ``required'' by subparagraph 4a(a)(2)(A).\1194\ However, while these words are suggestive of a mandatory requirement of some kind, they do not dictate the conclusion that paragraph 4a(a)(2) requires position limits across-the-board without a necessity finding, and to conclude otherwise would contradict the holding in ISDA that the statutory text is ambiguous.\1195\ The requirements of paragraph 4a(a)(2) are subject to the condition that position limits be imposed ``[i]n accordance with the standards set forth in paragraph [4a(a)(1)].'' The meaning of that text, and specifically the meaning of ``the standards,'' is the primary issue for the Commission to resolve here. For reasons explained above and in the 2020 NPRM, these standards are best interpreted as including the paragraph 4a(a)(1) necessity requirement.\1196\--------------------------------------------------------------------------- \1193\ E.g , Better Markets at 64 (incorporating by reference amicus brief by Senators Levin et al. in the ISDA litigation). The statute applies to all physical commodities ``other than excluded commodities.'' 7 U.S.C 6a(a)(2). The Commission here refers to ``all physical commodities'' for purposes of brevity only, and does not mean to imply that the statute covers excluded commodities. \1194\ E.g , Better Markets at 64; NEFI at 1. Better Markets stated that the Commission should adopt the legal views set forth in the amicus brief filed by certain U.S Senators in the ISDA case. Better Markets at 64. However, in ISDA, the district court stated that ``[g]iven the fundamental ambiguities in the statute,'' it was ``not persuaded by their arguments.'' ISDA, 887 F. Supp. 2d at 283. \1195\ ISDA, 887 F. Supp. 2d at 274. \1196\ Other arguments against a necessity requirement made by commenters based on the statutory wording have previously been addressed in the 2020 NPRM. Compare Better Markets at 64 (incorporating by reference amicus brief by Senators Levin et al. in the ISDA litigation) with 85 FR at 11661-64.--------------------------------------------------------------------------- b. Some commenters asserted that the legislative history of paragraph 4a(a)(2) supports imposing limits on all physical commodities without requiring a necessity finding.\1197\ Among the points emphasized by commenters were that (1) certain bill language that ultimately became paragraph 4a(a)(2) evolved from using the permissive word ``may'' to the mandatory word ``shall''; and (2) the House Committee on ***Agriculture*** voted out a predecessor bill containing language similar to that of paragraph 4a(a)(2), and there are indications that members of the committee viewed this language as requiring limits for all physical commodities.\1198\ In the view of the Commission, neither of these points is sufficient to resolve the ambiguity in the language of paragraph 4a(a)(2) or dictate the conclusion that the statute mandates position limits without a necessity finding.--------------------------------------------------------------------------- \1197\ E.g , Better Markets at 64 (incorporating by reference amicus brief by Senators Levin et al. in the ISDA litigation). \1198\ Id.--------------------------------------------------------------------------- With regard to the first point, there is no question that the final version of paragraph 4a(a)(2) states that the Commission ``shall'' impose position limits. But, as explained above, this mandatory language is explicitly subject to a requirement that limits be imposed in accordance with the standards of paragraph 4a(a)(1), and that condition is ambiguous. The commenters' second point was addressed in detail in the 2020 NPRM.\1199\ Briefly, the House Committee on ***Agriculture*** bill described by commenters was never approved by the full House of Representatives.\1200\ Its language on position limits was included in the Dodd-Frank Act, but discussion of this language in the floor debate and conference committee report did not characterize it as requiring limits for all physical commodities.\1201\ And nothing in the legislative history specifies that the word ``standards'' in paragraph 4a(a)(2) excludes the paragraph 4a(a)(1) necessity requirement. As a result, the legislative history, taken as a whole, does not resolve the ambiguity in the statute.--------------------------------------------------------------------------- \1199\ 85 FR at 11663. \1200\ Id. \1201\ Id.--------------------------------------------------------------------------- c. Some commenters asserted that to require a necessity finding construes the Dodd-Frank Act's amendment to section 4a as narrowing the Commission's power to impose position limits, which is implausible as an interpretation given the overall thrust of the Dodd-Frank Act and the legislative history of paragraph 4a(a)(2).\1202\ However, the CEA already required the Commission to find position limits necessary before the Dodd-Frank Act, so continuing to require such a finding is not a new constraint on the Commission.\1203\ And, even with a necessity requirement, paragraph 4a(a)(2) imposes an important new duty on the Commission: to affirmatively proceed to establish position limits for physical commodities where limits are necessary, within a specified period of time, including as to economically equivalent swaps, and to report to Congress on the effects of those limits, if any.\1204\ So the Commission's preliminary interpretation of the statute is consistent with legislative history indicating that Congress wanted the Commission to take action on the subject of position limits.--------------------------------------------------------------------------- \1202\ E.g AFR at 1. \1203\ See paragraph 4a(a)(1). The House Committee on ***Agriculture*** summarized this provision as giving the government ``the power, after due notice and opportunity for hearing and a finding of a burden on interstate commerce caused by such speculation, to fix and proclaim limits on futures trading . . .'' H.R Rep. No. 421, 74th Cong., 1st Sess. 5 (1935), stated more specifically in the statutory text as authority to diminish, eliminate, or prevent burdens that are ``undue and unnecessary.'' Public Law 74-675 section 5. \1204\ See paragraphs 4a(a)(2) and 4a(a)(5), 7 U.S.C 6a(a)(2), 6a(a)(5); Public Law 111-203 Sec. 719(a).--------------------------------------------------------------------------- d. Some commenters asserted that a necessity finding creates unnecessary administrative obstacles to establishing position limits.\1205\ In the view of the Commission, any extra needed administrative activity is a reasonable tradeoff for the flexibility and public policy benefits of imposing position limits only where they are economically justified as an efficient means of addressing the concerns Congress expressed in section 4a(a)(1). One commenter went further and suggested that a requirement to find necessity could make implementation and enforcement of position limits ``nigh to impossible.'' \1206\ However, that commenter premised this assertion on a different necessity standard, that the Commission is not adopting in this rulemaking.\1207\ In the view of the Commission, the necessity standard it is adopting herein is both consistent with the statute and workable in practice, as demonstrated by the necessity findings below. The workability of the Commission's standard is supported by a commenter who was opposed to a requirement to find necessity but nevertheless acknowledged that the necessity standard preliminarily adopted in the 2020 NPRM is ``unlikely to limit the CFTC's practical ability to impose Federal position limits.'' \1208\--------------------------------------------------------------------------- \1205\ E.g , Better Markets at 4. \1206\ IATP at 5. \1207\ Id. IATP assumed the use of a necessity standard, which it attributed to an industry group, requiring the Commission to, among other things, ``determine the likelihood that a specific limit would curtail excessive speculation in a specific market.'' Id. The Commission has determined that the statute does not require that. 85 FR at 11664-66 and infra. \1208\ Better Markets at 4.--------------------------------------------------------------------------- Commenters who opposed a necessity-finding requirement also set forth a number of justifications for broad use of Federal position limits without asserting specifically that these concerns require limits for all physical commodities or justify imposing limits without finding them to be necessary. For example, commenters pointed out that unjustified volatility in derivatives markets can have negative consequences for price discovery and hedging in related non-financial markets.\1209\ The Commission agrees with this point and agrees that preventing these consequences is the major reason why the CEA provides for position limits.\1210\ However, this observation does not justify limits for all physical commodities since (a) the importance of the link between derivatives markets and associated cash markets can vary for[[Page 3387]]different commodities; and (b) good policy requires consideration of the costs and burdens associated with position limits as well as their potential preventative effects.\1211\ These points are discussed further in sections of this release dealing with the Commission's legal standard for necessity, necessity findings, and consideration of costs and benefits pursuant to CEA section 15(a).--------------------------------------------------------------------------- \1209\ Id. at 25-29. \1210\ See Congressional finding in first sentence of paragraph 4a(a)(1), 7 U.S.C 6a(a)(1). \1211\ In reaching this conclusion, the Commission draws upon its experience and expertise in considering costs and benefits before promulgating a rule, pursuant to 7 U.S.C 19(a). The Commission believes that such consideration (which need not be mathematical) leads to better outcomes.--------------------------------------------------------------------------- Commenters opposed to a necessity-finding requirement also asserted that exchanges cannot always be relied upon to establish optimal position limits since they may benefit from revenue generated from high levels of speculation, including, in some instances, high levels of speculation by individual market participants.\1212\ To the extent that this is so, it is a reason for Congress to authorize, and the Commission to implement, position limits where needed. But it is not a reason to apply them to physical commodities across the board for the reasons just stated: The importance of unjustified volatility in derivatives markets for the non-financial economy can vary, and position limits have associated costs and burdens. Moreover, as discussed earlier in the preamble, exchanges are subject to statutory and regulatory obligations to establish position limits or position accountability and must do so in accordance with standards established by the Commission. Further, any incentives for exchanges to impose suboptimal position limits are reduced because an exchange that leaves itself open to an enhanced risk of excessive speculation, manipulation, or other forms of unjustified pricing is likely to lose business from traders seeking a stable market that reflects fundamental conditions.\1213\--------------------------------------------------------------------------- \1212\ Better Markets at 22-24. \1213\ See supra Section II.B.2.iv.b , for additional discussion of exchange incentives and related statutory and regulatory obligations to maintain market integrity.---------------------------------------------------------------------------3. Commission Determination Having reviewed the comments and further considered the issue, the Commission has determined that the interpretation of paragraph 4a(a)(2) as incorporating the requirement of paragraph 4a(a)(1) to find position limits necessary before imposing them is the best interpretation of the statute, and the Commission adopts this interpretation as its interpretation under the Final Rule. This determination is based on the reasons set forth above and in the relevant portion of the 2020 NPRM.\1214\ The Commission further recognizes that this determination is a change from the Commission's earlier interpretation of paragraph 4a(a)(2) as not requiring a necessity finding. The Commission has determined that the reasons previously given for such an interpretation of paragraph 4a(a)(2) are not compelling for the reasons stated above and in the relevant portion of the 2020 NPRM.\1215\ The specifics of what the term ``necessary'' means in this context are discussed in the next section, followed by the Commission's final necessity finding.--------------------------------------------------------------------------- \1214\ 85 FR at 11658-61. \1215\ Id. at 11661-64.---------------------------------------------------------------------------B. Legal Standard for Necessity Finding For the reasons discussed above, paragraph 4a(a)(2) requires the Commission to establish position limits to the extent they are ``necessary'' to ``diminish, eliminate, or prevent'' the burden on interstate commerce in a commodity from ``sudden or unreasonable fluctuations or unwarranted changes in the price'' of the commodity caused by excessive speculation in futures contracts (and options thereon) or swaps.\1216\ In the 2020 NPRM the Commission preliminarily interpreted this requirement and preliminarily reached several conclusions about what sort of necessity finding the statute requires. This section of the preamble (1) reviews the preliminary conclusions set forth in the 2020 NPRM with some additional clarification and elaboration; \1217\ (2) reviews and evaluates important points made in comments regarding the CEA's statutory standard for finding necessity; and (3) sets forth the Commission's conclusions for this Final Rule on the legal standard for finding position limits to be necessary within the meaning of CEA section 4a.--------------------------------------------------------------------------- \1216\ The first sentence of paragraph 4a(a)(1) is a Congressional finding that ``excessive speculation in any commodity'' under futures contracts or certain swaps ``causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity'' is ``an undue and unnecessary burden on interstate commerce in such commodity.'' 7 U.S.C 6a(a)(1). The second sentence of paragraph 4a(a)(1), referring back to the burden on interstate commerce found in the first sentence, states that the Commission shall establish such position limits ``as the Commission finds are necessary to diminish, eliminate, or prevent such burden.'' Id. \1217\ Certain points relevant to the legal standard for necessity that were made in a number of different sections of the NPRM are integrated into the discussion of the legal standard here.---------------------------------------------------------------------------1. Preliminary Legal Standard for Necessity in 2020 NPRM In the 2020 NPRM, the Commission reached a number of conclusions: First, the CEA does not require the Commission to determine whether excessive speculation in general may create a risk of sudden or unreasonable fluctuations or unwarranted changes in the price of a commodity or whether position limits are an effective tool for controlling or preventing these potential effects.\1218\ Section 4a(a)(1) of the CEA contains a Congressional finding that ``[e]xcessive speculation . . . causing sudden or unreasonable fluctuations or unwarranted changes in . . . price . . . is an undue and unnecessary burden on interstate commerce in such commodity'' and prescribes position limits for the purpose of ``diminishing, eliminating, or preventing'' that burden.\1219\ The analysis in the 2020 NPRM accepted those premises as established by Congress.--------------------------------------------------------------------------- \1218\ 85 FR at 11664. \1219\ See Commodity Futures Trading Com'n v. Hunt, 592 F.2d 1211, 1215 (7th Cir. 1979) (``Congress concluded that excessive speculation in commodity contracts for future delivery can cause adverse fluctuations in the price of a commodity, and authorized the Commission to restrict the positions held or trading done by any individual person or by certain groups of people acting in concert.'').--------------------------------------------------------------------------- Second, the word ``necessary'' has a spectrum of legal meanings from absolute physical necessity to merely useful or convenient.\1220\ The 2020 NPRM explained that it is unlikely Congress intended either extreme.\1221\ The Commission preliminarily determined in the 2020 NPRM that the necessity requirement is best interpreted as a directive to establish position limits where they are economically justified as an efficient mechanism to advance the Congressional goal of preventing undue burdens on commerce in an underlying commodity caused by excessive speculation in the associated futures or swaps markets.\1222\--------------------------------------------------------------------------- \1220\ 85 FR at 11664. \1221\ Id. \1222\ Id. at 11665.--------------------------------------------------------------------------- Under this approach, the Commission explained, position limits are necessary where diminishing, eliminating, or preventing burdens on commerce in a commodity caused by excessive speculation in the associated derivatives market is likely to offer the greatest benefits to the cash market for the commodity and the economy, and not where the benefit of controlling or preventing such burdens is likely to be less significant or to be accompanied by disproportionate costs or negative consequences, including negative[[Page 3388]]consequences with respect to Congress's stated purpose, to prevent the burdens of sudden or unreasonable fluctuations or unwarranted changes in price that burden interstate commerce.\1223\ For example, it may be that for a given commodity, high levels of sudden or unreasonable fluctuation or unwarranted changes in the price of a commodity would have little overall impact on commerce in the cash commodity market or the national economy. If the burdens or negative economic consequences associated with position limits for that commodity, as discussed in the Commission's consideration of costs and benefits, are out of proportion to the likely economic benefits of position limits, it would be unwarranted to impose them.\1224\ However, there are markets in which sudden or unreasonable fluctuations or unwarranted changes in the price of a commodity caused by excessive speculation would have significantly negative effects on the cash commodity market or the broader economy. Even if such disruptions would be unlikely due to the particular characteristics of the relevant derivatives market, the Commission may nevertheless determine that position limits are necessary as a prophylactic measure given the potential magnitude or impact of the unlikely event.\1225\--------------------------------------------------------------------------- \1223\ 85 FR at 11665. \1224\ Id. \1225\ Id.--------------------------------------------------------------------------- The Commission's proposed test in the 2020 NPRM thus focused on the Congressional purpose implicit in the finding in the first sentence of paragraph 4a(a)(1): Protecting the cash commodity markets from such sudden or unreasonable fluctuations or unwarranted changes in the price. The Commission specified that this standard cannot be determined by a mathematical formula, but requires judgment by the Commission, taking into ***account*** available facts but also based on the Commission's experience and expertise.\1226\ The Commission further specified that this standard includes consideration of costs and benefits under CEA section 15(a), insofar as the Commission is required by that section to consider the costs and benefits of its discretionary choices.\1227\--------------------------------------------------------------------------- \1226\ 85 FR at 11665. \1227\ Id. For further discussion of the cost-benefit implications of the Commission's necessity finding with respect to the 25 core referenced futures contracts, see infra Section IV.A.2 For further discussion of the cost-benefit implications of Federal position limits in light of existing exchange-set limits, see infra Section IV.A.6 --------------------------------------------------------------------------- In applying this necessity standard in the 2020 NPRM, the Commission identified two primary factors to be used in identifying commodities where using position limits in derivatives markets to control or prevent injury to the underlying commodity market would be most valuable: The first primary factor is the importance of the derivatives market for a commodity to the operation of the market for the cash commodity itself.\1228\ Examples of links between derivatives markets and cash markets that exemplify this factor include:--------------------------------------------------------------------------- \1228\ 85 FR at 11665, 11666.--------------------------------------------------------------------------- a. The extent to which volatility in the derivatives market is likely to result in sudden or unreasonable fluctuations or unwarranted changes in the price in the cash commodity market including, in particular, the extent to which participants in the cash market rely on the derivatives market as a price discovery mechanism. This includes the use of futures prices for pricing cash-market transactions and the use of futures prices for planning purposes, such as when farmers decide what crops to plant or manufacturers estimate the cost of inputs to their production processes.\1229\--------------------------------------------------------------------------- \1229\ 85 FR at 11665, 11666.--------------------------------------------------------------------------- b. The extent to which participants in the cash market use the derivatives market for hedging.\1230\ The second primary factor specified in the 2020 NPRM is the importance of the underlying commodity to the economy as a whole.\1231\ In the view of the Commission, evidence demonstrating either one of these primary factors is sufficient to establish that position limits are necessary. This is so because each primary factor identifies circumstances that present an undue risk that disruptions to derivatives markets for a commodity will have consequences for industries that produce and use the relevant commodity and, ultimately, the general public that invests in and is employed by those industries and purchases their end-products.\1232\ Thus, each of the primary factors relates to the statutory objective of diminishing, eliminating, or preventing undue and unnecessary burdens on interstate commerce in a commodity arising from excessive speculation in associated derivatives contracts. Of course, to the extent that both factors are present, a necessity finding will be strengthened.--------------------------------------------------------------------------- \1230\ Id. at 11666. \1231\ Id. at 11665, 11666. \1232\ See Id. at 11664, fn. 471, 11666-11670 (giving examples as part of necessity finding).--------------------------------------------------------------------------- In the 2020 NPRM, the Commission emphasized that a necessity determination cannot be reduced to a mathematical formula, though ***data*** may of course be highly relevant. To the extent that the primary factors identified by the Commission cannot be directly measured, the Commission, in the exercise of its judgment, may look to market ***data*** or qualitative information that correlates with these factors for guidance in applying them.\1233\--------------------------------------------------------------------------- \1233\ See discussion in findings section below.--------------------------------------------------------------------------- With respect to futures contracts and options contracts linked to core referenced futures contracts, the Commission determined that position limits are necessary for linked contracts because such position limits are likely to make position limits for core referenced futures contracts more effective in preventing manipulation and other sources of sudden or unreasonable fluctuations or unwarranted changes in the price in the underlying commodity.\1234\--------------------------------------------------------------------------- \1234\ 85 FR at 11619-11620. See also supra at Section II.A.16.iii --------------------------------------------------------------------------- The Commission's preliminary necessity finding in the 2020 NPRM also took into consideration economic differences between derivatives positions held during spot months and those held during other months that affect the extent to which position limits are an efficient mechanism for controlling or preventing sudden or unreasonable fluctuations or unwarranted changes in the price in underlying commodities. Specifically, the Commission stated that corners and squeezes can occur only during the spot month.\1235\ Thus, certain important sources of sudden or unreasonable fluctuations or unwarranted changes in the price are present only during the spot month. While the fact that certain types of disruptions in a given market may be unlikely is not dispositive of the necessity question,\1236\ the Commission judged that the impossibility of corners and squeezes in non-spot months diminished the likelihood of excessive speculation causing sudden or unreasonable fluctuations or unwarranted changes in the price in underlying commodities to such an extent as to reduce the benefit of position limits for those months below the point where, in the Commission's judgment, position limits would be justified under the necessity standard.\1237\ Nevertheless, the Commission did not rescind existing non-spot month limits for legacy[[Page 3389]]***agricultural*** contracts, because it did not observe problems that would give a reason to eliminate them at this time.\1238\--------------------------------------------------------------------------- \1235\ 85 FR at 11629. \1236\ Id. at 11665. \1237\ 85 FR at 11628. The Commission also believes that the relevant benefits and burdens indicate that no level of new non-spot-month limits is ``appropriate'' as that term is used in Section 4a(a)(2)(A). See discussion at Section IV.A.6.iii.b \1238\ 85 FR at 11628. Specifics of the Commission's findings with regard to the need for limits during spot and non-spot months are in the 2020 NPRM at 85 FR 11596, 11628, and supra at Sections II.B.3 and II.B.4 ---------------------------------------------------------------------------2. Comments and Commission Responses Relatively few commenters addressed the substance of the Commission's legal interpretation of what CEA section 4a requires in order for the Commission to determine that position limits are necessary for a particular commodity or contract. Major points made by commenters, and the Commission's evaluation of these points include: a. Several commenters stated that the necessity finding must be ``robust and ***data***-driven.'' \1239\ The Commission agrees that the agency is required to consider available ***data***, to the extent that it is relevant, in determining whether to establish position limits. At the same time, the Commission interprets the statute as requiring it to exercise judgment regarding the need for position limits where ***data*** is not available. The statute does not specify the use of any particular methodology, quantitative or otherwise, in determining whether position limits are necessary.--------------------------------------------------------------------------- \1239\ E.g ISDA at 3; SIFMA AMG at 2. See also MFA/AIMA at 4 (advocating for individualized necessity findings based on detailed analyses for each contract).--------------------------------------------------------------------------- In addition, the Commission must implement CEA section 4a in a fashion consistent with the finding regarding excessive speculation and its effects on commerce in the first sentence of paragraph 4a(a)(1) and the directive in paragraph 4a(a)(2) that the Commission ``shall'' promptly establish position limits for physical commodities, albeit subject to the necessity-finding requirement. These provisions imply that the Commission must act on position limits, even if available ***data*** is imperfect, so long as it has a reasonable basis for determining limits to be necessary. Other language of CEA section 4a further supports the conclusion that Congress intended the Commission to consider available ***data*** but also to exercise judgment in establishing position limits. For example, paragraph 4a(a)(2) requires that limits be established ``as appropriate,'' which implies consideration of a broad range of relevant factors, but subject to the reasonable exercise of subjective judgment.\1240\ Similarly, paragraph 4a(a)(3)(B) lists policy objectives for position limits that the Commission must achieve ``to the maximum extent possible'' but specifies that the Commission must do this ``in its discretion.'' The Commission also believes it is better policy to interpret ``as necessary'' to permit flexibility in response to imperfect available ***data***, so long as there is a reasonable basis for its decisions.\1241\ Such flexibility may facilitate achieving the objectives of the statute, whether by determining that position limits either are necessary or not necessary in particular circumstances.--------------------------------------------------------------------------- \1240\ See Michigan v. EPA, 576 U.S.C 743, 752 (2015). \1241\ 7 U.S.C 6a(a)(3)(B).--------------------------------------------------------------------------- b. One commenter, MGEX, supported the Commission's general approach of focusing on the relationship between the derivatives market and the underlying commodity in making necessity determinations.\1242\ This commenter stated, ``As the Commission appropriately points out, it is important to focus on derivatives that are vital to price discovery and distribution of the underlying commodity so that any excessive speculation may have a small impact.'' \1243\ The Commission agrees with that statement.--------------------------------------------------------------------------- \1242\ MGEX at 1. \1243\ Id.--------------------------------------------------------------------------- c. One commenter, Citadel, asserted that the statute required a different test for a finding of necessity than that used by the Commission.\1244\ According to this commenter, for each commodity subject to position limits, the Commission must establish ``when and how holding a large position in a given commodity could allow a market participant to exert undue market power or influence.'' \1245\ The commenter criticized the Commission for relying on the role core referenced futures contracts play in price discovery and the fact that they require physical delivery.\1246\ According to the commenter, the Commission proposed position limits on certain commodities ``based merely on their size or importance'' and ``did not explain why size or importance, without more'' justifies position limits.\1247\ The commenter expressed concern that the Commission's standard could set a precedent for the establishment of position limits for additional commodities in the future without adequate justification and therefore could reduce investor participation in commodity markets in a fashion that would impair the use of those markets for risk management and commercial decision making.\1248\--------------------------------------------------------------------------- \1244\ Citadel at 2-4. Somewhat similar views have been expressed by other commenters in earlier phases of the Commission's efforts to promulgate a position limits rule under paragraph 4a(a)(2). See, e.g , IATP at 5 (describing views of ISDA/SIFMA AMG in connection with ISDA litigation). \1245\ Citadel at 2. \1246\ Id. \1247\ Id. \1248\ Id.--------------------------------------------------------------------------- The Commission disagrees with Citadel's interpretation of the CEA section 4a necessity requirement and criticism of the Commission's interpretation for several reasons, most of which have been stated previously. i. The statutory language does not state a requirement to make the particular findings Citadel claims are necessary. To the contrary, it includes a Congressional finding that excessive speculation can cause sudden or unreasonable fluctuations or unwarranted changes in the price that are a burden on interstate commerce in commodities. The Commission is required to establish position limits in light of that finding, and neither Congress nor the Commission have ever required the sort of showing Citadel suggests here with respect to individual commodities.\1249\ It is not reasonable to surmise that Congress intended Citadel's test to apply without saying so, particularly under the Dodd-Frank Act's amendments, which reflect a Congressional intent, or at least expectation, that the position limits regime be expanded. The Commission also notes that Citadel set forth its proposed standard for necessity in just a few sentences and did not spell out what sort of ***data*** would be needed to comply with it in practice and how such ***data*** would be used.\1250\ If there were any evidence that Congress intended Citadel's approach, or if a case could be made that the Commission should prefer it, such specifics would have been readily available.--------------------------------------------------------------------------- \1249\ The Commission has made similar determinations in connection with requirements for DCMs to impose position limits or position accountability levels by DCM rule. E.g , Establishment of Speculative Position Limits, 46 FR 50938, 50940 (Oct. 16, 1981) (``it appears that the capacity of any contract market to absorb the establishment and liquidation of large speculative positions in an orderly manner is related to the relative size of such positions, i.e , the capacity of the market is not unlimited''). See also 2020 NPRM, 85 FR at 11665-11666 (Commission has repeatedly found that all markets in physical commodities are ``susceptible to the burdens of excessive speculation'' because they ``have a finite ability to absorb the establishment and liquidation of large speculative positions in an orderly manner,'' but this characteristic of these markets is not sufficient to establish that limits are necessary within the meaning of paragraph 4a(a)(1) for all physical commodities). \1250\ Citadel at 2-3.---------------------------------------------------------------------------[[Page 3390]] ii. The Congressional finding at the beginning of paragraph 4a(a)(1) makes clear that Congress's primary concern was the effect of excessive speculation in derivatives markets on the related cash markets for the associated commodities. The Commission's focus on the role the core referenced futures contracts play in price discovery and hedging and the importance of certain commodities to the economy as a whole therefore is directly responsive to the statutory purpose of position limits. The Commission's focus on hedging and price discovery is further supported by CEA section 3, which sets forth the purpose of the CEA. Subsection 3(a) contains a Congressional finding that the transactions subject to the CEA serve a ``national public interest'' by providing a means for ``managing and assuming price risks'' (i.e , hedging and supporting hedging) ``discovering prices'' and ``disseminating pricing information.'' Subsection 3(b) states that the purpose of the CEA, among other things, is to ``serve the public interests'' described in subsection 3(a).\1251\ The Commission's focus is thus consistent with the Congressional intent.--------------------------------------------------------------------------- \1251\ 7 U.S.C 5(a), (b).--------------------------------------------------------------------------- The Commission's consideration of the size of the futures market for the core referenced futures contracts also is consistent with the statutory purpose. As explained below,\1252\ contracts with a large volume of trading, generally speaking, are contracts that are likely to be heavily used for price discovery and hedging by participants in the cash market. It is rational to conclude that position limits are unnecessary for contracts that play little role in price discovery or for commodities that have a lesser economic footprint. In addition, imposing position limits based on the size or importance of futures markets is a rational way to avoid imposing compliance costs related to position limits on futures contracts and related options contracts that are relatively inactive or otherwise a minor part of the market.--------------------------------------------------------------------------- \1252\ See infra Section III. (discussing necessity finding).--------------------------------------------------------------------------- iii. As for Citadel's claim that the Commission's standard for necessity will set a precedent for imposing position limits on additional commodities in the future without adequate justification, if the Commission were to establish additional position limits in the future, it would need to justify that decision through reasoned decision making in a new rulemaking, which would be subject to public comment and judicial review to the same extent as other rules. iv. Citadel's concern with adequate investor participation in the derivatives markets applies to varying degrees with respect to all position limits. The Commission has considered such effects, including on liquidity and bona fide hedging, throughout this rulemaking, including in its consideration of costs and benefits and in connection with the determination of position limit levels.\1253\--------------------------------------------------------------------------- \1253\ See 7 U.S.C 6a(a)(3)(B)(iii) (position limits should be set at level that ensures sufficient market liquidity for bona fide hedgers to the maximum extent practicable in the discretion of the Commission).--------------------------------------------------------------------------- c. One commenter, IATP, endorsed a dissenting Commissioner's criticism of the necessity standard set forth in the 2020 NPRM.\1254\ The criticism was to the effect that the standard ``boils down'' to the assertion that the core referenced futures contracts are large and critically important to the underlying cash markets.\1255\ However, for reasons set forth above and in the 2020 NPRM, this is an incomplete characterization of the Commission's standard. Moreover, as also explained above and in the 2020 NPRM, importance to the cash market is a criterion for necessity that flows directly from the statutory purpose and, for reasons explained in the necessity findings section, the amount of trading in a contract, generally speaking, is likely to correlate with factors relevant to the statutory purpose, including use of the contract for price discovery and hedging.--------------------------------------------------------------------------- \1254\ IATP at 4 (quoting dissenting statement of Commissioner Berkovitz). \1255\ Id.--------------------------------------------------------------------------- While critical of the Commission's standard, IATP was even more critical of a standard like that proposed by Citadel that would require the Commission to ``determine the likelihood that a specific limit would curtail excessive speculation in a specific market.'' \1256\ According to IATP, such a standard, in combination with a requirement to avoid undue costs, would make implementation of position limits ``nigh to impossible.'' \1257\ However, whether or not such a standard is possible to apply, the Commission has determined that the statute does not require it, and that the Commission's approach to the necessity finding is the one most consistent with the statutory language and purpose.--------------------------------------------------------------------------- \1256\ IATP at 5. IATP did not refer specifically to Citadel's comment but to similar concepts in connection with the ISDA litigation. \1257\ IATP at 5.--------------------------------------------------------------------------- d. Many commenters asserted that necessity findings needed to be made for each contract or commodity subject to position limits.\1258\ The Commission agrees with this interpretation of the statute, subject to a number of clarifications and provisos.--------------------------------------------------------------------------- \1258\ E.g , ISDA at 3 (necessity determination must be made ``in connection with any specific position limits that are adopted''); PIMCO at 3 (necessity determination should be made on a ``commodity-by-commodity and product-by-product basis''); MFA/AIMA at 4 (advocating ``for individualized necessity findings based on detailed analyses for each contract . . . including a more specific necessity finding for each contract'').--------------------------------------------------------------------------- i. While the Commission must find position limits necessary for each contract, it may do so based on different criteria for different types of contracts so long as the criteria are reasonable and consistent with the Commission's overall interpretation of the necessity provision. For example, as described above, the Commission has determined that, where limits are necessary for a core referenced futures contract, position limits for contracts linked to the core referenced futures contract are also necessary to enable position limits on the associated core referenced futures contract to function as intended.\1259\--------------------------------------------------------------------------- \1259\ For further discussion on contracts linked to core referenced futures contracts, see Sections II.A.16 and III.D --------------------------------------------------------------------------- ii. The statute does not require a necessity finding for economically equivalent swaps for which position limits are required pursuant to paragraph 4a(a)(5) of the CEA.\1260\ While a necessity finding is required for position limits established under paragraph 4a(a)(2) because the Commission must apply ``the standards set forth in paragraph [4a(a)(1)],'' no similar language appears in paragraph 4a(a)(5). To the contrary, paragraph 4a(a)(5)(A) states that position limits for economically equivalent swaps must be established ``[n]otwithstanding any other provision of this section.'' Moreover, the statute requires the Commission to develop position limits for economically equivalent swaps ``concurrently'' with position limits established under paragraph 4a(a)(2), and establish those limits ``simultaneously'' with those established under paragraph 4a(a)(2).\1261\ The necessity finding provision of paragraph 4a(a)(1) therefore does not apply to economically equivalent swaps. Rather, when position limits are necessary under paragraph 4a(a)(2), the requirement to establish them for economically equivalent swaps is automatically triggered under CEA section 4a(a)(5).--------------------------------------------------------------------------- \1260\ 7 U.S.C 6a(a)(5). \1261\ 7 U.S.C 6a(a)(5)(B).--------------------------------------------------------------------------- In addition to being compelled by the statutory language, this is a reasonable[[Page 3391]]interpretation of the statute in policy terms because Congress could reasonably have determined that the necessity finding for position limits for futures contracts (and options thereon) carries over to economically equivalent swaps by virtue of the fact that they are economically equivalent.\1262\ The Commission notes that, while paragraph 4a(a)(5) does not require the Commission to make a necessity finding for economically equivalent swaps, it requires the Commission to make policy judgments with respect to such swaps in connection with the definition of what swaps are economically equivalent and the requirement that limit levels be established ``as appropriate.'' \1263\ The relevant discussion with respect to the determination of what swaps that are deemed to be ``economically equivalent swaps'' is set forth elsewhere in this preamble.\1264\--------------------------------------------------------------------------- \1262\ Some commenters stated that the statute requires a necessity finding for swaps. E.g , ISDA at 4. The Commission generally agrees with this position for swaps, but not for economically equivalent swaps for the reasons stated herein. \1263\ 7 U.S.C 6a(a)(5)(A), (B). \1264\ See Section II.A.4 --------------------------------------------------------------------------- e. Some commenters asked the Commission to clarify that it finds position limits not to be necessary for futures contracts other than the referenced contracts specified in the rule.\1265\ The Commission agrees that, for commodities falling within the scope of this rulemaking, i.e , ``physical commodities other than excluded commodities'' for which position limits are required by paragraph 4a(a)(2), the Commission has determined that position limits are necessary only for the 25 core referenced futures contracts and any associated referenced contracts on futures contracts or options on futures contracts, but not for other futures contracts or options on futures contracts.\1266\ As with any rulemaking, the necessity determinations made in connection with this rule may change in the future based on market developments, new information or analysis, or changes in Commission policy.--------------------------------------------------------------------------- \1265\ E.g SIFMA AMG at 5 (``spot month limits should apply only to physically settled futures contracts (i.e , the core referenced futures contracts), and the Commission should not make any determinations on, or adopt final rules applicable to, financially settled futures at this time.''); ISDA at 4 (stating that the Commission should start with final rules only for physically-settled contracts during the spot month.) \1266\ As discussed above, while economically equivalent swaps are encompassed within the ``referenced contract'' definition, such swaps are subject to Federal position limits pursuant to 7 U.S.C 6a(a)(5) and therefore are not subject to a necessity determination.---------------------------------------------------------------------------3. Commission Determination Regarding Necessity Standard For these reasons and those set forth in the 2020 NPRM, the Commission adopts the interpretation of ``necessity'' set forth in the 2020 NPRM and clarified and elaborated upon here.C. Necessity Finding as to the 25 Core Referenced Futures Contracts1. Introduction This Final Rule imposes Federal position limits on 25 core referenced futures contracts, any futures contracts or options on futures contracts directly or indirectly linked to the core referenced futures contracts, and any economically equivalent swaps. As discussed above, the Commission bases its necessity analysis on the following propositions reflected in the text of CEA section 4a(a)(1). First, that excessive speculation in derivatives markets can cause sudden or unreasonable fluctuations or unwarranted changes in the price of an underlying commodity. Second, that such price fluctuations and changes are an undue and unnecessary burden on interstate commerce in that commodity. Third, that position limits can diminish, eliminate, or prevent that burden. With these propositions established by Congress, the Commission makes a further determination of whether it is necessary to use position limits, Congress's prescribed tool to address those burdens on interstate commerce, in light of the facts and circumstances. The Commission finds that position limits on the 25 core referenced futures contracts identified in the 2020 NPRM are necessary to prevent the economic burdens on interstate commerce associated with excessive speculation causing sudden or unreasonable fluctuations or unwarranted changes in the price of the commodities underlying these contracts.\1267\ As in the 2020 NPRM, this necessity determination is based on two interrelated factors: The importance of the 25 core referenced futures contracts to their respective underlying cash markets, including that they require physical delivery of the underlying commodity; and the particular importance to the national economy of the commodities underlying the 25 core referenced futures contracts. The Commission analyzes both factors in turn below.--------------------------------------------------------------------------- \1267\ See supra Section III.B ---------------------------------------------------------------------------2. Importance of the 25 Core Referenced Futures Contracts to Their Respective Underlying Cash Marketsa. Link Between the Derivatives Market and Its Underlying Cash-Market As explained in the 2020 NPRM, the Commission has determined that position limits are necessary for physical commodities only where there exists a physically-settled futures contract for two reasons. First, physical settlement establishes a direct link between the futures market and the cash market since futures contracts, while normally closed out by offset, may be settled by delivery of the commodity itself. This link helps to force convergence between futures contract settlement prices and cash-market prices by ensuring that futures prices in the delivery period reflect supply and demand in the cash-market, whereas cash-settled futures contracts do not provide a direct link because physical-delivery is not an option.\1268\ As a result, in many circumstances, commercial participants use physically-settled futures contracts for price discovery. Illustrative of this point, at the May 2020 public meeting of the Commission's Energy and Environmental Markets Advisory Committee, an industry representative discussing application of position limits to power markets observed, ``In futures markets, where physically-settled contracts are established, such as natural gas or crude oil, these physical contracts effectively serve as the most important price discovery tool for the spot market at baseload supply and demand for the delivery month is managed with the physical futures or physical deals linked to it.'' \1269\--------------------------------------------------------------------------- \1268\ See 85 FR at 11667. Many participants rely on the possibility of settlement by physical delivery to foster convergence at expiration of the futures contract. Id. Because of imperfect contract design or other factors, the convergence mechanism does not always work as hoped in practice. Id. at 11676, fn. 575. Such malfunctions are considered to be a public policy concern because bona fide hedgers and other participants seek to hedge cash-market prices with futures contract prices. Id. at 11667. \1269\ See Transcript of Committee Meeting at 46:19-47:06, Comment by Nodal Exchange, Inc., U.S Commodity Futures Trading Commission Energy and Environmental Markets Advisory Committee (2020), [*https://www.cftc.gov/sites/default/files/2020/06/1591218221/eemactranscript050720.pdf.---------------------------------------------------------------------------*](https://www.cftc.gov/sites/default/files/2020/06/1591218221/eemactranscript050720.pdf.---------------------------------------------------------------------------) Second, physically-settled contracts may be at risk of corners and squeezes, because the settlement mechanism of the contract requires participants with short positions to deliver the underlying commodity at expiration.\1270\ Physical[[Page 3392]]settlement therefore may increase the sources of the risk of sudden or unreasonable fluctuations or unwarranted changes in the price of the underlying commodity arising from excessive speculation.\1271\ Applying position limits to commodities where there is a physically-settled core referenced futures contract therefore is consistent with the Commission's interpretation of the paragraph 4a(a)(1) necessity requirement as directing the Commission to impose limits where they are most likely to be an efficient mechanism for achieving the statutory objectives.\1272\--------------------------------------------------------------------------- \1270\ 85 FR at 11672. For example, based on its general experience, the Commission recognizes that if the underlying commodity is ``cornered'' and the participant with the short position does not already have the commodity to deliver, then the short participant must exit its position through an offsetting long position. As a consequence, the participant will likely have to bid up the price of the futures contract to exit the market, thus ``squeezing'' the short to pay a higher price for the offsetting long position. Conversely, for a cash-settled contract, a market participant who has cornered the cash market for an underlying commodity cannot squeeze someone who is short the cash-settled futures contract because the short does not have to acquire the underlying commodity to make delivery to the long in a cash-settled contract. \1271\ See 7 U.S.C 6a(a)(3)(B)(ii) (identifying deterrence and prevention of corners and squeezes as one of the objectives of position limits required by 7 U.S.C 6a(a)(2)). \1272\ See ISDA at 3-4 (suggesting that the Commission ``finalize the proposed Federal position limits rules only for physically delivered spot month futures contracts, in the first phase . . . as the Commission finds are necessary to . . . prevent [e]xcessive speculation . . . .'')---------------------------------------------------------------------------b. The 25 Core Referenced Futures Contracts Are Used for Hedging and Price Discovery In the 2020 NPRM, the Commission presented information supporting its determination that the proposed 25 core referenced futures contracts are used extensively for hedging and price discovery, thus establishing a close link between the markets for these futures contracts and commerce in the relevant commodities.\1273\ The Commission's conclusions on this point are further supported by comments discussing the use of particular core referenced futures contracts for hedging and price discovery, or discussing more generally the use of futures contracts for hedging and price discovery in the context of the Commission's proposed rule.\1274\--------------------------------------------------------------------------- \1273\ 85 FR at 11666-71. \1274\ See, e.g , ASR at 1 (stating that ICE Sugar No. 11 and ICE Sugar No. 16 are commonly used by commercial participants for hedging.); NGSA at 12 (``Physical market participants currently hedge Henry Hub price risk through both physically settled and financially-settled futures contracts.''); Cargill at 2 (``Commercial end-users . . . rely on the futures and derivatives markets to perform vital functions including price discovery and risk management related to significant physical commodity origination, production and processing, transportation, purchasing and sales, among other things.''); EEI/EPSA at 2 (``The Joint Associations members are not financial entities. Rather, they are physical commodity market participants that rely on futures and swaps to hedge and mitigate their commercial risk.''); ADM at 2 (``Many . . . [futures] transactions are critical elements of risk management, price discovery and hedging while also playing a role in the acquisition of physical commodities.''); CMC at 1 (noting that commercial participants ``use futures markets to hedge risk exposures related to commercial activities in physical commodities.''); DECA at 2 (``The [Cotton] CT contract plays an indispensable role in the global cotton ecosystem and it is needed to provide price discovery for all market participants.''); AFIA at 2 (``As commercial end-users, AFIA's members prioritize the need for [futures] markets to work well for their primary function of price discovery and risk management.); NGFA at 2 (``The NGFA's member firms are bona fide hedgers who hedge physical commodity risk and depend on futures markets for price discovery and risk management.''); ACSA at 5 (``. . . the futures delivery process is essential to maintaining functioning ***agricultural*** markets, price discovery, and convergence.''); PMAA at 1 (``For decades, petroleum marketers have been utilizing oil and refined product futures markets for their hedging needs to protect customers from volatility and price spikes. Well-functioning markets are critical to commodity price discovery.''); CCI at 3 (``In addition to covering timing differentials in commodity prices, intra-commodity spreads perform an important function in energy markets by, among other things, promoting price discovery and convergence as well as providing liquidity for priced-linked, physically-settled and cash-settled Referenced Contracts in the same underlying commodity during the spot month as market participants manage their risks across markets.''). See also NFP Electric Associations, Comment Letter on Proposed Rule on Position Limits for Derivatives and Aggregation of Positions (July 3, 2014), [*https://comments.cftc.gov/PublicComments/ViewComment.aspx?id=59934&SearchText=*](https://comments.cftc.gov/PublicComments/ViewComment.aspx?id=59934&SearchText=) (noting that the ``[energy] markets . . . provide commercial risk management opportunities and achieve price convergence between futures and cash-market prices for the benefit of commercial hedgers and their counterparties.'').--------------------------------------------------------------------------- The 25 core referenced futures contracts also serve as key benchmarks for use in pricing cash-market and other transactions.\1275\ For example, NYMEX NY Harbor RBOB Gasoline (RB) is the main benchmark used for pricing gasoline in the U.S petroleum products market, a huge physical market with total U.S refinery capacity of approximately 9.5 million barrels per day of gasoline.\1276\ Similarly, the NYMEX NY Harbor ULSD Heating Oil (HO) contract is the main benchmark used for pricing the distillate products market, which includes diesel fuel, heating oil, and jet fuel.\1277\ The utility of the price discovery function for these futures contracts is thus impactful for commercial participants regardless of whether they are actively trading in the futures market.--------------------------------------------------------------------------- \1275\ See, e.g , USDA Economic Research Service, Contracts, Markets, and Prices: Organizing the Production and Use of ***Agricultural*** Commodities, ***Agricultural*** Economic Report No. 837, at 6 (Nov. 2004), [*https://www.ers.usda.gov/webdocs/publications/41702/14700\_aer837\_1\_.pdf?v.=41061*](https://www.ers.usda.gov/webdocs/publications/41702/14700_aer837_1_.pdf?v.=41061) (one-third of all U.S ***agricultural*** production is produced under contracts using pricing formulas determined by reference to futures prices); see also Paul Peterson, Fixing Prices and Fixing Markets, farmdoc daily (4): 118, Department of ***Agricultural*** and Consumer Economics, University of Illinois at Urbana-Champaign (June 25, 2014), [*https://farmdocdaily.illinois.edu/2014/06/fixing-prices-and-fixing-markets.html*](https://farmdocdaily.illinois.edu/2014/06/fixing-prices-and-fixing-markets.html) (explaining that futures markets provide price discovery for cash grain spot markets and how price discovery through negotiated prices has diminished over time). \1276\ See 85 FR at 11669. \1277\ Id.--------------------------------------------------------------------------- There is also evidence that the 25 core referenced futures contracts are the physically-settled contracts in physical commodities traded on U.S exchanges that, by and large, are most used for hedging and price discovery by cash-market participants. Unfortunately, the Commission does not have information that permits a direct comparative measurement of the extent to which each of the actively traded futures contracts is used for hedging and price discovery. However, available ***statistics*** from exchanges show that the 25 core referenced futures contracts, with the partial exception of CBOT Oats (O), a legacy contract, are the most actively traded physically-settled contracts in physical commodities, as measured by open interest and trading volume. As discussed in detail further below, the most actively traded futures contracts will usually be the contracts that are most used for hedging and price discovery.[[Page 3393]] To follow up on the discussion of trading activity in the 2020 NPRM,\1278\ the Commission analyzed average total open interest \1279\ and average notional open interest \1280\ for all physically-settled futures contracts for the period between January 2019 and December 2019.\1281\ From that ***data***, the Commission assessed the 30 largest physically-settled contracts in terms of average total open interest and average notional open interest for comparison.\1282\ These 30 contracts comprised the 25 core referenced futures contracts, and the five physically-settled physical commodity contracts with the next-highest amounts of average total open interest and average notional open interest. As shown in the tables below, there is a significant drop in open interest between CBOT Oats (O), which has the lowest open interest of the core referenced futures contracts, and CME Random Length Lumber (LBS), which is the 27th largest physically-settled futures contract and has the second highest open interest of the five contracts not selected from the group of 30 contracts.\1283\ Specifically, average total open interest in CBOT Oats (O) (5,630 OI) is almost twice the size of average total open interest in CME Random Length Lumber (LBS) (3,025 OI).\1284\--------------------------------------------------------------------------- \1278\ See id. at 11666, 11668-70. \1279\ Open interest refers to the total number of outstanding futures contracts that have not been offset at the end of the trading day. \1280\ Notional value means the value of average open interest without adjusting for delta in options. \1281\ The 25 core referenced futures contract are all long-standing, established contracts. Generally speaking, for purposes of this Final Rule, the Commission focused on mature contract markets with at least five years of reported open interest and volume. For example, the Commission notes that the ICE Canola Futures (RS) and NYMEX WTI Houston Crude Oil Futures (HCL) contracts appear to have characteristics similar to those which the Commission has found support a necessity finding, but these contracts are both much newer, and the Commission finds that this militates against finding a position limit necessary until their respective markets mature further. The Commission may consider a position limit necessary for one or both in the future, as it revisits these issues from time to time as required by statute. \1282\ As discussed in the 2020 NPRM, the Commission also analyzed FIA end of month open interest ***data*** for December 2019 and FIA 12-month total trading volume ***data*** (January 2019 through December 2019) and reached the same conclusion as discussed herein. See 85 FR at 11670. \1283\ Many commenters suggested that the Commission's final rule should demonstrate that position limits are necessary on a ``commodity-by-commodity basis'' as supported by empirical evidence or ***data***. See, e.g PIMCO at 3; ISDA at 3; SIFMA AMG at 2; MFA/AIMA at 4. As discussed in Section III.B.2.a , supra, the Commission agrees that the agency is required to consider relevant ***data***, where available, in determining whether to establish position limits. The Commission however notes that the CEA does not specify the use of any particular methodology, quantitative or otherwise, in determining whether position limits are necessary. \1284\ During the period January 1, 2019 through December 31, 2019, the NYMEX Loop Crude Oil Storage (LPS) futures contract had higher open interest than four of the 25 core referenced futures contracts and the remaining largest contracts that were not selected, as shown in the chart below. The Commission, however, notes that the contract is a capacity allocation contract, which gives the buyer of the contract the legal right to store crude oil at a storage facility in Louisiana for a specified calendar month. The Commission further notes that the contract is a newer one, has fewer reportable traders, and significantly lower average daily trading volume (NYMEX Loop Crude Oil Storage (LPS) 131 Vol.) and average notional value than any of the 25 core referenced futures contracts during this same period. In addition, open interest in the contract has dropped precipitously between January 1, 2020 and September 30, 2020. The Commission finds that all of these reasons militate against finding a position limit necessary for this contract until its market matures further. The Commission may consider a position limit necessary for this contract in the future, as it revisits these issues from time to time as required by statute.--------------------------------------------------------------------------- With the exception of CBOT Oats (O),\1285\ as shown in the tables below, the average notional open interest values for the 25 core referenced futures contracts are all substantially larger and more valuable than the five contracts that were not selected. Specifically, outstanding futures average notional values range from approximately $ 33 billion for CBOT Corn (C) to approximately $ 80 million for CBOT Oats (O), with the other core referenced futures contracts on ***agricultural*** commodities all falling somewhere in between.\1286\ Outstanding futures average notional values of the core referenced futures contracts on metal commodities range from approximately $ 80 billion in the case of COMEX Gold (GC), to approximately $ 3.6 billion in the case of NYMEX Platinum (PL), with the other metals core referenced futures contracts all falling somewhere in between.\1287\ With regard to energy commodities, futures average notional values range from $ 116.7 billion in the case of NYMEX Light Sweet Crude Oil (CL) to $ 28.3 billion in the case of NYMEX NY Harbor RBOB Gasoline (RB).\1288\--------------------------------------------------------------------------- \1285\ See supra Section II.B.1 (discussing CBOT Oats (O) legacy contract status). \1286\ Calculations are based on ***data*** submitted to the Commission pursuant to part 16 of the Commission's regulations. \1287\ Id. \1288\ Id.---------------------------------------------------------------------------[[Page 3394]][GRAPHIC] [TIFF OMITTED] TR14JA21.013 In addition to open interest and notional value, the Commission analyzed average daily trading volume \1290\ for the period January 1, 2019 through December 31, 2019 and notes that trading volume on the 25 core referenced futures contracts is also generally larger than trading volume on the five contracts that were not selected. For example, the CBOT Corn (C) and CBOT Soybean (S) contracts trade over 409,000 and 211,000 contracts respectively per day.\1291\ The COMEX Gold (GC) contract trades approximately 343,288 contracts daily.\1292\ The NYMEX Light Sweet Crude Oil (CL) contract, which is the world's most liquid and actively traded crude oil contract, trades nearly 1.2 million contracts a day, and the NYMEX Henry Hub Natural Gas (NG) contract trades on average approximately 409,480 contracts daily.\1293\ In contrast, the CME Random Length Lumber (LBS), CBOT Ethanol (EH), COMEX Aluminum (ALI), and NYMEX Mont Belvieu Spot Ethylene In-Well (MBE) contracts, which were not selected, trade approximately 645, 315, 123, and 15.7 contracts respectively per day.\1294\--------------------------------------------------------------------------- \1289\ Id. \1290\ Daily trading volume represents the total quantity of futures contracts traded within a day. \1291\ Calculations are based on ***data*** submitted to the Commission pursuant to part 16 of the Commission's regulations. \1292\ Id. \1293\ Id. \1294\ Id. The average daily trading volume for CBOT Oats (O) (645.04 Vol) is approximately the same as the average daily trading volume for CME Random Length Lumber (LBS) (645.56 Vol), which is the largest contract in terms of volume of the five contracts that were not selected. While the average daily trading volume for ICE Sugar No. 16 (SF) (307.32 Vol), which is the smallest of the 25 core contracts in terms of volume, is less than the average daily trading volume for both CME Random Length Lumber (LBS) (645.56 Vol) and CBOT Ethanol (EH) (315.7 Vol), the Commission notes that many commercial participants frequently use both ICE Sugar No. 16 (SF) and ICE Sugar No. 11 (SB) together for hedging and price discovery because the underlying commodity is the same for both contracts. See infra Section III.C.5 (discussing the ICE Sugar No. 16 (SF) and ICE Sugar No. 11 (SB) contracts).---------------------------------------------------------------------------[[Page 3395]] There are a number of reasons to expect that, generally speaking, the most actively traded futures contracts will usually be the contracts that are most used for hedging and price discovery. First, it is generally accepted that successful futures contracts usually require active market participation by hedgers as well as speculators.\1295\ It is therefore reasonable to expect that some significant proportion of the activity in the most active futures contracts will normally consist of hedging and not solely consist of purely speculative trading. In addition, the most active futures contracts are likely to be the most liquid, at least most of the time. Such contracts are likely to be heavily relied upon as sources of price information because their prices reflect the collective opinion of more traders and are therefore likely to be a more accurate representation of the underlying cash-market price conditions.\1296\ While the correlation between the magnitude of trading activity and use of a contract for hedging and price discovery is likely imperfect, it provides reason to expect that the 25 core referenced futures contracts are, on the whole, the physically-settled contracts in physical commodities traded on U.S exchanges that are most used for hedging and price discovery. This is particularly true given the very large gap in activity levels between most of the 25 core referenced futures contracts and physically-settled contracts not included as core referenced futures contracts.--------------------------------------------------------------------------- \1295\ See, e.g , Holbrook Working, Futures Trading and Hedging, 43 a.m Econ. Rev. 314, 319-320 (June 1953), [*https://www.jstor.org/stable/1811346?seq=1&cid=pdf-reference#references\_tab\_contents*](https://www.jstor.org/stable/1811346?seq=1&cid=pdf-reference#references_tab_contents). See also William L. Silber, Innovation, Competition, and New Contract Design in Futures Markets, 1 J. of Futures Markets 129, 131 (Summer 1981), [*https://onlinelibrary.wiley.com/doi/abs/10.1002/fut.3990010205*](https://onlinelibrary.wiley.com/doi/abs/10.1002/fut.3990010205). \1296\ See, e.g , 85 FR at 11669, fn. 522-523. See generally William L. Silber, The Economic Role of Financial Futures, in Futures Markets: Their Economic Role 83, 89-90 (A. Peck ed., Am. Enter. Inst. for Pub. Pol'y Rsch. 1985), [*https://legacy.farmdoc.illinois.edu/irwin/archive/books/Futures-Economic/Futures-Economic\_chapter2.pdf*](https://legacy.farmdoc.illinois.edu/irwin/archive/books/Futures-Economic/Futures-Economic_chapter2.pdf) (discussing the price discovery and hedging functions of futures markets).---------------------------------------------------------------------------c. Conclusion Regarding Importance of the 25 Core Referenced Futures Contracts to Their Respective Underlying Cash Markets Based on the information set forth in the NPRM and supplemented here, the Commission concludes that the importance of the 25 core referenced futures contracts to their respective underlying cash markets supports the conclusion that position limits are necessary for these contracts.3. Importance of the Commodities Underlying the 25 Core Referenced Futures Contracts to the National Economy With respect to the second factor, importance of the cash commodity to the U.S economy as a whole, the 2020 NPRM set forth information demonstrating that each of the 25 core referenced futures contracts is important to the U.S economy in various ways.\1297\ Many of the 25 core referenced futures contracts involve commodities that are among the most important physical commodities for the U.S economy, among those commodities for which physically-settled contracts are traded on U.S exchanges.\1298\--------------------------------------------------------------------------- \1297\ See 85 FR at 11666-11671. \1298\ See, e.g , 85 FR at 11668 (discussing ***agricultural*** commodities and their downstream uses), id. at 11669-70 (discussing energy contracts).--------------------------------------------------------------------------- For example, in the ***agricultural*** sector, three of the top five commodities in the United States, as measured by cash receipts, underlie core referenced futures contracts, including cattle, corn, and soybeans.\1299\ An additional commodity that underlies several core referenced contracts, wheat, is in the top ten.\1300\ Primary energy commodities that underlie core referenced futures contracts, specifically crude oil and natural gas, ***account*** for over half of U.S energy production.\1301\ Two additional core referenced futures contracts in the energy space, NYMEX New York Harbor ULSD Heating Oil (HO) and NYMEX New York Harbor RBOB Gasoline (RB), relate, in turn, to commodities that are among the most widely used byproducts of crude oil.\1302\--------------------------------------------------------------------------- \1299\ USDA Economic Research Service, Cash receipts by State, commodity ranking and share of U.S total, 2019 Nominal (current dollars), [*https://****data****.ers.usda.gov/reports.aspx?ID=17843*](https://data.ers.usda.gov/reports.aspx?ID=17843). \1300\ Id. \1301\ U.S Energy Information Administration, Annual Energy Review, Primary Energy Production by Source, Table 1.2 (last updated Sept. 2020), [*https://www.eia.gov/totalenergy/****data****/monthly/pdf/sec1\_5.pdf*](https://www.eia.gov/totalenergy/data/monthly/pdf/sec1_5.pdf). \1302\ See, e.g , U.S Energy Information Administration, U.S petroleum flow, 2018, [*https://www.eia.gov/totalenergy/****data****/monthly/pdf/flow/petroleum.pdf.---------------------------------------------------------------------------*](https://www.eia.gov/totalenergy/data/monthly/pdf/flow/petroleum.pdf.---------------------------------------------------------------------------) Thus, based on the information set forth in the NPRM and supplemented here, the importance of the underlying commodity to the national economy supports the conclusion that position limits are necessary for the 25 core referenced futures contracts.4. Commodity Indices As an independent check on its selection of core referenced futures contracts, the Commission has compared its list with the lists of commodities included in several widely-tracked third-party commodity indices: The Bloomberg Commodity Index, the S&P GSCI index, and the Rogers International Commodity Index. Based on the criteria used to create these indices, inclusion of a commodity in the index is an indication that the commodity is important to the world or U.S economy, and that futures prices for the commodity are considered to be an important source of price information. In particular, Bloomberg states that it selects commodities for its Bloomberg Commodity Index that in its view are ``sufficiently significant to the world economy to merit consideration,'' that are ``tradeable through a qualifying related futures contract'' and that generally are the ``subject of at least one futures contract that trades on a U.S exchange.'' \1303\ Similarly, S&P's GSCI index is, among other things, ``designed to reflect the relative significance of each of the constituent commodities to the world economy.'' \1304\ Likewise, the Rogers International Commodity Index ``represents the value of a basket of commodities consumed in the global economy'' that are ``tracked via futures contracts on 38 different exchange-traded physical commodities'' and that ``aims to be an effective measure of the price action of raw materials not just in the United States but also around the world.'' \1305\--------------------------------------------------------------------------- \1303\ The Bloomberg Commodity Index Methodology, Bloomberg, at 16-17 (Jan. 2020), [*https://****data****.bloomberglp.com/professional/sites/10/BCOM-Methodology.pdf*](https://data.bloomberglp.com/professional/sites/10/BCOM-Methodology.pdf). \1304\ S&P GSCI Methodology, S&P Dow Jones Indices, at 8 (May 2020), [*https://www.spglobal.com/spdji/en/indices/commodities/sp-gsci/#overview*](https://www.spglobal.com/spdji/en/indices/commodities/sp-gsci/#overview). \1305\ The RICI Handbook, The Guide to the Rogers International Commodity Index, at 4-5 (Aug. 2020), [*http://www.rogersrawmaterials.com/documents/RICIHndbk\_01.31.19.pdf.---------------------------------------------------------------------------*](http://www.rogersrawmaterials.com/documents/RICIHndbk_01.31.19.pdf.---------------------------------------------------------------------------) Applying these criteria, Bloomberg, S&P, and Rogers have all deemed eligible for inclusion in their indices lists of commodities that overlap significantly with the Commission's 25 core referenced futures contracts. In particular, Bloomberg, S&P, and Rogers include 17, 15, and 22 contracts respectively per index of the 25 contracts selected by the Commission.\1306\ Independent index[[Page 3396]]providers thus appear to have arrived at similar conclusions to the Commission's necessity finding regarding the relative importance of certain commodity markets for the economy and price discovery. The indices, taken individually or as a whole, support the Commission's conclusion that position limits are necessary for the 25 core referenced futures contracts.--------------------------------------------------------------------------- \1306\ The 17 Bloomberg contracts are ICE Coffee C (KC), COMEX Copper (HG), CBOT Corn (and Mini-Corn) (C), ICE Cotton No. 2 (CT), COMEX Gold (GC), NYMEX New York Harbor ULSD Heating Oil (HO), CME Live Cattle (LC), NYMEX Henry Hub Natural Gas (NG), NYMEX New York Harbor RBOB Gasoline (RB), COMEX Silver (SI), CBOT Soybeans (and Mini-Soybeans) (S), CBOT Soybean Meal (SM), CBOT Soybean Oil (SO), ICE Sugar No. 11 (SB), CBOT Wheat (and Mini-Wheat) (W), CBOT KC HRW Wheat (KW), and NYMEX Light Sweet Crude Oil (CL). See [*https://****data****.bloomberglp.com/professional/sites/10/BCOM-Methodology.pdf*](https://data.bloomberglp.com/professional/sites/10/BCOM-Methodology.pdf). The 15 S&P GSCI contracts are ICE Cocoa (CC), ICE Coffee C (KC), CBOT Corn (and Mini-Corn) (C), ICE Cotton No. 2 (CT), COMEX Gold (GC), NYMEX New York Harbor ULSD Heating Oil (HO), CME Live Cattle (LC), NYMEX Henry Hub Natural Gas (NG), NYMEX New York Harbor RBOB Gasoline (RB), COMEX Silver (SI), CBOT Soybeans (and Mini-Soybeans) (S), ICE Sugar No. 11 (SB), CBOT Wheat (and Mini-Wheat) (W), CBOT KC HRW Wheat (KW), and NYMEX Light Sweet Crude Oil (CL). See S&P GSCI Methodology, S&P Dow Jones Indices, at 26 (May 2020), [*https://www.spglobal.com/spdji/en/indices/commodities/sp-gsci/#overview*](https://www.spglobal.com/spdji/en/indices/commodities/sp-gsci/#overview). The 22 Rogers contracts are ICE Cocoa (CC), ICE Coffee C (KC), COMEX Copper (HG), CBOT Corn (and Mini-Corn) (C), ICE Cotton No. 2 (CT), COMEX Gold (GC), NYMEX New York Harbor ULSD Heating Oil (HO), CME Live Cattle (LC), NYMEX Henry Hub Natural Gas (NG), CBOT Oats (O), ICE FCOJ-A (OJ), NYMEX Palladium (PA), NYMEX Platinum (PL), NYMEX New York Harbor RBOB Gasoline (RB), CBOT Rough Rice (RR), COMEX Silver (SI), CBOT Soybeans (and Mini-Soybeans) (S), ICE Sugar No. 11 (SB), CBOT Wheat (and Mini-Wheat) (W), CBOT KC HRW Wheat (KW), MGEX Hard Red Spring Wheat (MWE), and NYMEX Light Sweet Crude Oil (CL). See [*http://www.rogersrawmaterials.com/weight.asp.---------------------------------------------------------------------------5*](http://www.rogersrawmaterials.com/weight.asp.---------------------------------------------------------------------------5). Comments on Proposed Necessity Finding for Core Referenced Futures Contracts While some commenters asserted that position limits are mandatory for all physical commodities, no commenter argued that the necessity finding should apply to any particular contract other than the 25 core referenced futures contracts.\1307\--------------------------------------------------------------------------- \1307\ E.g , NEFI at 2 (supporting Federal position limits for all 25 core referenced futures contracts, but stating that the list is too limited because it included only four energy contracts and that Congress imposed a clear mandate to establish limits on all commercially-traded energy derivatives); Better Markets at 64.--------------------------------------------------------------------------- Only one commenter advocated that the Commission remove commodities from the proposed list of 25 core referenced futures contracts. That commenter, IFUS, objected to imposing Federal position limits on its Sugar No. 11 (SB) contract.\1308\ IFUS argued that the Sugar No. 11 (SB) contract does not have ``a major significance to U.S interstate commerce'' because the contract prices the physical delivery of raw cane sugar for more than 30 delivery points around the world and only a de minimis amount of the raw sugar represented by the contract can be imported into the U.S under U.S sugar tariff-rate quotas.\1309\ In addition, IFUS stated that the Commission's necessity finding does not establish that ICE Sugar No. 11 (SB) is used for price discovery for sugar produced and consumed in the United States.\1310\--------------------------------------------------------------------------- \1308\ IFUS at 3. The ICE Sugar No. 11 (SB) ``contract prices the physical delivery of raw cane sugar free-on-board the receiver's vessel to a port within the country of origin of the sugar.'' See Sugar No. 11 Futures Product Specs, Intercontinental Exchange website, available at [*https://www.theice.com/products/23/Sugar-No-11-Futures*](https://www.theice.com/products/23/Sugar-No-11-Futures). The United States is one of the delivery points for the ICE Sugar No. 11 (SB) contract because U.S origin raw cane sugar is one of the 29 deliverable origins under the contract. Id. \1309\ IFUS at 3-4. \1310\ IFUS at Exhibit 1, No. 52.--------------------------------------------------------------------------- The Commission has considered the comments and is adopting the list of the 25 core referenced futures contracts as proposed, including incorporating the ICE Sugar No. 11 (SB) contract as a core referenced futures contract. In response to IFUS' comment, the Commission recognizes that ``Sugar No. 11 (SB) is primarily an international benchmark.'' \1311\ The Commission, however, disagrees with IFUS' comment that the Sugar No. 11 (SB) contract does not have a major significance to U.S interstate commerce or play a role in price discovery for sugar produced and consumed in the United States.\1312\--------------------------------------------------------------------------- \1311\ 85 FR at 11668, fn. 507. \1312\ The Commission notes that IFUS did not object to the inclusion of ICE Sugar No. 16 (SF) as a core referenced futures contract in the 2020 NPRM. The ICE Sugar No. 16 (SF) ``contract prices physical delivery of US-grown (or foreign origin with duty paid by deliverer) raw cane sugar at one of five U.S refinery ports as selected by the receiver.'' See Sugar No. 16 Futures Product Specs, Intercontinental Exchange website, available at [*https://www.theice.com/products/914/Sugar-No-16-Futures*](https://www.theice.com/products/914/Sugar-No-16-Futures). The same commodity, raw centrifugal cane sugar based on 96 degrees average polarization, underlies both ICE Sugar No. 16 (SF) and ICE Sugar No. 11 (SB) contracts. Id. See also Sugar No. 11 Futures Product Specs, Intercontinental Exchange website, available at [*https://www.theice.com/products/23/Sugar-No-11-Futures*](https://www.theice.com/products/23/Sugar-No-11-Futures). Both contracts also trade on IFUS in units of 112,000 pounds per contract. Id.--------------------------------------------------------------------------- For several reasons, the Commission finds that the ICE Sugar No. 11 (SB) contract has sufficient connection to the domestic sugar market to warrant Federal position limits. First, USDA ***data*** reflects that roughly one-quarter of the annual U.S raw sugar supply is imported.\1313\ While U.S imports may be a small percentage of the total sugar represented by open interest in the ICE Sugar No. 11 (SB) contract, U.S imports still ***account*** for a significant percentage of the total U.S raw sugar supply. As described below, Commission ***data*** suggests that the ICE Sugar No. 11 (SB) contract is used for price discovery and hedging within the United States. Thus, when the contract is being used by commercial participants for price discovery or hedging in the domestic raw sugar market, it is therefore reasonable to expect that any sudden or unreasonable fluctuations or unwarranted changes in the global price of raw sugar could impose significant disruptions or harms to the domestic raw sugar markets. Because the ICE Sugar No. 11 (SB) contract represents a material portion of the U.S sugar market, the Commission determines that it is necessary to include it as a core referenced futures contract to protect against any sudden or unreasonable fluctuations or unwarranted changes, which could result in undue burdens on the U.S economy. Additionally, as further discussed below, since the ICE Sugar No. 11 (SB) contract represents a material portion of the U.S raw sugar supply, the Commission concludes that disruptions to this contract potentially could harm both the price discovery process for the domestic sugar markets as well as the physical delivery of the underlying commodity.--------------------------------------------------------------------------- \1313\ USDA Economic Research Service, Sugar and Sweeteners Yearbook Tables, World Production, Supply, and Distribution, at Table 1 (July 19, 2018), [*https://www.ers.usda.gov/****data****-products/sugar-and-sweeteners-yearbook-tables*](https://www.ers.usda.gov/data-products/sugar-and-sweeteners-yearbook-tables). For example, between 2009 and 2019, the United States has imported between 22.7% and 28.6% of its raw sugar from other countries. Id. In 2019, the United States imported approximately 3 million metric tons of sugar from other countries whose sugar is deliverable under the ICE Sugar No. 11 (SB) contract. See USDA, U.S Sugar Monthly Import and Re-Exports, Final Report, Fiscal Year 2019 (Oct. 2019), [*https://www.fas.usda.gov/sites/default/files/2020-01/fy\_2019\_final\_sugar\_report.pdf.---------------------------------------------------------------------------*](https://www.fas.usda.gov/sites/default/files/2020-01/fy_2019_final_sugar_report.pdf.---------------------------------------------------------------------------) Second, the ICE Sugar No. 11 (SB) contract is listed on IFUS, a DCM registered with the Commission that lists derivatives contracts for trading by U.S participants in the United States, among others. ***Data*** reported to the Commission through Form 102s reflects that domestic firms ***account*** for approximately 20% of commercial market participants and 65%-70% of the non-commercial market participants trading in the ICE Sugar No. 11 (SB) contract.\1314\ This ***data*** supports the Commission's finding that the ICE Sugar No. 11 (SB) contract is ``used for price discovery and hedging within the United States.'' \1315\--------------------------------------------------------------------------- \1314\ See also ASR at 1 (stating that the ICE Sugar No. 11 (SB) and ICE Sugar No. 16 (SF) contracts are commonly used by commercial participants for hedging). \1315\ 85 FR at 11668, fn. 507.--------------------------------------------------------------------------- Finally, as the Commission noted in the 2020 NPRM, the Commission believes that the ICE Sugar No. 11 (SB) and ICE Sugar No. 16 (SF) contracts together ``[a]s a pair'' are ``crucial tools for risk management and for ensuring reliable pricing.'' \1316\ The Commission's view is informed by the fact that both ICE Sugar No. 11 (SB) and ICE Sugar No. 16 (SF) call for delivery of the same size and quality of raw cane sugar, with the[[Page 3397]]former contract calling for delivery from 29 different country origins of growth, including the United States, and the latter contract calling for delivery of domestic origin.\1317\ This implies that there is likely to be a common group of market participants trading in both contracts. Based on its experience in other markets, the Commission understands that U.S firms may utilize both contract markets to hedge cash positions and offset other related risks even if their inventories cannot be delivered against both contracts.--------------------------------------------------------------------------- \1316\ Id. \1317\ See ICE Sugar No. 16 Futures Product Specs, Intercontinental Exchange website, available at [*https://www.theice.com/products/914/Sugar-No-16-Futures;*](https://www.theice.com/products/914/Sugar-No-16-Futures;) see also Sugar No. 11 Futures Product Specs, Intercontinental Exchange website, available at [*https://www.theice.com/products/23/Sugar-No-11-Futures.---------------------------------------------------------------------------*](https://www.theice.com/products/23/Sugar-No-11-Futures.---------------------------------------------------------------------------) In that regard and as discussed above in Section III.C.2.b, the Commission analyzed average open interest and average notional values for ICE Sugar No. 11 (SB) and ICE Sugar No. 16 (SF) for the period January 1, 2019 through December 31, 2019. Specifically, average open interest in ICE Sugar No. 11 (SB) (947,198 OI) is more than 100 times the size of average open interest in ICE Sugar No. 16 (SF) (8,485 OI).\1318\ Similarly, the average notional value for ICE Sugar No. 11 (SB) ($13,535,036,765 Notional OI) is roughly 54 times greater than the average notional value for ICE Sugar No. 16 (SF) ($250,447,669 Notional OI).\1319\ In terms of average trading volume for the same time period, the ICE Sugar No. 11 (SB) contract trades approximately 146,077 contracts per day, whereas the ICE Sugar No. 16 (SF) contract trades approximately 307 contracts per day.\1320\ Accordingly, the Commission believes, and the ***data*** supports, that U.S commercial participants use the more-liquid ICE Sugar No. 11 (SB) contract to hedge domestically sourced raw sugar or domestic inventories and for price discovery for sugar produced and consumed in the United States. \1321\--------------------------------------------------------------------------- \1318\ Calculations are based on ***data*** submitted to the Commission pursuant to part 16 of the Commission's regulations and does not include delta adjusted option on futures contracts. \1319\ Id. \1320\ Id. \1321\ USDA ***data*** reflects that each year, U.S commercial firms hold over 1 million metric tons of raw sugar as inventory (after ***accounting*** for all imports, production, and use during the year).---------------------------------------------------------------------------6. Commission Determination For the reasons stated in the 2020 NPRM and further discussed here, the Commission finds that position limits are necessary for the 25 core referenced futures contracts.D. Necessity Finding as to Linked Contracts The Commission finds that position limits on futures and options on futures contracts that are linked to core referenced futures contracts are necessary to enable position limits to function effectively for commodities where position limits have been found to be necessary in connection with the relevant core referenced futures contracts. As explained in detail above at Section II.A.16, due to the nature of the linkages specified in the definition of ``referenced contract'' in Sec. 150.1, and the resulting possibilities for arbitrage, contracts linked to core referenced futures contracts, including cash-settled linked contracts, function together with the linked core referenced futures contract as part of one market.\1322\ As a result, without position limits on such linked contracts, excessive speculative positions in these contracts can affect associated core referenced futures contracts and cash commodity markets in a variety of ways that undermine the effectiveness of position limits on the core contracts.--------------------------------------------------------------------------- \1322\ For further discussion of referenced contracts and linked contracts, see supra Section II.A.16 --------------------------------------------------------------------------- For example, large positions in linked contracts can serve as a vehicle for profiting from manipulation of the prices of core referenced futures contracts and cash commodities.\1323\ Conversely, excessive speculation that artificially affects the price of a linked contract can distort pricing, liquidity, and delivery in the market for the core referenced futures contract and cash commodity to which the contract is linked.\1324\ Finally, physically-settled indirectly linked contracts, if not subject to position limits, can serve as a vehicle for evasion through the creation of contracts that are economically equivalent to core referenced futures contracts.\1325\--------------------------------------------------------------------------- \1323\ Id. (discussing the use of linked contracts to manipulate prices of physically-settled contracts and the use of cash-market transactions to affect prices of physically-settled futures contracts and their linked counterparts). \1324\ Id. \1325\ See supra Section II.A.16 (discussing referenced contracts).--------------------------------------------------------------------------- The Commission therefore finds that position limits for futures contracts and options on futures contracts that are linked to core referenced futures contracts are necessary within the meaning of paragraph 4a(a)(1) where limits are necessary for the associated core referenced futures contracts.E. Necessity Finding for Spot/Non-Spot Month Position Limits As discussed above in Section II.B.2 and in the 2020 NPRM, the Commission preliminarily determined that Federal position limits should only apply to spot month positions except with respect to the nine legacy ***agricultural*** contracts, where non-spot month position Federal position limits have been in place for many years. As discussed above, the Commission is adopting this aspect of the rule as proposed. Consistent with this policy determination, the Commission finds that position limits are necessary during all months for the nine legacy ***agricultural*** contracts. The Commission further finds that position limits are necessary only during the spot month for the 16 non-legacy core referenced futures contracts and unnecessary outside of the spot month.\1326\--------------------------------------------------------------------------- \1326\ At least one commenter asked to Commission to explicitly clarify this point, see ISDA at 3.--------------------------------------------------------------------------- The Commission makes this necessity finding for substantially the reasons set forth above, including in responses to comments on the spot/non-spot month issue. Briefly, certain potential sources of sudden or unreasonable fluctuations or unwarranted changes in commodity prices caused by excessive speculation, particularly corners, squeezes, and certain convergence problems, are associated primarily with large positions held during spot months.\1327\ And, to the extent that these problems may arise in prior months, they are mitigated by exchange policies including exchange-set position limits and position accountability.\1328\ As a result, even if position limits may have benefits outside the spot month, restricting Federal position limits to spot months for most commodities is consistent with the Commission's interpretation of the paragraph 4a(a)(1) necessity requirement as directing the Commission to impose position limits where they are most economically justified as an efficient mechanism for achieving the statutory objectives.--------------------------------------------------------------------------- \1327\ See supra Section II.B.2 (discussing Final Rule provisions). \1328\ Id.--------------------------------------------------------------------------- The Commission similarly finds position limits in non-spot months to be necessary for the legacy ***agricultural*** contracts for substantially the reasons discussed above.\1329\ These limits were put in place pursuant to past statutory necessity findings and have been in place for decades without the Commission observing problems that[[Page 3398]]would give reasons to remove them.\1330\ And they are generally supported by many market participants.\1331\ Because no commenters argued that the Commission should eliminate Federal non-spot month position limits for the nine legacy ***agricultural*** contracts and because these limits have been in existence for decades, the Commission believes that it would be imprudent to eliminate them absent any specific reason in support thereof, particularly insofar as maintaining them, by definition, will result in no new costs or burdens. The Commission further notes that maintaining non-spot month limits for the nine legacy ***agricultural*** contracts will not change the existing dynamics of these markets.--------------------------------------------------------------------------- \1329\ See supra Section II.B.2 (discussing Final Rule provisions). \1330\ Id. \1331\ Id. The Commission notes that while ISDA did not specifically address the nine legacy ***agricultural*** contracts, it suggested that the Commission ``should finalize the proposed Federal position limits rules only for physically delivered spot month futures contracts, in the first phase.'' See ISDA at 3-4.--------------------------------------------------------------------------- The Commission is therefore satisfied that these limits remain an efficient mechanism for achieving the objectives of CEA section 4a.IV. Related MattersA. Cost-Benefit Considerations1. Introduction Section 15(a) of the Commodity Exchange Act (``CEA'' or ``Act'') requires the Commodity Futures Trading Commission (``Commission'') to consider the costs and benefits of its actions before promulgating a regulation under the CEA.\1332\ Section 15(a) further specifies that the costs and benefits shall be evaluated in light of five broad areas of market and public concern: (1) Protection of market participants and the public; (2) efficiency, competitiveness, and financial integrity of futures markets; (3) price discovery; (4) sound risk management practices; and (5) other public interest considerations (collectively, the ``section 15(a) factors'').\1333\--------------------------------------------------------------------------- \1332\ 7 U.S.C 19(a). \1333\ Id.--------------------------------------------------------------------------- The Commission interprets section 15(a) to require the Commission to consider only those costs and benefits of its changes that are attributable to the Commission's discretionary determinations (i.e , changes that are not otherwise required by statute) compared to the existing status quo baseline requirements. For this purpose, the status quo requirements, which serve as the baseline for the consideration of the costs and benefits of the regulations adopted in this final position limits rulemaking (``Final Rule''), include the CEA's statutory requirements as well as any applicable existing Commission regulations.\1334\ As a result, any changes to the Commission's regulations that are required by the CEA or other applicable statutes are not deemed to be discretionary changes for purposes of discussing related costs and benefits of the Final Rule.--------------------------------------------------------------------------- \1334\ This cost-benefit consideration section is divided into seven parts, including this introductory section, with respect to any applicable CEA or regulatory provisions.--------------------------------------------------------------------------- The Commission anticipates that the Final Rule will affect market participants differently depending on their business models and scale of participation in the commodity contracts that are covered by the Final Rule.\1335\ The Commission also anticipates that the Final Rule may result in ``programmatic'' costs to some market participants. Generally, affected market participants may incur increased costs associated with developing or revising, implementing, and maintaining compliance functions and procedures. Such costs might include those related to the monitoring of positions in the relevant referenced contracts; related filing, reporting, and recordkeeping requirements; and the costs of changes to information technology systems.--------------------------------------------------------------------------- \1335\ For example, the Final Rule could result in increased costs to market participants who may need to adjust their trading and hedging strategies to ensure that their aggregate positions do not exceed Federal position limits, particularly those who will be subject to Federal position limits for the first time (i.e , those who may trade contracts for which there are currently no Federal position limits). On the other hand, existing costs could decrease for those existing market participants whose positions would fall below the new Federal position limits and therefore such market participants would not be required to adjust their trading strategies and/or apply for exemptions from the limits, particularly if the Final Rule improves market liquidity or other metrics of market health. Similarly, for those market participants who would become subject to the Federal position limits, general costs would be lower to the extent such market participants can leverage their existing compliance infrastructure in connection with existing exchange position limit regimes, relative to those market participants that do not currently have such systems.--------------------------------------------------------------------------- The Commission has determined that it is not feasible to quantify the costs or benefits with reasonable precision and instead has identified and considered the costs and benefits qualitatively.\1336\ The Commission believes that, for many of the costs and benefits, quantification is not feasible with reasonable precision, because quantification requires understanding all market participants' business models, operating models, cost structures, and hedging strategies, including an evaluation of the potential alternative hedging or business strategies that could be adopted under the Final Rule. Further, while Congress has tasked the Commission with establishing such Federal position limits as the Commission finds are ``necessary,'' some of the benefits, such as mitigating or eliminating manipulation or excessive speculation, may be very difficult or infeasible to quantify. These benefits, moreover, will likely manifest over time and be distributed over the entire market.--------------------------------------------------------------------------- \1336\ With respect to the Commission's analysis under its discussion of its obligations under the Paperwork Reduction Act (``PRA''), the Commission has endeavored to quantify certain costs and other burdens imposed on market participants related to collections of information as defined by the PRA. See generally Section IV.B (discussing the Commission's PRA determinations).--------------------------------------------------------------------------- In light of these limitations, to inform its consideration of costs and benefits of the Final Rule, the Commission in its discretion relies on: (1) Its experience and expertise in regulating the derivatives markets; (2) information gathered through public comment letters \1337\ and meetings with a broad range of market participants; and (3) certain Commission ***data***, such as the Commission's Large Trader Reporting System and ***data*** reported to swap ***data*** repositories.--------------------------------------------------------------------------- \1337\ While the general themes contained in comments submitted in response to prior proposals informed this rulemaking, the Commission withdrew the 2013 Proposal, the 2016 Supplemental Proposal, and the 2016 Reproposal. See supra Section I.A --------------------------------------------------------------------------- The Commission considers the benefits and costs discussed below in the context of international markets, because market participants and exchanges subject to the Commission's jurisdiction for purposes of position limits may be organized outside of the United States; some industry leaders typically conduct operations both within and outside the United States; and market participants may follow substantially similar business practices wherever located. Where the Commission does not specifically refer to matters of location, the discussion of benefits and costs below refers to the effects of the Final Rule on all activity subject to it, whether by virtue of the activity's physical location in the United States or by virtue of the activity's connection with, or effect on, U.S commerce under CEA section 2(i).\1338\--------------------------------------------------------------------------- \1338\ 7 U.S.C 2(i).--------------------------------------------------------------------------- The Commission sought comments on all aspects of the cost and benefit considerations in the 2020 NPRM, including: (1) Identification and assessment of any costs and benefits not discussed in the 2020 NPRM; (2) ***data*** and any other information to assist or otherwise inform the Commission's[[Page 3399]]ability to quantify or qualify the costs and benefits of the 2020 NPRM; and (3) substantiating ***data***, ***statistics***, and any other information to support positions posited by comments with respect to the Commission's consideration of costs and benefits.\1339\ The Commission also requested specific comments regarding its considerations of the benefits and costs of proposed Sec. Sec. 150.3 and 150.9, as well as comments on whether a Commission-administered exemption process, such as the process in proposed Sec. 150.3, would promote more consistent and efficient decision-making or whether an alternative to proposed Sec. 150.9 would result in a superior cost-benefit profile.\1340\ Last, the Commission requested comment on all aspects of the Commission's discussion of the 15(a) factors for the 2020 NPRM.\1341\--------------------------------------------------------------------------- \1339\ 85 FR 11671, 11698. \1340\ 85 FR 11693. \1341\ 85 FR 11700.--------------------------------------------------------------------------- The Commission identifies and discusses the costs and benefits of the Final Rule organized conceptually by topic, and certain topics may generally correspond with a specific regulatory section. The Commission's discussion is organized as follows: (1) This introduction discussion section; (2) a discussion of the Commission's necessity finding with respect to the 25 core referenced futures contracts that are subject to the Federal position limits framework; (3) the Federal position limit levels (final Sec. 150.2), and the definitions of ``referenced contract'' and ``economically equivalent swap''; (4) the Commission's exemptions from Federal position limits (final Sec. 150.3), including the Federal bona fide hedging definition (final Sec. 150.1); (5) the streamlined process for the Commission to recognize non-enumerated bona fide hedges (final Sec. 150.9) and to grant other exemptions for purposes of Federal position limits (final Sec. 150.3) and related reporting changes to part 19 of the Commission's regulations; (6) the exchange-set position limits framework and exchange-granted exemptions thereto (final Sec. 150.5); and (7) the section 15(a) factors.2. Costs and Benefits of Commission's Necessity Finding for the 25 Core Referenced Futures Contracts With Respect to Liquidity and Market Integrity and Resulting Impact on Market Participants and Exchanges Rather than discussing the general costs and benefits of the Federal position limits framework in this section, the Commission will instead address the potential costs and benefits resulting from the Commission's necessity finding with respect to the 25 core referenced futures contracts.\1342\ The discussion in this section begins with an overview of the Commission's Federal position limits framework in part one followed by an overview of the Commission's interpretation of the criteria for finding position limits necessary within the meaning of CEA section 4a(a)(1) in part two. An overview of the Commission's necessity finding for the 25 core referenced futures contracts, linked ``referenced contracts,'' and spot/non-spot month position limits is discussed in part three. Finally, part four includes a discussion of the potential costs and benefits of the Commission's necessity finding for the 25 core referenced futures contracts with respect to (a) the liquidity and integrity of the futures and related options markets; and (b) market participants and exchanges.--------------------------------------------------------------------------- \1342\ This Section does not address the cost-benefit implications for imposing position limits on futures contracts and options thereon that are directly or indirectly linked to a core referenced futures contract. That discussion is below in Section IV.A.4 Further, this Section does not address the cost-benefit implications for maintaining non-spot month position limits on the nine legacy ***agricultural*** contracts. The Commission is of the view that the Final Rule should not have any cost-benefit consideration impacts due to the existence of Federal non-spot month position limits on the nine legacy ***agricultural*** commodities since the Commission is maintaining the status quo with respect to the existence of such limits for those contracts. As a result, the Commission does not expect there to be a change with respect to the costs and benefits of its approach by simply finding that Federal position limits continue to be necessary during the non-spot months for the nine legacy ***agricultural*** commodities. However, with the exception of CBOT Oats (O), CBOT KC HRS Wheat (KW), and MGEX HRS Wheat (MWE), the final rule will result in higher non-spot month position limit levels for the remaining legacy ***agricultural*** commodities. See infra Section IV.A.4 (addressing the costs and benefits of generally increased non-spot month position limit levels for the legacy ***agricultural*** contracts).---------------------------------------------------------------------------i. Federal Position Limits Framework The Commission currently enforces and sets Federal spot and non-spot month position limits only for futures and options on futures contracts on the nine legacy ***agricultural*** commodities.\1343\ The Final Rule expands the scope of commodity derivative contracts subject to the Commission's existing Federal position limits framework \1344\ to include (a) futures contracts and options on futures contracts on 16 additional contracts during the spot month only, for a total of 25 core referenced futures contracts,\1345\ (b) futures contracts and options on futures contracts directly or indirectly linked to one of the 25 core referenced futures contracts, and (c) swaps that are ``economically equivalent'' to certain referenced contracts.\1346\ Under this Final Rule, Federal non-spot month position limits will continue to apply only to futures and options on futures on the nine legacy ***agricultural*** commodities. As discussed above in Section III.B.2 , while economically equivalent swaps are encompassed within the ``referenced contract'' definition, such swaps are subject to Federal position limits pursuant to CEA section 4a(a)(5) and therefore not subject to a necessity determination. The cost-benefit implications of the Commission's ``economically equivalent swap'' definition are discussed further below.--------------------------------------------------------------------------- \1343\ The nine legacy ***agricultural*** contracts currently subject to Federal spot and non-spot month limits are: CBOT Corn (C), CBOT Oats (O), CBOT Soybeans (S), CBOT Wheat (W), CBOT Soybean Oil (SO), CBOT Soybean Meal (SM), MGEX Hard Red Spring Wheat (MWE), ICE Cotton No. 2 (CT), and CBOT KC Hard Red Winter Wheat (KW). \1344\ 17 CFR 150.2 Because the Commission had not yet implemented the Dodd-Frank Act's amendments to the CEA regarding position limits, except with respect to aggregation (see generally Final Aggregation Rulemaking, 81 FR at 91454) and the vacated 2011 Position Limits Rulemaking's amendments to 17 CFR 150.2 (see ISDA, 887 F. Supp. 2d 259 (2012)), the existing baseline or status quo consisted of the provisions of the CEA relating to position limits immediately prior to effectiveness of the Dodd-Frank Act amendments to the CEA and the relevant provisions of existing parts 1, 15, 17, 19, 37, 38, 140, and 150 of the Commission's regulations, subject to the aforementioned exceptions. \1345\ The 16 new products that are subject to Federal spot month position limits for the first time include seven ***agricultural*** (CME Live Cattle (LC), CBOT Rough Rice (RR), ICE Cocoa (CC), ICE Coffee C (KC), ICE FCOJ-A (OJ), ICE Sugar No. 11 (SB), and ICE Sugar No. 16 (SF)), four energy (NYMEX Light Sweet Crude Oil (CL), NYMEX New York Harbor ULSD Heating Oil (HO), NYMEX New York Harbor RBOB Gasoline (RB), NYMEX Henry Hub Natural Gas (NG)), and five metals (COMEX Gold (GC), COMEX Silver (SI), COMEX Copper (HG), NYMEX Palladium (PA), and NYMEX Platinum (PL)) contracts. \1346\ See supra Section II.A.4 (defining the term ``economically equivalent swap'' for purposes of the Federal position limits framework under the Final Rule).---------------------------------------------------------------------------ii. The Commission's Interpretation of Section 4a As previously discussed, the Commission interprets CEA section 4a to require that the Commission make an antecedent ``necessity'' finding that establishing Federal position limits is ``necessary'' to diminish, eliminate, or prevent certain burdens on interstate commerce with respect to the physical commodities in question.\1347\ As the statute does not define the term ``necessary,'' the Commission must apply its expertise in construing this term, and, as discussed further below, must do so consistent with the policy[[Page 3400]]goals articulated by Congress, including in CEA sections 4a(a)(2)(C) and 4a(a)(3), as noted throughout this discussion of the Commission's cost-benefit considerations.\1348\--------------------------------------------------------------------------- \1347\ See supra Section III.B (discussing legal standard for necessity finding). \1348\ In promulgating the position limits framework, Congress instructed the Commission to consider several factors: First, CEA section 4a(a)(3) requires the Commission when establishing position limits, to the maximum extent practicable, in its discretion, to (i) diminish, eliminate, or prevent excessive speculation; (ii) deter and prevent market manipulation, squeezes, and corners; (iii) ensure sufficient market liquidity for bona fide hedgers; and (iv) ensure that the price discovery function of the underlying market is not disrupted. Second, CEA section 4a(a)(2)(C) requires the Commission to strive to ensure that any limits imposed by the Commission will not cause price discovery in a commodity subject to position limits to shift to trading on a foreign exchange.--------------------------------------------------------------------------- Under this Final Rule, the Commission is establishing position limits on 25 core referenced futures contracts \1349\ and any futures contracts or options on futures contracts directly or indirectly linked to the core referenced futures contracts,\1350\ on the basis that position limits on such contracts are ``necessary'' to achieve the purposes of the CEA. In reaching this conclusion, the Commission analyzed (1) the importance of these contracts to the operation of the underlying cash commodity market, including that they require physical delivery; and (2) the importance of the underlying commodity to the economy as a whole.\1351\ As discussed above, the Commission is of the view that evidence demonstrating one or both of these factors is sufficient to establish that position limits are necessary because each factor relates to the statutory objective identified in paragraph 4a(a)(1).\1352\ As a result, the Commission has concluded that it must exercise its judgment in light of facts and circumstances, including its experience and expertise, in determining whether Federal position limit levels are economically justified.\1353\--------------------------------------------------------------------------- \1349\ See supra Section III.C (discussing necessity finding for the 25 core referenced futures contracts). \1350\ See supra Section III.D (discussing necessity finding for linked contracts). \1351\ See supra Section III.B (discussing and adopting legal standard for necessity finding in 2020 NPRM). \1352\ Id. \1353\ Id.---------------------------------------------------------------------------iii. The Commission's Necessity Finding With respect to the first factor of the Commission's necessity analysis, the Commission focused on physically-settled futures contracts because they perform an important price discovery function for many cash-market participants and may be affected by corners and squeezes, which can occur near the expiration of these contracts, compared to cash-settled contracts.\1354\ Based on the above discussion, the Commission determined that the 25 core referenced futures contracts are important to their respective underlying cash markets because they (1) are the physically-settled contracts in physical commodities traded on U.S exchanges that are the most used for hedging and price discovery by commercial participants, as measured by open interest, notional value, and trading volume; and (2) serve as key benchmarks for use in pricing cash-market and other transactions.\1355\ Upon consideration of the second factor, as discussed in further detail above, the Commission has determined that the cash markets underlying the 25 core referenced futures contracts are all, to varying degrees, vitally important to the U.S economy because many of the commodities underlying the 25 contracts are among the most important physical commodities, as measured by production and use, for commodities for which physically-settled futures contracts are traded on U.S exchanges.\1356\ For these reasons, the Commission finds that position limits are necessary for the 25 core referenced futures contracts to achieve the purposes of the CEA.\1357\--------------------------------------------------------------------------- \1354\ See supra Section III.C.2.a (discussing the link between the derivatives markets and underlying cash-markets). \1355\ See supra Section III.C.2.b (discussing the Commission's determination that the 25 core referenced futures contracts are used extensively for hedging and price discovery, thus establishing a close link between both markets). \1356\ See supra Section III.C.3 (discussing second factor of necessity analysis). \1357\ See supra Section III.C (discussing necessity finding for 25 core referenced futures contracts).--------------------------------------------------------------------------- As noted previously, the Commission has determined that position limits for futures and options on futures contracts that are linked to core referenced futures contracts are necessary within the meaning of paragraph 4a(a)(1) because such position limits are likely to make position limits for core referenced futures contracts more effective in preventing manipulation and other sources of sudden or unreasonable fluctuations or unwarranted changes in the price of the underlying commodity.\1358\--------------------------------------------------------------------------- \1358\ See supra Section III.D (discussing necessity finding for linked contracts).--------------------------------------------------------------------------- Further, the Commission has determined that position limits are necessary during all months for the nine legacy ***agricultural*** contracts, where non-spot month Federal position limits have been in place for decades, and only necessary during the spot month for the 16 additional core referenced futures contracts.\1359\ Specifically, the Commission found that certain potential sources of sudden or unreasonable fluctuations or unwarranted changes in commodity prices caused by excessive speculation, particularly corners, squeezes, and certain convergence problems, are associated primarily with large positions held during spot months.\1360\ And, to the extent that these problems may arise in prior months, they are mitigated by exchange policies including exchange-set position limits and position accountability.\1361\ As a result, even if position limits may have benefits outside the spot month, restricting Federal position limits to spot months for most commodities is consistent with the Commission's interpretation of the CEA section 4a(a)(1) necessity requirement as directing the Commission to impose position limits where they are economically justified as an efficient mechanism for achieving the statutory objectives.--------------------------------------------------------------------------- \1359\ See supra Section III.E (discussing necessity finding for spot/non-spot month position limits). \1360\ See supra Section III.C.2.a (discussing link between derivatives market and cash markets). \1361\ See supra Section III.E (discussing necessity finding for spot/non-spot month position limits).--------------------------------------------------------------------------- The Commission similarly found position limits in non-spot months to be necessary for the nine legacy ***agricultural*** contracts for the reasons previously stated above.\1362\ Briefly, these limits were put in place pursuant to past statutory necessity findings and have been in place for decades without the Commission observing problems or concerns by market participants that would give reasons to remove them.\1363\ For these reasons, the Commission has determined that it would be imprudent to eliminate them absent any specific reason in support thereof.--------------------------------------------------------------------------- \1362\ Id. \1363\ Id.---------------------------------------------------------------------------iv. Potential Costs and Benefits of the Commission's Necessity Finding for the 25 Core Referenced Futures Contracts In this section, the Commission will discuss potential costs and benefits resulting from the Commission's necessity finding with respect to: (1) The liquidity and integrity of the futures and related options markets; and (2) market participants and exchanges. The Commission discusses each factor in turn below.a. Potential Impact of the Scope of the Commission's Necessity Findings on Market Liquidity and Integrity The Commission has determined that the 25 core referenced futures contracts included in its necessity finding are[[Page 3401]]among the most liquid physical commodity contracts, as measured by open interest and trading volume,\1364\ and, therefore, imposing positions limits on these contracts may impose costs on market participants by constraining liquidity because a trader may be prevented from trading due to a position limit reducing liquidity on the other side of the contract. However, to the extent that the nine legacy ***agricultural*** contracts already are subject to existing Federal position limits, the Final Rule does not represent a change to the status quo baseline (although, as noted below, the applicable Federal position limits will increase under the Final Rule for most of the nine legacy ***agricultural*** contracts and the associated costs and benefits are discussed thereunder). Nonetheless, the Commission believes that any potential harmful effect on liquidity will be muted, as a result of the generally high levels of open interest and trading volumes of the respective 25 core referenced futures contracts. This is so because, all other things being equal, large, liquid markets tend to have more participants and tend to be less concentrated. As a result, in such markets, if position limits on some occasion restrict trading by one or a small number of large traders, it is highly likely that other traders will be participating in the market in sufficient volume for the purpose of providing liquidity on reasonable terms.--------------------------------------------------------------------------- \1364\ See supra Section III.C.2.b (discussing average open interest and average daily trading volume for the 25 core referenced futures contracts for the period January 1, 2019 through December 31, 2019).--------------------------------------------------------------------------- The Commission has determined that, as a general matter, focusing on the 25 core referenced futures contracts may benefit market integrity since these contracts generally are amongst the largest physically-settled contracts with respect to relative levels of open interest and trading volumes.\1365\ The Commission therefore believes that excessive speculation or potential market manipulation in such contracts is more likely to affect additional market participants and therefore potentially more likely to cause an undue and unnecessary burden (e.g , potential harm to market integrity or liquidity) on interstate commerce. Because each core referenced futures contract is physically-settled, as opposed to cash-settled, the Final Rule focuses on preventing corners and squeezes in those contracts where such market manipulation could cause significant harm in the price discovery process for their respective underlying commodities.\1366\--------------------------------------------------------------------------- \1365\ Id. \1366\ The Commission must also make this determination in light of its limited available resources and responsibility to allocate taxpayer resources in an efficient manner to meet the goals of CEA section 4a(a)(1), 7 U.S.C 6a(a)(1), and the CEA generally.--------------------------------------------------------------------------- While the Commission recognizes that market participants may engage in market manipulation through cash-settled futures contracts and options on futures contracts, the Commission has determined that focusing on the physically-settled core referenced futures contracts will benefit market integrity by reducing the risk of corners and squeezes in particular. In addition, not imposing position limits on additional commodities may foster non-excessive speculation, leading to better prices and more efficient resource allocation in these commodities. This may ultimately benefit commercial end users and possibly be passed on to the general public in the form of better pricing. As noted above, the scope of the Commission's necessity finding with respect to the 25 core referenced futures contracts allows the Commission to focus on those contracts that, in general, the Commission recognizes as having particular importance in the price discovery process for their respective underlying commodities as well as potentially acute economic burdens that would arise from excessive speculation causing sudden or unreasonable fluctuations or unwarranted changes in the commodity prices underlying these contracts.\1367\--------------------------------------------------------------------------- \1367\ See supra Section III.C.2.b --------------------------------------------------------------------------- To the extent the Commission did not include additional commodities in its necessity finding, those markets will not receive the benefits intended from the Final Rule's Federal position limits framework. It is conceivable that this could entice bad actors to turn to those markets for illegal schemes. On the other hand, markets outside the 25 core referenced futures contracts are not left totally exposed. Some of the potential harms to market integrity associated with not including additional commodities within the Federal position limits framework could be mitigated to an extent by exchanges, which can use tools other than position limits, such as margin requirements or position accountability at lower levels than the Federal position limits adopted in the Final Rule, to defend against certain market behavior. Further, burdens related to potential market manipulation for markets outside the 25 core referenced futures contracts may be mitigated through exchanges also establishing exchange-set position limits. Under final Sec. 150.5(a) and (b), exchanges are required to adopt exchange-set position limits both (i) for contracts subject to Federal position limits and (ii) during the spot month for physical commodity contracts not subject to Federal position limits.\1368\ Final Sec. 150.5(b) also requires exchanges to adopt position limits or position accountability outside the spot month for those physical commodity contracts not subject to Federal position limits outside of the spot month.--------------------------------------------------------------------------- \1368\ As discussed earlier in this release, final Sec. 150.5(a) requires exchange-set limits for contracts subject to Federal limits to be no higher than the Federal limit. Final Sec. 150.5(b)(1) requires exchanges to establish position limits for spot-month contracts in physical commodities that are not subject to Federal position limits at a level that is ``necessary and appropriate to reduce the potential threat of market manipulation or price distortion of the contract's or the underlying commodity's price or index.'' See supra Section II.D (discussing Final Sec. 150.5).--------------------------------------------------------------------------- Exchange-set position limits, including amendments to existing limits, are reviewed by Commission staff via submissions under part 40 of the Commission's regulations, and must meet standards established by the Commission, including in Sec. Sec. 150.1 and 150.5 \1369\ While the review of exchange-set limits is focused on the adequacy of the exchange-set position limit to minimize the potential for manipulation, it isn't reviewed considering all of the CEA section 4a(a)(3)(B) factors as Federal position limits require. Thus, exchange-set limits may be set at a more restrictive level than a Federal speculative position limit might be set for the same contract if it were subject to Federal limits and therefore may have higher compliance and liquidity costs than Federal limits on the same contract for periods of time. Exchange limits may be updated much faster and more frequently than Federal limits can be updated.\1370\ Therefore, any added compliance and liquidity costs may only be realized in the short-term relative to any compliance and liquidity costs from a Federal limit on the same contract.--------------------------------------------------------------------------- \1369\ Further, as part of the submission process, exchanges are encouraged to determine exchange-set limits based on the guidance in Appendix C to part 38 (``Demonstration of compliance that a contract is not readily susceptible to manipulation''). See 17 CFR part 38, Appendix C. Appendix C provides guidance on calculating deliverable supply for physical commodity contracts based on the terms and conditions of the futures contract and also refers to part 150 for specific information regarding the establishment of speculative position limits including exchange-set speculative position limits. \1370\ Exchanges can self-certify amendments to exchange-set limits under Sec. 40.6 Federal position limits are updated only through the rulemaking process.---------------------------------------------------------------------------[[Page 3402]] Although the Commission does not find that exchange-set limits render Federal position limits unnecessary for the 25 core referenced futures contracts and associated markets, due to their overall importance, these tools do diminish the potential costs of refraining from imposing Federal position limits outside of the 25 core referenced futures contracts. Bad actors may also be deterred by the Commission's anti-manipulation authority and the Commission's authority to purse violations of exchange-set limits.\1371\--------------------------------------------------------------------------- \1371\ See, e.g , In the Matter of Sukarne SA de CV, CFTC No. 20-60, 2020 WL 5701586 (Sept. 18, 2020) (imposing a $35,000 civil monetary penalty for a one-day violation of exchange-set position limits in CME live cattle futures).---------------------------------------------------------------------------b. Potential Impact of the Scope of the Commission's Necessity Findings on Market Participants and Exchanges The Commission acknowledges that the Final Rule's Federal position limits framework could impose certain administrative, logistical, technological, and financial burdens on exchanges and market participants, especially with respect to developing or expanding compliance systems and the adoption of monitoring policies.\1372\ The Commission, however, believes that these burdens will be mostly incremental as many of the fixed costs have already been incurred by exchanges and market participants. For example, exchanges are currently required to comply with comparable requirements such as calculating average daily trading volume. Further, market participants are required to comply with existing requirements such as existing Federal position limits and exchange-set limits and accountability levels.\1373\--------------------------------------------------------------------------- \1372\ See, e.g , ISDA at 4 (``new Federal position limits rulemaking will involve significant compliance costs and burdens . . . that the CFTC can mitigate . . . by starting with final rules only for physically-delivered spot month futures contracts in a first phase.''). \1373\ See NFPEA at 6 and 14 (explaining that the Federal position limits framework would ``place unnecessary regulatory burdens and costs on the NFP Energy Entities, without providing the Commission with useful or usable information about speculators, speculative transactions or speculative positions'' and asserting that ``[t]here is no regulatory benefit in terms of reducing the burdens of excessive speculation on CFTC-regulated markets to balance against the costs and burdens for NFP Energy Entities (on-speculators) to study, understand and apply the Commission's Speculative Position Limits rules to their transactions and positions''). See also supra Section II.C.14.i (discussing NFPEA's request for an exemption from the Federal position limits framework and how the Final Rule addresses many of the concerns raised by NFPEA).--------------------------------------------------------------------------- The Commission further believes that these potential burdens are mitigated by (1) the compliance date of January 1, 2022 in connection with the Federal position limits for the 16 non-legacy core referenced futures contracts, and (2) the compliance date of January 1, 2023 for both (a) economically equivalent swaps that are subject to Federal position limits under the Final Rule and (b) the elimination of previously-granted risk management exemptions (i.e , market participants may continue to rely on their previously-granted risk management exemptions until January 1, 2023).\1374\ These delayed compliance deadlines should mitigate compliance costs by permitting the update and build out of technological and compliance systems more gradually. They may also reduce the burdens on market participants not previously subject to position limits, who will have a longer period of time to determine whether they may qualify for certain bona fide hedging recognitions or other exemptions, and to possibly alter their trading or hedging strategies.\1375\ Further, the delayed compliance dates will reduce the burdens on exchanges, market participants, and the Commission by providing each with more time to resolve technological and other challenges for compliance with the new regulations. In turn, the Commission anticipates that the extra time provided by the delayed compliance dates will result in more robust systems for market oversight, which should better facilitate the implementation of the Final Rule and avoid unnecessary market disruptions while exchanges and market participants prepare for its implementation. However, the delayed compliance deadlines will extend the time it will take to realize the benefits identified above.--------------------------------------------------------------------------- \1374\ See supra Section I.D (discussing effective date and compliance date of the Final Rule). \1375\ Commenters on the Commission's notice of a proposed rulemaking for a new position limits proposal issued on February 27, 2020 (``2020 NPRM'') and prior proposals have requested a sufficient phase-in period. See supra Section I.D.iv (discussing comments regarding compliance period of Final Rule); see also 81 FR at 96815 (implementation timeline).--------------------------------------------------------------------------- This January 1, 2022 compliance date also applies to exchange obligations under final Sec. 150.5, and market participants' related obligation to temporarily continue providing Forms 204/304 in connection with bona fide hedges. Furthermore, with respect to exchanges' implementation of Sec. 150.9, the Commission is clarifying that exchanges may choose to implement the streamlined process for non-enumerated bona fide hedge applications as soon as the Final Rule's effective date,\1376\ or anytime thereafter (or not at all).--------------------------------------------------------------------------- \1376\ The Final Rule's effective date is March 15, 2021 (the ``Effective Date'').--------------------------------------------------------------------------- CME expressed concern that it may receive an influx of exemption applications at the end of the compliance period, and therefore suggested a rolling process where market participants are grandfathered into their current exemptions, permitting them to file for those exemptions on the same annual schedule.\1377\ ISDA urged the Commission to recognize the burdens associated with implementing a new set of rules, and adopt a phase-in to minimize market disruptions and increases in compliance costs.\1378\ As noted above, the Commission seeks to alleviate the compliance burdens on exchanges associated with the Final Rule by providing for a compliance date of January 1, 2022 for exchanges with respect to their obligations under Sec. 150.5 The Commission believes CME's concern is mitigated since exchanges, at their discretion, may implement final Sec. 150.9 as soon as the Effective Date, which will allow exchanges to review non-enumerated bona fide hedges on a rolling basis between the Effective Date and the end of the compliance period rather than having to process a large number of applications at once. Furthermore, market participants with existing Commission-granted non-enumerated or anticipatory bona fide hedge recognitions are not required to reapply to the Commission for a new recognition under the Final Rule. The delayed compliance should better facilitate the implementation of the Final Rule by preventing unnecessary market disruptions and reducing the burdens on exchanges, market participants, and the Commission by providing each with more time to resolve technological and other challenges for compliance with the new regulations.--------------------------------------------------------------------------- \1377\ CME Group at 8. \1378\ ISDA at 2.--------------------------------------------------------------------------- The 2020 NPRM did not provide a specific date as the compliance date but rather stated ``365 days after publication . . . in the Federal Register,'' and did not provide a separate compliance date for economically equivalent swaps or related to previously-granted risk management exemptions. In response, several commenters requested the that Commission further extend the compliance date for swaps to provide market participants additional time to identify which swaps would be deemed economically equivalent to a referenced contract, refine their compliance[[Page 3403]]systems, and manage other operational and administrative challenges.\1379\ These commenters generally stressed that burdens related to economically equivalent swaps may be greater than related futures contracts and options thereon.\1380\ The Commission generally agrees with commenters that additional time would reduce burdens associated with establishing compliance and monitoring systems, and has therefore extended the compliance date for economically equivalent swaps until January 1, 2023. Because the Commission understands that risk management positions tend to also involve OTC swap positions, the Commission believes that having the same compliance date as economically equivalent swaps in connection with the elimination of the risk management exemption would similarly reduce burdens.--------------------------------------------------------------------------- \1379\ MFA/AIMA at 8; NCFC at 6; NGSA at 15-16; SIFMA AMG at 9-10; and Citadel at 9. \1380\ Id.---------------------------------------------------------------------------3. Federal Position Limit Levels (Final Sec. 150.2)i. General Approach Existing Sec. 150.2 establishes Federal position limit levels that apply net long or net short to futures and, on a futures-equivalent basis, to options on futures contracts on nine legacy physically-settled ***agricultural*** contracts.\1381\ The Commission has previously set separate Federal position limits for: (i) The spot month, and (ii) a single month and all-months-combined (i.e , ``non-spot months'').\1382\ For the existing spot month Federal position limit levels, the contract levels are based on, among other things, 25% or lower of the estimated deliverable supply (``EDS'').\1383\ For the existing non-spot month position limit levels, the levels are generally set at 10% of open interest for the first 25,000 contracts of open interest, with a marginal increase of 2.5% of open interest thereafter (the ``10/2.5% formula'').--------------------------------------------------------------------------- \1381\ The nine legacy ***agricultural*** contracts subject to existing Federal spot and non-spot month position limits were: CBOT Corn (C), CBOT Oats (O), CBOT Soybeans (S), CBOT Wheat (W), CBOT Soybean Oil (SO), CBOT Soybean Meal (SM), MGEX Hard Red Spring Wheat (MWE), ICE Cotton No. 2 (CT), and CBOT KC Hard Red Winter Wheat (KW). \1382\ For clarity, limits for single and all-months-combined apply separately. However, the Commission previously has applied the same limit levels to the single month and all-months-combined. Accordingly, the Commission will discuss the single and all-months limits, i.e , the non-spot month limits, together. \1383\ See supra Section II.B.1--Existing Sec. 150.2 (discussing that establishing spot month levels at 25% or less of EDS is consistent with past Commission practices).--------------------------------------------------------------------------- Final Sec. 150.2 revises and expands the existing Federal position limits framework as follows. First, during the spot month, Sec. 150.2: (i) Subjects 16 additional core referenced futures contracts and their associated referenced contracts to Federal spot month position limits, which are based on, among other things, the Commission's existing approach of establishing limit levels at 25% or lower of EDS, for a total of 25 core referenced futures contracts (and their associated referenced contracts) subject to Federal spot month position limits (i.e , the nine legacy ***agricultural*** contracts plus the 16 additional contracts); \1384\ and (ii) updates the existing spot month levels for the nine legacy ***agricultural*** contracts based on, among other things, revised EDS.\1385\--------------------------------------------------------------------------- \1384\ The 16 new products that are subject to Federal spot month position limits for the first time include seven ***agricultural*** (CME Live Cattle (LC), CBOT Rough Rice (RR), ICE Cocoa (CC), ICE Coffee C (KC), ICE FCOJ-A (OJ), ICE Sugar No. 11 (SB), and ICE Sugar No. 16 (SF)), four energy (NYMEX Light Sweet Crude Oil (CL), NYMEX NY Harbor ULSD Heating Oil (HO), NYMEX NY Harbor RBOB Gasoline (RB), and NYMEX Henry Hub Natural Gas (NG)), and five metals (COMEX Gold (GC), COMEX Silver (SI), COMEX Copper (HG), NYMEX Palladium (PA), and NYMEX Platinum (PL)) contracts. \1385\ The Final Rule maintains the current spot month limits on CBOT Oats (O).--------------------------------------------------------------------------- Second, for non-spot month position limit levels, final Sec. 150.2 revises the 10/2.5% formula so that: (i) The incremental 2.5% increase takes effect after the first 50,000 contracts of open interest, rather than after the first 25,000 contracts under the existing rule (the ``marginal threshold level''); and (ii) the limit levels are calculated by applying the updated 10/2.5% formula to open interest ***data*** for the two 12-month periods from July 2017 to June 2018 and July 2018 to June 2019 of the applicable futures contracts and delta-adjusted options on futures contracts.\1386\ The 12-month period yielding the higher limit is selected as the non-spot month limit for that legacy ***agricultural*** commodity.--------------------------------------------------------------------------- \1386\ As discussed below, for most of the legacy ***agricultural*** commodities, this results in a higher non-spot month limit. However, the Commission is not changing the non-spot month limits for either CBOT Oats (O) or MGEX Hard Red Spring Wheat (MWE) based on the revised open interest since this would result in a reduction of non-spot month limits from 2,000 to 700 contracts for CBOT Oats (O) and 12,000 to 5,700 contracts for MGEX HRS Wheat (MWE). Similarly, the Commission also is maintaining the current non-spot month limit for CBOT KC Hard Red Winter Wheat (KW). Furthermore, the Commission is adopting a separate single month position limit level of 5,950 contracts for ICE Cotton No. 2 (CT). The all-months-combined position limit level for ICE Cotton No. 2 (CT) is set at 11,900 contracts, based on the modified 10/2.5% formula and updated open interest figures.--------------------------------------------------------------------------- Third, the final Federal position limits framework expands to cover (i) any cash-settled futures and related options on futures contracts directly or indirectly linked to any of the 25 proposed physically-settled core referenced futures contracts as well as (ii) any economically equivalent swaps. For spot month positions, the Federal position limits in final Sec. 150.2 apply separately, net long or short, to cash-settled referenced contracts and to physically-settled referenced contracts in the same commodity. This results in a separate net long/short position for each category so that cash-settled contracts in a particular commodity are netted with other cash-settled contracts in that commodity, and physically-settled contracts in a given commodity are netted with other physically-settled contracts in that commodity; a cash-settled contract and a physically-settled contract may not be netted with one another during the spot month. Outside the spot month, cash and physically-settled contracts in the same commodity are netted together to determine a single net long/short position. Fourth, final Sec. 150.2 subjects pre-existing positions, other than pre-enactment swaps and transition period swaps, to Federal position limits during the spot month and non-spot months. In setting the Federal position limit levels, the Commission seeks to advance the enumerated statutory objectives with respect to position limits in CEA section 4a(a)(3)(B).\1387\ The Commission recognizes that relatively high Federal position limit levels may be more likely to support some of the statutory goals and less likely to advance others. For instance, a relatively higher Federal position limit level may be more likely to benefit market liquidity for hedgers or ensure that the price discovery of the underlying market is not disrupted, but may be less likely to benefit market integrity by being less effective at diminishing, eliminating, or preventing excessive speculation or at deterring and preventing market manipulation, corners, and squeezes. In particular, setting relatively high Federal position limit levels may result in excessively large speculative positions and/or increased volatility, especially during speculative showdowns (when two market participants disagree about the proper market price and trade aggressively in large quantities[[Page 3404]]expressing their view causing the market price to be volatile), which may cause some market participants to retreat from the commodities markets due to perceived decreases in market integrity. In turn, fewer market participants may result in lower liquidity levels for hedgers and harm to the price discovery function in the underlying markets.--------------------------------------------------------------------------- \1387\ See supra Sections II.B.3.ii.a(1) and II.B.4.iii.a(4) (further discussing the CEA's statutory objectives for the Federal position limits framework).--------------------------------------------------------------------------- Conversely, setting a relatively lower Federal position limit level may be more likely to diminish, eliminate, or prevent excessive speculation, but may also limit the availability of certain hedging strategies, adversely affect levels of liquidity, and increase transaction costs.\1388\ Additionally, setting Federal position limits too low may cause non-excessive speculation to exit a market, which could reduce liquidity, cause ``choppy'' \1389\ prices and reduced market efficiency, and increase option premia to compensate for the more volatile prices. The Commission in its discretion has nevertheless endeavored to set Federal position limit levels, to the maximum extent practicable, to benefit the statutory goals identified by Congress.--------------------------------------------------------------------------- \1388\ For example, relatively lower Federal position limits may adversely affect potential hedgers by reducing liquidity. In the case of reduced liquidity, a potential hedger may face unfavorable spreads and prices, in which case the hedger must choose either to delay implementing its hedging strategy and hope for more favorable spreads in the near future or to choose immediate execution (to the extent possible) at a less favorable price. \1389\ ``Choppy'' prices often refer to illiquidity in a market where transacted prices bounce between the bid and the ask prices. Market efficiency may be harmed in the sense that transacted prices might need to be adjusted for the bid-ask bounce to determine the fundamental value of the underlying contract.--------------------------------------------------------------------------- As discussed above, the contracts that are subject to the Federal position limits adopted in the Final Rule are currently subject to either Federal or exchange-set position limits (or both). To the extent that the Federal position limit levels in final Sec. 150.2 are higher than the existing Federal position limit levels for either the spot or non-spot month, market participants currently trading these contracts could engage in additional trading under the Federal position limit levels in final Sec. 150.2 that otherwise would be prohibited under existing Sec. 150.2 \1390\ On the other hand, to the extent an exchange--set position limit level is lower than its corresponding Federal position limit level in final Sec. 150.2, the Federal position limit does not affect market participants since market participants are required to comply with the lower exchange--set position limit level (to the extent that the exchanges maintain their current levels).\1391\--------------------------------------------------------------------------- \1390\ For the spot month, all the legacy ***agricultural*** contracts other than CBOT Oats (O) have higher Federal position limit levels. For the non-spot months, all the legacy ***agricultural*** contracts other than CBOT Oats (O), MGEX HRS Wheat (MWE), and CBOT KC HRW Wheat (KW), have higher Federal position limit levels. \1391\ While the Final Rule generally either increases or maintains the Federal position limits for both the spot months and non-spot months compared to existing Federal position limits, where applicable, and exchange limits, the Federal spot month position limit level for COMEX Copper (HG) is below the existing exchange-set level. Accordingly, market participants may have to change their trading behavior with respect to COMEX Copper (HG), which could impose compliance and transaction costs on these traders, to the extent their existing trading exceeds the lower Federal spot month position limit levels.---------------------------------------------------------------------------ii. Spot Month Levels The Commission is maintaining 25% of EDS as a ceiling for Federal spot month position limits, except for cash-settled NYMEX Henry Hub Natural Gas (``NYMEX NG'') referenced contracts, which is discussed below. Based on the Commission's experience overseeing Federal position limits for decades, and overseeing exchange-set position limits submitted to the Commission pursuant to part 40 of the Commission's regulations, none of the Federal spot month position limit levels listed in final Appendix E of part 150 of the Commission's regulations: (i) Are so low as to reduce liquidity for bona fide hedgers or disrupt the price discovery function of the underlying market; \1392\ or (ii) so high as to invite excessive speculation, manipulation, corners, or squeezes because, among other things, any potential economic gains resulting from the manipulation may be insufficient to justify the potential costs, including the costs of acquiring, and ultimately offloading, the positions used to effect the manipulation.\1393\--------------------------------------------------------------------------- \1392\ The Federal spot month position limit levels adopted in the Final Rule are set at, or higher than, existing Federal spot month position limit levels (for the nine legacy ***agricultural*** contracts) or at, or higher than, existing exchange-set spot month position limit levels (for the 16 non-legacy core referenced futures contracts). As a result, the Commission does not believe that liquidity will be reduced with respect to the core referenced futures contracts and their associated referenced contracts. Consequently, the Commission also believes that the Federal spot month position limit levels will be less burdensome on market participants. See AFIA at 1. \1393\ This is driven primarily by the Federal spot month position limit levels being set at or below 25% of EDS.--------------------------------------------------------------------------- The Commission considered alternative Federal spot month position limit levels provided by Better Markets, which requested a standard Federal spot month position limit level of 10% of EDS, which could be adjusted as needed.\1394\ The Commission believes that this across-the-board approach fails to take into ***account*** the differences between the core referenced futures contracts and could result in material costs to certain types of referenced contracts without concomitant benefits. For example, the Commission has determined to set the Federal spot month position limit levels for eight core referenced futures contracts below 10% of EDS. Raising the levels to 10% of EDS for some of these contracts could increase the risk of market manipulation. As an example, raising the Federal position limit level to 10% of EDS would result in an increase of approximately 46% over the proposed and final Federal spot month position limit level for CBOT KC HRS Wheat (KW). The Commission believes that, despite the increased potential for market manipulation, this would result in a negligible improvement in liquidity, because the level for CBOT KC HRS Wheat (KW) is being set as a ceiling within the Federal position limits framework.--------------------------------------------------------------------------- \1394\ Better Markets at 41. Other commenters, such as PMAA and AFR, generally suggested lowering Federal spot month position limit levels. However, neither provided specific levels or a formula for determining alternative levels. As a result, the Commission is unable to engage in a cost-benefit analysis with respect to their suggestions.--------------------------------------------------------------------------- On the other end of the spectrum, for some core referenced futures contracts with proposed and final Federal position limit levels higher than 10% of EDS, decreasing the levels to 10% of EDS could have a material negative impact on liquidity. For example, this would result in a reduction in the Federal spot month position limit levels by approximately 60% for the seven core referenced futures contracts for which the Commission is adopting a Federal spot month position limit level of 25% of EDS.\1395\ This could cause a significant decrease in liquidity in those markets, as speculative traders may not be of sufficient size and quantity to take the other side of bona fide hedgers' positions. This may impact the price discovery function and hedging utility of those contracts because hedgers could not transact at better prices provided by the presence of the speculative traders. Furthermore, it could severely restrict the breadth of exchange-set spot month position limit levels that an exchange may set, which would provide less[[Page 3405]]flexibility to the exchanges to respond to rapidly changing market conditions.--------------------------------------------------------------------------- \1395\ The seven such core referenced futures contracts are: (1) MGEX HRS Wheat (MWE); (2) ICE Cocoa (CC); (3) ICE Coffee C (KC); (4) ICE FCOJ-A (OJ); (5) ICE Sugar No. 11 (SB); (6) ICE Sugar No. 16 (SF); and (7) NYMEX Henry Hub Natural Gas (NYMEX NG).--------------------------------------------------------------------------- The Commission also considered PMAA's statement that ``the spot-month limit of 25 percent of deliverable supply is not sufficiently aggressive to deter excessive speculation.'' \1396\ However, PMAA provides no defined alternative for the Commission to consider, which makes it difficult to compare the costs and benefits of PMAA's suggested approach. Nonetheless, the Commission acknowledges that, as a general principle, lowering position limit levels may decrease the likelihood of excessive speculation.\1397\ However, that may come at the cost of liquidity for bona fide hedgers. The Commission notes that PMAA's suggestion would apply to only seven of the 25 core referenced futures contracts that have Federal spot month position limit levels set at 25% of EDS in the Final Rule.\1398\ The others are all set well below 25% of EDS, with the highest being 19.29% of EDS for CBOT Oats (O). For all core referenced futures contracts, including ones that have Federal spot month position limit levels set at 25% of EDS, the Commission reviewed the methodology underlying the EDS figures and the Federal spot month position limit levels, and determined that they advance the objectives of CEA section 4a(a)(3), including preventing excessive speculation and manipulation, while also ensuring sufficient market liquidity for bona fide hedgers. Finally, the Final Rule's position limits framework also leverages the exchanges' expertise and ability to quickly set and adjust their exchange-set spot month position limits at any level lower than the Federal spot month position limit levels in response to market conditions, which relieves some of the potential costs of setting the Federal spot month position limit levels at 25% of EDS (i.e , a higher likelihood of excessive speculation compared to lower levels) for the seven core referenced futures contracts discussed above.--------------------------------------------------------------------------- \1396\ PMAA at 2. \1397\ However, based on the Commission's past experience in setting Federal speculative position limits, the Commission notes that it is very unlikely that there will be excessive speculation if the Federal spot month position limit level is set at 25% or less of EDS. \1398\ The seven such core referenced futures contracts are: (1) MGEX HRS Wheat (MWE); (2) ICE Cocoa (CC); (3) ICE Coffee C (KC); (4) ICE FCOJ-A (OJ); (5) ICE Sugar No. 11 (SB); (6) ICE Sugar No. 16 (SF); and (7) NYMEX Henry Hub Natural Gas (NYMEX NG).--------------------------------------------------------------------------- The Commission also considered CME Group's recommendation with respect to the non-CME Group-listed core referenced futures contracts ``that the Commission not adopt final spot month position limit levels at 25% of deliverable supply as a rigid formula and, based on the factors previously described above, work with the exchange to determine an appropriate limit based on the market dynamics previously described.'' \1399\ CME Group commented that, ``[t]aking an across-the-board approach by setting a Federal limit at the full 25 percent of deliverable supply could have a significant negative impact on many markets across all asset classes. . . . For example, setting a uniform and high Federal limit without regard to the unique characteristics of a particular contract market can encourage exchanges to set limits for competitive reasons rather than for regulatory purposes . . . [and] that perverse incentive structure could lead to a race to the bottom and undermine the statutory goals of deterring manipulation and excessive speculation through position limits.'' \1400\ The Commission agrees that mechanically applying a Federal spot month position limit level of 25% of EDS can undermine the statutory goals of CEA section 4a(a)(3). However, in proposing the Federal spot month position limit levels, the Commission did not mechanically apply 25% of EDS as a rigid formula for the non-CME Group-listed core referenced futures contracts. Instead, as it did for the CME Group-listed core referenced futures contracts, the Commission reviewed the methodology underlying the EDS figures and the Federal spot month position limit levels, and determined that they advance the objectives of CEA section 4a(a)(3), including preventing excessive speculation and manipulation, while also ensuring sufficient market liquidity for bona fide hedgers. The Commission also considered the Federal spot month position limit levels in the context of the Final Rule's position limits framework, which leverages the exchanges' expertise and ability to quickly set and adjust their exchange-set spot month position limits at any level lower than the Federal spot month position limit levels in response to market conditions, which relieves some of the potential costs of setting the Federal spot month position limit levels at 25% of EDS. Furthermore, the Commission considered comments received in response to the 2020 NPRM before finalizing the Federal spot month position limit levels. This is evidenced in the changes to the Federal spot month position limit levels with respect to NYMEX Henry Hub Natural Gas (NG) and ICE Cotton No. 2 (CT), the latter of which is set at 12.95% of EDS in the Final Rule.--------------------------------------------------------------------------- \1399\ CME Group at 5. CME considered the following factors: contract specifications, market participation, physical market fundamentals, delivery process, convergence, market liquidity, volatility, market participant concentration, and market participant feedback. \1400\ CME Group at 5.--------------------------------------------------------------------------- The Commission also recognizes comments from Better Markets and NEFI, which state that exchanges have incentives to maximize shareholder profits, which could be accomplished by, among other things, maximizing trading.\1401\ One way exchanges could spur trading in the context of setting Federal spot month position limit levels in this rulemaking is by taking steps to ensure that the Federal spot month position limit levels are set as high as possible by providing higher EDS figures and recommending higher Federal spot month position limit levels. A potential cost of extremely high Federal spot month position limit levels is harm to market integrity through excessive speculation and manipulation. However, the Commission believes that these costs are mitigated through a number of mechanisms. First, the Commission independently assessed and verified the exchanges' EDS estimates, which included: (1) Working closely with the exchanges to independently verify that all EDS methodologies and figures are reasonable; \1402\ and (2) reviewing each exchange-recommended level for compliance with the requirements established by the Commission and/or by Congress, including those in CEA section 4a(a)(3)(B).\1403\ Second, the Commission conducted its own analysis of the exchange-recommended Federal spot month position limit levels and determined that the levels adopted herein are: (1) Low enough to diminish, eliminate, or prevent excessive speculation and also protect price discovery; (2) high enough to ensure that there is sufficient market liquidity for bona fide hedgers; (3) fall within a range of acceptable limit levels; and (4) are properly calibrated to ***account*** for differences between markets. Third, the Commission notes that exchanges have significant incentives and obligations to maintain well-functioning markets as self-regulatory organizations that are themselves subject to regulatory requirements. Specifically, the DCM and[[Page 3406]]SEF Core Principles require exchanges to, among other things, list contracts that are not readily susceptible to manipulation, and surveil trading on their markets to prevent market manipulation, price distortion, and disruptions of the delivery or cash-settlement process.\1404\ Fourth, exchanges also have significant incentives to maintain well-functioning markets to remain competitive with other exchanges. Market participants may choose exchanges that are less susceptible to sudden or unreasonable fluctuations or unwarranted changes caused by corners, squeezes, and manipulation, which could, among other things, harm the price discovery function of the commodity derivative contracts and negatively impact the delivery of the underlying commodity, bona fide hedging strategies, and market participants' general risk management.\1405\ In addition, several academic studies, including one concerning futures exchanges and another concerning demutualized stock exchanges, support the conclusion that exchanges are able to both satisfy shareholder interests and meet their self-regulatory organization responsibilities.\1406\ Finally, the Commission itself conducts general market oversight through, among other things, its own surveillance program to ensure well-functioning markets.--------------------------------------------------------------------------- \1401\ Better Markets at 22-23; NEFI at 3. \1402\ As discussed in detail in Section II.B.3.iii.b , the verification involved: confirming that the methodology and ***data*** for the underlying commodity reflected the commodity characteristics described in the core referenced futures contract's terms and conditions; replicating exchange EDS figures using the methodology provided by the exchange; and working with the exchanges to revise the methodologies as needed. \1403\ See supra Section II.B.3.ii.a(1). \1404\ 17 CFR 38.200; 17 CFR 38.250; 17 CFR 37.300; and 17 CFR 37.400 \1405\ Kane, Stephen, Exploring price impact liquidity for December 2016 NYMEX energy contracts, n.33, U.S Commodity Futures Trading Commission website, available at [*https://www.cftc.gov/sites/default/files/idc/groups/public/@economicanalysis/documents/file/oce\_priceimpact.pdf*](https://www.cftc.gov/sites/default/files/idc/groups/public/@economicanalysis/documents/file/oce_priceimpact.pdf). \1406\ See David Reiffen and Michel A. Robe, Demutualization and Customer Protection at Self-Regulatory Financial Exchanges, Journal of Futures Markets, Vol. 31, 126-164 (in many circumstances, an exchange that maximizes shareholder (rather than member) income has a greater incentive to aggressively enforce regulations that protect participants from dishonest agents); and Kobana Abukari and Isaac Otchere, Has Stock Exchange Demutualization Improved Market Quality? International Evidence, Review of Quantitative Finance and ***Accounting***, Dec 09, 2019, [*https://doi.org/10.1007/s11156-019-00863-y*](https://doi.org/10.1007/s11156-019-00863-y) (demutualized exchanges have realized significant reductions in transaction costs in the post-demutualization period).---------------------------------------------------------------------------a. NYMEX Henry Hub Natural Gas (NYMEX NG) Cash-Settled Referenced Contracts Based on comments received \1407\ and based on the existing exchange-set practices with respect to the NYMEX NG core referenced futures contract and its associated cash-settled referenced contracts, the Commission is permitting market participants to hold a position in cash-settled NYMEX NG referenced contracts up to the Federal spot month position limit level of 2,000 referenced contracts per exchange and another position in cash-settled economically equivalent NYMEX NG OTC swaps that has a notional amount of up to 2,000 equivalent-sized contracts. This is: (i) A modification from the proposed Federal spot month position limit level for NYMEX NG referenced contracts, in which market participants would be able to hold only 2,000 cash-settled NYMEX NG referenced contracts aggregated between all exchanges and the OTC swaps market; but (ii) a continuation of the existing exchange-set spot month position limit framework that has been in place for over a decade. The Commission believes that this modification from the 2020 NPRM will, relative to the proposed approach, help minimize liquidity costs for market participants trading in both cash and physically-settled natural gas derivatives markets, in which the markets for cash-settled NYMEX NG referenced contracts is significantly more liquid than the market for the physically-settled NYMEX NG core referenced futures contract during the spot month. This is, in part, because this modification will continue to allow existing market participants ``to optimize the proportion of physically-settled and cash-settled natural gas contracts that they wish to hold.'' \1408\ Finally, although the Commission acknowledges that market participants may hold an aggregate position in the cash-settled NYMEX NG referenced contracts that is in excess of 25% of EDS, the Commission does not believe that this will lead to excessive speculation and volatility in the natural gas markets, because of the highly liquid nature of the cash-settled natural gas markets and the Commission's experience in overseeing the exchange-set framework with respect to cash-settled natural gas contracts.--------------------------------------------------------------------------- \1407\ See MFA/AIMA at 11-12; Citadel at 7-8; and SIFMA AMG at 10-11. \1408\ MFA/AIMA at 11-12.---------------------------------------------------------------------------b. ICE Cotton No. 2 (CT) The Commission also modified the Federal spot month position limit level for ICE Cotton No. 2 (CT) by adopting a level of 900 contracts, instead of 1,800 contracts as proposed. The Commission is adopting the level of 900 contracts based on its analysis of the alternatives suggested by bona fide hedgers using the ICE Cotton No. 2 (CT) core referenced futures contract.\1409\ The Commission received two defined alternatives to the proposed level of 1,800 contracts--300 contracts and 900 contracts. Specifically, based on those comments, the Commission believes that it could further improve protections against corners and squeezes without materially sacrificing liquidity for bona fide hedgers by reducing the Federal spot month position limit level from the proposed 1,800 contracts to 900 contracts. However, the Commission believes that retaining the existing Federal spot month limit level of 300 contracts may cause concerns about adequate liquidity, especially because it would be the lowest Federal spot month position limit level, by far, in terms of percent of EDS, among all core referenced futures contracts, and the Commission has observed illiquidity during the early part of the spot month.\1410\--------------------------------------------------------------------------- \1409\ AMCOT at 1-2; ACSA at 8; Ecom at 1; Southern Cotton at 2; NCC at 1; Mallory Alexander at 2; Canale Cotton at 2; IMC at 2; Olam at 3; DECA at 2; Moody Compress at 1; ACA at 2; Choice at 1; East Cotton at 2; Jess Smith at 2; McMeekin at 2; Memtex at 2; NCC at 2; Omnicotton at 2; Toyo at 2; Texas Cotton at 2; Walcot at 2; White Gold at 1; LDC at 1; SW Ag at 2; NCTO at 2; Parkdale at 2; and IFUS--Estimated Deliverable Supply--Cotton Methodology, August 2020, IFUS Comment Letter (Aug. 14, 2020). \1410\ At 300 contracts, the Federal spot month position limit level for ICE Cotton No. 2 (CT) would be set at 4.32% of EDS. CBOT KC HRS Wheat (KW) generally has the lowest Federal spot month position limit level in terms of percentage of EDS at 6.82%, which is 58% higher than 4.32%. However, following the close of trading on the business day prior to the last two trading days of the contract month, CME Live Cattle (LC) has the lowest Federal spot month position limit level in terms of percentage of EDS at 5.29%, which is 22% higher than 4.32%.---------------------------------------------------------------------------iii. Levels Outside of the Spot Montha. The 10/2.5% Formula The Commission has determined that the existing 10/2.5% formula generally has functioned well for the existing nine legacy ***agricultural*** contracts, and has successfully benefited the markets by taking into ***account*** the competing goals of facilitating both liquidity formation and price discovery, while also protecting the markets from harmful market manipulation and excessive speculation. However, since the existing Federal non-spot month position limit levels are based on open interest levels from 2009 (except for CBOT Oats (O), CBOT Soybeans (S), and ICE Cotton No. 2 (CT), for which existing levels are based on the respective open interest from 1999), the Commission is revising the levels based on the periods from July 2017 to June 2018 and July 2018 to June 2019 to reflect the general increases in open interest \1411\ that have[[Page 3407]]occurred over time in the nine legacy ***agricultural*** contracts (other than CBOT Oats (O), MGEX HRS Wheat (MWE), and CBOT KC HRW Wheat (KW)).\1412\--------------------------------------------------------------------------- \1411\ The Commission notes that NGFA commented ``NGFA still is not completely convinced that open interest is the best yardstick for this exercise,'' because ``[a]s volume and open interest grow, Federal non-spot limits expand correspondingly . . . which leads to yet higher volume and open interest . . . which again prompts expanded Federal non-spot limits . . . and so on.'' However, NGFA did not provide any alternatives to utilizing open interest for determining Federal non-spot month position limit levels. As discussed previously in the Final Rule, the Commission believes that open interest is an appropriate way of measuring market activity for a particular contract and that a formula based on open interest, such as the 10/2.5% formula: (1) Helps ensure that positions are not so large relative to observed market activity that they risk disrupting the market; (2) allows speculators to hold sufficient contracts to provide a healthy level of liquidity for hedgers; and (3) allows for increases in position limits and position sizes as markets expand and become more active. Furthermore, the Commission notes that under the Final Rule, Federal non-spot month position limit levels do not automatically increase with higher open interest levels. In order to make any amendments to the Federal position limit levels, the Commission is required to engage in notice-and-comment rulemaking. \1412\ For most of the legacy ***agricultural*** commodities, this results in a higher non-spot month limit. However, the Commission is not changing the non-spot month limits for either CBOT Oats (O) or MGEX HRS Wheat (MWE) based on the revised open interest since this would result in a reduction of non-spot month limits from 2,000 to 700 contracts for CBOT Oats (O) and 12,000 to 5,700 contracts for MGEX HRS Wheat (MWE). Similarly, the Commission also is maintaining the current non-spot month limit for CBOT KC HRW Wheat (KW). See supra Section II.B.4 --Federal Non-Spot Month Position Limit Levels for further discussion.--------------------------------------------------------------------------- Since the increase for most of the Federal non-spot position limits is predicated on the increase in open interest, as reflected in the revised ***data*** reviewed by the Commission, the Commission believes that the increases may enhance, or at least should maintain, general liquidity, which the Commission believes may benefit those with bona fide hedging positions, and commercial end users in general. On the other hand, the Commission believes that many market participants, especially commercial end users, generally accept that the existing Federal non-spot month position limit levels for the nine legacy ***agricultural*** commodities function well, including promoting liquidity and facilitating bona fide hedging in the respective markets. As a result, the Final Rule may in some cases result in higher Federal non-spot month position limits, which could increase speculation without achieving any concomitant benefits of increased liquidity for bona fide hedgers compared to the status quo. The Commission also recognizes that there could be potential costs to keeping the existing 10/2.5% formula (even if revised to reflect current open interest levels) compared to alternative formulae that would result in even higher Federal position limit levels. First, while the 10/2.5% formula may have reflected ``normal'' observed market activity through 1999 when the Commission adopted it, there have been changes in the markets themselves and the entities that participate in those markets. When adopting the 10/2.5% formula in 1999, the Commission's experience in these markets reflected aggregate futures and options open interest well below 500,000 contracts, which no longer reflects market reality.\1413\ As the nine legacy ***agricultural*** contracts (with the exception of CBOT Oats (O)) all have open interest well above 25,000 contracts, and in some cases above 500,000 contracts, the existing formula may act as a negative constraint on liquidity formation relative to the higher revised formula. Further, if open interest continues to increase over time, the Commission anticipates that the existing 10/2.5% formula could impose even greater marginal costs on bona fide hedgers by potentially constraining liquidity formation (i.e , as the open interest of a commodity contract increases, a greater relative proportion of the commodity's open interest is subject to the 2.5% limit level rather than the initial 10% limit). In turn, this may increase costs to commercial firms, which may be passed to the public in the form of higher prices.--------------------------------------------------------------------------- \1413\ See 64 FR at 24038, 24039 (May 5, 1999). As discussed in the preamble, the ***data*** show that by the 2015-2018 period, five of the nine legacy ***agricultural*** contracts had maximum open interest greater than 500,000 contracts. The contracts for CBOT Corn (C), CBOT Soybeans (S), and CBOT KC HRW Wheat (KW) saw increased maximum open interest by a factor of four to five times the maximum open interest during the years leading up to the Commission's adoption of the 10/2.5% formula in 1999. Similarly, the contracts for CBOT Soybean Meal (SM), CBOT Soybean Oil (SO), CBOT Wheat (W), and MGEX HRS Wheat (MWE) saw increased maximum open interest by a factor of three to four times. See supra Section II.B.4 , Federal Non-Spot Month Position Limit Levels, for further discussion.--------------------------------------------------------------------------- Further, to the extent there may be certain liquidity constraints, the Commission has determined that this potential concern could be mitigated, at least in part, by the Final Rule's change to increase the marginal threshold level from 25,000 contracts to 50,000 contracts, which the Commission believes should provide an appropriate increase in the Federal non-spot month position limit levels for most contracts to better reflect the general increase observed in open interest across futures markets. The Commission acknowledges that, as an alternative, the Commission could have adopted a marginal threshold level above 50,000 contracts, but notes that each increase of 25,000 contracts in the marginal threshold level would only increase the permitted non-spot month level by 1,875 contracts (i.e , (10% of 25,000 contracts)-(2.5% of 25,000 contracts) = 1,875 contracts). The Commission has observed based on current ***data*** that changing the marginal threshold to 50,000 contracts could benefit several market participants per legacy ***agricultural*** commodity who otherwise would bump up against the non-spot month position limit levels based on the status quo threshold of 25,000 contracts. As a result, the Commission has determined that changing the marginal threshold level could result in marginal benefits and costs for many of the legacy ***agricultural*** commodities, but the Commission acknowledges the change is relatively minor compared to revising the existing 10/2.5% formula based on updated open interest ***data***. Second, the Commission recognizes that an alternative formula that allows for higher Federal non-spot month position limit levels, compared to the existing 10/2.5% formula, could benefit liquidity and market efficiency by creating a framework that is more conducive to the larger liquidity providers that have entered the market over time.\1414\ Compared to when the Commission first adopted the 10/2.5% formula, today there are relatively more large non-commercial traders, such as banks, managed money traders, and swap dealers, which generally hold long positions and act as aggregators or market makers that provide liquidity to short positions (e.g , commercial hedgers).\1415\ These dealers also function in the swaps market and use the futures market to hedge their exposures. Accordingly, to the extent that larger non-commercial market makers and liquidity providers have entered the market--particularly to the extent they are able to take offsetting positions to commercial short interests--a hypothetical alternative formula that would permit higher Federal non-spot month position limit levels might provide greater market liquidity, and possibly increased market efficiency, by allowing for greater market-making activities.\1416\--------------------------------------------------------------------------- \1414\ See supra Section II.B.4 , Federal Non-Spot Month Position Limit Levels, for further discussion. \1415\ Id. \1416\ For example, the Commission is aware of several market makers that either have left particular commodity markets, or reduced their market making activities. See, e.g , McFarlane, Sarah, Major Oil Traders Don't See Banks Returning to the Commodity Markets They Left, The Wall Street Journal (Mar. 28, 2017), available at [*https://www.wsj.com/articles/major-oil-traders-dont-see-banks-returning-to-the-commodity-markets-they-left-1490715761?mg=prod/com-wsj*](https://www.wsj.com/articles/major-oil-traders-dont-see-banks-returning-to-the-commodity-markets-they-left-1490715761?mg=prod/com-wsj) (describing how ``Morgan Stanley sold its oil trading and storage business . . . and J.P Morgan unloaded its physical commodities business . . . .''); Decambre, Mark, Goldman Said to Plan Cuts to Commodity Trading Desk: WSJ (Feb. 5, 2019), available at [*https://www.marketwatch.com/story/goldman-said-to-plan-cuts-to-commodity-trading-desk-wsj-2019-02-05*](https://www.marketwatch.com/story/goldman-said-to-plan-cuts-to-commodity-trading-desk-wsj-2019-02-05) (describing how Goldman Sachs ``plans on making cuts within its commodity trading platform . . . .'').---------------------------------------------------------------------------[[Page 3408]] However, the Commission believes that any purported benefits related to a hypothetical alternative formula, or a suggested alternative such as the one provided by ISDA,\1417\ that would allow for higher Federal non-spot month position limits would be minimal at best. Liquidity providers are still able to maintain, and possibly increase, market making activities under the Final Rule since the Federal non-spot month position limits are generally still increasing under the existing 10/2.5% formula to reflect the increase in open interest. Further, to the extent that the Final Rule's elimination of the risk management exemption could theoretically force liquidity providers to reduce their trading activities, the Commission believes that certain liquidity-providing activity of the existing risk management exemption holders may still be permitted under the Final Rule, either as a result of the pass-through swap provision or because of the general increase in limits based on the revised open interest levels.\1418\ Furthermore, bona fide hedgers and end-users generally have not requested a revised formula to allow for significantly higher Federal non-spot month position limits. The Commission also recognizes an additional benefit to market integrity of the Final Rule compared to a hypothetical alternative formula: While the Commission believes that the pass-through swap provision is narrowly-tailored to enable liquidity providers to continue providing liquidity to bona fide hedgers, in contrast, an alternative formula that would allow higher limit levels for all market participants would potentially permit increased excessive speculation and increase the probability of market manipulation or harm the underlying price discovery function.\1419\--------------------------------------------------------------------------- \1417\ ISDA at 7. \1418\ See supra Sections II.A.1.x (discussing pass-through swap provision), II.B.4.iii.a(1)(i) (discussing increases in open interest); see also NCFC at 7 (stating that NCFC is ``confident that the substantial increase in the overall speculative position limits and allowances for pass-through swaps will limit any potential loss of liquidity'' that might be associated with the elimination of the risk management exemption). \1419\ See Section II.B.4.iv.a(2)(iii).--------------------------------------------------------------------------- Additionally, some \1420\ have voiced general concern that permitting increased Federal non-spot month limits in the nine legacy ***agricultural*** contracts (at any level), especially in connection with commodity indices, could disrupt price discovery and result in a lack of convergence between futures and cash prices, resulting in increased costs to end users, which ultimately could be borne by the public. The Commission has not seen ***data*** demonstrating this causal connection, but acknowledges arguments to that effect.\1421\--------------------------------------------------------------------------- \1420\ AMCOT at 1-2; Moody Compress at 1; ACA at 2; Jess Smith at 2; McMeekin at 2; Memtex at 2; Mallory Alexander at 2; Walcot at 2; White Gold at 2; LDC at 2; Southern Cotton at 2-3; and Better Markets at 44-48. \1421\ IECA expressed similar concerns with respect to commodity index funds. IECA at 4 (stating that a June 2009 bipartisan report of the Senate Permanent Subcommittee for Investigation concluded that the ``activities of commodity index traders, in the aggregate, constituted `excessive speculation,' '' and that index funds have caused an ``unwarranted burden on commerce.''). The Commission notes that one of the concerns that prompted the 2008 moratorium on granting risk management exemptions was a lack of convergence between futures and cash prices in wheat. Some at the time hypothesized that perhaps commodity index trading was a contributing factor to the lack of convergence, and, some have argued that this could harm price discovery since traders holding these positions may not react to market fundamentals, thereby exacerbating any problems with convergence. However, the Commission has determined for various reasons that risk management exemptions did not lead to the lack of convergence since the Commission understands that many commodity index traders vacate contracts before the spot month and therefore would not influence convergence between the spot and futures price at expiration of the contract. Further, the risk-management exemptions granted prior to 2008 remain in effect, yet the Commission is unaware of any significant convergence problems relating to commodity index traders at this time. Additionally, there did not appear to be any convergence problems between the period when Commission staff initially granted risk management exemptions and 2007. Instead, the Commission believes that the convergence issues that started to occur around 2007 were due to the contract specification underpricing the option to store wheat for the long futures holder making the expiring futures price more valuable than spot wheat.--------------------------------------------------------------------------- Third, if the Final Rule's Federal non-spot position limits are too high for a commodity, the Final Rule might be less effective in deterring excessive speculation and market manipulation for that commodity's market. Conversely, if the Commission's Federal position limit levels are too low for a commodity, the Final Rule could unduly constrain liquidity for bona fide hedgers or result in a diminished price discovery function for that commodity's underlying market. In either case, the Commission would view these as costs imposed on market participants. However, to the extent the Commission's Federal non-spot month position limit levels could be too high, the Commission believes these costs could be mitigated because exchanges would potentially be able to establish lower non-spot month position limit levels.\1422\ Moreover, these concerns may be mitigated further to the extent that exchanges use other tools for protecting markets aside from position limits, such as establishing position accountability levels below Federal position limit levels or imposing liquidity and concentration surcharges to initial margin if vertically integrated with a derivatives clearing organization. Further, as discussed below, the Commission is maintaining current Federal non-spot month position limit levels for CBOT Oats (O), MGEX HRS Wheat (MWE), and CBOT KC HRW Wheat (KW), which otherwise would be lower based on current open interest levels for these contracts.--------------------------------------------------------------------------- \1422\ The Commission notes that several commenters, including Better Markets, stated that exchanges may have financial incentives to increase trading volume, which could incentivize exchanges to set the highest possible exchange-set position limit levels. See, e.g , Better Markets at 22-24, 46-47. While the Commission acknowledges that this is the case, the Commission also believes that such costs are sufficiently mitigated through exchange statutory and regulatory obligations, the Commission's oversight of the exchanges, and the exchanges' own financial incentives to maintain well-functioning markets. This is discussed more in depth in Sections II.B.2.iv.b and III.B.3.iii.b(3)(iii).---------------------------------------------------------------------------b. Setting a Lower Single Month Position Limit Level for ICE Cotton No. 2 (CT) The Commission is adopting a single month position limit level of 5,950 contracts, which is 50% of the proposed level of 11,900 contracts, which, in turn, was based on the modified 10/2.5% formula. This was in response to numerous comments from end-users suggesting that the Commission set the single month position limit level lower than the all-months-combined position limit level.\1423\--------------------------------------------------------------------------- \1423\ E.g , LDC at 2; Moody Compress at 1; ACA at 2; Jess Smith at 2; McMeekin at 2; Memtex at 2; Mallory Alexander at 2; Walcot at 2; and White Gold at 1.--------------------------------------------------------------------------- The Commission notes that there could be a benefit to setting the single month position limit level lower than the all-months-combined position limit level, because it could help diminish excessive speculation or prevent price distortions if traders hold unusually large positions in contracts outside of the spot month and those traders simultaneously exit those positions immediately before the spot month. However, the Commission acknowledges that there could be a cost to adopting a single month limit that is half of the all-months-combined position limit levels. Specifically, it[[Page 3409]]would restrict a speculative trader's ability to take opposite positions to bona fide hedgers by, for example, entering into calendar spread transactions that would normally provide liquidity to bona fide hedgers. Thus, by adopting the lower single month limit, liquidity in deferred month contracts would be reduced because the speculative trader would not be able to hold positions in excess of the single month limit. Nonetheless, the Commission believes that, based on the unanimous comments from the end-users of the ICE Cotton No. 2 (CT) contract requesting a lower single month position limit level, such costs may not materially negatively impact liquidity for bona fide hedgers.c. Exceptions to the 10/2.5% Formula for CBOT Oats (O), MGEX Hard Red Spring Wheat (MWE), and CBOT Kansas City Hard Red Winter Wheat (KW) Based on the Commission's experience since 2011 with Federal non-spot month position limit levels for the MGEX HRS Wheat (``MWE'') and CBOT KC HRW Wheat (``KW'') core referenced futures contracts, the Commission is maintaining the Federal non-spot month position limit levels for MWE and KW at the existing level of 12,000 contracts, rather than reducing them to the lower level that would result from applying the proposed updated 10/2.5% formula. Maintaining the status quo for the MWE and KW Federal non-spot month position limit levels results in partial wheat parity between those two wheat contracts, but not with CBOT Wheat (``W''), which increases to 19,300 contracts under the Final Rule. The Commission believes that this benefits the MWE and KW markets since the two species of wheat are similar to one another; accordingly, decreasing the Federal non-spot month position limit levels for MWE could impose liquidity costs on the MWE market and harm bona fide hedgers, which could further harm liquidity for bona fide hedgers in the KW market. On the other hand, although commenters requested raising the Federal non-spot month position limit level for KW to match the level for W,\1424\ the Commission has determined not to raise the Federal non-spot month position limit levels for KW and for MWE as well to the Federal non-spot month position limit level for W. This is because the limit level for W appears to be extraordinarily large in comparison to open interest in KW and MWE markets, and the limit levels for both the KW and the MWE contracts are already larger than the limit levels would be based on the 10/2.5% formula. While W is a potential substitute for KW and MWE, it is not similar to the same extent that MWE and KW are to one another, and so the Commission has determined that partial wheat parity outside of the spot month will maintain liquidity and price discovery while not unnecessarily inviting excessive speculation or potential market manipulation in the MWE and KW markets.--------------------------------------------------------------------------- \1424\ SIFMA AMG at 3-4; ISDA at 12; PIMCO at 4-5; MFA/AIMA at 12; and Citadel at 6-7.--------------------------------------------------------------------------- Likewise, based on the Commission's experience since 2011 with the Federal non-spot month speculative position limit for CBOT Oats (O), the Commission is maintaining the limit level at the current 2,000 contracts level, rather than reducing it to the lower level that would result from applying the updated 10/2.5% formula based on current open interest. The Commission has determined that there is no evidence of potential market manipulation or excessive speculation, and so there would be no perceived benefit to reducing the Federal non-spot month position limit for the CBOT Oats (O) contract, while reducing the level could impose liquidity costs.iv. Subsequent Spot and Non-Spot Month Position Limit Levels The Commission received several comments concerning updates to the Federal position limit levels, with commenters requesting that the Commission periodically review the levels and revise them if appropriate.\1425\ One commenter was concerned that the Federal position limit levels could become too high over time,\1426\ while the rest were concerned that the levels could become too low.\1427\ In addition, CME Group also suggested that exchanges should update the EDS figures ``every two years [and] . . . DCMs should be provided the opportunity to submit ***data*** voluntarily to the Commission on a more frequent basis.'' \1428\--------------------------------------------------------------------------- \1425\ MFA/AIMA at 5 (stating that ``the Commission should direct exchanges to periodically monitor the proposed new position limit levels''); PIMCO at 6 (urging the CFTC ``to include . . . a mandatory requirement to regularly (and at least annually) review and update limits as markets grow and change''); SIFMA AMG at 10 (suggesting the Final Rule should require ``that the Commission regularly consult with exchanges and review and adjust position limits when it is necessary to do so based on relevant market factors''); ISDA at 10 (stating that ``the Commission must regularly convene and consult with exchanges on deliverable supply and, if appropriate, propose notice and comment rulemaking to adjust limit levels''); and IATP at 16-17 (proposing that the Commission should engage in ``an annual review of position limit levels to give [commercial hedgers] legal certainty over that period'' and also retain ``the authority to revise position limits . . . if ***data*** monitoring and analysis show that those annual limit levels are failing to prevent excessive speculation and/or various forms of market manipulation''). \1426\ IATP at 16-17. \1427\ MFA/AIMA at 5-6; PIMCO at 6; SIFMA AMG at 10; and ISDA at 10. \1428\ CME Group at 5.--------------------------------------------------------------------------- The Commission recognizes that there may be costs if Federal position limit levels become too high or low over time. For example, levels that become too high may permit excessive speculation; levels that become too low may negatively impact liquidity. However, the Commission believes that the Final Rule's position limits framework, which utilizes Federal position limit levels as ceilings and allows exchange-set position limits to operate under that ceiling, will mitigate such potential costs. Specifically, because the Federal position limits are utilized as ceilings, this framework will enable exchanges to respond to market conditions through a greater range of acceptable exchange-set position limit levels than if the Federal position limit levels did not operate as ceilings. Furthermore, because such exchange actions can be effectuated significantly faster than modifying Federal position limits, the Final Rule's position limits framework is able to quickly respond to rapidly evolving market conditions through exchange-action as well.\1429\--------------------------------------------------------------------------- \1429\ Furthermore, the Commission notes that updating EDS figures and Federal position limit levels is a resource-intensive endeavor for both the Commission and the exchanges. Also, periodic, predetermined review intervals may not always align with market changes or other events resulting in material changes to deliverable supply that would warrant adjusting Federal spot month position limit levels. As a result, the Commission believes that it would be more efficient, timely, and effective to review the EDS figure and the Federal position limit level for a core referenced futures contract if warranted by market conditions, including changes in the underlying cash market, which the Commission and exchanges continually monitor.---------------------------------------------------------------------------v. Phase-In of Federal Position Limit Levels The Commission received comments requesting that the Commission ``consider phasing in these adjustments for ***agricultural*** commodities to assess the impacts of increasing limits on contract performance.'' \1430\ CMC also noted that, ``[a] phased approach could provide market participants, exchanges, and the Commission a way to build in scheduled pauses to evaluate the effects of increased limits, thereby fostering confidence and trust in the markets.'' \1431\--------------------------------------------------------------------------- \1430\ AFIA at 2; CMC at 6. \1431\ CMC at 6. Although commenters did not provide specific details about what they meant by ``phase-in,'' the Commission understands these comments to mean that they are requesting a gradual, step-up increase in Federal spot month and non-spot month position limit levels over time for ***agricultural*** core referenced futures contracts, instead of having the new Federal position limit levels apply all at once.---------------------------------------------------------------------------[[Page 3410]] The Commission acknowledges that there could be some benefit in implementing a formal, gradual phase-in for the Federal position limit levels, because this could allow the Commission to more incrementally assess whether there are any issues with respect to the referenced contract markets.\1432\ However, the Commission believes that the position limits framework that is implemented in the Final Rule effectively provides a similar, but more flexible result. Specifically, market participants will still be subject to the exchange-set spot month position limit levels even after the Final Rule's Federal spot month position limit levels go into effect. The existing exchange-set position limit levels are lower than the corresponding Federal levels as adopted in this Final Rule for most core referenced futures contracts \1433\ and, unless and until exchanges affirmatively modify their exchange-set spot month position limit levels pursuant to part 40 of the Commission's regulations,\1434\ the operative spot month position limit levels for market participants trading exchange-listed referenced contracts will be the exchange-set ones. So, if an exchange deems it appropriate to maintain its existing exchange-set position limit levels and does not choose to adopt the new applicable Federal speculative position limit level as the new exchange-set speculative limit for any relevant referenced contract listed on its exchange, then there will be no practical change from the status quo for market participants from a position limits perspective. If the exchange believes that it is appropriate to raise its exchange-set spot month position limit levels either up to the Federal position limit levels or lower levels as it deems appropriate, then the exchange may do so in a way that is tailored for each referenced contract (including through a phased-in approach) and that is informed by the exchange's knowledge of each market.--------------------------------------------------------------------------- \1432\ As a preliminary matter, the Commission believes that the referenced contract markets will be able to function in an orderly fashion when the final Federal position limit levels go into effect. This is because, among other things, the final Federal spot month position limit levels are supported by the updated EDS figures and are set at or below 25% of EDS, and the final Federal non-spot month position limit levels are supported by increased open interest and are generally set pursuant to the modified 10/2.5% formula. The three core referenced futures contracts that do not strictly follow the 10/2.5% formula in the non-spot month (i.e , CBOT KC HRW Wheat (KW), MGEX HRS Wheat (MWE), and CBOT Oats (O)) do not require any phase-in period, because they remain at existing Federal and exchange-set non-spot month position limit levels. \1433\ Nineteen of the core referenced futures contracts will have Federal spot month position limit levels that are higher than current exchange-set spot month position limit levels. COMEX Copper (HG), CBOT Oats (O), NYMEX Platinum (PL), and NYMEX Palladium (PA) will have Federal spot month position limit levels that are equal to the current exchange-set spot month position limit levels. The last two steps of the Federal spot month step-down position limit levels for CME Live Cattle (LC) are equal to the corresponding last two steps of exchange-set spot month step-down position limit levels. Finally, although currently there is technically no exchange-set spot month position limit for ICE Sugar No. 16, this contract is subject to a single month position limit level of 1,000 contracts, which effectively serves as its spot month position limit level. As a result, the Federal spot month position limit level for ICE Sugar No. 16 will effectively be higher than its current exchange-set spot month position limit level. \1434\ 17 CFR part 40.--------------------------------------------------------------------------- A further benefit to the Final Rule's position limits framework over a federally-mandated phase-in is that exchanges have greater flexibility (relative to the Commission) to quickly modify exchange-set levels, including modifying any phase-in levels, to respond to sudden and changing market conditions.vi. Core Referenced Futures Contracts and Linked Referenced Contracts; Netting The definitions of the terms ``core referenced futures contract'' and ``referenced contract'' set the scope of contracts to which Federal position limits apply. As discussed above, by applying the Federal position limits to ``referenced contracts,'' the Final Rule expands the Federal position limits beyond the 25 physically-settled ``core referenced futures contracts'' listed in final Appendix E to part 150 by also including any cash-settled and physically-settled ``referenced contracts'' linked thereto, as well as swaps that meet the ``economically equivalent swap'' definition in final Sec. 150.1 and thus qualify as ``referenced contracts.'' \1435\--------------------------------------------------------------------------- \1435\ As discussed in the preamble, the position limits framework also applies to physically-settled swaps that qualify as economically equivalent swaps. However, the Commission believes that physically-settled economically equivalent swaps would be few in number.---------------------------------------------------------------------------a. Referenced Contracts The Commission has determined that including futures contracts and options thereon that are ``directly'' or ``indirectly linked'' to the core referenced futures contracts, including cash-settled contracts, under the definition of ``referenced contract'' in final Sec. 150.1 helps prevent the evasion of Federal position limits--especially during the spot month--through the creation of a financially equivalent contract that references the price of a core referenced futures contract, or of the commodity underlying a core referenced futures contract. The Commission has determined that this benefits market integrity and potentially reduces costs to market participants that otherwise could result from market manipulation. The Commission also recognizes that including cash-settled contracts within the final Federal position limits framework may impose additional compliance costs on market participants and exchanges. Further, the Federal position limits--especially outside the spot month--may not provide all of the benefits discussed above with respect to market integrity and manipulation because there is no physical delivery outside the spot month and therefore there is reduced concern for corners and squeezes. However, to the extent that there is manipulation or price distortion involving such non-spot, cash-settled contracts, the Commission's authority to regulate and oversee futures and related options on futures markets (other than through establishing Federal position limits) may also be effective in uncovering or preventing manipulation or distortion, especially in the non-spot cash markets, and may result in relatively lower compliance costs incurred by market participants. Similarly, the Commission acknowledges that exchange oversight could provide similar benefits to market oversight and prevention of market manipulation, but with lower costs imposed on market participants--given the exchanges' deep familiarity with their own markets and their ability to tailor a response to a particular market disruption--compared to Federal position limits. The ``referenced contract'' definition in final Sec. 150.1 also includes ``economically equivalent swap,'' and, for the reasons discussed below, includes a narrower set of swaps compared to the set of futures contracts and options thereon that would be, under the ``referenced contract'' definition, captured as either ``directly'' or ``indirectly linked'' to a core referenced futures contract.\1436\--------------------------------------------------------------------------- \1436\ See infra Section IV.A.3.vi.e (discussing economically equivalent swaps).---------------------------------------------------------------------------b. List of Referenced Contracts \1437\--------------------------------------------------------------------------- \1437\ Appendix C of the Final Rule provides staff guidance to assist market participants and exchanges in determining whether a particular contract qualifies as a referenced contract.--------------------------------------------------------------------------- The Commission's publication of the Staff Workbook is intended to provide a non-exhaustive list of exchange-traded[[Page 3411]]referenced contracts that are subject to Federal position limits. Although the Commission expects to timely update this list of contracts, the omission of a contract from the Staff Workbook does not mean that such contract is outside the definition of a referenced contract subject to Federal position limits. Additionally, the Staff Workbook will provide a linkage between each referenced contract, and either the core referenced futures contract or referenced contract, as applicable to which it is linked, to aid in market participants' understanding of the Commission's determination. Although some commenters believed that the Commission should require exchanges to publish and maintain a definitive list of referenced contracts (other than economically equivalent swaps) \1438\ the Commission believes that the centralized publication of this Workbook creates efficiency by providing market participants a known access location, and minimizes costs by not requiring redundant publication.--------------------------------------------------------------------------- \1438\ MFA/AIMA at 7; Citadel at 4-5; SIFMA AMG at 11-12.--------------------------------------------------------------------------- The Commission's concurrent publication of the Staff Workbook provides a non-exhaustive list of exchange-traded referenced contracts, and will help market participants in determining categories of contracts that fit within the referenced contract definition. This effort is intended to provide clarity to market participants regarding which exchange-traded contracts are subject to Federal position limits.c. Netting and Related Treatment of Cash-Settled Referenced Contracts Under paragraph (1) of the final ``referenced contract'' definition, referenced contracts include a core referenced futures contract, and any cash-settled futures contracts and options on futures contacts that are directly or indirectly linked to a physically-settled core referenced futures contract. PIMCO and SIFMA AMG contended that cash-settled referenced contracts should not be subject to Federal position limits at all because cash-settled contracts do not introduce the same risk of market manipulation. They argued that subjecting cash-settled referenced contracts to Federal position limits would increase transaction costs and reduce market liquidity and depth in these instruments.\1439\--------------------------------------------------------------------------- \1439\ PIMCO at 3; SIFMA AMG at 4-7. These entities did not specifically argue that cash-settled contracts should be excluded from the ``referenced contract'' definition; rather, they contended that in general such instruments should not be subject to Federal position limits. The Commission notes that this is technically a different argument since cash-settled instruments could be exempt from position limits but still qualify as ``referenced contracts.'' Nevertheless, the practical result is the same.--------------------------------------------------------------------------- ISDA argued that cash-settled contracts should not be included in an immediate Federal position limits rulemaking, and should instead be deferred until the Commission has adopted Federal limits with respect to physically-delivered spot month futures contracts, and after which the Commission should revisit Federal limits for cash-settled contracts.\1440\--------------------------------------------------------------------------- \1440\ ISDA at 3-5.--------------------------------------------------------------------------- FIA and ICE argued that limits for cash-settled referenced contracts should be higher relative to Federal position limits for physically-settled referenced contracts. They similarly argued that cash-settled referenced contracts are ``not subject to corners and squeezes'' and will `` `ensure market liquidity for bona fide hedgers.' '' \1441\--------------------------------------------------------------------------- \1441\ ICE at 3, 15 (also arguing that cash-settled limits should apply per exchange, rather than across exchanges); FIA at 7-8.--------------------------------------------------------------------------- In contrast, CME supported the Commission's approach for spot-month parity for physically-settled and cash-settled referenced contracts across all commodity markets. CME explained that absent such parity, one side of the market could be vulnerable to artificial distortions from manipulations on the other side of the market, regulatory arbitrage, and liquidity drain to the other side of the market.\1442\--------------------------------------------------------------------------- \1442\ CME Group at 6.--------------------------------------------------------------------------- The Commission believes that its parity approach, including parity with respect to the size of the Federal position limits for both cash-settled and physically-settled contracts, benefits market integrity, liquidity, and price discovery by not providing skewed incentives to a market participant to favor one group of contracts over the other, or providing avenues for manipulation that this rulemaking seeks to avoid. The Commission is also generally adopting Federal position limits on an aggregated, instead of on a per-DCM basis.\1443\ FIA and ICE suggested that Federal position limits for cash-settled referenced contracts should apply per DCM (rather than in the aggregate across DCMs).\1444\ The Commission views DCM-based limits as restrictive and costly for the most innovative DCMs, as DCM-based limits would necessarily represent a smaller volume of contracts available than would an aggregated limit. By making the full aggregated Federal position limit available to the contract that is most responsive to the needs of the market, the Commission believes that this provides a market-wide benefit by promoting innovation and competition in the marketplace.--------------------------------------------------------------------------- \1443\ The Commission is permitting market participants to hold a position in cash-settled NYMEX NG referenced contracts up to the Federal spot month position limit on a per exchange basis. This is discussed more in depth in Section IV.A.3.ii.a \1444\ FIA at 7-8; ICE at 13.--------------------------------------------------------------------------- The Final Rule permits market participants to net positions outside the spot month in linked physically-settled and cash-settled referenced contracts, but during the spot month market participants may not net their positions in cash-settled referenced contracts against their positions in physically-settled referenced contracts. The Commission believes that final Sec. 150.2(a) and (b) benefits liquidity formation and bona fide hedgers outside the spot months since the netting rules facilitate the management of risk on a portfolio basis for liquidity providers and market makers. In turn, improved liquidity may benefit bona fide hedgers and other end users by facilitating their hedging strategies and reducing related transaction costs (e.g , improving execution timing and reducing bid-ask spreads). On the other hand, the Commission recognizes that allowing such netting could increase transaction costs and harm market integrity by allowing for a greater possibility of market manipulation since market participants and speculators can maintain larger gross positions outside the spot month. However, the Commission has determined that such potential costs may be mitigated since concerns about corners and squeezes generally are less acute outside the spot month given there is no physical delivery involved, and because there are tools other than Federal position limits for preventing and deterring other types of manipulation, including banging the close, such as exchange-set limits and accountability and surveillance both at the exchange and Federal level. Moreover, prohibiting the netting of physical and cash positions during the spot month should benefit bona fide hedgers as well as price discovery of the underlying markets since market makers and speculators are not able to maintain a relatively large position in the physical markets by netting it against its positions in the cash markets.\1445\ While[[Page 3412]]this may increase compliance and transaction costs for speculators, it may benefit some bona fide hedgers and end users. It may also impose costs on exchanges, including increased surveillance and compliance costs and lost fees related to the trading that such market makers or speculators otherwise might engage in absent Federal position limits or with the ability to net their physical and cash positions.--------------------------------------------------------------------------- \1445\ Otherwise, a market participant could maintain large, offsetting positions in excess of limits in both the physically-settled and cash-settled contract, which might harm market integrity and price discovery and undermine the Federal position limits framework. For example, absent such a restriction in the spot month, a trader could stand for over 100% of deliverable supply during the spot month by holding a large long position in the physical-delivery contract along with an offsetting short position in a cash-settled contract, which effectively would corner the market.---------------------------------------------------------------------------d. Exclusions From the ``Referenced Contract'' Definition Although the ``referenced contract'' definition in final Sec. 150.1 includes linked contracts, it explicitly excludes location basis contracts,\1446\ commodity index contracts, swap guarantees, trade options that satisfy Sec. 32.3 of the Commission's regulations,\1447\ outright price reporting agency index contracts, and monthly average pricing contracts.--------------------------------------------------------------------------- \1446\ ICE further recommended that additional basis and spread contracts be excluded from the referenced contract definition. ICE at 10-11. The Commission has determined not to exclude these additional contracts from the referenced contract definition, as, among other reasons discussed further above, the Commission views the constraints on the liquidity and volatility associated with other excluded contracts as not present to an equal degree in basis and spread contracts proposed to be excluded by ICE. \1447\ 17 CFR 32.3 --------------------------------------------------------------------------- First, the ``referenced contract'' definition explicitly excludes location basis contracts, which are contracts that reflect the difference between two delivery locations or quality grades of the same commodity.\1448\ The Commission believes that excluding location basis contracts from the ``referenced contract'' definition benefits market integrity by preventing a trader from obtaining an extraordinarily large speculative position in the commodity underlying the referenced contract. Absent this exclusion, a market participant could increase its exposure in the commodity underlying the referenced contract by using the location basis contract to net down against its position in a referenced contract, and then further increase its position in the referenced contract that would otherwise be restricted by position limits. Similarly, the Commission believes that the exclusion of location basis contracts reduces hedging costs for hedgers and commercial end-users, as they are able to more efficiently hedge the cost of commodities at their preferred location without the risk of possibly hitting a position limits ceiling or incurring compliance costs related to applying for a bona fide hedge recognition related to such position.\1449\--------------------------------------------------------------------------- \1448\ The term ``location basis contract'' generally means a derivative that is cash-settled based on the difference in price, directly or indirectly, of (1) a core referenced futures contract; and (2) the same commodity underlying a particular core referenced futures contract at a different delivery location than that of the core referenced futures contract. See Appendix C to final part 150. For clarity, a core referenced futures contract may have specifications that include multiple delivery points or different grades (i.e , the delivery price may be determined to be at par, a fixed discount to par, or a premium to par, depending on the grade or quality). The above discussion regarding location basis contracts is referring to delivery locations or quality grades other than those contemplated by the applicable core referenced futures contract. \1449\ AGA agrees that the exclusion of location basis contracts from the ``referenced contract'' definition creates certain netting benefits and may allow commercial end-users to more efficiently hedge the cost of commodities at a preferred location. AGA at 9. In general, AGA supported all of the proposed exclusions from the ``referenced contract'' definition in the 2020 NPRM, as it believes that market participants benefit from clear rules and definitions that help prevent ``potential disagreement leading to increased transaction costs, potential loss of liquidity, and compliance strategies that generally make the markets less efficient.'' Id.--------------------------------------------------------------------------- Excluding location basis contracts from the ``referenced contract'' definition also could impose costs for market participants that wish to trade location basis contracts since, as noted, such contracts are not subject to Federal position limits and thus could be more easily subject to manipulation by a market participant that obtained an excessively large position. However, the Commission believes such costs are mitigated because location basis contracts generally demonstrate less volatility and are less liquid than the core referenced futures contracts, meaning the Commission believes that it would be an inefficient method of manipulation (i.e , too costly to implement and therefore, the Commission believes that the probability of manipulation is low). Further, excluding location basis contracts from the ``referenced contract'' definition is consistent with existing market practice since the market treats a contract on one grade or delivery location of a commodity as different from another grade or delivery location. Accordingly, to the extent that this exclusion is consistent with current market practice, any benefits or costs already may have been realized. Second, the Commission has concluded that excluding commodity index contracts from the ``referenced contract'' definition benefits market integrity by preventing speculators from using a commodity index contract to net down an outright position in a referenced contract that is a component of the commodity index contract, which would allow the speculator to take on large outright positions in the referenced contracts and therefore result in increased speculation, undermining the Federal position limits framework.\1450\ However, the Commission believes that this exclusion could impose costs on market participants that trade commodity index contracts since, as noted, such contracts are not subject to Federal position limits and thus could be more easily subject to manipulation by a market participant that obtained an excessively large position. The Commission believes such costs would be mitigated because the commodities comprising the index are themselves subject to limits, and because commodity index contracts generally tend to exhibit low volatility since they are diversified across many different commodities. Further, the Commission believes that it is possible that excluding commodity index contracts from the definition of ``referenced contract'' could result in some trading shifting to commodity index contracts, which may reduce liquidity in exchange-listed core referenced futures contracts, harm pre-trade transparency and the price discovery process in the futures markets, and depress open interest (as volumes shift to index positions, which would not count toward open interest calculations). However, the Commission believes that the probability of this occurring is low because the Commission believes that using commodity index contracts is an[[Page 3413]]inefficient means of obtaining exposure to a specific commodity.--------------------------------------------------------------------------- \1450\ Further, the Commission believes that prohibiting the netting of a commodity index position with a referenced contract is required by its interpretation of the Dodd-Frank Act's amendments to the CEA's definition of ``bona fide hedging transaction or position.'' The Commission interprets the amended CEA definition to eliminate the Commission's ability to recognize risk management positions as bona fide hedges or transactions. See infra Section IV.A.4, Exemptions from Federal Position Limits--Bona Fide Hedging Recognitions, Spread and Other Exemptions (Final Sec. Sec. 150.1 and 150.3), for further discussion. In this regard, the Commission has observed that it is common for swap dealers to enter into commodity index contracts with participants for which the contract would not qualify as a bona fide hedging position (e.g , with a pension fund). Failing to exclude commodity index contracts from the ``referenced contract'' definition could enable a swap dealer to use positions in commodity index contracts as a risk management hedge by netting down its offsetting outright futures positions in the components of the index. Permitting this type of risk management hedge would subvert the statutory pass-through swap language in CEA section 4a(c)(2)(B), which the Commission interprets as prohibiting the recognition of positions entered into for risk management purposes as bona fide hedges unless the swap dealer is entering into positions opposite a counterparty for which the swap position is a bona fide hedge.--------------------------------------------------------------------------- Third, the Commission's determination to exclude trade options from the referenced contract definition is consistent with the historical practice of the Commission, in which it has exempted a number of trade options from Commission requirements. This exclusion benefits end-users who hedge their physical risk through these instruments, yet do not contribute to excessive speculation. Fourth, the Commission's exclusion of swap guarantees from the referenced contract definition will help avoid any potential confusion regarding the application of position limits to guarantees of swaps. The Commission understands that swap guarantees generally serve as insurance, and, in many cases, swap guarantors guarantee the performance of an affiliate in order to entice a counterparty to enter into a swap with such guarantor's affiliate. As a result, the Commission believes that swap guarantees do not contribute to excessive speculation, market manipulation, squeezes, or corners. Furthermore, the Commission believes that swap guarantees were not contemplated when Congress articulated its policy goals in CEA section 4a(a).\1451\--------------------------------------------------------------------------- \1451\ To the extent that swap guarantees may lower costs for uncleared OTC swaps in particular by incentivizing a counterparty to enter into a swap with the guarantor's affiliate, excluding swap guarantees may benefit market liquidity, which is consistent with the CEA's statutory goals in CEA section 4a(a)(3)(B) to ensure sufficient liquidity for bona fide hedgers when establishing its position limit framework.--------------------------------------------------------------------------- Fifth, the Final Rule reaffirms the Commission's determination that an outright price reporting agency index contract does not qualify as a ``referenced contract.'' \1452\ To provide market participants clarity regarding this determination, the Commission modified the regulatory text of the ``referenced contract'' definition in final Sec. 150.1 to explicitly exclude the term ``outright price reporting agency index contracts.'' \1453\ The exclusion of outright price reporting agency index contracts from the ``referenced contract'' definition benefits market participants through clarity and mitigation of costs, such as costs to monitor positions for aggregation and other compliance purposes. The Commission believes that this exclusion maintains market integrity as it would be costly to employ these contracts to circumvent position limits.--------------------------------------------------------------------------- \1452\ As explained in the preamble to the Final Rule, the Commission has concluded that an ``outright price reporting agency index contract,'' which is based on an index published by a price reporting agency that surveys cash-market transaction prices (even if the cash-market practice is to price at a differential to a futures contract), is not directly or indirectly linked to the corresponding referenced contract. See supra Section II.A.16.iii.b(4)(v) (discussing new exclusions from the ``referenced contract'' definition). \1453\ The Commission does not believe this technical change to the regulatory text represents a change in policy. See supra Section II.A.16 --------------------------------------------------------------------------- Finally, the Commission has concluded that excluding ``monthly average pricing contracts'' \1454\ from the ``referenced contract'' definition benefits market integrity by ensuring sufficient market liquidity for bona fide hedgers due to: (1) The difficulty and expense of any entity artificially moving the price of the monthly average by manipulating one or more component prices within the contract; and (2) the widespread use of these contracts by, and their utility to, commercial entities in hedging their risk. As with the outright price reporting agency index contracts, this exclusion benefits market participants to the extent it mitigates costs to monitor positions for aggregation and other compliance purposes.--------------------------------------------------------------------------- \1454\ The definition of the new term ``monthly average pricing contracts'' in Appendix C of this Final Rule is intended to cover the types of contracts generally referred to in the industry as calendar-month average, trade-month average, and balance-of-the-month contracts. See supra Section II.A.16.iii.b(4)(v) (discussing new exclusions from the ``referenced contract'' definition).---------------------------------------------------------------------------e. Economically Equivalent Swaps The existing Federal position limits framework does not include Federal position limit levels on swaps. The Dodd-Frank Act added CEA section 4a(a)(5), which requires that when the Commission imposes Federal position limits on futures contracts and options on futures contracts pursuant to CEA section 4a(a)(2), the Commission also establish limits simultaneously for ``economically equivalent'' swaps ``as appropriate.'' \1455\ As the statute does not define the term ``economically equivalent,'' the Commission is applying its expertise in construing such term consistent with the policy goals articulated by Congress, including in CEA sections 4a(a)(2)(C) and 4a(a)(3) as discussed below.--------------------------------------------------------------------------- \1455\ CEA section 4a(a)(5); 7 U.S.C 6a(a)(5). In addition, CEA section 4a(a)(4) separately authorizes, but does not require, the Commission to impose Federal position limits on swaps that meet certain statutory criteria qualifying them as ``significant price discovery function'' swaps. 7 U.S.C 6a(a)(4). The Commission reiterates, for the avoidance of doubt, that the definitions of ``economically equivalent'' in CEA section 4a(a)(5) and ``significant price discovery function'' in CEA section 4a(a)(4) are separate concepts and that contracts can be economically equivalent without serving a significant price discovery function.--------------------------------------------------------------------------- Specifically, under the Commission's definition of ``economically equivalent swap'' set forth in final Sec. 150.1, a swap generally qualifies as economically equivalent with respect to a particular referenced contract so long as the swap shares ``identical material'' contract specifications, terms, and conditions with the referenced contract. Further, any differences between the swap and referenced contract with respect to the following are disregarded for purposes of determining whether the swap qualifies as economically equivalent: (i) Lot size or notional amount; (ii) for a natural gas swap and a referenced contract that are both physically-settled, delivery dates diverging by less than two calendar days, and for any other swap and referenced contract that are both physically-settled, delivery dates diverging by less than one calendar day; \1456\ and (iii) post-trade risk-management arrangements.\1457\--------------------------------------------------------------------------- \1456\ As discussed below, the definition of ``economically equivalent swap'' with respect to natural gas referenced contracts contains the same terms, except that it includes delivery dates diverging by less than two calendar days. \1457\ See supra Section II.A.4 (further discussing the Commission's definition of ``economically equivalent swap'').--------------------------------------------------------------------------- As discussed in turn below, the Commission believes that the Final Rule's definition of ``economically equivalent swaps'' benefits (1) market integrity by protecting against excessive speculation and potential manipulation and (2) market liquidity by not favoring OTC or foreign markets over domestic markets. Additionally, (3) the Commission will discuss the costs and benefits related to the Final Rule's economically equivalent swap definition's treatment of natural gas swaps; and (4) the Commission will address the several proposed alternative definitions included in commenter letters. As discussed further below, with respect to exchange-set position limits on swaps, the Commission proposed to delay compliance with DCM Core Principle 5 and SEF Core Principle 6, as compliance would otherwise be impracticable, and, in some cases, impossible, at this time. In the 2020 NPRM, the Commission explained that this delay was based largely on the fact that exchanges cannot view positions in OTC swaps across the various places they are trading, including on competitor exchanges. The Commission is maintaining this approach to permit exchanges to delay compliance with respect to exchange-set position limits on swaps, although the Commission emphasizes, for the avoidance of doubt, that it will monitor and enforce swaps for compliance with Federal position limits subject to the compliance dates[[Page 3414]]discussed above.\1458\ However, the Commission notes that in two years, the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms to implement DCM Core Principle 5 and SEF Core Principle 6 with respect to swaps.--------------------------------------------------------------------------- \1458\ For discussion of the relevant compliance dates for the Final Rule, see supra Section I.D ---------------------------------------------------------------------------(1) Benefits and Costs Related to Market Integrity The Commission believes that the final economically equivalent swap definition benefits market integrity in two ways. First, the final definition protects against excessive speculation and potential market manipulation by limiting the ability of speculators to obtain excessive positions through netting. As explained above, under the Final Rule, market participants may net positions across linked referenced contracts, including positions across linked referenced contracts in economically equivalent swaps and futures.\1459\ Accordingly, a more inclusive ``economically equivalent'' definition that would encompass additional swaps (e.g , swaps that may differ in their ``material'' terms or physically-settled swaps with delivery dates that diverge by one day or more) could make it easier for market participants to inappropriately net down against their referenced futures contracts by allowing market participants to structure swaps that do not necessarily offer identical risk or economic exposure or sensitivity as the linked futures contract, but which could still be netted under the Final Rules. In such a hypothetical case, a market participant could enter into an OTC swap with a maturity that differs by days or even weeks in order to net down a position in a referenced contract, enabling the market participant to hold an even greater position in the referenced contract.--------------------------------------------------------------------------- \1459\ See supra Section II.B.10 (discussing netting).--------------------------------------------------------------------------- Similarly, applying Federal position limits to swaps that share identical ``material'' terms with their corresponding referenced contracts benefits market integrity by preventing market participants from escaping the position limits framework merely by altering non-material terms, such as holiday conventions. On the other hand, the Commission recognizes that such a narrow ``economically equivalent swap'' definition could impose costs on the marketplace by possibly permitting excessive speculation since market participants would not be subject to Federal position limits if they were to enter into swaps that may have different material terms (e.g , penultimate swaps to the extent a penultimate futures contract or options contract does not exist to which a penultimate swap could possibly be deemed to be ``economically equivalent'' and therefore subject to the applicable Federal position limits) \1460\ but may nonetheless be sufficiently correlated to their corresponding referenced contract. In this case, it is possible that there may be potential for excessive speculation, market manipulation, or it is possible that market participants could leave the futures markets for the swaps markets, which could introduce new costs to commercial market participants due to reduced market liquidity or disruptions to the price discovery function.\1461\ Nonetheless, to the extent that swaps currently are not subject to Federal position limit levels, such potential costs would remain unchanged compared to the status quo.--------------------------------------------------------------------------- \1460\ Or, in the case of natural gas referenced contracts, which would potentially include penultimate swaps as economically equivalent swaps, a swap with a maturity of less than one day away from the penultimate swap. See supra Sections II.A.4.iii.f and II.B.3.vi (discussing natural gas swaps). \1461\ The Commission acknowledges that liquidity could shift to penultimate swaps, which would impose costs on price discovery and market efficiency in the futures markets, in cases where there are no corresponding penultimate futures contracts or options contracts (and therefore the swap would not be deemed to be an economically equivalent swap), but the Commission believes that this concern is mitigated for two reasons. First, basis risk may exist between the penultimate swap and the referenced contract, and so the Commission believes that a market participant is less likely to hold a penultimate swap the greater the economic difference compared to the corresponding referenced contract. Second, the absence of penultimate futures contracts or options contracts may indicate lack of appropriate penultimate liquidity to hedge or offset one's penultimate swap position and therefore may militate against entering into penultimate swaps.--------------------------------------------------------------------------- Second, the relatively narrow final definition benefits market integrity, and reduces associated compliance and implementation costs, by permitting exchanges, market participants, and the Commission to focus resources on those swaps that pose the greatest threat for facilitating corners and squeezes--that is, those swaps with substantially identical delivery dates and identical material economic terms to futures and options on futures subject to Federal position limits. While swaps that have different material terms than their corresponding referenced contracts, including different delivery dates, may potentially be used for engaging in market manipulation, the final definition benefits market integrity by allowing exchanges and the Commission to focus on the most sensitive period of the spot month, including with respect to the Commission's and exchanges' various surveillance and enforcement functions. To the extent market participants would be able to use swaps that fall outside the scope of the final definition to effect market manipulation, such potential costs would remain unchanged from the status quo since no swaps are currently covered by existing Federal position limits. The Commission however acknowledges that its narrow economically equivalent swap definition may introduce possible burdens to market integrity--as the form of an opportunity cost--since fewer swaps are covered under the Federal position limits compared to the alternative in which the Commission adopted a broader definition. Further, the Final Rule's delayed compliance with respect to the establishment and enforcement of exchange-set limits on swaps benefits exchanges by facilitating exchanges' ability to establish surveillance and compliance systems. As noted above, exchanges currently lack sufficient ***data*** regarding individual market participants' open swap positions since exchanges cannot view positions in OTC swaps across the various places they are trading, including competitor exchanges, which means that requiring exchanges to establish oversight over market participants' positions currently could impose substantial costs and also may be impractical to achieve.\1462\--------------------------------------------------------------------------- \1462\ SIFMA AMG agrees with the Commission's assessment, stating that ``[s]ince the exchanges do not have visibility into OTC swaps markets, market participants and the CFTC would be responsible for implementing position limits on swaps without the benefit of the exchanges' extensive experience in monitoring and applying position limits for exchange-listed contracts.'' SIFMA AMG at 10.--------------------------------------------------------------------------- As a result, the Commission has determined that allowing exchanges delayed compliance with respect to swaps reduces unnecessary costs. Nonetheless, the Commission's determination to permit exchanges to delay implementing Federal position limits on swaps could incentivize market participants to leave the futures markets and instead transact in economically-equivalent swaps, which could reduce liquidity in the futures and related options markets. However, the Commission emphasizes that the Commission will oversee and enforce compliance with Federal position limits for economically equivalent swaps, which should mitigate the concern related to incentivizing futures contracts and related options on futures contracts to move trading and related liquidity to[[Page 3415]]the OTC swaps markets. With respect to exchange-set position limits on swaps, the Commission notes that in two years, the Commission will reevaluate the ability of exchanges to establish and implement appropriate surveillance mechanisms to implement position limits for economically equivalent swaps at the exchange level.\1463\--------------------------------------------------------------------------- \1463\ In response to the 2020 NPRM's proposal to permit exchanges to delay oversight and enforcement of exchanges' position limit rules on economically equivalent swaps, IATP stated that ``[d]elaying compliance with position limit requirement [sic] to avoid imposing costs on market participants makes it appear that the Commission is serving as a swap dealer booster, although swap dealers are amply resourced to provide the necessary ***data*** to the exchanges and to the Commission. The Commission is bending over backward to avoid requiring swaps market participants from paying the costs of exchange trading.'' However, the Commission emphasizes that the Commission will still implement, oversee, and enforce Federal position limits on swaps. As a result, the proposed delayed enforcement of exchange-set position limits is designed to reduce costs imposed on exchanges rather than swap dealers, which will be subject to Federal position limits under the Final Rule.--------------------------------------------------------------------------- Additionally, while futures contracts and options thereon are subject to clearing and exchange oversight, economically equivalent swaps may be transacted bilaterally off-exchange (i.e , OTC swaps). As a result, it is relatively easy to create customized OTC swaps that may be highly correlated to its corresponding futures (or options) contract, which would allow the market participant to create an exposure in the underlying commodity similar to the referenced contract's exposure. Due to the relatively narrow ``economically equivalent swap'' definition, the Commission believes that it may be possible for market participants to attempt to avoid Federal position limits by entering into such OTC swaps.\1464\ While such swaps may not be perfectly correlated to their corresponding referenced contracts, market participants may find this risk acceptable in order to avoid Federal position limits. An increase in OTC swaps at the expense of futures contracts and options on futures contracts may impose costs on market integrity due to lack of exchange oversight. If liquidity were to move from futures exchanges to the OTC swaps markets, non-dealer commercial entities may face increased transaction costs and widening spreads, as swap dealers gain market power in the OTC market relative to centralized exchange trading. The Commission is unable to quantify the costs of these potential harms. However, while the Commission acknowledges these potential costs, such costs to those contracts that already have limits (including Federal and/or exchange-set position limits) on them already may have been realized in the marketplace because swaps are not subject to Federal position limits under the status quo.--------------------------------------------------------------------------- \1464\ In contrast, since futures contracts and options on futures contracts are created by exchanges and submitted to the Commission for either self-certification or approval under part 40 of the Commission's regulations, a market participant would not be able to customize an exchange-traded futures contract or option on futures contract.--------------------------------------------------------------------------- Lastly, under the Final Rule, market participants are able to determine whether a particular swap satisfies the definition of ``economically equivalent swap,'' as long as market participants make a reasonable, good faith effort in reaching their determination and are able to provide sufficient evidence, if requested, to support a reasonable, good faith effort.\1465\ The Commission anticipates that this flexibility will benefit market integrity by providing a greater level of certainty to market participants, in contrast to the alternative in which market participants would be required to first submit swaps to the Commission staff and wait for feedback or approval. On the other hand, the Commission also recognizes that not having the Commission explicitly opine on whether a swap would qualify as economically equivalent could cause market participants to avoid entering into such swaps.\1466\ In turn, this could lead to less efficient hedging strategies if the market participant is forced to turn to the futures markets (e.g , a market participant may choose to transact in the OTC swaps markets for various reasons, including liquidity, margin requirements, or simply better familiarity with ISDA and swap processes over exchange-traded futures). However, as noted below, the Commission reserves the right to declare whether a swap or class of swaps is or is not economically equivalent, and a market participant could petition, or request informally, that the Commission make such a determination, although the Commission acknowledges that there could be costs associated with this, including delayed timing and monetary costs.--------------------------------------------------------------------------- \1465\ See supra Section II.A.4.g (discussing market participants' discretion in determining whether a swap is economically equivalent). Regarding the obligations of swap dealers to monitor position limits, ISDA commented that the requirements imposed by Sec. 23.601 are burdensome and requested additional guidance regarding same. ISDA at 10. The Commission believes it is unnecessary to provide further detail with respect to Sec. 23.601 because, as discussed above and in the preamble, the Commission will defer to a market participant's determination as long as the market participant is able to provide sufficient support to show that it made a reasonable, good faith effort in applying its discretion. Furthermore, the Commission is not adopting any amendments to Sec. 23.601, so the baseline status quo in connection with Sec. 23.601 is unchanged under the Final Rule. See supra Section II.A.4.g \1466\ For example, NRECA believes that a standardized reference source to confirm whether a particular swap is subject to Federal position limits would benefit market participants: ``Because the Commission has determined not to codify its interpretations and other guidance, or to establish a single reference source for assistance in confirming `swap/not-a-swap' distinction, the two counterparties to a bilateral off-facility energy transaction must make the `swap/not-a-swap' determination without the benefit of standardized rules or product definitions. Although the terms of many off-facility, bilateral energy commodity transactions are highly-customized, other such transactions may be many iterations closer to futures contract `look-alikes,' that is, to referenced contracts. If such a transaction is (or may be) a `swap,' such a swap would then also need to be evaluated to determine whether it was `economically equivalent' under the Speculative Position Limits Rules.'' NRECA at 18; see also CEWG at 30-31.--------------------------------------------------------------------------- Further, the Commission recognizes that requiring market participants to conduct reasonable due diligence and maintain related records also could impose new compliance costs. Additionally, the Commission recognizes that certain market participants could assert that an OTC swap is (or is not) ``economically equivalent'' depending upon whether such determination benefits the market participant. In such a case, market participants could theoretically subvert the intent of the Federal position limits framework, although the Commission believes that such potential costs would be mitigated due to the Commission's surveillance functions and authority to declare that a particular swap or class of swaps either does or does not qualify as economically equivalent.(2) The Final Definition Could Increase Benefits or Costs Related to Market Liquidity and Price Discovery First, the final economically equivalent swap definition could benefit market liquidity by being, in general, less disruptive to the swaps markets, which in turn may reduce the potential for disruption for the price discovery function compared to a possible alternative, broader definition. For example, if the Commission were to adopt an alternative to its final ``economically equivalent swap'' definition that encompassed a broader range of swaps by including, for example, delivery dates that diverge by one or more calendar days--perhaps by several days or weeks--a market participant (including speculators) with a large portfolio of swaps could more easily bump up against the applicable position limits and therefore would have an incentive either to reduce its[[Page 3416]]swaps activity or move its swaps activity to foreign jurisdictions. If there were many similarly situated market participants, the market for such swaps could become less liquid, which in turn could harm liquidity for bona fide hedgers as large liquidity providers could move to other markets. Second, the final definition could benefit market liquidity by being sufficiently narrow to reduce incentives for liquidity providers to move to foreign jurisdictions, such as the European Union (``EU'').\1467\ Additionally, the Commission believes that proposing a definition similar to that used by the EU will benefit international comity.\1468\ Further, market participants trading in both U.S and EU markets would find the final definition to be familiar, which may help reduce compliance costs for those market participants that already have systems and personnel in place to identify and monitor such swaps. As discussed by SIFMA AMG, ``[m]any market participants are active in markets and products that are regulated by the CFTC and EU authorities. Having different definitions would be costly for firms, since they would have to build out different compliance functions, and inefficient for markets.'' \1469\ As noted above, any differences between the Final Rule's ``economically equivalent swap'' and the EU's corresponding definition by the addition of the ``material'' qualifier should lead to the benefits identified in the above discussion, along with the corresponding costs.--------------------------------------------------------------------------- \1467\ In this regard, the final definition is similar in certain ways to the EU definition for OTC contracts that are ``economically equivalent'' to commodity derivatives traded on an EU trading venue. The applicable European regulations define an OTC derivative to be ``economically equivalent'' when it has ``identical contractual specifications, terms and conditions, excluding different lot size specifications, delivery dates diverging by less than one calendar day and different post trade risk management arrangements.'' While the Commission's final definition is similar, the Commission's final definition requires ``identical material'' terms rather than simply ``identical'' terms. Further, the Commission's final definition excludes different ``lot size specifications or notional amounts'' rather than referencing only ``lot size'' since swaps terminology usually refers to ``notional amounts'' rather than to ``lot sizes.'' See EU Commission Delegated Regulation (EU) 2017/591, 2017 O.J (L 87). \1468\ Both the Commission's definition and the applicable EU regulation are intended to prevent harmful netting. See European Securities and Markets Authority, Draft Regulatory Technical Standards on Methodology for Calculation and the Application of Position Limits for Commodity Derivatives Traded on Trading Venues and Economically Equivalent OTC Contracts, ESMA/2016/668 at 10 (May 2, 2016), available at [*https://www.esma.europa.eu/sites/default/files/library/2016-668\_opinion\_on\_draft\_rts\_21.pdf*](https://www.esma.europa.eu/sites/default/files/library/2016-668_opinion_on_draft_rts_21.pdf) (``[D]rafting the [economically equivalent OTC swap] definition in too wide a fashion carries an even higher risk of enabling circumvention of position limits by creating an ability to net off positions taken in on-venue contracts against only roughly similar OTC positions.'') The applicable EU regulator, the European Securities and Markets Authority (``ESMA''), recently released a ``consultation paper'' discussing the status of the existing EU position limits regime and specific comments received from market participants. According to ESMA, no commenter, with one exception, supported changing the definition of an economically equivalent swap (referred to as an ``economically equivalent OTC contract'' or ``EEOTC''). ESMA further noted that for some respondents, ``the mere fact that very few EEOTC contracts have been identified is no evidence that the regime is overly restrictive.'' See European Securities and Markets Authority, Consultation Paper MiFID Review Report on Position Limits and Position Management Draft Technical Advice on Weekly Position Reports, ESMA70-156-1484 at 46, Question 15 (Nov. 5, 2019), available at [*https://www.esma.europa.eu/document*](https://www.esma.europa.eu/document)/ consultation-paper-position-limits. \1469\ SIFMA AMG at 6-7.---------------------------------------------------------------------------(3) The Final Definition Could Create Costs or Benefits Related to Market Liquidity for the Natural Gas Market SIFMA AMG commented that ``financially-settled penultimate day expiry products in natural gas should be excluded from limits to the same extent as penultimate day expiry contracts for each of the other 24 core referenced futures contracts. To introduce a change from existing exchange practice (under which these financially-settled penultimate day contracts are out of scope) could introduce an otherwise avoidable disruption to trading during the closing days of the natural gas contract month, with no corresponding benefits to market oversight or integrity.'' \1470\--------------------------------------------------------------------------- \1470\ SIFMA AMG at 11. For the purpose of this comment, even though SIFMA AMG refers generally to ``financially-settled penultimate'' contracts in natural gas, the Commission assumes it is referring to penultimate cash-settled economically equivalent swaps since penultimate futures contracts and options on futures contracts are included under the ``referenced contract'' definition.--------------------------------------------------------------------------- As discussed in greater detail in the preamble, the Commission recognizes that the market dynamics in natural gas are unique in several respects, including the fact that unlike with respect to other core referenced futures contracts, for natural gas, relatively liquid spot-month and penultimate cash-settled futures exist.\1471\ However, in contrast to SIFMA AMG's comment, the Commission has determined that creating an exception to the proposed ``economically equivalent swap'' definition for natural gas benefits market liquidity by not unnecessarily favoring existing natural gas penultimate contracts over spot contracts. The Commission is especially sensitive to potential market manipulation in the natural gas markets since market participants--to a significantly greater extent compared to the other core referenced futures contracts that are included in the Final Rule--regularly trade in both the physically-settled core referenced futures contract and the cash-settled look-alike referenced contracts that are penultimate contracts. Accordingly, the Commission has concluded that a slightly broader definition of ``economically equivalent swap'' to encompass penultimate natural gas swaps uniquely benefits the natural gas markets by helping to deter and prevent manipulation of a physically-settled contract to benefit a related cash-settled contract, including penultimate positions.--------------------------------------------------------------------------- \1471\ See supra Section II.A.4.iii.f (discussing economically equivalent natural gas swaps).---------------------------------------------------------------------------(4) Alternatives to the ``Economically Equivalent Swap'' Definition Several commenters provided alternative approaches to the 2020 NPRM's proposed ``economically equivalent swap'' definition. First, SIFMA AMG argued that the Commission should not impose Federal position limits on swaps at all, and that the proposed Federal position limits were ``unnecessary and would in fact impose cost burdens . . . that are not commensurate with any of the suggested benefits . . . .'' \1472\ Similarly, CHS stated that ``[t]here is little doubt, from CHS's perspective, that including economically equivalent swaps as `referenced contracts' for position limit purposes will result in a material burden for (a) commercial end-users and (b) small to mid-sized FCMs that focus on the needs of grain and energy hedgers, which are referred to as `Commodity-Focused FCMs'. The costs of compliance on such participants will likely be large and time-consuming, and possibly entail some risk of operational error arising out of the implementation process.'' \1473\--------------------------------------------------------------------------- \1472\ SIFMA AMG at 6-7. Additional commenters similarly argued that subjecting swaps to position limits is unnecessary and would increase costs without commensurate benefits. E.g , CHS at 5; NCFC at 5; and ISDA at 5. \1473\ CHS at 4. See also NCFC at 5 (similarly stating that ``[t]he costs of compliance on such participants will likely be large and time-consuming, and possibly entail some risk of operational error arising out of the implementation process.''). CHS further stated, ``[w]ith respect to commercial end-users, absent additional Commission guidance CHS believes that the burdens will take the form of (a) determining which types of swaps will be deemed to be economically equivalent swaps, (b) making significant and costly modifications to systems to identify and track transactions for reporting purposes, (c) developing tools for swaps aggregation purposes (or manually conducting such tasks if such a tool is not readily available to be interpolated into existing systems) and (d) determining intra-day positions when addressing economically equivalent swaps, which will require real-time system reporting and real-time exception alerts, among other things . . . . In these respects, CHS asks the Commission to be mindful and more fully address the costs and benefits applicable to commercial end-users and Commodity-Focused FCMs, and to provide more clarity regarding the scope of referenced contracts. As a guide, CHS urges the Commission to maintain as narrow a definition of `referenced contract' as possible. CHS also urges the Commission, both in the context of market participants generally and commercial end-users and Commodity-Focused FCMs particularly, to address CHS's recommendations in the following section.'' Id. at 4-5. NCFC similarly stated that ``NCFC believes any Federal speculative position limits rule should not unduly burden commercial end-users who utilize derivatives markets for economically appropriate risk management activities.'' NCFC at 7.---------------------------------------------------------------------------[[Page 3417]] However, as discussed above, the Dodd-Frank Act added CEA section 4a(a)(5), which explicitly requires that the Commission impose Federal position limits on swaps that are ``economically equivalent'' to the futures contracts and options on futures contracts subject to Federal position limits, and that the Commission establish limits simultaneously for ``economically equivalent'' swaps. Accordingly, from the perspective of this cost-benefit discussion, the question is not whether the Final Rule should encompass swaps at all, but only the extent to which swaps should be incorporated as ``economically equivalent'' pursuant to CEA section 4a(a)(5). Nonetheless, the Commission recognizes that subjecting economically equivalent swaps to Federal position limits could impose the compliance costs referenced above by CHS and others. However, to the extent that the Final Rule adopts a narrow ``economically equivalent swap'' definition, the Commission anticipates these costs should be mitigated compared to alternative definitions, while simultaneously satisfying the statutory requirement under CEA section 4a(a)(5). Second, CME and Better Markets both suggested that the general ``referenced contract'' definition that applies to futures contracts and options on futures contracts should also apply to swaps, rather than the narrower ``economically equivalent swap'' definition. Similarly, NEFI argued that the narrower ``economically equivalent swap'' definition could allow for easy avoidance of Federal position limits.\1474\ The Commission discusses the possible costs and benefits of the Final Rule's narrow definition versus this proposed alternative of a broader definition throughout this cost-benefit discussion of economically equivalent swaps, and the reasons discussed by the Commission throughout this section similarly apply in response to CME's, Better Markets', and NEFI's proposed alternative to establish a broader ``economically equivalent swap'' definition.--------------------------------------------------------------------------- \1474\ NEFI at 3.--------------------------------------------------------------------------- Third, SIFMA AMG argued that while it opposed including swaps within the Final Rule, to the extent the Commission determines to include swaps within the Final Rule, that, in the alternative, at least cash-settled swaps should be excluded from the economically equivalent swap definition since these types of swaps ``have not historically been the source of manipulative corners, squeezes, or other disruptions related to physical commodity prices, and SIFMA AMG does not believe limits on these products would be necessary to further deter and prevent this type of trading activity.'' \1475\--------------------------------------------------------------------------- \1475\ SIFMA AMG at 7. SIFMA AMG further argued that ``imposing spot month limits only on physically-settled futures contracts would avoid such confusion, and more importantly, would adequately address the products of greatest concern and would serve to reduce compliance costs and related burdens (i.e , technology builds, personnel allocation, training, etc.) for the Commission and market participants by allowing the Commission to observe the impact of limits for physically-settled futures prior to evaluating whether to extend limits to a broader scope of derivatives products.'' SIFMA AMG at 5-6. PIMCO and ISDA similarly argue that neither cash-settled swaps nor futures contracts should be subject to position limits. PIMCO at 3; ISDA at 5 (arguing that position limits on cash-settled referenced contracts, whether futures contracts or swaps, ``impose a level of cost and complexity in implementation that does not correspond to any identified regulatory or policy benefit of such limits.'') AQR similarly argued that the ``opportunity or ability to use a swap to squeeze or corner an underlying physical commodity is extremely remote and thus extension of position limits to swaps would likely not be merited based on an analysis of the costs and benefits of such action.'' AQR at 10.--------------------------------------------------------------------------- However, the Commission believes that SIFMA AMG's proposed alternative to exclude all cash-settled swaps ex ante would impose liquidity costs for bona fide hedgers since excluding all cash-settled swaps could incentivize liquidity to move from corresponding cash-settled referenced contracts to cash-settled OTC swaps, potentially harming the liquidity in the futures markets, including liquidity for bona fide hedgers. This could also harm price discovery if significant liquidity and trading migrates from the exchange-traded futures markets to the more opaque OTC swaps markets. For example, as noted above, if liquidity were to move from futures exchanges to the OTC swaps markets, non-dealer commercial entities may face increased transaction costs and widening spreads, as swap dealers gain market power in the OTC market relative to centralized exchange trading. The Commission is unable to quantify the costs of these potential harms.\1476\--------------------------------------------------------------------------- \1476\ However, while the Commission acknowledges these potential costs, such costs to the nine legacy ***agricultural*** contracts may already have been realized because their corresponding swaps are not subject to Federal position limits under the status quo. Nonetheless, the Commission also recognizes that certain of the 16 non-legacy core referenced futures contracts that would be subject to Federal position limits for the first time under the Final Rule may have larger, more liquid swaps markets than the nine legacy ***agricultural*** contracts, and therefore potentially larger concomitant benefits and/or costs.--------------------------------------------------------------------------- Furthermore, the Commission notes that CEA section 4a(a)(3) does not merely refer to corners and squeezes, but also refers to ``manipulation'' generally. Accordingly, the Commission believes that the Final Rule will better benefit market integrity to the extent that cash-settled swaps would be subject to the Final Rule by helping to prevent other forms of manipulation, such as ``banging'' or ``marking'' the close. Fourth, in contrast to the alternative posited by SIFMA AMG immediately above in which the Commission would exclude all cash-settled swaps, Better Markets believed that the Final Rule's exclusion of certain cash-settled swaps could actually impose costs on liquidity formation. Better Markets thus proposed an alternative where settlement type (i.e , cash-settled versus physically-settled) was not considered to be a ``material'' difference and therefore cash-settled swaps could be deemed to be ``economically equivalent'' to core referenced futures contracts, which are all physically-settled. Better Markets argued that the 2020 NPRM's economically equivalent definition ``essentially excludes'' cash-settled swaps from Federal position limits because cash-settled swaps would not be able to qualify as economically equivalent to a physically-settled core referenced futures contract.\1477\ As Better Markets commented, distinguishing between cash-settled and physically-settled swaps and futures contracts by deeming settlement type (i.e , cash-settled vs. physically-settled settlement) to be a material term would ``incentivize[ ] speculative liquidity formation away from more liquid, more transparent, and more restrictive futures exchanges and to the swaps markets.'' \1478\--------------------------------------------------------------------------- \1477\ Better Markets at 32. \1478\ Id.--------------------------------------------------------------------------- However, the Commission does not believe that the treatment of cash-settled swaps under the Final Rule imposes such costs, at least to the extent assumed by Better Markets. The[[Page 3418]]Commission believes Better Markets' concern is mitigated since under the Final Rule cash-settled swaps are subject to Federal position limits only if there is a corresponding (i.e , ``economically equivalent'') cash-settled futures contract or option on a futures contract.\1479\ That is, cash-settled swaps are free from Federal position limits if there are no corresponding cash-settled futures contracts or options on futures contracts. In these situations, if no corresponding futures contract or option thereon exists, then there is no liquidity formation in cash-settled futures contracts and options on futures contracts with which a cash-settled swap would be competing for liquidity in the first place.\1480\--------------------------------------------------------------------------- \1479\ The Commission notes that a swap could be deemed to be ``economically equivalent'' to any referenced contract, including cash-settled look-alikes, and that the ``economically equivalent swap'' definition is not limited to core referenced futures contracts. \1480\ In contrast to Better Markets, AQR noted that any ``extension of position limits to swaps risks negatively impacting commercial hedgers by reducing market liquidity, increasing transaction costs, and increasing commodity market volatility. While the Commission cannot entirely avoid those risks if compelled to impose such limits, the proposed approach to economically equivalent swaps may mitigate them in ways that allow the Commission to fully discharge its statutory obligation without unnecessarily restricting market activity.'' AQR at 11.--------------------------------------------------------------------------- Fifth, FIA proposed an alternative in which cash-settled economically equivalent swaps would be subject to a separate (higher) Federal spot-month position limit levels compared to their corresponding referenced contracts, and FIA argued that its proposed alternative would benefit innovation and competition between exchanges.\1481\ However, the Commission believes that establishing separate (or higher) position limits for economically equivalent swaps could impose liquidity costs and burden market integrity and price discovery.--------------------------------------------------------------------------- \1481\ FIA at 7-8. The Commission generally addresses FIA's argument about innovation and competition in the preamble above under Section II.B.10.v --------------------------------------------------------------------------- In particular, separate position limits for cash-settled swaps would make it easier for potential manipulators to engage in market manipulation, such as ``banging'' or ``marking'' the close, by effectively permitting higher Federal position limits in cash-settled referenced contracts. For example, a market participant would be able to double its cash-settled positions by maintaining positions in both cash-settled futures and cash-settled economically equivalent swaps since under FIA's proposed alternative positions in each contract type, that is futures contracts (including options thereon) and swaps, would be subject to their own separate position limits for purposes of Federal position limits. Furthermore, imposing position limits separately on economically equivalent swaps and futures contracts (and options thereon) as requested under FIA's proposed alternative would mean that market participants would not be able to net their economically equivalent swaps with their futures positions. In contrast, the absence of separate Federal position limits for economically equivalent swaps means that market participants are able to net economically equivalent swaps with other referenced contracts, i.e , futures contracts against swaps. The Commission also recognizes that netting could permit larger speculative positions in futures markets for market participants who did not previously have bona fide hedge exemptions, but who have positions in swaps in the same commodity that could be netted against futures contracts in the same commodity. This observation might seem to be at cross-purposes with the relatively narrow ``economically equivalent swap'' definition. However, the Commission is concerned that separate position limits for swaps could impair liquidity in futures contracts or swaps, as the case may be. For example, a market participant (including a market maker or speculator) with a large portfolio of swaps (or futures contracts) near the applicable position limit would be assumed to have a strong preference for executing futures contracts (or swaps) transactions in order to maintain a swaps (or futures contracts) position below the applicable position limit. If there were many similarly situated market participants, the market for such swaps (or futures contracts) could become less liquid, which could burden market efficiency and impose higher trading costs for bona fide hedgers. The absence of separate position limits for swaps should decrease the possibility of illiquid markets for referenced contracts subject to Federal position limits. Because economically equivalent swaps and the corresponding futures contracts and options on futures contracts are close substitutes for each other, the absence of separate position limits should allow greater integration between the economically equivalent swaps and corresponding futures and options markets for referenced contracts, which should benefit price discovery, and should also provide market participants with more flexibility whether hedging, providing liquidity or market making, or speculating, which should benefit market efficiency and price discovery. Sixth, COPE alternatively requested that the Commission explicitly exclude physically-settled swaps, or at least provide specific examples of the contracts intended to be included.\1482\ While the Commission provides greater clarity in the corresponding preamble discussion above,\1483\ the Commission has determined that excluding all physically-settled swaps ex ante is inconsistent with the statutory goals in CEA section 4a(a)(3)(B), especially the requirements to deter corners and squeezes and to ensure sufficient market liquidity for bona fide hedgers enumerated in CEA section 4a(a)(3)(B)(ii) and (iii), respectively. For example, excluding physically-settled swaps could potentially incentivize liquidity to move from physically-settled core referenced futures contracts to physically-settled swaps, which could impose costs both on market liquidity for bona fide hedgers and also on market integrity by enabling potential manipulators to accumulate large directional positions in physically-settled contracts to effect a corner and squeeze more easily. This could additionally harm price discovery as liquidity and trading would move from the more transparent exchange-traded futures contracts and options thereon to the more opaque OTC swaps markets.--------------------------------------------------------------------------- \1482\ COPE at 4-5. \1483\ See Section II.A.4.iii.d(1).--------------------------------------------------------------------------- Seventh, NCFC stated that it ``appreciate[s] that CFTC proposed a narrow definition of an economically equivalent swap under a Federal position limits regime. Likewise, we do not object to an inclusion of such swaps in theory since our members use them for legitimate hedging purposes. However, NCFC continues to be concerned with the operational difficulties, burdens, and costs for commercial end users and small- to mid-sized FCMs that focus on the needs of ***agricultural*** hedgers of including swaps for position limit purposes. The costs of compliance on such participants will likely be large and time-consuming, and possibly entail some risk of operational error arising out of the implementation process.'' \1484\ As a result, NCFC suggested, as an alternative to the 2020 NPRM's approach, that the Final Rule exclude from a commercial end-user's Federal position limits those ***agricultural*** commodity swaps that are transacted by invoking the ``End-User Exemption to Mandatory Clearing'' rule.\1485\[[Page 3419]]According to NCFC, those swap contracts already must meet the test ``to hedge or mitigate commercial risk,'' and are ``not used for a purpose that is in the nature of speculation, investing, or trading,'' as outlined in Sec. 50.50 of the Commission's regulations, and therefore, by definition, these contracts should not be subject to end-user Federal speculative position limits.\1486\--------------------------------------------------------------------------- \1484\ NCFC at 5. \1485\ Id. \1486\ Id.--------------------------------------------------------------------------- The Commission understands NCFC's concern, but believes NCFC's alternative is unnecessary for two reasons. First, to the extent a swap described by NCFC would ``hedge or mitigate commercial risk,'' the Commission believes that the costs described by NCFC are mitigated since such swap likely would qualify for an enumerated bona fide hedge under the Final Rule and therefore would not contribute to a commercial end-user's net position for Federal position limits purposes.\1487\ Second, the Commission believes the purported benefits related to NCFC's alternative are limited since physical commodity swaps are not required to be cleared under the Commission's existing regulations, so determining whether the end-user clearing exemption applies is not necessarily a helpful proxy in determining whether a swap is ``economically equivalent'' or not for purposes of CEA section 4a(a)(5).--------------------------------------------------------------------------- \1487\ To the extent an FCM would not be able to qualify for a bona fide hedge, the Commission believes that excepting such swaps for purely financial firms would functionally have the same effect as maintaining the risk-management exemption, which Congress, through the Dodd-Frank Act's amendments to the CEA, has directed the Commission to eliminate. See Section II.A.4.iii Nonetheless, to the extent that NCFC's comment is limited to small- and medium-sized FCMs, the Commission does not believe that such FCMs generally will violate the Federal position limit levels based on the Commission's understanding of existing market dynamics and positions held by market participants under the status quo, and therefore costs should be comparatively mitigated for small- and medium-sized FCMs.---------------------------------------------------------------------------vii. Pre-Existing Positions Final Sec. 150.2(g) imposes Federal position limits on ``pre-existing positions'' \1488\--other than pre-enactment swaps and transition period swaps--during both the spot month and non-spot month.--------------------------------------------------------------------------- \1488\ Final Sec. 150.1 defines ``pre-existing position'' to mean ``any position in a commodity derivative contract acquired in good faith prior to the effective date'' of any applicable position limit.--------------------------------------------------------------------------- The Commission believes that final Sec. 150.2(g) benefits market integrity since pre-existing positions (other than pre-enactment and transition period swaps) that exceed spot-month limits could result in market or price disruptions as positions are rolled into the spot month.\1489\ The Commission recognizes some costs and benefits associated with final Sec. 150.2(g)(2) may have already been realized given that the nine legacy ***agricultural*** contracts are already subject to the Federal non-spot month position limits. Therefore, exchanges and market participants should not incur any significant new costs to comply with Sec. 150.2(g)(2), and will likely continue to benefit from market integrity as a result of the Final Rule.--------------------------------------------------------------------------- \1489\ The Commission is particularly concerned about protecting the spot month in physical-delivery futures from corners and squeezes.--------------------------------------------------------------------------- In response to the 2020 NPRM, FIA and MGEX suggested that the Commission alternatively restructure the provision to include just two categories, ``pre-existing swaps'' and ``pre-existing futures,'' because the variability of exemptive relief could create operational challenges for market participants.'' \1490\ Although the Commission did not adopt the terms ``pre-existing swaps'' and ``pre-existing futures'' for the Final Rule as FIA and MGEX suggested, the practical effect is that final Sec. 150.2(g) creates two categories--(1) pre-existing futures contracts (including options thereon), which are subject to both the spot month and non-spot month Federal position limits; and (2) pre-existing swaps, which are not subject to such limits. Furthermore, to offset the operational challenges or other burdens associated with final Sec. 150.2(g), the Commission is delaying the compliance date to January 1, 2022 in connection with the Federal position limits for the 16 non-legacy core referenced futures contracts, and further delaying the compliance date to January 1, 2023 for swaps that are subject to Federal position limits under the Final Rule.--------------------------------------------------------------------------- \1490\ FIA at 8-9; MGEX at 4.---------------------------------------------------------------------------viii. Anti-Evasion Final Sec. 150.2(i) provides that, if used to willfully circumvent or evade speculative position limits: (1) A commodity index contract, monthly average pricing contract, outright price reporting contract, and/or a location basis contract will be considered to be a referenced contract; (2) a bona fide hedging transaction or position recognition or spread exemption will no longer apply; and (3) a swap will considered to be an economically equivalent swap even if it does not meet the economically equivalent swap definition set forth in Sec. 150.1 This provision serves to deter and prevent a number of potential methods of evading Federal position limits, the specifics of which the Commission may not be able to anticipate. Like the Federal position limits it supports, Sec. 150.2(i) helps to protect market integrity by preventing excessive speculation and market manipulation. However, the Commission also recognizes possible costs to market participants due to uncertainty under the Final Rule's anti-evasion provision since it may be difficult for market participants to determine, as a bright-line matter, whether their positions and trading strategies represent legitimate avoidance of position limits or instead represent malfeasant evasive practices.\1491\ As a result, the lack of a bright-line standard could potentially impose liquidity costs as market participants may instead choose to engage in less efficient trading strategies in order to err cautiously to avoid engaging in potentially ``evasive'' behavior.--------------------------------------------------------------------------- \1491\ SIFMA AMG at 7, n.16 (noting that the anti-evasion provision makes the application of the proposed ``economically equivalent swap'' definition less clear because it incorporates a subjective measure of intent); see also FIA at 25 (questioning how a participant would distinguish a strategy that minimizes position size with an evasive strategy); Better Markets at 33 (describing the anti-evasion provision as a ``useful deterrent,'' but noting that the willful circumvention standard would be difficult to meet and partially turns on the Commission's consideration of the legitimate business purpose analysis).--------------------------------------------------------------------------- As an alternative to the ``willfully'' standard, FIA recommended that the anti-evasion analysis be based on the presence of ``deceit, deception, or other unlawful or illegitimate activity.'' \1492\ Because a position that does not involve fraud or deceit can still involve other indicia of evasive activity, the proposed alternative would be less effective in protecting market integrity to the extent it failed to capture evasive activity. Further, the incorporation of a standard other than ``willful'' would create confusion to market participants by resulting in divergent standards among Commission rulemakings concerning evasion.--------------------------------------------------------------------------- \1492\ FIA at 25-26.---------------------------------------------------------------------------4. Exemptions From Federal Position Limits--Bona Fide Hedging Recognitions, Spread and Other Exemptions (Final Sec. Sec. 150.1 and 150.3)i. Background The Final Rule provides for several exemptions that, subject to certain conditions, permit a trader to exceed the applicable Federal position limit set forth in final Sec. 150.2 Specifically, Sec. 150.3 generally maintains but modifies, as discussed below, the two existing Federal exemptions that include (1) bona fide hedging positions and (2) spread positions. Final Sec. 150.3 also includes new Federal exemptions[[Page 3420]]for certain conditional spot month positions in natural gas, financial distress positions, and pre-enactment and transition period swaps. Final Sec. 150.1 sets forth the definitions for which positions may qualify as a ``bona fide hedging transaction or position'' and for ``spread transaction.'' \1493\--------------------------------------------------------------------------- \1493\ The Commission currently defines this term in existing Sec. 1.3 in the plural as ``bona fide hedging transactions or positions'' while the Final Rule defines it in the singular ``bona fide hedging transaction or position.'' See supra Section I.E (discussing use of certain terminology). This discussion sometimes refers to the ``bona fide hedging transaction or position'' definition as ``bona fide hedges,'' ``bona fide hedging,'' or ``bona fide hedge positions.'' For the purpose of this discussion, the terms have the same meaning.---------------------------------------------------------------------------ii. Bona Fide Hedging Definition; Enumerated Bona Fide Hedges; and Guidance on Spot Month Hedge Exemption Restrictions and Measuring Risk The Commission is adopting several amendments to the bona fide hedge definition. First, the Commission is revising some of the general elements of the ``bona fide hedging transaction or position'' definition in final Sec. 150.1 to conform the Commission's regulatory definition to the statutory bona fide hedge definition in CEA section 4a(c), as amended by Congress in the Dodd-Frank Act. As discussed in greater detail in the preamble, the Final Rule (1) revises the temporary substitute test, consistent with the Commission's understanding of the Dodd-Frank Act's amendments to section 4a of the CEA, to no longer recognize as bona fide hedges certain risk management positions; (2) revises the economically appropriate test to make explicit that the position must be economically appropriate to the reduction of ``price risk''; and (3) eliminates the incidental test and orderly trading requirement, which the Dodd-Frank Act did not include in section 4a of the CEA. The Commission believes that these amendments to the existing general elements of the regulatory definition include non-discretionary changes that are required by Congress's amendments to section 4a of the CEA, or in the case of the incorporation of ``price risk,'' do not represent a change from the status quo baseline. The Commission is also amending the bona fide hedge definition to conform to the CEA's statutory definition, by adding a provision for positions that qualify as pass-through swaps and pass-through swap offsets.\1494\--------------------------------------------------------------------------- \1494\ As discussed in Section II.A --Sec. 150.1--Definitions of the preamble, the existing definition of ``bona fide hedging transactions and positions'' appears in existing Sec. 1.3 of the Commission's regulations; the revised definition of this term, in singular form, now appears in Sec. 150.1 --------------------------------------------------------------------------- Second, the Commission is maintaining the distinction between enumerated and non-enumerated bona fide hedges but is (1) moving the location of the enumerated bona fide hedges, which will remain part of the regulatory text, from the existing definition of ``bona fide hedging transactions and positions'' currently found in Commission regulation Sec. 1.3 to final Appendix A in part 150; \1495\ and (2) expanding the list of enumerated hedges, which will continue to be self-effectuating for Federal position limit purposes, thereby not requiring prior Commission approval.--------------------------------------------------------------------------- \1495\ For the avoidance of doubt, Appendix A will still be incorporated as part of the Commission's regulations under the Final Rule. In contrast, the 2020 NPRM had proposed to make Appendix A Acceptable Practices.--------------------------------------------------------------------------- Third, the Commission is proposing guidance in Appendix B with respect to (i) whether an entity may measure risk on a net or gross basis for purposes of determining its bona fide hedge positions, and (ii) factors exchanges could consider when applying a restriction on an exemption against holding a position under a bona fide hedge or spread transaction exemption in excess of limits during the lesser of the last five days of trading or the time period for the spot month in a physically-delivered contract, or otherwise limit the size of such position. The Commission expects that these modifications related to bona fide hedging will primarily benefit physical commodity commercial market participants, as well as their counterparties. CEA section 4a(c)(1) directs the Commission to exclude bona fide hedge positions from any Federal position limits framework. Further, the Commission believes that, generally, recognizing bona fide hedges supports all section 15(a) factors under this cost-benefit discussion. For example, recognizing bona fide hedges encourages participation in the futures markets by commercial market participants.\1496\ Increasing participation from different types of market participants, including commercial market participants: (i) protects the legitimate commercial activity of cash-market participants,\1497\ (ii) increases competitiveness, and (iii) supports the financial integrity of futures markets. Further, increased participation and competitiveness will benefit price discovery. Finally, an expanded list of enumerated bona fide hedges supports sound risk management practices by commercial market participants and their counterparties, which may result in indirect benefits to commodity end users or the public.\1498\--------------------------------------------------------------------------- \1496\ NFPEA at 6 (stating that ``Congress intended the Commission to protect end-users' continued access to cost-effective commercial risk management tools, and did not intend to burden end-users with unnecessary regulatory compliance obligations''). \1497\ AGA expressed its support of an expanded list of enumerated hedges by stating that, ``consistent with the mandate of the CEA, any speculative position limits regime adopted by the CFTC must be established in a way that allows commercial end-users, such as natural gas utilities, to continue to enter into bona fide hedges to manage, hedge and mitigate the commercial risks of their natural gas distribution business in a non-burdensome and cost-effective manner on behalf of customers.'' AGA at 2. \1498\ In expressing overall support for the proposed definition of bona fide hedging transaction or position in the 2020 NPRM, CME Group noted that the Commission's recognition of a wider range of commercial hedging practices generally reflects Congress's intent not to unduly burden bona fide hedgers. CME Group at 9.--------------------------------------------------------------------------- Recognizing an expanded list of enumerated bona fide hedges, which are self-effectuating and do not require prior approval from the Commission, will mitigate related compliance costs for those contract markets that will be newly subject to Federal position limits under the Final Rule. This is in comparison to an alternative scenario in which a narrow set of available enumerated hedges would have required market participants to obtain prior approval before availing themselves of an exemption for Federal position limit purposes. The Commission notes that this section will discuss the substantive exemptions for Federal position limit purposes while the next section will discuss the process for the Commission or exchanges, as applicable, to grant exemptions and bona fide hedge recognitions.a. Bona Fide Hedging Definition(1) Elimination of Risk Management Exemptions; Addition of the Pass-Through SwapExemption The Commission is eliminating the word ``normally'' from the bona fide hedge definition's temporary substitute test and, as a result, prohibiting recognition, as bona fide hedges, of risk management positions in physical commodity derivatives subject to Federal speculative position limits. This amendment conforms the regulatory bona fide hedging definition with the Commission's interpretation that the removal of the word ``normally'' from the CEA's section 4a(c)(2) statutory temporary substitute test by the Dodd-Frank Act signaled Congressional intent[[Page 3421]]to cease recognizing ``risk management'' positions as bona fide hedges for physical commodities. Additionally, in accordance with CEA section 4a(c)(2)(B), the Commission is, however, expanding the bona fide hedging definition to also include as a bona fide hedge any position that qualifies as a pass-through swap/swap offset, discussed further below.\1499\ The Commission believes that including pass-through swaps and pass-through swap offsets within the definition of a bona fide hedge will mitigate some of the potential impact resulting from the rescission of the risk management exemption,\1500\ and the Commission discusses the costs and benefits related to the pass-through swap provision further below.--------------------------------------------------------------------------- \1499\ See infra Section IV.A.4.ii.a(2). The existing bona fide hedging definition in Sec. 1.3 requires that a position must ``normally'' represent a substitute for transactions or positions made at a later time in a physical marketing channel (i.e , the ``temporary substitute test''). The Dodd-Frank Act amended the temporary substitute language that previously appeared in the statute by removing the word ``normally'' from the phrase normally ``represents a substitute for transactions made or to be made or positions taken or to be taken at a later time in a physical marketing channel.'' 7 U.S.C 6a(c)(2)(A)(i). The Commission interprets this change as reflecting Congressional direction that a bona fide hedging position in physical commodities must always (and not just ``normally'') be in connection with the production, sale, or use of a physical cash-market commodity. Previously, the Commission stated that, among other things, the inclusion of the word ``normally'' in connection with the pre-Dodd-Frank-Act version of the temporary substitute language indicated that the bona fide hedging definition should not be construed to apply only to firms using futures to reduce their exposures to risks in the cash market, and that to qualify as a bona fide hedge, a transaction in the futures market did not need to be a temporary substitute for a later transaction in the cash market. See Clarification of Certain Aspects of the Hedging Definition, 52 FR at 27195, 27196 (Jul. 20, 1987). In other words, that 1987 interpretation took the view that a futures position could still qualify as a bona fide hedging position even if it was not in connection with the production, sale, or use of a physical commodity. Accordingly, based on the Commission's interpretation of the revised statutory definition of bona fide hedging in CEA section 4a(c)(2), risk-management hedges would not be recognized under the Commission's bona fide hedging definition in Sec. 150.1 \1500\ See, e.g , ICE at 5-6 (contending that eliminating risk management exemptions could make it less efficient and more expensive for commercial end-users to hedge risks and that pass-through exemption is an inadequate substitution); ISDA at 6-7 (arguing that the elimination of the risk management exemptions will result in increased costs for ``tailored over-the-counter financial products, . . . will cause some dealers to exit the business and will in any event lead to decreases in liquidity in the underlying futures markets, with a corresponding increase in volatility.''); see also supra Section II.A.1.iii.a(4) (discussing elimination of the risk management exemptions).--------------------------------------------------------------------------- As discussed below, the Final Rule's pass-through provisions should help address certain of the hedging needs of persons seeking to offset the risk from swap books, allowing for sufficient liquidity in the marketplace for both bona fide hedgers and their counterparties. Accordingly, under the Final Rule, market participants with positions that do not otherwise satisfy the bona fide hedging definition or qualify for another exemption are no longer able to rely on recognition of such risk-reducing techniques as bona fide hedges. Market participants who provide liquidity to commercial market participants and have obtained or requested a risk management exemption under the existing definition, and who do not qualify for a pass-through swap offset, may resort to other hedging strategies. These other hedging strategies may result in increased costs for these liquidity providers for those activities that are not eligible for the bona fide hedge treatment. The Commission recognizes the possible liquidity costs as a result of eliminating risk management exemptions. Specifically, the Commission considered the risk that dealers who approach or exceed the Federal position limit may decide to pull back on providing liquidity, including to bona fide hedgers, due to the exclusion of risk management positions from the bona fide hedge definition. However, the Commission considered the risk of possible reduced liquidity against various factors and believes that the potential cost of reduced liquidity will be mitigated for several reasons. First, the Final Rule extends the compliance date by which risk management exemption holders must reduce their positions to comply with Federal position limits under the Final Rule to January 1, 2023. This delay provides sufficient time for existing positions to roll off and/or be replaced with positions that conform with the Federal position limits adopted in this Final Rule. Second, for the nine legacy ***agricultural*** contracts, the Final Rule generally sets Federal non-spot month position limit levels higher than existing non-spot limits, which may enable additional dealer activity described above.\1501\ The remaining non-legacy 16 core referenced futures contracts will not be subject to non-spot month Federal position limits and will remain subject to existing exchange-set limits or accountability levels outside of the spot month, which does not represent a change from the status quo. The generally higher levels with respect to the nine legacy ***agricultural*** contracts, and the exchanges' flexible accountability regimes with respect to the new 16 core referenced futures contracts, should mitigate at least some potential costs related to the prohibition on recognizing risk management positions as bona fide hedges.--------------------------------------------------------------------------- \1501\ See infra Section II.B.4 (discussing non-spot month limit levels). Final Sec. 150.2 generally increases position limits for non-spot months for contracts that currently are subject to the Federal position limits framework other than for CBOT Oats (O), CBOT KC HRW Wheat (KW), and MGEX HRS Wheat (MWE), for which the Commission is maintaining existing levels.--------------------------------------------------------------------------- Third, the Final Rule may improve market competitiveness and reduce transaction costs. As noted above, existing holders of the risk management exemption, and the levels permitted thereunder, are currently confidential, and the Commission is no longer granting new risk management exemptions to potential new liquidity providers. Accordingly, by eliminating the risk management exemption, the Final Rule benefits the public and strengthens market integrity by improving market transparency since certain dealers are no longer able to maintain the grandfathered risk management exemption while other dealers lack this ability under the status quo. While the Commission believes that the risk management exemption may allow dealers to provide additional market making activities, which benefits market liquidity and may result in lower prices for end-users, as noted above, the potential costs resulting from removing the risk management exemption may be mitigated by the Final Rule's revised position limit levels that reflect current EDS for spot month levels and current open interest and trading volume for non-spot month levels. Therefore, the Commission believes that existing risk management exemption holders should be able to continue providing liquidity to bona fide hedgers, but acknowledges that some may not to the same degree as under the exemption. However, the Commission believes that any potential harm to liquidity should be mitigated. Further, the spot month and non-spot month levels, which generally are higher than the status quo, together with the elimination of the risk management exemptions that benefit only certain dealers, may enable new liquidity providers to enter the markets on a level playing field with the existing risk management exemption holders. With the possibility of additional liquidity providers, the framework may strengthen market integrity by decreasing concentration risk potentially posed by too few market makers. However, the benefits to market liquidity the Commission described above may be muted since this analysis is predicated, in part, on the[[Page 3422]]understanding that dealers are the predominant large traders. ***Data*** in the Commission's Supplementary COT and its underlying ***data*** indicate that risk-management exemption holders are not the only large participants in these markets--large commercial firms also hold large positions in such commodities. Fourth, although the Commission will no longer recognize risk management positions as bona fide hedges under this Final Rule, the Commission maintains other authorities, including the authority under CEA section 4a(a)(7), to exempt risk management positions from Federal position limits. Fifth, consistent with existing industry practice, exchanges may continue to recognize risk management positions for contracts that are not subject to Federal position limits, including for excluded commodities. Finally, as discussed immediately below, the Commission believes the recognition of pass-through swaps and pass-through swap offsets could mitigate, to some extent, the costs to the market in general, or to specific market participants, resulting from the risk management exemption's elimination.\1502\--------------------------------------------------------------------------- \1502\ NCFC concurs that ``the substantial increase in the overall speculative position limits and allowances for pass-through swaps will limit any potential loss of liquidity'' that may result from the elimination of the risk management exemption. NCFC at 7.---------------------------------------------------------------------------(2) Pass-Through Swaps and Pass-Through Swap Offsets The revised bona fide hedging definition, consistent with the Dodd-Frank Act's changes to CEA section 4a(c)(2), permits the recognition as bona fide hedges of futures and options on futures positions that offset pass-through swaps entered into by dealers and other liquidity providers (the ``pass-through swap counterparty'') \1503\ opposite bona fide hedging swap counterparties (the ``bona fide hedge counterparty''), as long as: (1) The pass-through swap counterparty receives from the bona fide hedging swap counterparty a written representation that the pass-through swap qualifies as a bona fide hedge; and (2) the pass-through swap counterparty enters into a futures or option on a futures position or a swap position to offset and reduce the price risk attendant to the pass-through swap.\1504\ Accordingly, a subset of risk management exemption holders and transactions they enter into could continue to benefit from an exemption, and potential counterparties could benefit from the liquidity they provide, as long as the position being offset qualifies as a bona fide hedge for the bona fide hedge counterparty.--------------------------------------------------------------------------- \1503\ Such pass-through swap counterparties are typically swap dealers providing liquidity to bona fide hedgers. \1504\ See paragraph (2)(i) of the proposed bona fide hedging definition. Of course, if the pass-through swap qualifies as an ``economically equivalent swap,'' then the pass-through swap counterparty does not need to rely on the pass-through swap provision since it may be able to offset its long (or short) position in the economically equivalent swap with the corresponding short (or long) position in the futures or option on futures position or on the opposite side of another economically equivalent swap.--------------------------------------------------------------------------- The Commission has determined that any resulting costs or benefits related to the proposed pass-through swap exemption are a result of Congress's amendments to CEA section 4a(c) rather than the Commission's discretionary action. On the other hand, the Commission's discretionary action to require the pass-through swap counterparty to receive and maintain a written representation from the bona fide hedging swap counterparty that the pass-through swap qualifies as a bona fide hedging position causes the swap counterparty to incur marginal recordkeeping costs.\1505\ The Commission considered comments requesting the elimination of the pass-through swap provision recordkeeping requirement in Sec. 150.3(d) based on arguments that requiring this recordkeeping was not practical.\1506\ The Commission is not persuaded by those arguments as the recordkeeping requirements assist the Commission in verifying that the pass-through swap provision is only being utilized to offset risks arising from bona fide hedges. Accordingly, the Commission is finalizing the proposed pass-through swap recordkeeping requirement in Sec. 150.3(d), subject to certain conforming changes to reflect amendments to the pass-through swap paragraph of the bona fide hedging definition.--------------------------------------------------------------------------- \1505\ To the extent that the pass-through swap counterparty is a swap dealer or major swap participant, it already may be subject to similar recordkeeping requirements under Sec. 1.31 and part 23 of the Commission's regulations. As a result, such costs may already have been realized. \1506\ Cargill at 10; EEI/EPSA at 7-8; FIA at 11-12; CMC at 5; Shell at 6-7; ICE at 6-7; ISDA at 11-12.--------------------------------------------------------------------------- Since not all swaps entered into by a commercial entity may qualify as a bona fide hedge, the Commission declines commenters' requests that a pass-through swap counterparty may reasonably rely solely upon the fact that the counterparty is a commercial end user and, absent an agreement between the counterparties, that the swap appears to be consistent with hedges entered into by end users in the same line of business. The Commission, however, is amending the regulatory text to provide flexibility and avoid a prescriptive requirement that would otherwise cause additional costs or burdens. Instead, the Final Rule provides that the pass-through swap counterparty (i.e , the swap dealer) may rely in good faith on a written representation made by its bona fide hedging swap counterparty, unless the pass-through swap counterparty has information that would cause a reasonable person to question the accuracy of the representation. The Commission is adding the written representation requirement to enable the Commission to verify that only market participants with bona fide hedge exemptions are able to pass-through those exemptions to their swap dealer counterparties. To avoid a prescriptive requirement that would incur additional costs to market participants, the Final Rule does not prescribe the form or manner by which the pass-through swap counterparty obtains the written representation. The Commission recognizes that such flexibility would allow for the bona fide hedging counterparty to make such representations on a relationship basis through counterparty relationship documentation (e.g , through ISDA documentation) or on a transaction basis (e.g , through trade confirmations or in other forms as agreed upon by the parties), based on the most cost efficient manner for the market participants. The Final Rule's pass-through swap provision, consistent with the Dodd-Frank Act's changes to CEA section 4a(c)(2), also addresses a situation where a participant who qualifies as a bona fide hedging swap counterparty (i.e , a participant with a position in a previously-entered into swap that qualified, at the time the swap was entered into, as a bona fide hedging position under the revised definition) seeks, at some later time, to offset that swap position.\1507\ Such step might be taken, for example, to respond to a change in the participant's risk exposure in the underlying commodity. As a result, a participant could use futures contracts or options on futures contracts in excess of Federal position limits to offset the price risk of a previously-entered into swap, which would allow the participant to exceed Federal position limits using either new futures or options on futures or swap positions that reduce the risk of the original swap.--------------------------------------------------------------------------- \1507\ See paragraph (2)(ii) of the ``bona fide hedging transaction or position'' definition in Sec. 150.1 --------------------------------------------------------------------------- The Commission expects the pass-through swap provision to facilitate[[Page 3423]]dynamic hedging by market participants. The Commission recognizes that a significant number of market participants use dynamic hedging to more effectively manage their portfolio risks. Therefore, this provision may increase operational efficiency. In addition, by permitting dynamic hedging, a greater number of dealers should be better able to provide liquidity to the market, as these dealers will be able to more effectively manage their risks by entering into pass-through swaps with bona fide hedgers as counterparties. Moreover, market participants are not precluded from using swaps that are not ``economically equivalent swaps'' for such risk management purposes since swaps that are not deemed to be ``economically equivalent'' to a referenced contract are not subject to the Commission's position limits framework.(3) Limiting ``Risk'' to ``Price'' Risk; Elimination of the Incidental Test and Orderly Trading Requirement The bona fide hedging definition's ``economically appropriate test'' set out in final Sec. 150.1 explicitly provides that only hedges that offset price risks can be recognized as bona fide hedging transactions or positions. The Commission does not believe that this particular change imposes any new costs or benefits, as it is consistent with both the existing bona fide hedging definition \1508\ as well as the Commission's longstanding policy.\1509\ Nonetheless, the Commission realizes that hedging occurs for more types of risks than price (e.g , volumetric hedging) and hedging solely to protect against changes in value of non-price risks would fall outside the category of a bona fide hedge, which offsets the ``price risk'' of an underlying commodity cash position.--------------------------------------------------------------------------- \1508\ The existing bona fide hedging definition in Sec. 1.3 provides that ``no transactions or positions shall be classified as bona fide hedging unless their purpose is to offset price risks incidental to commercial cash or spot operations.'' (emphasis added). Accordingly, the definition in final Sec. 150.1 merely moves this requirement to the definition's revised ``economically appropriate test'' requirement. \1509\ For example, in promulgating existing Sec. 1.3, the Commission explained that a bona fide hedging position must, among other things, ``be economically appropriate to risk reduction, such risks must arise from operation of a commercial enterprise, and the price fluctuations of the futures contracts used in the transaction must be substantially related to fluctuations of the cash-market value of the assets, liabilities or services being hedged.'' Bona Fide Hedging Transactions or Positions, 42 FR at 14832, 14833 (Mar. 16, 1977). The Dodd-Frank Act added CEA section 4a(c)(2), which copied the ``economically appropriate test'' from the Commission's definition in Sec. 1.3 See also 78 FR at 75702, 75703.--------------------------------------------------------------------------- In response to commenters, the Commission clarifies in the preamble that price risk can be informed and impacted by various other types of risks.\1510\ The Commission agrees with commenters who stated that market participants form independent economic assessments of how different risks (including, but not limited to, geopolitical, turmoil, weather, or counterparty) might create or impact the price risk of underlying commodities.\1511\ The Commission recognizes these risks can create price risks and understands that firms may manage these potential risks to their businesses differently and in the manner most suitable for their business. By limiting the economically appropriate prong to price risk, the Commission is reiterating its historical practice (which has adequately applied to the legacy ***agricultural*** contracts for decades) to recognize hedges of price risk of an underlying commodity position as bona fide hedges while acknowledging that price risk may itself be impacted by non-price risks. Market participants may continue to manage non-price risks in a variety of ways, which may include participation in the futures markets or exposure to other financial products. In fact, market participants may decide to use futures contracts that are not subject to Federal position limits, if they determine such contracts will help them manage non-price risks faced by their businesses.--------------------------------------------------------------------------- \1510\ See supra Section II.A.1.iii.b (discussing economically appropriate test); Cargill at 3. \1511\ See, e.g , CMC at 3.--------------------------------------------------------------------------- Alternatively, commenters suggested that the Commission permit market participants to use the non-enumerated hedge process to receive recognition of hedges of non-price risk on a case-by-case basis.\1512\ The Commission is precluded from adopting this alternative in light of its view that price risk is required to satisfy the CEA's economically appropriate test. Further, the Commission is unaware of commercial market participants historically seeking non-enumerated bona fide hedge recognition for non-price risk in the spot month.--------------------------------------------------------------------------- \1512\ MGEX at 2; FIA at 11.--------------------------------------------------------------------------- The Commission further implements Congress's Dodd-Frank Act amendments that did not include in the statutory bona fide hedge definition the incidental test and orderly trading requirement by eliminating those elements from to the Commission's regulatory definition. As discussed in the preamble, the Commission believes that these changes do not represent a change in policy or regulatory requirement. As a result, the Commission does not identify any costs or benefits related to these changes.b. Enumerated Bona Fide Hedges The Commission maintains, and incorporates in final Sec. 150.3, a list of enumerated bona fide hedges in Appendix A to part 150 of the Commission's regulations that includes: (i) All of the existing enumerated hedges; and (ii) additional enumerated bona fide hedges. The Commission reinforces that hedging practices not otherwise listed may still be deemed, on a case-by-case basis, to comply with the proposed bona fide hedging definition (i.e , non-enumerated bona fide hedges). As discussed further below, the enumerated bona fide hedges in Appendix A are ``self-effectuating'' for purposes of Federal position limit levels. This is expected to help in ensuring timely hedging and therefore reduce compliance costs associated with seeking an exemption.\1513\--------------------------------------------------------------------------- \1513\ For example, AGA expressed support for the Commission's proposal to recognize anticipatory merchandising as an enumerated hedge because it promotes liquidity. AGA at 8. AGA stated that ``[a]bsent such an enumerated hedge, there would be a piecemeal approach to permitting such hedges which could reduce liquidity, raise costs, and create undue risks for gas utilities, without any regulatory benefits toward the Commission's goal to reduce excessive speculative activities.'' Id.---------------------------------------------------------------------------(1) Treatment of Unfixed Price Transactions As discussed in the preamble, the Commission has long recognized fixed-price commitments as the basis for a bona fide hedge.\1514\ Under existing Sec. 1.3, only one enumerated hedge explicitly mentions ``unfixed price,'' and its availability is limited to circumstances where a market participant has both an unfixed-price purchase and an unfixed-price sale on hand (precluding a market participant with only an unfixed-price purchase or an unfixed price sale from qualifying for this particular enumerated hedge).\1515\ In 2012, Commission staff issued interpretive letter 12-07 (``Staff Letter 12-07''), which clarified that a commercial entity may qualify for the existing enumerated bona fide hedge for unfilled anticipated requirements even if the commercial entity has entered into long-term, unfixed-price supply or requirements contracts because, as staff explained, the unfixed-price purchase[[Page 3424]]contract does not ``fill'' the commercial entity's anticipated requirements.\1516\--------------------------------------------------------------------------- \1514\ See supra Section I. \1515\ See, e.g , paragraphs (2)(i)(A) and 2(ii)(A) of existing Sec. 1.3 \1516\ CFTC Staff Letter 12-07 at 1, issued August 16, 2012, [*https://www.cftc.gov/LawRegulation/CFTCStaffLetters/letters.htm*](https://www.cftc.gov/LawRegulation/CFTCStaffLetters/letters.htm), title search ``12-07.''--------------------------------------------------------------------------- The Final Rule affirms and broadens the application of the interpretation provided in Staff Letter No. 12-07. As a result, commercial market participants with unfixed price transactions may qualify for bona fide hedge treatment under the enumerated bona fide hedges for anticipatory merchandising, anticipated unsold production, or anticipated unfilled requirements.\1517\ The Commission clarifies that a commercial market participant that enters into an unfixed-price transaction will not be precluded from qualifying for one of these anticipatory enumerated bona fide hedges as long as the commercial entity otherwise satisfies all requirements for such anticipatory bona fide hedge, including demonstrating its anticipated need in the physical marketing channel related to either its unsold production, unfilled requirements, and/or merchandising, as applicable.\1518\ As such, merely entering into an unfixed-price transaction is not alone sufficient to demonstrate compliance with one of the enumerated anticipatory bona fide hedges.--------------------------------------------------------------------------- \1517\ See supra Section II.A.1.iv (discussing treatment of unfixed price transactions). \1518\ The specific requirements associated with each enumerated bona fide hedge, including each anticipatory bona fide hedge, are described in detail further below.--------------------------------------------------------------------------- The same costs and benefits described above with respect to an expanded list of enumerated bona fide hedge recognitions also apply to such recognition based on unfixed-price transactions. The Commission's treatment of unfixed price transactions under the Final Rule will benefit physical commodity commercial market participants. As discussed previously, CEA section 4a(c)(1) directs the Commission to exclude bona fide hedge positions from any Federal position limits framework. In accordance with CEA section 4a(c)(1), the Commission's treatment of unfixed price transactions entered into by commercial market participants protects the legitimate commercial activity of cash-market participants,\1519\ thereby encouraging participation in the futures markets by commercial market participants. Additionally, bona hedge treatment for qualified unfixed price transactions benefits the public by allowing commercial market participants to more effectively and predictably hedge their price risks, thus controlling costs that might be passed on to the public.\1520\ However, to the extent the Commission currently allows exemptions related to unfixed-price transactions, the costs and benefits already may be realized by market participants and may not represent a change from the status quo baseline.--------------------------------------------------------------------------- \1519\ See Cargill at 6 (stating that the Commission should recognize unfixed price transactions as they are ``fundamental to price risk management and routinely used by firms to manage risk''). \1520\ CEWG at 18 (discussing storage hedges, stating that ``(``[n]ot allowing commercial energy firms to utilize these industry-standard hedges on an enumerated basis because they are ``anticipatory'' in nature or viewed as a form of ``merchandising''--or both--could result in storage assets being underutilized, which could increase volatility in physical and financial markets for energy commodities that ultimately could translate into higher costs for consumers'').--------------------------------------------------------------------------- Alternatively, several commenters requested that the Commission create a new enumerated bona fide hedge for unfixed-price transactions or amend the existing enumerated bona fide hedge for offsetting unfixed purchase and sales.\1521\ The Commission does not believe that this is necessary since, as described above, commercial market participants may continue to both qualify for anticipatory bona fide hedges while also entering into unfixed-price transactions. Further, the Commission believes that neither of these alternatives is suitable because there is an inherent difficulty in evaluating the propriety of a hedge of an unfixed price obligation with a fixed-price futures contract due to the basis risk that exists until the unfixed price obligation is fixed. Given differences among markets, creating a new enumerated bona fide hedge for any unfixed price transaction could, under certain circumstances, impose costs on market integrity, including by enabling potential market manipulation and/or allowing excessive speculation by potentially affording bona fide hedging treatment for speculative transactions. To the extent that a market participant does not qualify for an enumerated bona fide hedge in connection with an unfixed-price transaction, the Commission believes that any potential harms or costs to that market participant would be mitigated because the participant could still avail itself of the process under Sec. Sec. 150.3 and 150.9 for non-enumerated bona fide hedges.\1522\--------------------------------------------------------------------------- \1521\ See, e.g , Ecom at 1; ACA at 2; CEWG at 19-21; Chevron at 11; CME Group at 8-9; DECA at 2; East Cotton at 2; Gerald Marshall at 2; IFUS at 5-7; IMC at 2; Jess Smith at 2; LDC at 2; Mallory Alexander at 2; McMeekin at 2; Memtex at 2; Moody Compress 1; NCC at 1; NGFA at 7; Olam at 2; Omnicotton at 2; Canale Cotton at 2; Shell at 7; Southern Cotton at 2; Suncor at 7; SW Ag at 2; Toyo at 2; Texas Cotton at 2; Walcot at 2; White Gold at 2. \1522\ One commenter maintains that reliance on the non-enumerated bona fide hedge process for management of unpriced physical purchase or sale commitments ``will impose procedural hurdles, uncertainty, and additional costs on a critically important function of the supply chain in the U.S economy.'' CEWG at 21. Another commenter stated that imposing a burden on commercial end users with unpriced physical purchase or sale commitments to rely on the non-enumerated hedge exemption process is contrary to the intent and language of the CEA. Cargill at 6. These concerns, however, are mitigated because, under the Final Rule, commercial market participants with unfixed price transactions may qualify for bona fide hedge treatment under the enumerated bona fide hedges for anticipatory merchandising, anticipated unsold production, or anticipated unfilled requirements.---------------------------------------------------------------------------(2) Elimination of the Five-Day Rule The Final Rule eliminates the existing restriction on holding certain enumerated bona fide hedges during the last five days of trading under existing Sec. 1.3 Instead, under final Sec. 150.5(a)(2)(ii)(H), the exchanges have discretion to determine, for purposes of their own exchange-granted exemptions (for contracts subject to Federal position limits), whether to apply a restriction against holding positions in excess of limits during the lesser of the last five days of trading or the time period for the spot month in such physical-delivery contract (the ``Five-Day Rule''). Under final Sec. 150.5(a)(2)(ii)(H), exchanges are able to establish their own Five-Day Rule, or otherwise limit the size of positions. The exchanges would thus have the ability and discretion, but not an obligation, to apply a five-day Rule or similar restriction to exemptions on any contracts subject to Federal position limits, regardless of whether such contracts have been subject to Federal position limits before.\1523\ The Commission has determined that exchanges are well-informed with respect to their respective markets, and well-positioned to make a determination with respect to imposing the Five-Day Rule in connection with recognizing bona fide hedges for their respective commodity contracts.--------------------------------------------------------------------------- \1523\ The Commission is adopting Appendix B and Appendix G of this Final Rule to provide guidance for exchanges to consider when determining whether to impose the Five-Day Rule or similar requirements on bona fide hedge exemptions and spread exemptions, respectively.--------------------------------------------------------------------------- In general, the Commission believes that, on the one hand, limiting a trader's ability to establish a position in this manner by requiring the Five-Day Rule could result in increased costs related to operational inefficiencies, as a trader may believe that holding a position late into the spot period is necessary for the bona fide hedge position. On the other hand, the Commission believes that price convergence may be particularly sensitive to potential market manipulation or excessive speculation during the spot period. Accordingly, the Commission believes that the[[Page 3425]]determination to not impose the Five-Day Rule with respect to any of the enumerated bona fide hedges for Federal purposes, but to instead rely on exchanges' determinations with respect to exchange-granted exemptions, helps to better optimize these considerations. The Commission notes there is a potential cost to market integrity and price convergence since the Five-Day Rule is being eliminated as a blanket Federal requirement from some enumerated hedges while the exchanges will now have guidance from the Commission to consider when choosing whether to grant a position limits exemption subject to a five-day rule or similar restriction.\1524\ Under this new framework, however, the Commission will continue to leverage its own market surveillance and oversight functions to ensure that exchanges continue to comply with their legal obligations, including with respect to Core Principles 2, 3, 4, and 5, among others.\1525\ With an expanded list of contracts subject to Federal position limits, it is best to provide the exchanges additional discretion to protect their markets using tools other than a five-day rule, and to supplement that discretion with guidance highlighting the importance of the spot month to ensure price convergence and an orderly delivery process. Finally, the Commission believes a concern over oversight is also mitigated by the fact that the exchanges have an economic incentive to ensure that price convergence occurs with their respective contracts since commercial end-users would be less willing to use such contracts for hedging purposes if price convergence failed to occur in such contracts as they may generally desire to hedge cash-market prices with futures contracts.--------------------------------------------------------------------------- \1524\ Better Markets at 61 (discussing elimination of the Five-Day Rule and Appendix B guidance by stating that '' the CFTC proposes to abolish the rule for enumerated hedges, over-relying instead--and again--on the judgment of the exchanges to determine whether to apply the Five-Day Rule, or apply and grant fact specific waivers''). \1525\ Core Principle 4, 7 U.S.C 7b-3(f)(4)(B); 7 U.S.C 7b-3(f)(2); 7 U.S.C 7b-3(f)(3); 7 U.S.C.7b-3(f)(5).--------------------------------------------------------------------------- The Commission is also adopting guidance in Appendix B to part 150 on factors for the exchanges to consider when granting an exemption subject to a restriction against holding physically delivered futures contracts into the spot month. In response to some commenters who stated that the proposed guidance was too prescriptive and would result in additional burdens,\1526\ the Commission clarifies and reiterates the appendix is not intended to be used as a mandatory checklist. The Commission, however, has determined it is helpful to provide the exchanges with guidance highlighting the importance of the spot month to ensure price convergence and an orderly delivery process. Since price convergence and an orderly trading environment serve as a deterrent to mitigate certain types of market manipulation schemes such as corners and squeezes, the guidance is intended to include a non-exclusive list of considerations the Commission expects the exchanges to consider when determining whether to allow a position in excess of limits throughout the spot month. The Commission does not expect the guidance to impose additional burdens on the exchanges, as the exchanges currently have in place market surveillance practices or procedures to review the appropriateness of an exemption during the relevant referenced contract's spot period. The guidance is intended to supplement that existing process.--------------------------------------------------------------------------- \1526\ Cargill at 9; CME Group at 9 (stating that the ``CME Group believes the proposed guidance could be interpreted to cause unnecessary burden and costs to market participants. The guidance appears to create a formal process for firms to provide information outlined in the Appendix as part of their bona fide hedge exemption applications, but the Proposal does not seem to consider this additional burden in its cost analysis'').--------------------------------------------------------------------------- As discussed in the preamble, the guidance does not impose any additional reporting requirements on market participants, and the factors described in the guidance apply simply to the exchanges' evaluation of the specific contract market when considering whether an exemption shall be granted subject to any condition or limitation in the spot month. Finally, the Commission is making certain amendments to the guidance to ensure that the factors maintain a flexible approach, particularly where existing exchange application requirements already require market participants to provide relevant cash-market information.c. Guidance for Measuring Risk The Commission is issuing guidance in paragraph (a) of final Appendix B to part 150 on whether positions may be hedged on either a gross or net basis. Under the guidance, among other things, a trader may measure risk on a gross basis if that approach is consistent with the trader's historical practice and is not intended to evade applicable limits. The key cost associated with allowing gross hedging is that it may provide opportunity for hidden speculative trading or for cherry picking of positions in a manner that subverts positions limits.\1527\--------------------------------------------------------------------------- \1527\ For example, using gross hedging, a market participant could potentially point to a large long cash position as justification for a bona fide hedge, even though the participant, or an entity with which the participant is required to aggregate, has an equally large short cash position that would result in the participant having no net price risk to hedge as the participant had no price risk exposure to the commodity prior to establishing such derivative position. Instead, the participant created price risk exposure to the commodity by establishing the derivative position.--------------------------------------------------------------------------- Such risk is mitigated to a certain extent by the guidance's provisos that the trader does not switch between net hedging and gross hedging in order to evade limits and that the trader must demonstrate, upon request by the Commission or an exchange, the justifications for measuring risk on a gross basis.\1528\ By focusing on consistency and historical practice with respect to the manner in which a person measures risk, the guidance enables market participants to measure risk on a gross basis when dictated by the nature of the exposure, but not simply when utilizing gross hedging will yield a larger exposure than net hedging, or will otherwise subvert Federal position limit or aggregation requirements. However, the Commission also recognizes that there are myriad ways in which organizations are structured and engage in commercial hedging practices, including the use of multi-line business strategies in certain industries that are subject to Federal position limits for the first time under this Final Rule and for which net hedging could impose significant costs or be operationally unfeasible.\1529\--------------------------------------------------------------------------- \1528\ The proposed guidance on gross hedging positions in the 2020 NPRM provided that an exchange document the justifications for recognizing a gross position as a non-enumerated bona fide hedge pursuant to Sec. 150.9 Several commenters alternatively requested elimination of that requirement as imposing unnecessary burdens directly on exchanges and indirectly on market participants. See CEWG at 4; FIA at 14; and MGEX at 3. Because the Commission and exchanges have other tools for accessing such information, the Commission eliminated that requirement from the guidance in Appendix B of this Final Rule. Under final Sec. 150.3(b)(2) and (e) and final Sec. 150.9(e)(5), and (g), the Commission has access to any information related to the applicable exemption request, and therefore concludes that eliminating this requirement does not result in any related costs and benefits. \1529\ FIA stated that ``the recommendation to implement specific policies and procedures governing gross and net hedging has the potential to create unnecessary, unintended and burdensome conflicts with other company policies, such as ***accounting*** policies, with little or no measurable benefit.'' FIA at 15. The Final Rule clarifies that the guidance does not require market participants to develop written policies or procedures setting forth when gross or net hedging is appropriate.---------------------------------------------------------------------------[[Page 3426]]iii. Spread Exemptions Under existing Sec. 150.3, certain spread exemptions are self-effectuating. Specifically, existing Sec. 150.3 allows for ``spread or arbitrage positions'' that are ``between single months of a futures contract and/or, on a futures-equivalent basis, options thereon, outside of the spot month, in the same crop year; provided, however, that such spread or arbitrage positions, when combined with any other net positions in the single month, do not exceed the all-months limit set forth in Sec. 150.2 '' \1530\--------------------------------------------------------------------------- \1530\ 17 CFR 150.3 CEA section 4a(a)(1) provides the Commission with authority to exempt from position limits transactions ``normally known to the trade'' as ``spreads'' or ``straddles'' or ``arbitrage'' or to fix limits for such transactions or positions different from limits fixed for other transactions or positions.--------------------------------------------------------------------------- Final Sec. Sec. 150.1 and 150.3 amend the existing spread position exemption for Federal position limits by (i) listing, in the spread transaction definition, specific types of spread exemptions that are self-effectuating for purposes of Federal limits and that may be granted by an exchange; (ii) creating a process that requires a person to apply for spread exemptions (that are not listed in the spread transaction definition) directly with the Commission pursuant to final Sec. 150.3; \1531\ and (iii) providing guidance on the types of spread positions that meet the spread transaction definition in a new Appendix G to part 150 under the Final Rule. In addition, final Sec. 150.3 permits spread exemptions outside the same crop year and/or during the spot month.\1532\--------------------------------------------------------------------------- \1531\ The ``spread transaction'' definition lists the most common types of spread positions: intra-market spread, inter-market spread, intra-commodity spread, or inter-commodity spread, including a calendar spread, quality differential spread, processing spread, product or by-product differential spread, or futures-option spread. Final Sec. 150.3(b) also permits market participants to apply to the Commission for other spread transactions. \1532\ As discussed under final Sec. 150.3, spread exemptions identified in the proposed ``spread transaction'' definition in final Sec. 150.1 are self-effectuating, similar to the status quo, and do not represent a change to the status quo baseline. The related costs and benefits, particularly with respect to requesting exemptions with respect to spreads other than those identified in the proposed ``spread transaction'' definition, are discussed under the respective sections below.--------------------------------------------------------------------------- In connection with the spread exemption provisions, the Commission is relaxing the prohibition for contracts during the same crop year and/or the spot month so that market participants may receive spread exemptions outside the same crop year and/or during the spot month. There may be benefits that result from permitting these types of spread exemptions. For example, the Commission believes that permitting spread exemptions in different crop years or during the spot month may potentially improve price discovery and provide market participants with the ability to use additional strategies involving spread positions, which may reduce hedging costs. As in the inter-market wheat example discussed below, the spread relief, which is not limited to the same crop year, may better link prices between two markets (e.g , the price of MGEX wheat futures and the price of CBOT wheat futures). Put another way, permitting spread exemptions outside the same crop year may enable pricing in two different but related markets for substitute goods to be more highly correlated, which benefits market participants with a price exposure to the underlying protein content in wheat generally, rather than that of a particular commodity. However, the Commission also recognizes certain potential costs to permitting spread exemptions during the spot month, particularly to extend into the last five days of trading. This feature could raise the risk of allowing participants in the market at a time in the contract where only those interested in making or taking delivery should be present. When a contract goes into expiration, open interest and trading volume naturally decrease, as traders not interested in making or taking delivery roll their positions into deferred calendar months. The presence of large spread positions, normally tied to large liquidity providers so close to the expiration of a futures contract, could lead to disruptions in the price discovery function of the contract by disrupting the futures/cash price convergence. This could lead to increased transaction costs and harm the hedging utility for end-users of the futures contract, which could lead to higher costs passed on to consumers. However, the Commission believes that these concerns are mitigated, as spread exemptions will not be self-effectuating for purposes of exchange-set position limits. Accordingly, exchanges will continue to apply their expertise in overseeing and maintaining the integrity of their markets. For example, an exchange could: Refuse to grant a spread exemption if the exchange determines that the exemption is inconsistent with the requirements of Sec. 150.5(a) or harmful to its markets; require a market participant to reduce its positions; or implement a five-day rule for spread exemptions, as discussed above.\1533\ The Commission has also provided guidance to exchanges in a new Appendix G to support exchange analysis of whether to grant a particular spread exemption and to remind exchanges of their oversight obligations when granting spread exemptions.--------------------------------------------------------------------------- \1533\ See supra Section II.A.1.viii (discussing the Five-Day Rule).--------------------------------------------------------------------------- Generally, the Commission finds that, by allowing speculators to execute inter-market and intra-market spreads, speculators are able to hold a greater amount of open interest in underlying contract(s), and therefore, bona fide hedgers may benefit from any increase in market liquidity. Spread exemptions may also lead to better price continuity and price discovery if market participants who seek to provide liquidity (for example, through entry of resting orders for spread trades between different contracts) receive a spread exemption, and thus would not otherwise be constrained by a position limit. For clarity, the Commission has identified the following two examples of spread positions that could benefit from the spread exemptions permitted by this Final Rule: Reverse crush spread in soybeans on the CBOT subject to an inter-market spread exemption. In the case where soybeans are processed into two different products, soybean meal and soybean oil, the crush spread is the difference between the combined value of the products and the value of soybeans. There are two actors in this scenario: The speculator and the soybean processor. The spread's value approximates the profit margin from actually crushing (or mashing) soybeans into meal and oil. The soybean processor may want to lock in the spread value as part of its hedging strategy, establishing a long position in soybean futures and short positions in soybean oil futures and soybean meal futures, as substitutes for the processor's expected cash-market transactions (the long position hedges the purchase of the anticipated inputs for processing and the short position hedges the sale of the anticipated soybean meal and oil products). On the other side of the processor's crush spread, a speculator takes a short position in soybean futures against long positions in soybean meal futures and soybean oil futures. The soybean processor may be able to lock in a higher crush spread because of liquidity provided by such a speculator who may need to rely upon a spread exemption. In this example, the speculator is accepting basis risk represented by the crush spread, and the speculator is providing liquidity to the soybean processor. The crush spread positions may result in greater correlation between the futures prices of[[Page 3427]]soybeans on the one hand and those of soybean oil and soybean meal on the other hand, which means that prices for all three products may move up or down together in a more correlated manner. Wheat spread subject to inter-market spread exemptions. There are two actors in this scenario: The speculator and the wheat farmer. In this example, a farmer growing hard wheat would like to reduce the price risk of her crop by shorting a MGEX wheat futures. There, however, may be no hedger, such as a mill, that is immediately available to trade at a desirable price for the farmer. There may be a speculator willing to offer liquidity to the hedger; however, the speculator may wish to reduce the risk of an outright long position in MGEX wheat futures through establishing a short position in CBOT wheat futures (soft wheat). Such a speculator, who otherwise would have been constrained by a position limit at MGEX and/or CBOT, may seek exemptions from MGEX and CBOT for an inter-market spread, that is, for a long position in MGEX wheat futures and a short position in CBOT wheat futures of the same maturity. As a result of the exchanges granting an inter-market spread exemption to such a speculator, who otherwise may be constrained by limits, the farmer might be able to transact at a higher price for hard wheat than might have existed absent the inter-market spread exemptions. Under this example, the speculator is accepting basis risk between hard wheat and soft wheat, reducing the risk of a position on one exchange by establishing a position on another exchange, and potentially providing liquidity to a hedger. Further, spread transactions may aid in price discovery regarding the relative protein content for each of the hard and soft wheat contracts.iv. Conditional Spot Month Exemption Positions in Natural Gas Final Sec. 150.3(a)(4) provides a new Federal conditional spot month position limit exemption for cash-settled NYMEX NG referenced contracts. The conditional exemption permits traders to acquire positions up to 10,000 cash-settled NYMEX NG referenced contracts (the Federal spot month limit in final Sec. 150.2 for cash-settled NYMEX NG is 2,000 cash-settled NYMEX NG referenced contracts per exchange and another 2,000 cash-settled NYMEX NG referenced contracts in the OTC swaps market) per exchange that lists a cash-settled NYMEX NG referenced contract, along with an additional position in cash-settled economically equivalent NYMEX NG OTC swaps that has a notional amount of up to 10,000 equivalent-sized contracts, as long as such person does not also hold positions in the physically-settled NYMEX NG referenced contract.\1534\--------------------------------------------------------------------------- \1534\ The NYMEX NG contract is the only natural gas contract included as a core referenced futures contract under the Final Rule.--------------------------------------------------------------------------- NYMEX, IFUS, and Nodal currently have rules in place establishing a conditional spot month limit exemption of up to 5,000 equivalent-sized cash-settled natural gas contracts per exchange, provided that the market participant does not hold any physically-settled natural gas contracts. Finalizing the conditional limit exemption for NYMEX NG enables the NYMEX NG referenced contract market to continue to operate as it has under the existing exchange-set conditional limit exemption framework, which the Commission notes has functioned well based on its observation over the past decade. Removing the conditional limit exemption will result in reduced liquidity, including for commercial hedgers seeking to offset price risks but not necessarily looking to make or take delivery, due to the significantly lower positions a market participant would be able to hold in the cash-settled NYMEX NG referenced contracts. Several commenters suggested removing the NYMEX NG conditional limit exemption's requirement to divest all holdings in the physically-settled NYMEX NG referenced contract.\1535\ The Commission believes that this could result in significant costs to the market by encouraging manipulation of the physically-settled NYMEX NG referenced contract to benefit a large position in the cash-settled NYMEX NG referenced contract available through the conditional limit exemption. Specifically, without this divestiture requirement, a trader could hold up to 40,000 cash-settled NYMEX NG referenced contracts and 2,000 physically-settled NYMEX NG referenced contracts. At these levels, it may not require much movement in the physically-settled markets to disproportionately benefit the cash-settled holdings. As a result, the requirement to exit the physically-settled contract is critical for reducing a market participant's incentive to manipulate the cash settlement price by, for example, banging-the-close or distorting physical delivery prices in the physically-settled contract to benefit leveraged cash-settled positions.--------------------------------------------------------------------------- \1535\ ISDA at 8; SIFMA AMG at 10-11; FIA at 7-8; NGSA at 12-14; Citadel at 7; CCI at 4; EEI/EPSA at 4.--------------------------------------------------------------------------- CME commented that the conditional limit exemption for NYMEX NG could ``incentivize the manipulation of a cash commodity price in order to benefit a position in a cash-settled contract.'' \1536\ The Commission notes that the conditional limit exemption does provide for a substantial increase in a trader's cash-settled position, but the core requirement that a trader must divest out of the physically-settled NYMEX NG referenced contract during the spot month period is intended to address and reduce the incentive for a trader to manipulate the physically-settled NYMEX NG core referenced futures contract to benefit a position in the cash-settled NYMEX NG referenced contracts. Furthermore, based on its experience in monitoring the NYMEX NG market since the conditional limit exemption was adopted, the Commission has not observed any market manipulations attributable to a trader utilizing the conditional limit exemption. That said, the Commission is aware of instances where traders violated the conditional exemption by holding or trading in the physically-settled NYMEX NG core referenced futures contracts. The exchanges also detected and took corrective action against those traders. The Commission will continue to closely monitor natural gas trader positions across exchanges and work with the exchanges to ensure the CME Group's concerns continue to be addressed to protect the market participants and the public and defend the financial integrity and price discovery function of the NYMEX NG core referenced futures contract.\1537\--------------------------------------------------------------------------- \1536\ CME Group at 6. \1537\ See IFUS Rule 6.20(c) and NYMEX Rule 559.F See, e.g , Nodal Rulebook Appendix C (equivalent rule of Nodal).--------------------------------------------------------------------------- Further, the Commission has heeded natural gas traders' concerns about disrupting market practices and harming liquidity in the cash-settled contract, which could increase the cost of hedging and possibly prevent convergence between the physical delivery futures and cash markets.\1538\ While a trader with a position in the physically-settled NYMEX NG referenced contract may incur costs associated with liquidating that position in order to meet the conditions of the Federal exemption, such costs are incurred outside of the Final Rule, as the trader would have to do so as a condition of the exchange-level[[Page 3428]]exemption under current exchange rules.\1539\--------------------------------------------------------------------------- \1538\ See 81 FR at 96862, 96863. \1539\ See IFUS Rule 6.20(c) and NYMEX Rule 559.F See, e.g , Nodal Rulebook Appendix C (equivalent rules of Nodal).---------------------------------------------------------------------------v. Financial Distress Exemption Final Sec. 150.3(a)(3) provides an exemption for certain financial distress circumstances, including the default of a customer, affiliate, or acquisition target of the requesting entity that may require the requesting entity to take on, in short order, the positions of another entity. In codifying the Commission's historical practice, the Final Rule accommodates transfers of positions from financially distressed firms to financially secure firms. The disorderly liquidation of a position threatens price impacts that may harm the efficiency and price discovery function of markets, and Sec. 150.3(a)(3) makes it less likely that positions are prematurely or needlessly liquidated. The Commission has determined that costs related to filing and recordkeeping are negligible. The Commission cannot accurately estimate how often this exemption may be invoked because emergency or distressed market situations are unpredictable and dependent on a variety of firm and market-specific factors as well as general macroeconomic indicators.\1540\ The Commission, nevertheless, believes that emergency or distressed market situations that might trigger the need for this exemption are infrequent, and that codifying this historical practice adds transparency to the Commission's oversight responsibilities.--------------------------------------------------------------------------- \1540\ See 81 FR at 96862, 96863.---------------------------------------------------------------------------vi. Pre-Enactment and Transition Period Swaps Exemption Final Sec. 150.3(a)(5) provides an exemption from position limits for positions acquired in good faith in any ``pre-enactment swap,'' or in any ``transition period swap,'' in either case as defined in final Sec. 150.1 A person relying on this exemption may net such positions with post-effective date commodity derivative contracts for the purpose of complying with any non-spot month speculative positions limits, but may not net against spot month positions. This exemption is self-effectuating, and the Commission believes that Sec. 150.3(a)(5) benefits both individual market participants by lessening the impact of the Federal position limits in final Sec. 150.2, and market liquidity in general as liquidity providers initially will not be forced to reduce or exit their positions. Final Sec. 150.3(a)(5) benefits price discovery and convergence by prohibiting large traders seeking to roll their positions into the spot month from netting down positions in the spot-month against their pre-enactment swap or transition period swap. The Commission acknowledges that, on its face, including a ``good-faith'' requirement in final Sec. 150.3(a)(5) could hypothetically diminish market integrity since determining whether a trader has acted in ``good faith'' is inherently subjective and could result in disparate treatment among traders, where certain traders may assert a more aggressive position in order to seek a competitive advantage over others. The Commission believes the risk of any such unscrupulous trader or exchange is mitigated since exchanges are still subject to Commission oversight and to DCM Core Principles 4 (``prevention of market disruption'') and 12 (``protection of markets and market participants''), among others. The Commission has determined that market participants who voluntarily employ this exemption also incur negligible recordkeeping costs.5. Process for the Commission or Exchanges To Grant Exemptions and Bona Fide Hedge Recognitions for Purposes of Federal Position Limits (Final Sec. Sec. 150.3 and 150.9) and Related Changes to Part 19 of the Commission's Regulations Existing Sec. Sec. 1.47 and 1.48 set forth the process for market participants to apply to the Commission for recognition of certain bona fide hedges for purposes of Federal position limits, and existing Sec. 150.3 set forth the types of spread exemptions a person can rely on for purposes of Federal position limits. Under existing Commission practices, spread exemptions and certain enumerated bona fide hedges are generally self-effectuating and do not require market participants to apply to the Commission for purposes of Federal position limits. Market participants are currently, however, required to file Form 204 monthly reports \1541\ to justify certain position limit overages.--------------------------------------------------------------------------- \1541\ In the case of cotton, market participants currently file the relevant portions of Form 304.--------------------------------------------------------------------------- Further, for those bona fide hedges for which market participants are required to apply to the Commission, existing regulations and market practice require market participants to apply both to the Commission for purposes of Federal position limits and also to the relevant exchanges for purposes of exchange-set limits. The Commission has determined that this dual application process creates inefficiencies for market participants. Final Sec. Sec. 150.3 and 150.9, taken together, make several changes to the process of acquiring bona fide hedge recognitions and spread exemptions for Federal position limits purposes. Final Sec. Sec. 150.3 and 150.9 maintain certain elements of the status quo while also adopting certain changes to facilitate the exemption process.\1542\--------------------------------------------------------------------------- \1542\ In this section the Commission discusses the costs and benefits related to the application process for these exemptions and bona fide hedge recognitions. For a discussion of the costs and benefits related to the scope of the exemptions and bona fide hedge recognitions, see supra Section IV.A.4 --------------------------------------------------------------------------- First, with respect to the proposed enumerated bona fide hedges, final Sec. 150.3 maintains the status quo by providing that those enumerated bona fide hedges that currently are self-effectuating for the nine legacy ***agricultural*** contracts will continue to remain self-effectuating for the nine legacy ***agricultural*** contracts for purposes of Federal position limits.\1543\ Similarly, the enumerated bona fide hedges for the additional 16 contracts that are newly subject to Federal position limits (i.e , those contracts other than the nine legacy ***agricultural*** contracts) also are self-effectuating for purposes of Federal position limits.--------------------------------------------------------------------------- \1543\ Final Sec. 150.3(a)(1)(i). Under the status quo, market participants must apply to the Commission for recognition of certain enumerated anticipatory bona fide hedges. The Final Rule also makes these enumerated anticipatory bona fide hedges self-effectuating for the nine legacy ***agricultural*** contracts.--------------------------------------------------------------------------- Second, for recognition of any non-enumerated bona fide hedge in connection with any referenced contract, market participants are required to apply either directly to the Commission under final Sec. 150.3 or through an exchange that adheres to certain requirements under final Sec. 150.9 The Commission notes that existing regulations require market participants to apply to the Commission for recognition of non-enumerated bona fide hedges, and so the Final Rule does not represent a change to the status quo in this respect for the nine legacy ***agricultural*** contracts. Third, final Sec. 150.3 maintains the status quo by providing that the most common spread exemptions for the nine legacy ***agricultural*** contracts remain self-effectuating. Similarly, these common spread exemptions also are self-effectuating for the additional 16 contracts that are newly subject to Federal position limits. These common spread exemptions are listed in the[[Page 3429]]``spread transaction'' definition under final Sec. 150.1 \1544\--------------------------------------------------------------------------- \1544\ Final Sec. 150.1 defines ``spread transaction'' to include an intra-market spread, inter-market spread, intra-commodity spread, or inter-commodity spread, including a calendar spread, quality differential spread, processing spread, product or by-product differential spread, or futures-option spread.--------------------------------------------------------------------------- Fourth, for any spread exemption not listed in the ``spread transaction'' definition, market participants are required to apply directly to the Commission under final Sec. 150.3 There is no exception for the nine legacy ***agricultural*** products, nor are market participants permitted to apply through an exchange under final Sec. 150.9 for these types of spread exemptions.\1545\--------------------------------------------------------------------------- \1545\ As discussed below, the Final Rule also eliminates the Form 204 and the equivalent portions of the Form 304.--------------------------------------------------------------------------- The Commission anticipates that most--if not all--market participants will utilize the exchange-centric process set forth in final Sec. 150.9 with respect to applying for recognition of non-enumerated bona fide hedges, rather than applying directly to the Commission under Sec. 150.3 Market participants are likely already familiar with the processes set forth in Sec. 150.9, which is intended to leverage the processes currently in place at the exchanges for addressing requests for bona fide hedge recognitions from exchange-set limits. In the sections below, the Commission will discuss the costs and benefits related to both processes.i. Process for Requesting Exemptions and Bona Fide Hedge Recognitions Directly From the Commission (Final Sec. 150.3) Under existing Sec. Sec. 1.47 and 1.48, and existing Sec. 150.3, the processes for obtaining a recognition of a bona fide hedge or for relying on a spread exemption, are similar in some respects and different in other respects than the approach adopted in final Sec. 150.3 Existing Sec. Sec. 1.47 and 1.48 require market participants seeking recognition of non-enumerated bona fide hedges and enumerated anticipatory bona fide hedges, respectively, for purposes of Federal position limits to apply directly to the Commission for prior approval. In contrast, existing non-anticipatory enumerated bona fide hedges and spread exemptions are self-effectuating, which means that market participants are not required to submit any information to the Commission for prior approval, although such market participants must subsequently file Form 204 or Form 304 each month in order to describe their cash-market positions and justify their bona fide hedge position. There currently is no codified Federal process related to financial distress exemptions or natural gas conditional spot month exemptions. Final Sec. 150.3 provides a process for market participants to apply directly to the Commission for recognition of non-enumerated bona fide hedges or spread exemptions not included in the ``spread transaction'' definition in final Sec. 150.1, which in each case would not be self-effectuating under the Final Rule. Under final Sec. 150.3, any person seeking Commission recognition of these types of bona fide hedges or spread exemptions (as opposed to applying for recognition of non-enumerated bona fide hedges using the exchange-centric process under proposed Sec. 150.9 described below) are required to submit a request directly to the Commission and to provide information similar to what is currently required under existing Sec. Sec. 1.47 and 1.48 \1546\--------------------------------------------------------------------------- \1546\ For bona fide hedges and spread exemptions, this information includes: (i) A description of the position in the commodity derivative contract (including the name of the underlying commodity and the derivative position size) or of the spread position for which the application is submitted; (ii) an explanation of the hedging strategy, including a statement that the position complies with the applicable requirements for, and the definition of, a bona fide hedging transaction or position, and information to demonstrate why the position satisfies such requirements and definition; (iii) a statement concerning the maximum size of all gross positions in commodity derivative contracts for which the application is submitted; (iv) for bona fide hedges, a description of the applicant's activity in the cash markets and swaps markets for the commodity underlying the position for which the application is submitted, including information regarding the offsetting cash positions; and (v) any other information that may help the Commission determine whether the position meets the applicable requirements for a bona fide hedge position or spread transaction.---------------------------------------------------------------------------a. Existing Bona Fide Hedges That Currently Require Prior Submission to the Commission Under Existing Sec. Sec. 1.47 and 1.48 for the Nine Legacy ***Agricultural*** Contracts Under the Final Rule, the Commission maintains the distinction between enumerated bona fide hedges and non-enumerated bona fide hedges in final Sec. 150.3: (1) Enumerated bona fide hedges continue to be self-effectuating; (2) enumerated anticipatory bona fide hedges are now self-effectuating, so market participants no longer need to apply to the Commission for recognition; and (3) non-enumerated bona fide hedges still require market participants to apply for recognition. Market participants that choose to apply directly to the Commission for a bona fide hedge recognition (i.e , for non-enumerated bona fide hedges) are subject to an application process that generally is similar to what the Commission currently administers for the non-enumerated bona fide hedges and the enumerated anticipatory bona fide hedges.\1547\--------------------------------------------------------------------------- \1547\ As noted above, under the existing framework, market participants are not required to apply for any type of bona fide hedge recognition or spread exemption from the Commission for any of the additional 16 contracts that are newly subject to Federal position limits (i.e , those contracts other than the nine legacy ***agricultural*** contracts); rather, under the existing framework, such market participants must apply to the exchanges for bona fide hedge recognitions or exemptions for purposes of exchange-set position limits. Accordingly, to the extent that market participants do not need to apply to the Commission in connection with any of the additional 16 contracts, the Final Rule does not impose additional costs or benefits compared to the status quo.--------------------------------------------------------------------------- With respect to enumerated anticipatory bona fide hedges for the nine legacy ***agricultural*** contracts, for which market participants currently are required to apply to the Commission for recognition for Federal position limit purposes, the Commission anticipates that the Final Rule will benefit market participants by making such hedges self-effectuating.\1548\ As a result, market participants will no longer be required to spend time and resources applying to the Commission.--------------------------------------------------------------------------- \1548\ As noted above, since market participants do not need to apply to the Commission for bona fide hedge recognition for any of the additional 16 contracts that are newly subject to Federal position limits, the Commission's proposal does not result in any additional costs or benefits to the extent such bona fide hedge recognitions are self-effectuating.--------------------------------------------------------------------------- Further, for these enumerated anticipatory hedges, existing Sec. 1.48 requires market participants to submit either an initial or supplemental application to the Commission 10 days prior to entering into the bona fide hedge that would cause the hedger to exceed Federal position limits.\1549\ Under existing Sec. 1.48, a market participant could proceed with its proposed bona fide hedge if the Commission does not notify a market participant otherwise within the specific 10-day period. Under the Final Rule, because bona fide hedgers can implement enumerated anticipatory bona fide hedges without filing an application with the Commission for approval and waiting the requisite 10 days, they may be able to implement their hedging strategy more efficiently with reduced cost and risk. The[[Page 3430]]Commission acknowledges that making such bona fide hedges more efficient to obtain could increase the possibility of excess speculation since anticipatory exemptions are theoretically more difficult to substantiate compared to the other existing enumerated bona fide hedges.--------------------------------------------------------------------------- \1549\ Under the Commission's existing regulations, non-anticipatory enumerated bona fide hedges are self-effectuating, and market participants do not have to file any applications for recognition under existing Commission regulations. However, existing Commission regulations require bona fide hedgers to file with the Commission monthly Form 204 (or Form 304 in connection with ICE Cotton No. 2 (CT)) reports discussing their underlying cash positions in order to substantiate their bona fide hedge positions.--------------------------------------------------------------------------- However, the Commission has gained significant experience over the years with bona fide hedging practices in general, and with enumerated anticipatory bona fide hedging practices in particular, and the Commission has determined that making such hedges self-effectuating should not increase the risk of excessive speculation or market manipulation compared to the status quo. For non-enumerated bona fide hedges, existing Sec. 1.47 requires market participants to submit (i) initial applications to the Commission 30 days prior to the date the market participant would exceed the applicable position limits and (ii) supplemental applications (i.e , applications for a market participant that desires to exceed the bona fide hedge amount provided in the person's previous Commission filing) 10 days prior for Commission approval, and market participants can proceed with their proposed bona fide hedges if the Commission does not intervene within the specific time (e.g , either 10 days or 30 days). Final Sec. 150.3 similarly requires market participants that elect to apply directly to the Commission (as opposed to applying through an exchange pursuant to final Sec. 150.9) for a recognition of a non-enumerated bona fide hedge for any of the 25 core referenced futures contracts to apply to the Commission prior to exceeding Federal position limits. Final Sec. 150.3 does not, however, prescribe a certain time period by which a bona fide hedger must apply or by which the Commission must respond. The Commission anticipates that the Final Rule benefits bona fide hedgers by enabling them, in many cases, to generally implement their hedging strategies sooner than the existing 30-day or 10-day waiting period, as applicants will have access to an expanded list of enumerated hedges (which don't require prior Commission approval), a new streamlined process for applying through exchanges for non-enumerated hedges, increased position limits, and, as discussed here, a more flexible approach for applying directly to the Commission for a non-enumerated hedge. Considering these factors, the Commission believes that, ultimately, hedging-related costs would likely decrease. However, the Commission believes that there could also be circumstances in which the overall process for applying directly to the Commission could take longer than the existing timelines under Sec. 1.47, which could increase hedging-related costs if a bona fide hedger is compelled to wait longer, compared to existing Commission practices, before executing its hedging strategy. On the other hand, the Commission also recognizes that there could be potential costs to bona fide hedgers if, under the Final Rule, they are forced either to enter into less effective bona fide hedges, or to wait to implement their hedging strategy, as a result of the potential uncertainty that could result from Sec. 150.3 not requiring the Commission to respond within a certain amount of time. However, the Commission believes this concern is mitigated since market participants will likely also have the option to apply for a non-enumerated bona fide hedge under final Sec. 150.9 As explained further below, final Sec. 150.9(e)(3) is a streamlined process whereby a market participant in receipt of a notice of approval from the relevant exchange may elect, at its own risk, to exceed Federal position limits during the Commission's review period, which is limited to 10 (or 2) days under Sec. 150.9 \1550\--------------------------------------------------------------------------- \1550\ See supra Section II.G.7 (discussing when a person may exceed Federal position limits).--------------------------------------------------------------------------- This concern is also mitigated to the extent market participants utilize the Sec. 150.3 process that permits a market participant that demonstrates a ``sudden or unforeseen'' increase in its bona fide hedging needs to enter into a bona fide hedge without first obtaining the Commission's prior approval, as long as the market participant submits a retroactive application to the Commission within five business days of exceeding the applicable position limit. The Commission believes this ``five-business day retroactive exemption'' benefits bona fide hedgers compared to existing Sec. Sec. 1.47 and 1.48, which require Commission prior approval, since hedgers that qualify to exercise the five-business day retroactive exemption are also likely facing more acute hedging needs--with potentially commensurate costs if required to wait. This provision also leverages, for Federal position limit purposes, existing exchange practices for granting retroactive exemptions from exchange-set limits. On the other hand, the proposed five-business day retroactive exemption could harm market liquidity and bona fide hedgers if the applicable exchange or the Commission were to not approve the retroactive request, and the Commission subsequently required liquidation of the position in question. As a result, such possibility could cause market participants to either enter into smaller bona fide hedge positions than they otherwise would, or cause the bona fide hedger to delay entering into its hedge, in either case potentially causing bona fide hedgers to incur increased hedging costs. However, the Commission believes this concern is partially mitigated since proposed Sec. 150.3 requires the purported bona fide hedger to exit its position in a ``commercially reasonable time,'' which the Commission believes should partially mitigate any costs incurred by the market participant compared to either an alternative that would require the bona fide hedger to exit its position immediately, or the status quo where the market participant either is unable to enter into a hedge at all without Commission prior approval.b. Spread Exemptions and Non-Enumerated Bona Fide Hedges Final Sec. 150.3 imposes a new requirement for Federal position limit purposes for market participants to (1) apply either directly to the Commission pursuant to Sec. 150.3 or indirectly through an exchange pursuant to final Sec. 150.9 for any non-enumerated bona fide hedge; and (2) to apply directly to the Commission pursuant to Sec. 150.3 for any spread exemptions not identified in the proposed ``spread transaction'' definition (the Commission notes that a market participant may not apply indirectly through an exchange for spread exemptions for Federal position limit purposes).\1551\ As noted above, common spread exemptions (i.e , those identified in the definition of ``spread transaction'' in final Sec. 150.1) remain self-effectuating for the nine legacy ***agricultural*** products, and also are self-effectuating for the 16 additional core referenced futures contracts.\1552\--------------------------------------------------------------------------- \1551\ As discussed below, for spread exemptions not identified in the proposed ``spread transaction'' definition in Sec. 150.3, market participants are required to apply directly to the Commission under Sec. 150.3 and are not able to apply under Sec. 150.9 \1552\ Existing Sec. 150.3(a)(2) does not specify a formal process for granting either spread exemptions or non-anticipatory enumerated bona fide hedges that are consistent with CEA section 4a(a)(1), so, in practice, spread exemptions and non-anticipatory enumerated bona fide hedges have been self-effectuating.--------------------------------------------------------------------------- The baseline is the status quo under existing Sec. 150.3(a)(3), which provides that certain spread exemptions are self-effectuating for purposes of Federal position limits. As noted above, Sec. 150.3 is also the baseline for non-enumerated bona fide hedges. The final rule[[Page 3431]]maintains the status quo with respect to spread exemptions that meet the ``spread transaction definition'' for the nine legacy ***agricultural*** contracts as such spread exemptions will continue to be self-effectuating. The final rule also maintains the status quo for any non-enumerated bona fide hedge in one of the nine legacy ***agricultural*** contracts by requiring an applicant to receive prior approval, and similarly requiring prior approval for such non-enumerated bona fide hedges for the additional 16 contracts that are newly subject to Federal position limits.\1553\--------------------------------------------------------------------------- \1553\ The Commission discusses the costs and benefits related to the process for non-enumerated bona fide hedge recognitions with respect to the nine legacy ***agricultural*** products in the above section.--------------------------------------------------------------------------- The Commission concludes that there is a change to the status quo baseline with respect to the 16 non-legacy core referenced futures contracts to the extent that they will be subject to Federal position limits for the first time under the Final Rule. However, since the most common spread exemptions will be ``self-effectuating'' for Federal purposes, market participants will not need to do anything new, compared to the status quo, under the Final Rule in connection with self-effectuating spread exemptions. Accordingly, as a practical matter, the Commission does not believe that the Final Rule will impose any new costs or benefits with respect to the 16 non-legacy core referenced futures products related to the Final Rule's treatment of these self-effectuating spread exemptions since market participants will not need to do anything differently compared to the status quo (i.e , market participants will still need to obtain exchange approval of any spread exemption for purposes of exchange-set position limits, but will not be required to do anything for Federal purposes in connection with self-effectuating spread exemptions). Alternatively, several commenters advocated for the Commission to expand the proposed Sec. 150.9 process to also allow exchanges to grant ``non-enumerated'' spread exemptions for spread positions that do not meet the ``spread transaction'' definition.\1554\ As more fully explained in the preamble, the Commission determined not to expand Sec. 150.9 for two primary reasons.\1555\ First, most of the more common spread exemptions used by market participants fall within the scope of the Final Rule's expanded ``spread transaction'' definition and are self-effectuating for purposes of Federal position limits. Spread exemption requests that fall outside of the ``spread transaction'' definition are likely to be novel exemption requests that require Commission review.--------------------------------------------------------------------------- \1554\ See MFA/AIMA at 10; FIA at 21; Citadel at 8-9; ISDA at 9; ICE at 7-8. \1555\ See supra Sections II.G.4 , II.G.5 --------------------------------------------------------------------------- Second, bona fide hedge recognitions and spread transactions are subject to different legal standards under CEA section 4a(a). Because CEA section 4a(a)(c)(2) provides clear criteria to the Commission for determining what constitutes a bona fide hedging transaction or position, the Commission has defined in detail the term ``bona fide hedging transaction or position'' in Sec. 150.1 As a result, the Commission is permitting exchanges to evaluate applications for non-enumerated bona fide hedges for purposes of exchange-set limits in accordance with the same clear criteria used by the Commission. In contrast, CEA section 4(a)(a)(1) does not include clear criteria to the Commission for the granting of spread exemptions and requires the Commission to use its judgment to conduct a fact-specific analysis of novel spread exemption requests. Because exchanges would lack clear standards for assessing whether a particular spread position satisfies the requirements of the CEA, the Commission currently is uncomfortable with leveraging an exchange's analysis and determination with respect to novel spread exemption requests and believes that such an alternative could impose costs on risk management practices due to possible inconsistent treatment of such exemption requests across exchanges as well as potential uncertainty due to lack of a clear statutory standard. To the extent market participants are required to obtain prior approval for a non-enumerated bona fide hedge or spread exemption for any of the additional 16 contracts that are newly subject to Federal position limits, the Commission recognizes that Sec. 150.3 imposes costs on market participants who are now required to spend time and resources submitting applications to the Commission or an exchange, or both, as applicable, for prior approval of exemptions for Federal position limit purposes.\1556\ Further, compared to the status quo in which the proposed new 16 contracts are not subject to Federal position limits, the process in Sec. 150.3 could increase uncertainty since market participants are required to seek prior approval and wait for an undetermined amount of time for a Commission response. As a result, such uncertainty could cause market participants to either enter into smaller spread or bona fide hedging positions or do so at a later time. In either case, this could cause market participants to incur additional costs and/or implement less efficient hedging strategies.--------------------------------------------------------------------------- \1556\ The Commission's Paperwork Reduction Act analysis identifies some of these information collection burdens in greater specificity. See infra Section IV.B.3.ii.c (discussing in greater detail the cost and benefits related to spread exemptions).--------------------------------------------------------------------------- However, the Commission believes that final Sec. 150.3's framework is familiar to market participants that currently apply to the Commission for bona fide exemptions for the nine legacy ***agricultural*** products, which should serve to reduce costs for some market participants associated with obtaining recognition of a bona fide hedge or spread exemption from the Commission for Federal position limits for those market participants.\1557\--------------------------------------------------------------------------- \1557\ The Commission anticipates that the application process in Sec. 150.3(b) could slightly reduce compliance-related costs, compared to the status quo application process to the Commission under existing Sec. Sec. 1.47 and 1.48, because Sec. 150.3 provides a single, standardized process for all bona fide hedge and spread exemption requests that is slightly less complex--and more clearly laid out in the proposed regulations--than the Commission's existing application processes. Nonetheless, since the Commission anticipates that most market participants would apply directly to exchanges for bona fide hedges when provided the option under Sec. 150.9, the Commission believes that most market participants would incur the costs and benefits discussed thereunder.--------------------------------------------------------------------------- The Commission believes that this analysis also applies to the nine legacy ***agricultural*** contracts for spread exemptions that are not listed in the proposed ``spread transaction'' definition and therefore also requires market participants to apply to the Commission for these types of spread exemptions for the first time for the nine legacy ***agricultural*** products. However, because the Commission has determined that most spread transactions are self-effectuating (especially for the nine legacy ***agricultural*** contracts based on the Commission's experience), the Commission believes that Sec. 150.3 imposes only small costs with respect to spread exemptions for both the nine legacy ***agricultural*** contracts as well as the additional 16 contracts that are newly subject to Federal position limits.\1558\--------------------------------------------------------------------------- \1558\ ICE requested that market participants be able to apply for spread exemptions on a late or retroactive basis the same way they would be permitted to apply for bona fide hedge exemptions within five days of exceeding Federal position limits under proposed Sec. Sec. 150.3 and 150.9 ICE at 8. The Commission has determined not to permit late retroactive applications for spread exemptions under Sec. 150.3(a) because the Commission believes that the Final Rule provides sufficient flexibility to allow market participants to identify their exemption needs and submit timely applications. See supra Section II.C.4.iii The Commission further believes that allowing retroactive spread exemptions (and other types of retroactive exemptions) could potentially be harmful to the market, as these types of strategies may involve non-risk-reducing or speculative activity that should be evaluated prior to a person exceeding Federal position limits. Id.---------------------------------------------------------------------------[[Page 3432]] While the Commission has years of experience granting and monitoring spread exemptions and enumerated and non-enumerated bona fide hedges for the nine legacy ***agricultural*** contracts, as well as overseeing exchange processes for administering exemptions from exchange-set limits on such commodities, the Commission does not have the same level of experience or comfort administering bona fide hedge recognitions and spread exemptions for the additional 16 contracts that are subject to the Federal position limits and the new exemption processes for the first time. Accordingly, the Commission recognizes that permitting enumerated bona fide hedges and spread exemptions identified in the ``spread transaction'' definition for these additional 16 contracts might not provide the purported benefits, or could result in increased costs, compared to the nine legacy ***agricultural*** products. The Commission also believes that Sec. 150.3 benefits market participants by providing them the option to choose the process for applying for a non-enumerated bona fide hedge (i.e , either directly with the Commission or, alternatively, through the exchange-centric process discussed under Sec. 150.9 below) for the additional 16 contracts that are newly subject to Federal position limits that are more efficient given the market participants' unique facts, circumstances, and experience.\1559\ If a market participant chooses to apply through an exchange for Federal position limits pursuant to final Sec. 150.9, the market participant receives the added benefit of not being required to also submit another application directly to the Commission. The Commission anticipates that most market participants would apply directly to exchanges for non-enumerated bona fide hedges, pursuant to the streamlined process Sec. 150.9, as explained below, in which case the Commission believes that most market participants would incur the costs and benefits discussed thereunder. The Commission also believes that this analysis applies with respect to non-enumerated bona fide hedges for the nine legacy ***agricultural*** contracts.--------------------------------------------------------------------------- \1559\ As noted above, market participants seeking spread exemptions not listed in the proposed ``spread transaction'' definition in Sec. 150.1 are required to apply directly with the Commission under Sec. 150.3 and are not permitted to apply under Sec. 150.9 The Commission recognizes that these types of spread exemptions are difficult to analyze compared to either the spread exemptions identified in Sec. 150.1 or bona fide hedges in general. Accordingly, the Commission has determined to require market participants to apply directly to the Commission. Further, compared to the spread exemptions identified in final Sec. 150.1, the Commission anticipates relatively few requests, and so does not believe the application requirement will impose a large aggregate burden across market participants.---------------------------------------------------------------------------c. Exemption-Related Recordkeeping Final Sec. 150.3(d) requires persons who avail themselves of any of the foregoing exemptions to maintain complete books and records concerning all details of each of their exemptions and any related position, and to make such records available to the Commission upon request under Sec. 150.3(e). Several commenters recommended that the Commission delete the pass-through swap recordkeeping requirements in proposed Sec. 150.3(d)(2) based on concerns it would place all compliance burdens on the pass-through swap counterparty offering the swap rather than the bona fide hedging counterparty.\1560\ Commenters further expressed concerns the proposed provision would be burdensome to the extent it would require the pass-through swap counterparty to maintain records of each representation made by the bona fide hedging counterparty on a trade-by-trade basis.\1561\--------------------------------------------------------------------------- \1560\ Cargill at 6; Shell at 6. \1561\ Id.--------------------------------------------------------------------------- The Commission intended Sec. 150.3(d)(2) to be an extension of market participants' existing obligations to maintain regulatory records under part 45 and Sec. 1.31 As discussed above, the revised ``bona fide hedging transaction or position'' definition in final Sec. 150.1 requires that a pass-through swap counterparty receive a written representation from its bona fide hedging swap counterparty in order for the pass-through swap to qualify as a bona fide hedge.\1562\ In light of that, final Sec. 150.3(d)(2) requires a person relying on the pass-through swap provision to maintain any records created for purposes of demonstrating a good faith reliance on that provision in accordance with Sec. 150.1 --------------------------------------------------------------------------- \1562\ See supra at Section II.A.1.x --------------------------------------------------------------------------- These recordkeeping requirements benefit market integrity by providing the Commission with the necessary information to monitor the use of exemptions from speculative position limits and help to ensure that any person who claims any exemption permitted by Sec. 150.3 can demonstrate compliance with the applicable requirements. The Commission does not expect these requirements to impose significant new costs on market participants, as these requirements are in line with existing Commission and exchange-level recordkeeping obligations.d. Exemption Renewals Consistent with existing Sec. Sec. 1.47 and 1.48, with respect to any Commission-recognized bona fide hedge or Commission-granted spread exemption pursuant to final Sec. 150.3, the Commission does not require a market participant to reapply annually to the Commission.\1563\ The Commission believes that this reduces burdens on market participants but also recognizes that not requiring market participants to annually reapply to the Commission ostensibly could harm market integrity since the Commission will not directly receive updated information with respect to particular bona fide hedgers or exemption holders prior to the trader exceeding the applicable Federal position limits.--------------------------------------------------------------------------- \1563\ As discussed below, with respect to exchange-set limits under Sec. 150.5 or the exchange process for Federal position limits under Sec. 150.9, market participants are required to annually reapply to exchanges.--------------------------------------------------------------------------- However, the Commission believes that any potential harm is mitigated since the Commission, unlike exchanges, has access to aggregate market ***data***, including positions held by individual market participants. Further, Sec. 150.3 requires a market participant to submit a new application if any material information changes, or upon the Commission's request. In addition, the Commission will receive information about any annual renewals of such requests made to an exchange (for purposes of exchange-set limits) through the monthly exchange reports required under Sec. 150.5(a)(4). On the other hand, market participants benefit by not being required to annually submit new applications, which the Commission believes reduces compliance costs.e. Exemptions for Financial Distress and Conditional Natural Gas Positions Final Sec. 150.3 codifies the Commission's existing informal practice with respect to exemptions for financial distress and existing industry practice with respect to the conditional spot month limit exemption positions in natural gas. The same costs and benefits described above with respect to applications for bona fide hedge recognitions and spread exemptions also apply to these exemptions. However, to the extent the Commission currently allows exemptions related to financial distress, the Commission has determined that the costs and benefits with respect to the related application[[Page 3433]]process already may be recognized by market participants.ii. Process for Market Participants To Apply to an Exchange for Non-Enumerated Bona Fide Hedge Recognitions for Purposes of Federal Position Limits (Final Sec. 150.9) and Related Changes to Part 19 of the Commission's Regulations Final Sec. 150.9 provides a framework whereby a market participant could avoid the existing dual application process described above and, instead, file one application with an exchange to receive a non-enumerated bona fide hedging recognition, which as discussed previously is not self-effectuating for purposes of Federal position limits. Under this process, a person is allowed to exceed the Federal position limit levels following an exchange's review and approval of an application for a bona fide hedge recognition, provided that the Commission during its review does not notify the exchange otherwise within a certain period of time thereafter. Market participants who do not elect to use the process in final Sec. 150.9 for purposes of Federal position limits are required to request relief both directly from the Commission under Sec. 150.3, as discussed above, and also apply to the relevant exchange, consistent with existing practices.\1564\--------------------------------------------------------------------------- \1564\ As noted above, the Commission anticipates that most, if not all, market participants will use Sec. 150.9, rather than Sec. 150.3, where permitted.---------------------------------------------------------------------------a. Final Sec. 150.9--Establishment of General Exchange Process Pursuant to final Sec. 150.9, exchanges that elect to process these applications are required to file new rules or rule amendments with the Commission under Sec. 40.5 of the Commission's regulations and obtain from applicants all information to enable the exchange and the Commission to determine that the facts and circumstances support a non-enumerated bona fide hedge recognition. Also, final Sec. 150.9(e)(1) requires exchanges to provide real-time notification to the Commission of each initial determination to recognize a non-enumerated bona fide hedging transaction or position. The Commission believes that exchanges' existing practices generally are consistent with the requirements of Sec. 150.9, and, therefore, exchanges will only incur marginal costs, if any, to modify their existing practices to comply. Similarly, the Commission anticipates that establishing uniform, standardized exemption processes across exchanges benefits market participants by reducing compliance costs. On the other hand, the Commission recognizes that exchanges that wish to participate in the processing of applications with the Commission under Sec. 150.9 are required to expend resources to establish a process consistent with the Final Rule. However, to the extent exchanges have similar procedures, such benefits and costs may already have been realized by market participants and exchanges. The Commission believes that there are significant benefits to the Sec. 150.9 process that will be largely realized by market participants. The Commission has determined that the use of a single application to process both exchange and Federal position limits exemptions benefits market participants and exchanges by simplifying and streamlining the process. For applicants seeking recognition of a non-enumerated bona fide hedge, Sec. 150.9 should reduce duplicative efforts, because applicants are saved the expense of applying in parallel to both an exchange and the Commission for relief from exchange-set position limits and Federal position limits, respectively. Because many exchanges already possess similar application processes with which market participants are likely accustomed, compliance costs should be decreased in the form of reduced application-production time by market participants and reduced response time by exchanges.\1565\--------------------------------------------------------------------------- \1565\ The Commission has previously estimated the combined annual burden hours for submitting applications under both Sec. Sec. 1.47 and 1.48 to be 42 hours. See infra Section IV.B (Paperwork Reduction Act) and 85 FR 11596, 11700 (Feb. 27, 2020).--------------------------------------------------------------------------- As discussed above, in connection with the recognition of bona fide hedges for Federal position limit purposes, current practices set forth in existing Sec. Sec. 1.47 and 1.48 require market participants to differentiate between (i) enumerated non-anticipatory bona fide hedges that are self-effectuating, and (ii) enumerated anticipatory bona fide hedges and non-enumerated bona fide hedges for which market participants must apply to the Commission for prior approval. Under the Final Rule, the Commission's application processes no longer distinguish among different types of enumerated bona fide hedges (e.g , anticipatory versus non-anticipatory enumerated bona fide hedges), and therefore, do not require exchanges to have separate processes for enumerated anticipatory positions under Sec. 150.9 The Final Rule also eliminates the requirement for bona fide hedgers to file Form 204 or the relevant portions of Form 304, as applicable, with respect to any bona fide hedge, whether enumerated or non-enumerated.\1566\ The Commission expects this to benefit market participants by providing a more efficient and less complex process that is consistent with existing practices at the exchange-level.\1567\--------------------------------------------------------------------------- \1566\ See supra Section II.H.2 (discussing changes to part 19 eliminating Form 204 and portions of Form 304). \1567\ See infra Section IV.A.5.iii for discussion related to changes to part 19 regarding the provision of information by market participants, noting that the elimination of Form 204 by the Final Rule reduces the burden hours estimates by 300 annual aggregate burden hours.--------------------------------------------------------------------------- On the other hand, the Commission recognizes that Sec. 150.9 imposes new costs related to non-enumerated bona fide hedges for the additional 16 contracts that are newly subject to Federal position limits. Under final Sec. 150.9(c), market participants are now required to submit applications, including information to demonstrate why a particular position qualifies as bona fide hedge, as defined in Sec. 150.1 and CEA section 4a(c)(2), to receive prior approval for Federal position limits purposes.\1568\ However, since the Commission understands that exchanges already require market participants to submit applications and receive prior approval under exchange-set limits for all types of bona fide hedges, the Commission does not believe Sec. 150.9 imposes any additional incremental costs on market participants beyond those already incurred under exchanges' existing processes.\1569\ Accordingly, the[[Page 3434]]Commission believes that any costs already may have been realized by market participants.--------------------------------------------------------------------------- \1568\ One commenter requested that the Commission provide additional factors that exchanges should consider when granting non-enumerated bona fide hedge recognitions. ISDA at 9. As discussed more fully in the preamble, the Commission believes that the final regulations strike a reasonable tradeoff by providing sufficient guidance to the exchanges for their review and determination in the context of exchange limits, while preserving the exchanges' discretionary authority to determine what types of additional information, if any, to collect. See supra Section II.G.5 (discussing final Sec. 150.9(c)). \1569\ Under the 2020 NPRM, proposed Sec. 150.9(c)(1)(ii) would have required exchanges to request a ``factual and legal'' analysis from applicants for non-enumerated bona fide hedge recognitions. 85 FR 11638. Two commenters expressed concern that the proposed requirement could be interpreted as requiring applications to engage legal counsel to complete their applications, which would result in additional costs to market participants. See CME Group at 10 and CMC at 11. The Commission did not intend for exchanges to require that applicants engage legal counsel to complete their applications for non-enumerated bona fide hedge recognitions. Final Sec. 150.9(c)(1)(ii), instead of requiring a ``factual and legal analysis,'' requires an applicant to provide ``an explanation of the hedging strategy,'' including a statement that the position complies with the applicable requirements of the bona fide hedge definition, and information to demonstrate why the position satisfies the applicable requirements. See supra Section II.G.5 (discussing final Sec. 150.9(c)).--------------------------------------------------------------------------- Further, the Commission believes that employing a concurrent process with exchanges that are self-regulatory organizations responsible for overseeing non-enumerated bona fide hedges executed on their platforms and that are not self-effectuating for Federal position limits purposes benefits market integrity by ensuring that market participants are appropriately relying on such bona fide hedges and not entering into such positions in order to attempt to manipulate the market or evade position limits. However, to the extent that exchange oversight, consistent with Commission standards and DCM core principles, already exists, such benefits may already be realized.b. Final Sec. 150.9--Exchange Expertise, Market Integrity, and Commission Oversight For non-enumerated bona fide hedge recognitions that require the Commission's prior approval, the Final Rule provides a framework that utilizes existing exchange resources and expertise so that fair access and liquidity are promoted at the same time market manipulations, squeezes, corners, and other conduct that would disrupt markets are deterred and prevented.\1570\ Final Sec. 150.9 builds on existing exchange processes, which the Commission believes strengthens the ability of the Commission and exchanges to monitor markets and trading strategies while reducing burdens on both the exchanges, which administer the process, and market participants, who utilize the process. For example, exchanges are familiar with their market participants' commercial needs, practices, and trading strategies, and already evaluate hedging strategies in connection with setting and enforcing exchange-set position limits.\1571\ Accordingly, exchanges should be able to readily identify bona fide hedges.--------------------------------------------------------------------------- \1570\ See CME Group at 7 (stating that the Sec. 150.9 streamlined process would wisely leverage exchanges' long history of reviewing hedging approaches and applying those approaches to specific facts and circumstances, and would thereby advance the statutory goal of allowing commercial parties to ``hedge their legitimate anticipated business needs'' without imposing any undue burden in doing so). \1571\ For a discussion on the history of exemptions, see 78 FR at 75703-75706.

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[***House to Consider Seven-Bill Appropriations Minibus Next Week***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:60DK-0KW1-JDG9-Y0P6-00000-00&context=1516831)

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**Body**

Washington, DC: U.S House of Representatives Committee on Appropriations has issued the following press release:

In advance of Floor consideration next week, the House Appropriations Committee released a division-by-division summary of the second minibus of fiscal year 2021 appropriations bills. The House is expected to consider the legislation, H.R 7617, beginning next week.

The package includes seven FY 2021 spending bills: Defense, Commerce-Justice-Science, Energy and Water Development, Financial Service and General Government, Homeland Security, Labor-HHS-Education, and Transportation-Housing and Urban Development.

A division-by-division summary is below and available as a PDF here.

H.R 7617DIVISION-BY-DIVISION SUMMARY

H.R 7617 totals $1.367 trillion in discretionary funding and consists of seven FY 2021 appropriations bills: Commerce-Justice-Science, Defense, Energy and Water Development, Financial Service and General Government, Homeland Security, Labor-HHS-Education, and Transportation-Housing and Urban Development.

In total, the package provides:

$661.4 billion in base defense funding; $420.1 billion in base nondefense funding; $68.7 billion for defense Overseas Contingency Operations (OCO); $5.2 billion for nondefense disaster relief activities; $1.9 billion for nondefense program integrity initiatives; and $206.7 billion in emergency supplemental appropriations.

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Division A – Defense

Overview:

The Defense bill funds the Department of Defense, including operations and maintenance, readiness activities, research and development, equipment modernization, and health and quality-of-life programs for our troops and military families.

For fiscal year 2021, the bill provides $694.6 billion in new discretionary spending authority for the Department of Defense for functions under the Defense Subcommittee’s jurisdiction, an increase of $1.3 billion above the FY 2020 enacted level, and $3.7 billion below the President’s budget request. This includes $626.2 billion in base funding, an increase of $3.5 billion above the FY 2020 enacted level, and $3.5 billion below the President’s request. It also includes $68.4 billion for OCO/GWOT funding in title IX, a decrease of $2.2 billion below the FY 2020 enacted level, and $200 million below the President’s request.

Bill Summary:

Military Personnel

Total: $162.3 billion

Base: $157.7 billion

OCO/GWOT (title IX): $4.6 billion

The FY 2021 Military Personnel recommendation is $157.7 billion in base funding for active, reserve and National Guard military personnel, a decrease of $1.2 billion below the budget request and an increase of $7.5 billion above the FY 2020 enacted level.

Funds active duty end strength of 1,351,500, an increase of 12,000 above current year and equal to the request. Funds reserve component end strength of 802,000, an increase of 1,200 above current year and equal to the request. Army totals: 485,900 active duty, an increase of 5,900 above current year and equal to the request; 189,800 reserve, an increase of 300 above current year and equal to the request; and 336,500 Guard, an increase of 500 above current year and equal to the request. Navy totals: 347,800 active duty, an increase of 7,300 above current year and equal to the request; and 58,800 reserve, a decrease of 200 below current year and equal to the request. Marine Corps totals: 184,100 active duty, a decrease of 2,100 below current year and equal to the request; and 38,500 reserve, equal to current year and the request. Air Force totals: 333,700 active duty, an increase of 900 above current year and equal to the request; 70,300 reserve, an increase of 200 above current year and equal to the request; and 108,100 Guard, an increase of 400 above current year and equal to the request.

Provides full funding necessary to support the proposed 3.0 percent military pay raise. Increases funding by $45 million above the President’s request for the Department and Services’ Sexual Assault Prevention and Response programs, for a total of $323 million. This includes $40 million for the Special Victims’ Counsel and an increase of $5 million above the request for the Department’s Sexual Assault Prevention and Response Office. In addition, provides $4 million for the Sexual Trauma Pilot Program.

Operation and Maintenance

Total: $254.5 billion

Base: $196.7 billion

OCO/GWOT (title IX): $57.8 billion

The FY 2021 Operation and Maintenance recommendation is $196.7 billion in base funding, an increase of $72.5 million above the budget request and a decrease of $2.7 billion below the FY 2020 enacted level.

Provides $1.67 billion above the request for key readiness programs to prepare forces for combat operations and other peacetime missions: flying hours, tank miles, and steaming days; equipment, aviation, and ship depot maintenance; training; spare parts; and base operations. Provides $24.7 billion to the Army, Navy, Marine Corps and Air Force for depot maintenance. Provides $9.5 billion to fund SOCOM’s operation and maintenance requirements. Provides $22 million to the Special Operations Command to restore flight operations for the 137th Special Operations Wing. Provides $80.3 million to the Special Operations Command to fund equipment lost or destroyed in combat. Provides $1.486 billion for Environmental Restoration activities, $413 million above the request, and $70.8 million above the fiscal year 2020 enacted level. In addition, provides $15 million for study and assessment of health implications of PFOS/PFOA contamination in drinking water. Provides $270 million above the request to address public school infrastructure requirements on DoD installations. Provides an additional $116 million for upgrades to childcare facilities and report language directing the services to present innovative ideas to assist Servicemembers with this quality of life issue. Provides $2.49 billion to continue the transition of space activities to the Space Force. Provides increases for National Guard Youth Challenge ($210m); and Starbase (+$41.1 million). Provides an additional $50 million for the Office of Economic Assistance for the Defense Community Infrastructure Program. Provides $40 million for Impact Aid and $10 million for Impact Aid for those with disabilities. Provides $6.75 million for gender advisor programs. Provides $10 million for the Maternity Uniform Pilot Program. Provides $48 million for the Procurement Technical Assistance Program. Provides $360 million for the Cooperative Threat Reduction program. Provides $50 million for noise mitigation tools for communities. Provides $1 million to the Army for the renaming of installations, facilities, roads and streets that bear the name of confederate leaders and officers. Provides $450 million for COVID resupply and recovery.

Procurement

Total: $140.1 billion

Base: $133.6 billion

OCO/GWOT (title IX): $6.5 billion

The FY 2021 Procurement recommendation is $133.6 billion in base funding, an increase of $2.8 billion above the budget request and a decrease of $0.2 billion below the FY 2020 enacted level.

Provides $4.1 billion above the total funding request (including OCO/GWOT) for increased investments in ground vehicles, aircraft, ships, munitions, and other equipment.

Aircraft

Funds the request of 24 F/A-18E/F Super Hornet aircraft ($1.7 billion). Funds 91 F-35 aircraft, 12 more than the request ($9.3 billion). Funds 12 F-15EX aircraft to recapitalize the F-15C/D fleet ($1.2 billion). Funds the request of 15 KC-46 tankers ($2.7 billion). Funds the request of 19 HH-60W combat rescue helicopters ($1.1 billion). Funds 11 C/KC/MC-130J aircraft, 2 more than the request ($965 million). Funds 16 MQ-9 Reaper air vehicles, 16 more than the request ($344 million). Funds the first five CH-47F Block II Chinook aircraft and long-lead funding for the second five CH-47F Block II Chinook aircraft to ensure that the Army stays on schedule with the program of record ($227 million). Provides $141 million above the request to fund a total of 42 UH/HH-60M Blackhawk helicopters ($866 million). Funds the requested 50 remanufactured AH-64 Apache helicopters ($792 million). Funds eleven V-22 aircraft, two more than the request ($1.1 billion). Funds three P-8A Poseidon aircraft for the Navy Reserve, three more than the request ($510 million). Funds five E-2D Advanced Hawkeye aircraft, one more than the request ($791 million). Funds nine CH-53K helicopters, two more than the request ($1.05 billion). Funds a new start for SOCOM’s Armed Overwatch Program.

Shipbuilding

Provides $22.3 billion to procure nine Navy ships, $2.4 billion above the request. Funds are provided for two DDG-51 guided missile destroyers, the initial Columbia Class submarine, two SSN-774 attack submarines, one Frigate, one LPD-17 Flight II, and two towing, salvage, and rescue ships.

Vehicles/Force Protection

Provides $375 million above the request to upgrade a total of 259 Stryker combat vehicles ($1.16 billion). Funds the request to upgrade 89 Abrams tanks to the M1A2 SEPv3 tank variant ($1.02 billion). Provides an additional $100 million for Army National Guard HMMWV modernization. Fully funds the Army’s request for 1,920 Joint Light Tactical Vehicles (JLTVs) and 1,334 JLTV companion trailers.

​Other

Provides $933 million to procure three National Security Space Launch services. Provides $623 million to procure two GPS IIIF spacecraft. Provides $200 million to fully support Israeli Cooperative procurement programs (Iron Dome, David’s Sling, and Arrow). Includes $1 billion for the National Guard and Reserve Equipment ***Account*** (NGREA). Provides $758 million to mitigate the impacts of COVID on second, third, and fourth tier suppliers in the Defense Industrial Base.

Research, Development, Test and Evaluation

Total: $104.6 billion

Base: $104.3 billion

OCO/GWOT (title IX): $0.3 billion

The FY 2021 RDT&E recommendation is $104.3 billion in base funding, a decrease of $1.9 billion below the budget request and a decrease of $0.1 billion below the FY 2020 enacted level.

Invests in basic and applied scientific research, development, test and evaluation of new technologies and equipment, and supports the research community so forces will have the systems and equipment for tomorrow’s challenges.

Aircraft

Fully funds the Block 4 follow-on development of the F-35 Joint Strike Fighter ($1.6 billion). Fully funds the continued development of the Air Force’s B-21 bomber program ($2.8 billion). Fully funds development of the VC-25B Presidential Aircraft Replacement ($801 million). Provides $20 million above the request for the development of the Army’s Future Long Range Assault Aircraft ($154 million). Fully funds the design, build, and test of prototypes for the Army’s Future Attack Reconnaissance Aircraft ($513 million). Fully funds the continued development and testing of the CH-53K helicopter ($407 million).

Vehicles and Ground Forces

Provides $10 million above the request to fund the Army’s Long Range Hypersonic Weapon ($811 million). Fully funds the Army’s Extended Range Cannon Artillery (ERCA) modernization effort ($421 million).

Defense Advanced Research Project Agency (DARPA)

Provides $3.51 billion for DARPA research programs.

Other

Provides $300 million for the Israeli cooperative research and development programs, including David’s Sling and Arrow-3. Provides $258 million for the Global Positioning System IIIF program. Provides $482 million for the Global Positioning System III Operational Control Segment. Provides $380 million for Global Positioning System user equipment. Provides $561 million for National Security Space Launch to develop new U.S space launch vehicles. Provides $2.32 billion for Next Generation Overhead Persistent Infrared.

Revolving and Management Funds

Total: $1.37 billion

Base Requirements: $1.35 billion

OCO/GWOT (title IX): $0.02 billion

The FY 2021 Revolving and Management Funds recommendation is $1.35 billion in base funding, equal to the budget request and a decrease of $210 million below the FY 2020 enacted level.

Fully funds the Defense Working Capital Fund request for War Reserve material and commissary operations. Fully funds the Defense Commissary Agency to ensure servicemembers and their families receive continued savings for food and household goods as part of the military pay and benefits package.

Other Department of Defense Programs

Total: $35.7 billion

Base Requirements: $35.3 billion

OCO/GWOT (title IX): $0.4 billion

Defense Health Programs

$33.3 billion plus $365.1 million for OCO/GWOT Requirements.

Adds $512.5 million for cancer research. The total amount is distributed as follows:

$150 million for the breast cancer research program; $110 million for the prostate cancer research program; $50 million for the kidney cancer research program; $35 million for the ovarian cancer research program; $20 million for the lung cancer research program; $20 million for the melanoma research program; $10 million for the pancreatic cancer research program; $7.5 million for the rare cancer research program; and $110 million for the cancer research program.

Adds $175 million for the peer reviewed psychological health and traumatic brain injury research program. Adds $40 million for spinal cord research. Adds $40 million for the joint warfighter medical research program. Adds $150 million for COVID Resupply and Recovery

Chemical Agents and Munitions Destruction

$889.5 million, as requested.

Overseas Humanitarian, Disaster, and Civic Aid

$147.5 million, including for foreign disaster relief, humanitarian assistance, and the humanitarian mine action program at levels above the budget request.

Drug Interdiction and Counter-Drug Activities

$746 million, including $70 million above the budget request for the National Guard Counter-Drug Program. Does not continue funding for programs the Administration reduced during FY 2020 for the border wall. Does not fund an additional $20 million requested in FY 2021 for the border wall.

Office of the Inspector General

$387.7 million, an increase of $16.3 million above the request for oversight of funding provided in CARES. Includes $24.1 million for OCO/GWOT Requirements, as requested.

General Provisions

Includes $2.5 billion in prior year rescissions plus $1.5 billion in rescissions from prior year OCO/GWOT funding. Includes $270 million for public schools on military installations. Does not include prior year provisions related to detainees at the military prison located in Guantanamo Bay, Cuba. Prohibits funds for the Taliban except support for reconciliation activities that also include the Afghan government, do not restrict the participation of women, and are authorized by law. Prohibits funds to establish permanent bases in Afghanistan or Iraq. Prohibits funds from being used in contravention of the War Powers Resolution. Requires the Secretary of Defense to notify Congress of any foreign contribution received relating to the stationing or operations of U.S troops. Requires the Secretary of Defense to notify Congress of the opening or closing of foreign bases. Provides $250 million for the ISR transfer fund to address near-term gaps in existing ISR capabilities. Prohibits funds in the Act for any use of military force in or against Iran, with certain exceptions. This is consistent with H.R 550, which passed the full House in January. Also provides that nothing in this Act may be construed as authorizing the use of force against Iran. Repeals the 2001 Authorization for Use of Military Force 240 days after the date of the enactment of this Act and the Repeals the Authorization for Use of Military Force Against Iraq Resolution of 2002.

Afghanistan Security Forces Fund

$3.05 billion. Funds may only be obligated if the Secretary of Defense certifies that the Afghanistan Security Forces are controlled by a civilian, representative government that is protecting human rights and women’s rights and preventing terrorists from using the territory of Afghanistan to threaten the security of the United States and U.S allies. Provides not less than $20 million for the recruitment and retention of women, which is twice the amount specified last year. Prevents payments to so-called “ghost soldiers” by prohibiting funds for Afghanistan security personnel who are not enrolled in the Afghanistan Personnel and Pay System. Directs quarterly reports to Congress on United States and coalition personnel in Afghanistan and the current conditions of the conflict, including metrics related to the peace agreement and an assessment of whether the Taliban is adhering to its commitments.

Counter-ISIS Train and Equip Fund

$700 million, including support for the Iraqi Security Forces, Kurdish Peshmerga, and the Syrian Democratic Forces fighting ISIS. Requires the Secretary of Defense to ensure that elements are appropriately vetted and have made commitments to promote respect for human rights and the rule of law. Prohibits funds to exercise United States control over any oil resource of Iraq or Syria.

Security Cooperation Programs

$1.14 billion for International Security Cooperation Programs. $160 million for programs with countries in the Africa Command area of responsibility, $63 million above the request. $130 million for programs with countries in the Southern Command area of responsibility, $61 million above the request. $105 million for programs with Jordan. $150 million for the Baltic Security Initiative. $3 million above the request for women’s programs. $3.75 million is also included in the bill for the training of U.S personnel related to these programs. $275 million for the Ukraine Security Assistance Initiative, $25 million above the request. Exempts funds from apportionment and requires the Secretary of Defense to inform Congress of any undue spending delays.

Congressional Oversight

Prohibits the use of Defense funds for the President’s border wall at our troops’ expense. Also requires that any unobligated funds that were taken for the border wall in fiscal year 2020 be returned to their original ***accounts*** and used for the original purposes for which they were appropriated by Congress. Responds to the Department of Defense’s abuse of congressionally granted reprogramming privileges by reducing transfer authority from the $9.5 billion requested to $1.9 billion and placing additional oversight mechanisms on the Department’s ability to reprogram funds. Prohibits unnecessary nuclear weapons testing. Prohibits the transfer of F-35 fighters to Turkey to prevent the exposure of cutting-edge U.S technology to Russian missile systems. Limits the deployment of active armed forces to the southern border unless costs are reimbursed by the requesting Department or agency. Conforms with the language included in Section 365 of H.R 7120 regarding the transfer of any personal property of the Department of Defense to a state or local law enforcement agency. Provides $1 million to the Army for the renaming of installations, facilities, roads and streets that bear the name of confederate leaders and officers since the Army has the preponderance of the entities to change.

Division B – Commerce-Justice-Science

Overview:

The Commerce-Justice-Science bill funds the Departments of Commerce and Justice, the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF), and other related agencies.

The legislation contains $71.473 billion in discretionary budget authority, a reduction of $1.7 billion below the FY 2020 enacted level, reflecting the completion of the 2020 Decennial Census.

The bill provides strong funding increases to help ensure civil rights and reform police practices throughout the country. The bill also provides funding increases to help create jobs, fix the country’s infrastructure, support U.S manufacturing, research and prepare for climate change, reduce gun violence, address the opioid crisis, and help keep schools safe. Furthermore, the bill provides funding increases for science research, science education, and legal services for underserved communities.

Bill Summary:

Department of Commerce – The bill includes $9.54 billion for the Commerce Department, a decrease of $5.68 billion below the FY 2020 enacted level and $1.2 billion above the President’s budget request. This includes funding for the following agencies.

Census Bureau – The bill provides $1.68 billion for the Census Bureau, reflecting the operational rampdown of the 2020 Decennial Census and restoring funding to the Survey of Income and Program Participation (SIPP), which measures the effectiveness and use of Federal, state, and local programs. Economic Development Administration (EDA) – The legislation includes $356 million for the EDA, an increase of $23 million above the FY 2020 level. These funds will help improve our nation’s infrastructure, boost economically recovering communities, and launch innovative community development efforts. Minority Business Development Agency (MBDA): The legislation includes $52 million for MBDA, an increase of $10 million above the FY 2020 enacted level, to help create jobs and expand business growth opportunities among minority-owned U.S companies. National Institute of Standards and Technology (NIST) – NIST is funded at $1.04 billion in the bill, including $153 million for the Manufacturing Extension Partnership program, an increase of $7 million above the FY 2020 enacted level. $789 million is also included for core NIST research activities, an increase of $35 million above the FY 2020 enacted level, to help advance U.S competitiveness, economic growth, cybersecurity and other important efforts. National Oceanic and Atmospheric Administration (NOAA) – The legislation contains $5.45 billion for NOAA, which is $101.9 million above the FY 2020 enacted level and $829.2 million above the request. Funding will help address important priorities such as climate research, improvements in weather forecasting, the reduction of harmful algal blooms, fisheries management, and STEM education.

Department of Justice (DOJ) – The bill funds DOJ at $33.2 billion, an increase of $972.5 million above the FY 2020 discretionary enacted level. These investments will strengthen protection for civil rights while sustaining Federal law enforcement efforts to thwart violent crime, fight human traffickers, and bring serious criminals to justice. This includes funding for the following:

Policing Reform and Racial Justice – Takes concrete actions and provides resources for meaningful change, including: $400 million for grants to carry out police reform initiatives, including: $100 million for pattern and practice investigations $250 million to implement statutes providing for independent investigation of law enforcement $25 million for community-based organizations aimed at improving law enforcement $25 million for pilot programs and the implementation of effective standards and programs aimed at improving management and addressing misconduct by law enforcement officers $77.5 million for Police-Community Relations Grant programs $50 million within Byrne JAG for training for state and local law enforcement on racial profiling, implicit bias, de-escalation, use of force, the duty to intervene when witnessing another officer using excessive force, and procedural justice Directs the Attorney General to establish a training program for Federal law enforcement officers on the use of force, de-escalation, racial profiling, implicit bias, and procedural justice, including training on the duty of Federal law enforcement officers to intervene in cases where another law enforcement officer is using excessive force against a civilian $27.2 million within Byrne JAG to help state and local law enforcement improve reporting on the use of force, comply with consent decrees and other reform measures, and create local task forces on public safety innovation $25 million for Federal investigation and prosecution support to address misconduct and systemic change in police organizations, and negates limits on such efforts begun by former Attorney General Sessions $8 million for Hate Crime Prevention and Prosecution Grants $5 million for a new National Task Force on Law Enforcement Oversight $4 million for Civilian Review Boards Requires state and local law enforcement agencies to begin or complete the process of obtaining accreditation from a certified law enforcement accreditation organization, as a precondition for receiving any fiscal year 2021 Justice Department funds. Requires state and local governments, as a precondition for receiving any fiscal year 2021 COPS or Byrne JAG funds, to comply with nine conditions aimed at improving police practices; eliminating racial profiling and implicit bias; eliminating excessive force and chokeholds; eliminating “no-knock” warrants in drug cases; eliminating contractual arrangements that prevent investigations of law enforcement misconduct; and eliminating sexual contact between police and persons in their custody. Requires at least 25 percent of a recipient’s Byrne JAG formula funds to be spent in specified ways aimed at improving police practices.

Other Justice Grant Programs – The bill additionally includes further responsible and effective investments in state and local justice, including: $525 million for Violence Against Women Act programs $251.5 million for the State Criminal Alien Assistance Program $142 million for DNA Initiative Grants $49 million for Grants to Reduce the Sexual Assault Kit Backlog $140 million for STOP School Violence Act programs $95 million for Victims of Trafficking grants $100 million for Second Chance Act programs $94.5 million for Missing and Exploited Children programs

Anti-Opioid Abuse – $412 million for grant programs authorized under the Comprehensive Addiction and Recovery Act, an increase of $34 million above the FY 2020 enacted level, to help stem this abuse, including for drug courts, treatment, prescription drug monitoring, and overdose-reversal drugs. The bill maintains Federal law enforcement resources to investigate and prosecute drug traffickers.

Federal Bureau of Investigation (FBI) – $9.7 billion for salaries and expenses, an increase of $235.4 million above the FY 2020 enacted level. The bill maintains critical FBI missions, including funding to continue to address cybercrime and cyberthreats, foreign intelligence, human trafficking, and NICS gun background checks. It also funds enhanced civil rights enforcement. Executive Office for Immigration Review (EOIR) – $730 million is provided, an increase of $61 million above the FY 2020 enacted level. This increase will allow for the continued hiring of immigration judges and support staff to address the immigration case backlog. Community Relations Service (CRS) – $20.3 million for CRS, an increase of $4.3 million above the FY 2020 enacted level. Bureau of Prisons (BOP) – $7.7 billion for salaries and expenses, an increase of $300 million above the FY 2020 enacted level. This includes not less than $165 million to continue progress in implementing the First Step Act, an increase of $90 million above the FY 2020 enacted level. Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) – The legislation contains $1.55 billion for ATF, an increase of $150 million above the FY 2020 enacted level. This funding will provide additional resources, including for expansion of the National Integrated Ballistic Information Network (NIBIN), to reduce violent gun crime.

National Aeronautics and Space Administration (NASA) – $22.63 billion, equal to the FY 2020 enacted level. This funding includes continued investments in human space exploration efforts, as well as other investments, including the following:

$819 million for Aeronautics research, an increase of $35 million above the FY 2020 enacted level and equal to the President’s budget request, to continue efforts to improve passenger safety, fuel efficiency, and noise reduction, and to make air travel more environmentally sustainable. $126 million for Science, Technology, Engineering, and Mathematics (STEM) Engagement, an increase of $6 million above the FY 2020 enacted level, to inspire young people to pursue future careers in science and engineering, and rejecting the Administration’s request to eliminate funding for these programs. National Science Foundation (NSF) –$8.55 billion, an increase of $270 million above the FY 2020 enacted level and $806.9 million above the request. These funds will foster innovation and U.S economic competitiveness, including funding for research on artificial intelligence, quantum information science, advanced manufacturing, physics, mathematics, cybersecurity, neuroscience, and STEM education. The bill also invests in important scientific infrastructure such as modernization of Antarctica facilities, as well as telescopes and research vessels. Within this total: Research and Related Activities are funded at $6.97 billion, an increase of $229.9 million above the FY 2020 enacted level; and Education and Human Resources are funded at $970 million, an increase of $30 million above the FY 2020 enacted level.

Equal Employment Opportunity Commission (EEOC) – $408.7 million, an increase of $19.2 million above the FY 2020 enacted level and $46.2 million above the Administration’s request.

Legal Services Corporation: The legislation provides $465 million for the Legal Services Corporation, an increase of $25 million above the FY 2020 enacted level, to help increase the availability of legal assistance in underserved communities.

Policy Provisions –

Eliminates section 201 of the Administration’s request, a longstanding provision that would have allowed up to $50,000 for additional Attorney General reception and representation expenses. Eliminates section 205 of the Administration’s request, a longstanding provision that would have allowed up to 5 percent of any appropriation to the Justice Department to be transferred between appropriations, with limits. Adds new restriction prohibiting funds in this Act from supporting Attorney General travel outside the National Capital Region. Adds new language prohibiting funding for law enforcement for crowd control, unless such law enforcement wears clearly visible identification showing their agency affiliation. Prohibits funding for more than five political appointees at the Census Bureau.

Division C – Energy and Water Development

Overview:

The Energy and Water Development bill funds the U.S Army Corps of Engineers, Department of the Interior programs, the Department of Energy, and other related agencies.

For fiscal year 2021, the legislation invests $49.6 billion in Energy and Water Development programs, an increase of $1.26 billion, or 3 percent, above the fiscal year 2020 enacted level. This funding will spur energy innovation that will create jobs and reinvigorate the economy while working to mitigate and adapt to climate change, improve the nation’s water infrastructure, and strengthen national security. The bill includes $23.1 billion for non-defense activities, $987 million below the fiscal year 2020 enacted level, and $26.5 billion for defense spending, an increase of $2.25 billion above the fiscal year 2020 enacted level.

To respond to the coronavirus pandemic and the ensuing economic recession, the bill provides an additional $43.5 billion in emergency spending. This funding builds and repairs water infrastructure projects and modernizes energy infrastructure for a clean energy future.

Bill Summary:

Army Corps of Engineers – For fiscal year 2021, the bill provides a total of $7.63 billion, an increase of $1.7 billion above the President’s budget request.

Investigations – The bill provides $151 million, equal to the FY 2020 enacted level and $48 million above the request. Construction – The bill provides $2.6 billion, $447 million above the request. Operation and Maintenance – The bill provides $3.84 billion, an increase of $48 million above the FY 2020 enacted level and $1.8 billion above the request. Harbor Maintenance Trust Fund projects receive $1.68 billion, an increase of $50 million above the FY 2020 enacted level and $665 million above the request. This meets the target set by authorizers for FY 2021 and represents 92 percent of estimated revenues compared to the FY 2021 target of 83 percent. The bill provides for seven new study starts and seven new construction projects.

In addition, to support the economic recovery from the coronavirus pandemic, the bill provides an additional $17 billion in emergency funding to accelerate work on Corps projects around the country, putting Americans back to work and improving water infrastructure while reducing the current backlog. This includes:

Investigations – The bill provides $110 million for feasibility studies. Construction – The bill provides $10 billion to accelerate projects that provide protection from floods, ensure navigable channels to move goods, and restore the environment. Operation and Maintenance – The bill provides $5 billion to address unmet operations and maintenance needs and repair damaged Corps projects across the country.

Department of the Interior and Bureau of Reclamation – For fiscal year 2021, the bill provides a total of $1.66 billion for the Department, an increase of $518 million above the President’s budget request.

Central Utah Project – The bill provides $20 million, the same as the FY 2020 level and an increase of $10 million above the request. Bureau of Reclamation – The bill provides $1.64 billion, an increase of $508 million above the request. Within Reclamation: The bill provides $502 million in additional funding for water resources projects, including those authorized in the Water Infrastructure Improvements for the Nation (WIIN) Act. Within additional funding, $100 million above the request is provided for rural water projects.

In addition, to support the economic recovery from the coronavirus pandemic, the bill provides an additional $3 billion in emergency funding to accelerate work on Department of the Interior and Bureau of Reclamation projects, putting Americans back to work and improving water infrastructure.

Department of Energy – For fiscal year 2021, the bill provides a total of $41 billion for the Department, an increase of $2.3 billion above the FY 2020 level and $5.1 billion above the President’s budget request.

Energy Efficiency and Renewable Energy – The bill provides $2.85 billion, an increase of $58 million above the FY 2020 level and $2.1 billion above the request. This funding provides for clean, affordable, and secure energy and ensures American leadership in the transition to a global clean energy economy. Cybersecurity, Energy Security, and Emergency Response – The bill provides $160 million, an increase of $4 million above the FY 2020 level. This funding provides for efforts to secure the nation’s energy infrastructure against all hazards, reduce the risks of and impacts from cybersecurity events, and assist with restoration activities. Electricity – The bill provides $195 million, an increase of $5 million above the FY 2020 level. This funding will advance technologies to increase the resiliency and efficiency of the nation’s electricity delivery system with capabilities to incorporate growing amounts of clean energy technologies. Nuclear Energy – The bill provides $1.4 billion, an increase of $256 million above the request. The funding invests in research, development, and demonstration activities that develop the next generation of clean and safe reactors, further improve the safety and economic viability of our current reactor fleet, and contribute to the nation’s long-term leadership in the global nuclear power industry. Fossil Energy Research and Development – The bill provides $728 million. This funding provides for research, development, and demonstration activities to ensure the safe, efficient, and environmentally sound use of fossil energy resources. Science – The bill provides $7.05 billion, an increase of $50 million above the FY 2020 level and $1.2 billion above the request. The Office of Science funds basic science research in physics, biology, chemistry, and other science disciplines to expand scientific understanding and secure the nation’s global leadership in energy innovation. Nuclear Waste Disposal – The bill provides $27.5 million for interim storage of nuclear waste and oversight of the Nuclear Waste Fund. Advanced Research Projects Agency—Energy – The bill provides $435 million, an increase of $10 million above the FY 2020 level and rejects the President’s proposal to eliminate the program. This funding supports research aimed at rapidly developing energy technologies that are capable of significantly changing the energy sector to address the nation’s critical economic, environmental, and energy security challenges. Indian Energy Policy and Programs – The bill provides $22 million, an increase of $14 million above the request. This funding will provide technical assistance, direct and remote education, policy research and analysis, and financial assistance to Indian tribes, Alaska Native Village and Regional corporations, and Tribal Energy Resource Development Organizations. National Nuclear Security Administration – The bill provides $18 billion for DOE’s nuclear security programs, an increase of $1.3 billion above the FY 2020 level. This funding will maintain a safe, secure, and credible nuclear deterrent while addressing the threat of nuclear proliferation and terrorism. This includes: Weapons Activities – $13.7 billion, an increase of $1.2 billion above the FY 2020 level to maintain a safe and reliable nuclear deterrent. Defense Nuclear Nonproliferation – $2.24 billion, an increase of $75 million above the FY 2020 level and $209 million above the request. This funding secures nuclear material at home and abroad, combats the threat of nuclear terrorism, and provides emergency response capabilities. Naval Reactors – $1.7 billion, an increase of $35.6 million above the FY 2020 level, to continue safe and reliable operation of the Navy’s nuclear-powered fleet. Environmental Management – The bill provides $7.46 billion, an increase of $1.4 billion above the request. This funding is used for nuclear cleanup work at 16 sites across the country. This includes: Non-Defense Environmental Cleanup – $315 million, an increase of $39 million above the request. Uranium Enrichment Decontamination and Decommissioning – $821.6 million, an increase of $15 million above the request. Defense Environmental Cleanup – $6.3 billion, an increase of $66 million above the FY 2020 level and $1.3 billion above the request. Loan Guarantee Programs – The bill rejects the President’s proposal to eliminate these programs and includes funding consistent with the FY 2020 levels. Power Marketing Administrations – The bill provides the net budget request levels for the Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration. The bill rejects the President’s proposal to sell the ***transmission*** assets of the PMAs, change the laws governing how the PMAs establish power rates, and repeal the borrowing authority for the Western Area Power Administration.

In addition, to support the economic recovery from the coronavirus pandemic, the bill provides an additional $23.5 billion in emergency funding for the Department of Energy to modernize energy infrastructure for a clean energy future.

Energy Efficiency and Renewable Energy – The bill provides $7.78 billion to deploy energy efficient and clean energy infrastructure throughout the country and ensure that low-income households across the country have energy-efficient, more livable homes. Electricity – The bill provides $3.35 billion to enhance the resilience, reliability, and security of electric grid infrastructure. Nuclear Energy – The bill provides $1.25 billion to build advanced nuclear reactor demonstrations and improve infrastructure at national laboratories. Fossil Energy – The bill provides $1.25 billion to build demonstrations in negative emissions technologies and carbon capture, utilization, and storage technologies and improve infrastructure at national laboratories. Science – The bill provides $6.25 billion for national laboratories, scientific user facilities, and universities to accelerate ongoing construction projects across the country. Advanced Research Projects Agency—Energy – The bill provides $250 million for demonstrations of transformational energy technologies. Environmental Management – The bill provides $3.13 billion to accelerate nuclear cleanup work at 16 sites across the country.

Independent Agencies

Nuclear Regulatory Commission – The bill provides a total net appropriation of $123 million, equal to the request. This funds regulatory activities to ensure the safe use of nuclear reactors and radioactive materials while protecting people and the environment. Defense Nuclear Facilities Safety Board – The bill provides $31 million, an increase of $2.2 million above the request. The Board provides recommendations regarding public health and safety matters at Department of Energy defense nuclear facilities. Appalachian Regional Commission – The bill provides $175 million, an increase of $10 million above the request. The Commission funds projects in the Appalachian Region to promote economic and community development, education and job training, and critical infrastructure. Delta Regional Authority – The bill provides $15 million, an increase of $12.5 million above the request, and rejects the President’s proposal to eliminate the Authority. This funding targets the economic development needs of distressed portions of the Mississippi River Delta Region. Denali Commission – The bill provides $15 million, an increase of $7.7 million above the request, and rejects the President’s proposal to eliminate the Commission. This funding provides critical utilities, infrastructure, health services, and economic support throughout Alaska. Northern Border Regional Commission – The bill provides $25 million, an increase of $24.1 million above the request, and rejects the President’s proposal to eliminate the Commission. This funding targets the economic development needs of distressed portions of Maine, New Hampshire, Vermont, and New York. Southeast Crescent Regional Commission – The bill provides $1 million, an increase of $1 million above the request. This funding targets the economic development needs of distressed portions of Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Virginia. Southwest Border Regional Commission – The bill provides $250,000, an increase of $250,000 above the request. This funding targets the economic development needs of distressed portions of Arizona, California, New Mexico, and Texas.

Policy Provision

The bill prohibits funding for nuclear weapons testing.

Division D – Financial Service and General Government

Overview:

The Financial Service and General Government bill provides annual funding for the Department of the Treasury, the Judiciary, the Executive Office of the President, and other independent agencies, including the Small Business Administration.

For fiscal year 2021, the bill includes $24.64 billion in discretionary funding, an increase of $808 million over the 2020 enacted level. In addition, to respond to the coronavirus pandemic and the ensuing economic recession, the bill provides $61 billion for broadband infrastructure and $6 billion for the modernization of Federal buildings.

The Financial Services and General Government bill supports a broad range of functions and services in both the Executive and Judicial branches that are essential to the operation of the Federal Government. In addition, the bill supports programs that assist and protect the public, such as shielding consumers from defective and dangerous products, assisting small businesses, investing in distressed communities, and ensuring the integrity of Federal elections. The bill includes significant funding increases to support these critical functions.

Bill Summary:

Department of the Treasury – For fiscal year 2021, the bill provides a total of $13.66 billion in discretionary appropriations for the Department, an increase of $601.4 million above the FY 2020 enacted level. The bill does not include the proposed transfer of the United States Secret Service from the Department of Homeland Security to the Department of the Treasury. Of the total provided for the Department of the Treasury, the bill includes:

$231.9 million for Departmental Offices Salaries and Expenses, an increase of $3.5 million above the FY 2020 enacted level and $9.6 million below the President’s budget request. $172.8 million for the Office of Terrorism and Financial Intelligence, an increase of $3 million above the FY 2020 enacted level, to continue investments to protect the integrity of the financial system. $127 million for the Financial Crimes Enforcement Network, an increase of $1 million above the FY 2020 enacted level, to boost efforts to combat terrorist financing and money laundering. $121.8 million for the Alcohol and Tobacco Tax and Trade Bureau, an increase of $2.2 million above the FY 2020 enacted level. $273.5 million for Community Development Financial Institutions, an increase of $11.5 million above the FY 2020 enacted level and a rejection of the proposal in the President’s budget to eliminate the program entirely. The total amount includes $10 million to increase the availability and affordability of small-dollar loans. $231.4 million for Inspectors General offices for the Treasury Department, an increase of $3.2 million above the President’s budget request, to ensure robust oversight of Departmental policies and practices. Internal Revenue Service (IRS) – The bill includes $12.1 billion for the IRS, an increase of $606.4 million above the FY 2020 enacted level. Of this amount, the bill includes: $2.6 billion, an increase of $91 million above the FY 2020 enacted level, for Taxpayer Services. This total includes growth for the Volunteer Income Tax Assistance Matching Grants Program, Low Income Taxpayer Clinic, and the Taxpayer Advocate as well as continued support for Tax Counseling for the Elderly. $5.2 billion, an increase of $196 million above the FY 2020 enacted level, for Enforcement. $4.1 billion, an increase of $249 million above the FY 2020 enacted level, for Operations Support. $250 million, an increase of $70 million above the FY 2020 enacted level, for Business Systems Modernization.

Executive Office of the President – The bill includes a total of $741.2 million, an increase of $14.2 million above the FY 2020 enacted level and $387.8 million above the President’s budget request.

Office of Management and Budget (OMB) – The bill provides $107.2 million for OMB, an increase of $5.6 million above the FY 2020 enacted level and $8.5 million below the President’s budget request.

Office of National Drug Control Policy (ONDCP) – The bill rejects the Administration’s proposed transfer or elimination of ONDCP grant programs and includes: $290 million for the High Intensity Drug Trafficking Areas Program, an increase of $5 million above the FY 2020 enacted level; and $102 million for the Drug-Free Communities Program, an increase of $750,000 above the FY 2020 enacted level.

The Judiciary – The bill includes a total of $7.8 billion in discretionary appropriations, an increase of $287 million above the FY 2020 enacted level.

Courts of Appeals, District Courts, and Other Judicial Services – $5.4 billion, an increase of $163 million above the FY 2020 enacted level, to support court operations and increased services in Probation and Pretrial. Defender Services – $1.32 billion, an increase of $88 million above the FY 2020 enacted level, to support operations and expenses associated with panel attorney compensation. Court Security – $664 million, an increase of $25 million above the FY 2020 enacted level, to support security needs and protective services in courthouses, as identified by the U.S Marshals Service.

Additionally, the bill extends temporary judgeships in several districts.

District of Columbia – The bill includes a total of $762.1 million, an increase of $47.8 million above the FY 2020 enacted level and $8.8 million above the President’s budget request.

$40 million for D.C Resident Tuition Support, reversing the elimination of the program proposed by the Administration. $4 million, an increase of $1 million above the President’s request, for HIV/AIDS Testing and Treatment to help prevent the spread of HIV/AIDS in the District of Columbia. $8 million, equal to the FY 2020 enacted level, to fund infrastructure improvements for the D.C Water and Sewer Authority.

In addition, the bill removes objectionable policy riders previously carried that intrude on home rule in the District of Columbia:

Eliminates a ban on the use of local funds for abortion services; Eliminates a ban on the use of local funds to legalize marijuana; Eliminates a ban on the use of funds for needle exchange programs; and Eliminates a provision appropriating local District funds.

The bill also restricts the President’s ability to federalize the District of Columbia Metropolitan Police Department.

Independent Agencies:

Consumer Product Safety Commission (CPSC) – The bill funds the CPSC at $137 million, an increase of $4.5 million above the FY 2020 enacted level and $2 million above the President’s request. Within the total, $1.3 million is provided for Virginia Graeme Baker Pool Safety grants. Election Assistance Commission (EAC) – The bill provides $500 million for Election Security Grants, an increase of $75 million above the FY 2020 enacted level, to augment State efforts to improve the security and integrity of elections for Federal office. In addition, $19.1 million is included for EAC operating expenses, an increase of $3.9 million above the FY 2020 enacted level and $6 million above the President’s budget request. Federal Communications Commission (FCC) – The bill includes $376.1 million for the FCC, an increase of $37.1 million above the FY 2020 enacted level. This includes funding to implement new broadband mapping legislation. Additionally, the bill includes $61 billion in emergency funding for the FCC to expand availability of broadband to unserved areas, as well as multi-year funding for broadband mapping and replacement of telecommunications equipment deemed to pose a national security threat to the United States. Federal Trade Commission (FTC) – The bill includes $341 million for the FTC, an increase of $10 million above the FY 2020 enacted level, to bolster antitrust and consumer protection work. General Services Administration (GSA) Federal Buildings Fund (FBF) – The bill includes $9.1 billion in spending authority for the FBF. The total funding level includes: $201 million for Washington, DC Department of Homeland Security Consolidation at St. Elizabeths; $9 million for Washington, DC Southeast Federal Center Remediation; $586 million for Repairs and Alterations; and Additionally, the bill provides $6 billion for land port of entry modernization, construction, repairs and alterations to Federal buildings, and administrative support for portfolio management. National Archives and Records Administration (NARA) – The bill provides $361.5 million for NARA operating expenses, an increase of $2.5 million above the FY 2020 enacted level and $4.5 million above the President’s request. Of this amount, $2 million is provided for implementation of the Civil Rights Cold Case Record Collections Act of 2018. In addition, the bill includes $7 million for the National Historical Publications & Records Commission Grants Program. Office of Personnel Management (OPM) – The bill includes $339 million, an increase of $8.5 million above the FY 2020 enacted level, for OPM to manage and provide guidance on Federal human resources and administer Federal retirement and health benefit programs. Securities and Exchange Commission (SEC) – The bill includes $1.92 billion, an increase of $105 million above the FY 2020 enacted level, for SEC salaries and expenses. The bill also provides funding for move costs related to the SEC’s headquarters and San Francisco regional offices. Small Business Administration (SBA) – The bill provides a total of $939.4 million for SBA, an increase of $200.4 million above the President’s budget request. Of this amount, the bill includes $277 million, an increase of $16 million above the FY 2020 enacted level and $109.4 million above the President’s request, for Entrepreneurial Development Programs, including: $140 million for Small Business Development Centers; $35 million for Microloan Technical Assistance; $20.5 million for the State Trade Expansion Program; and $24.5 million for Women’s Business Centers.

Policy Provisions –

Federal Employment for DACA Recipients – Includes new language making DACA recipients eligible for Federal employment. Federal Worker Protections – Includes a new provision prohibiting Federal agencies from imposing new union contracts that were not agreed to through good faith collective bargaining negotiations. Implementation of Social Media EO – Includes new language blocking the FTC and FCC from needlessly expending resources implementing an executive order on online platforms before Congress completes its work in this area. Blocks OPM Merger with GSA – Includes new language rejecting the Administration’s proposed merger of OPM with GSA. Commission on Federal Naming and Displays – Includes a new provision that creates a commission to identify and recommend name changes or removal of Federal property that is inconsistent with the values of diversity, equity, and inclusion.

Campaign Finance Transparency – Eliminates three provisions that limit transparency into political spending.

Apportionment Transparency – Includes a new provision requiring OMB to make apportionments of appropriations publicly available in a timely manner.

GAO Responsiveness to Congress – Includes new provisions requiring executive agencies to provide information to the Government Accountability Office promptly.

Improvements in Budget Execution – Includes a new provision that requires budget authority be made available prudently for obligation.

Border Wall – Includes a provision to prohibit the use of funds from the Treasury Forfeiture Fund for the construction of the President’s border wall.

Division E – Homeland Security

Overview:

The Homeland Security bill provides annual funding for the components of the Department of Homeland Security.

The bill provides $50.72 billion in discretionary funding, including $48.1 billion in nondefense discretionary funding, the same level as fiscal year 2020; $2.6 billion in defense funding, $250 million more than in fiscal year 2020; $5.1 billion in funding for disaster relief; and $215 million for overseas contingency operations.

Bill Summary:

Management – The bill provides $3.5 billion for the Office of the Secretary, executive management, and departmental management, an increase of $209.6 million above the fiscal year 2020 enacted level and $1.1 million above the President’s budget request, including:

$144.7 million, as requested, to maintain the current schedule for development of the DHS headquarters campus at St. Elizabeths. $36.2 million for the Office of Civil Rights and Civil Liberties, an increase of $7.4 million above the fiscal year 2020 enacted level and $11.4 million above the request; and $20 million for the Office of Immigration Detention Ombudsman, an increase of $10 million above the fiscal year 2020 enacted level and $20 million above the request.

U.S Customs and Border Protection (CBP) – The bill provides $14.6 billion in discretionary appropriations for CBP, $75.1 million below the fiscal year 2020 enacted level and $1.15 billion below the request, including increases above the request of:

$172 million for 1,150 new positions, as follows: $132 million for 850 CBP Officers; $10 million for 100 support personnel; and $30 million for 200 ***agriculture*** specialists; $531 million for new technology, including: $190 million for non-intrusive imaging technology; $190 million for border security technology; $45 million for innovative technology; $20 million for port of entry technology; and $86 million for three Multi-Role Enforcement Aircraft;

$75 million for environmental mitigation of border barrier construction; $14 million for body worn cameras and other camera systems; and $20 million for the Office of Professional Responsibility to ensure that cameras in holding areas are operational. Provides no funding for additional Border Patrol Agents or border barriers. Rescinds $1.375 billion from the fiscal year 2020 Procurement, Construction, and Improvements ***account*** in response to the President’s diversion of Department of Defense funding for border barrier construction.

U.S Immigration and Customs Enforcement (ICE) – The bill provides $7.41 billion in discretionary appropriations for ICE, $673.8 million below the fiscal year 2020 enacted level and $2.5 billion below the President’s budget request, including:

$3.31 billion for Enforcement and Removal Operations – $1.12 billion below the 2020 enacted level and $2.4 billion below the request, including:

$2.06 billion for an average daily population of 22,000 single adults in detention, of which 12,000 beds are unavailable during the public health emergency; A phase out of family detention by the end of 2020; and $146.7 million above the request to continue expanding Alternatives to Detention.

$2.26 billion for Homeland Security Investigations, an increase of $220.1 million above the fiscal year 2020 enacted level and $39.2 million below the request. $510 million above the request to partially address the detention facility backlog for repairs and improvements at existing locations.

Transportation Security Administration (TSA) – The bill includes $8.1 billion for TSA, an increase of $297.9 million above the fiscal year 2020 enacted level and $479.1 billion above the request, including:

$62.7 million to sustain Visible Intermodal Prevention and Response teams; $46.4 million to sustain the Local Law Enforcement Reimbursement Program; $90.1 million to continue funding TSA staffing of certain exit lanes; $75 million for computed tomography screening equipment, $46.1 million above the request; $55 million credential authentication and standoff detection technology; and $20 million for reimbursements to airports for legacy purchases of in-line explosive detection systems.

Coast Guard – The bill includes $12.8 billion for the Coast Guard, an increase of $850.7 million above the 2020 enacted level and $711.2 million above the request, as follows:

$8.56 billion for Operations and Support, an increase of $379 million above the fiscal year 2020 enacted level and $182.5 million above the request. Increases above the request include: $17.3 million to support training and course development, retention and recruitment, and mental health services; $78 million for operational and asset readiness, including cyber, satellite, and other communications upgrades; $26.9 million for Command, Control, Communications, Computers, Cyber, and Intelligence systems; and $25 million for critical shore infrastructure and fleet maintenance. $2.16 billion for Procurement, Construction, and Improvements, an increase of $386.3 million above the fiscal year 2020 enacted level and $521.7 million above the request, including: $555 million for procurement of a 2nd Polar Security Cutter; $260 million for four Fast Response Cutters; $546 million for the Offshore Patrol Cutter program; $120 million for one HC-130J aircraft; and $312.9 million for Shore Facilities and Aids to Navigation, including $166.2 million above the request for shore facilities and housing.

United States Secret Service – The bill includes $2.4 billion for the United States Secret Service (USSS), an increase of $17 million above the fiscal year 2020 enacted level and $72.3 million above the request, including:

$17.5 million for additional overtime pay and retention incentives; $14 million for operational mission support; $20 million for radio modernization; $29.1 million for basic and advanced computer forensics training for state and local law enforcement officers, judges, and prosecutors in support of the Secret Service mission; and

Cybersecurity and Infrastructure Security Agency (CISA) – The bill includes $2.25 billion for CISA, an increase of $239.1 million above the fiscal year 2020 enacted level and $496.9 million above the request, including increases above the request of:

$240.9 million to reverse proposed programmatic reductions and to sustain prior year investments; $32.6 million for cyber defense education and training; $51.54 million for cybersecurity mission system engineering; $6 million for Hunt and Incident Response Teams; $11.6 million to establish a Joint Cyber Center for National Cyber Defense; $19.4 million for the Multi-State Information Sharing and Analysis Center; and $10 million for vulnerability management infrastructure; $18 million for supply chain risk management; and $8.1 million for cyber technical assistance to state, local, tribal, and territorial governments; and $25.1 million for Next Generation Networks Priority Services.

Federal Emergency Management Agency (FEMA) – The bill includes $10.8 billion for FEMA, $11.7 billion below the fiscal year 2020 enacted level and $1.24 billion above the request, as follows:

$3.66 billion for grants and training, an increase of $473.9 million above the fiscal year 2020 enacted level and $1.18 billion above the request, including:

$795 million for the Urban Area Security Initiative, an increase of $130 million above fiscal year 2020, including: $180 million for nonprofit security grants, an increase of $130 million above fiscal year 2020; $700 million for the State Homeland Security Grant Program, an increase of $140 million above fiscal year 2020, including: $180 million for nonprofit security grants, an increase of $140 million above fiscal year 2020; $770 million for firefighter grants, an increase of $60 million above fiscal year 2020; $110 million for Port Security Grants, an increase of $10 million above fiscal year 2020; $110 million for Transit Security Grants, an increase of $10 million above fiscal year 2020; $385 million for Emergency Management Performance Grants, an increase of $30 million above fiscal year 2020; $75 million for Alternatives to Detention Case Management grants; and $150 million for the Emergency Food and Shelter Program, an increase of $25 million above fiscal year 2020.

$5.65 billion for the Disaster Relief Fund, $12.2 billion below fiscal year 2020 and equal to the request, including $5.1 billion for major disasters.

U.S Citizenship and Immigration Services (USCIS) ­– The bill includes $183.9 million for USCIS, an increase of $51.6 million above the fiscal year 2020 enacted level and $65.3 million above the request, including:

$8.8 million for the Office of Citizenship; $37 million for the Systematic Alien Verification for Entitlements (SAVE) program; and $20 million for the Citizenship and Integration Grant program.

Federal Law Enforcement Training Centers (FLETC) – The bill provides $343.9 million for FLETC, $7.2 million below the fiscal year 2020 enacted level and $12.5 million above the request, including:

$4.7 million to expand use of force training to state and local law enforcement personnel.

Science and Technology (S&T) – The bill includes $755.3 million for S&T, an increase of $18 million above the fiscal year 2020 enacted level and $111.6 million above the request, including:

$41.6 million for University Centers of Excellence, an increase of $4.5 million above the fiscal year 2020 enacted level and $23.3 million above the request; and $5.2 million for the Minority Serving Institutions (MSI) Program, an increase of $1.76 million above the fiscal year 2020 enacted level and the request.

Countering Weapons of Mass Destruction Office (CWMD) – The bill includes $395.3 million for CWMD, $37 million below the fiscal year 2020 enacted level and $18.1 million over the request.

Policy Provisions –

Prohibits construction of border barriers, except with funds appropriated for that purpose in prior years. Provides no authority to transfer funds among appropriations ***accounts***, and eliminates most reprogramming authority. Prohibits ICE from removing individuals based on information provided by the Office of Refugee Resettlement related to a sponsor’s application to accept custody of an unaccompanied child or based on an unaccompanied child’s counseling sessions. Ensures access by Members of Congress to detention facilities. Prohibits DHS from obstructing migrant access to legal counsel, including access to prospective pro bono counsel. Requires know-your-rights presentations for anyone held in CBP custody for more than 72 hours. Requires goals and metrics reporting for pilot programs. Prohibits the removal of individuals with pending U-visas and T-visas. Establishes a Cybersecurity Advisory Committee to make recommendations for improvements to advance the cybersecurity mission of the Agency. Prohibits the removal of individuals eligible for Deferred Action for Childhood Arrivals or Temporary Protected Status. Prohibits ICE from changing the current waiver of the in-person course requirement for current and new students attending U.S universities on M-1 or F-1 visas during the pandemic. Prohibits the use of funds to implement or carry out the Return to Mexico program, asylum cooperative agreements, or credible fear interviews by anyone other than a USCIS employee. Prohibits the use of federal funds for ICE to operate a citizen academy program for its enforcement and removal operations mission. Allows unused family-based, employment-based, and diversity lottery visas from fiscal year 2020 to remain available in fiscal year 2021 and allows unused fiscal year 2021 visas to remain available in fiscal year 2022. Forgives all outstanding balances of FEMA Community Disaster Loans. Requires ICE to temporarily stay the removal of certain alien beneficiaries of private bills based on bipartisan requests for information from the Judiciary Committee.

Division F – Labor-HHS-Education

Overview:

The Labor-HHS-Education bill includes funding for programs within the Departments of Labor, Health and Human Services, and Education, and other related agencies, including the Social Security Administration.

The LHHS bill supports some of the nation’s most critical programs that touch individuals and families throughout their lifespan, from Early Head Start to Social Security. The bill continues to invest in programs that provide opportunities for millions of families, so that every individual has a better chance at a better life – with a good education, a good job, and access to affordable health care.

For fiscal year 2021, the draft bill includes $196.5 billion in overall funding, an increase of $2.4 billion above the FY 2020 enacted level and $20.8 billion above the President’s 2021 budget request after ***accounting*** for offsets and adjustments.

In addition, to rebuild this nation’s aged public health infrastructure, the bill provides $24.425 billion in emergency spending. This funding will support State and local public health departments, public health laboratories, and global health activities, which is critical to national resilience from this and future public health threats. The bill also includes contingency funding to help States meet unanticipated unemployment insurance workloads.

Bill Summary:

Department of Labor (DOL) – The bill provides a total of $12.7 billion in discretionary appropriations for DOL, an increase of $254 million above the FY 2020 enacted level and $1.6 billion above the President’s budget request. Of this amount, the bill includes:

$10.2 billion for the Employment Training Administration, an increase of $187 million above the FY 2020 enacted level and $1.5 billion above the President’s budget request. Within this amount, the bill includes: $2.9 billion for Workforce Innovation and Opportunity Act State Grants, an increase of $50 million above the FY 2020 enacted level and President’s budget request. $96 million for Migrant and Seasonal Farmworkers, an increase of $4 million above the FY 2020 enacted level. The President’s budget request proposes to eliminate this program. $103 million for the Reintegration of Ex-Offenders, an increase of $5 million above the FY 2020 enacted level and $10 million above the President’s budget request. $185 million for Registered Apprenticeships, an increase of $10 million above the FY 2020 enacted level and $15 million below the President’s budget request. The bill rejects the Administration’s proposal to fund Industry Recognized Apprenticeship Programs and continues language allowing funds only to support Registered Apprenticeships. $101 million for YouthBuild, an increase of $6 million above the FY 2020 enacted level and $16 million above the President’s budget request. $50 million, an increase of $10 million over the FY 2020 enacted level, to continue and expand Strengthening Community College Training Grants to help meet local and regional labor market demand for a skilled workforce by providing training to workers in in-demand industries at community colleges and four-year partners. The President’s budget request proposes to eliminate this program. $1.76 billion for Job Corps, an increase of $12 million above the FY 2020 enacted level and $740 million above the President’s budget request. $410 million for the Senior Community Service Employment for Older Americans Program, an increase of $5 million above the FY 2020 enacted level. The President’s budget request proposed to eliminate this program. $2.6 billion for operation of the Unemployment Insurance program, an increase of $109 million above the FY 2020 enacted level and the same as the President’s budget request. The bill also includes $925 million in emergency contingency funding to help States address spikes in unemployment claims. $78 million for Foreign Labor Certification, an increase of $9 million above the FY 2020 enacted level and $2 million below the President’s budget request. Funds will help support Federal oversight and enforcement of regulations and assist States in reviewing and conducting oversight of processing applications.

$1.7 billion for Worker Protection Agencies, an increase of $15 million above the FY 2020 enacted level and $5 million below the President’s budget request. Within this amount, the bill includes: $246 million for the Wage and Hour Division, an increase of $4 million above the FY 2020 enacted level and $2 million above the President’s budget request. $594 million for the Occupational Safety and Health Administration, an increase of $12 million above the FY 2020 enacted level and $17 million above the President’s budget request. $42 million for the Office of Labor-Management Standards, a decrease of $1 million below the FY 2020 enacted level and $8 million below the President’s budget request. $15 million for the Women’s Bureau, an increase of $1 million above the FY 2020 enacted level and $12 million above the President’s budget request. $58 million for the Homeless Veterans Reintegration Program, an increase of $3 million above the FY 2020 enacted level and the President’s budget request.

Department of Health and Human Services (HHS) – The bill provides a total of $96.4 billion for HHS, an increase of $1.5 billion above the FY 2020 enacted level and $11.1 billion above the President’s budget request.

National Institutes of Health (NIH) – The bill provides a total of $47 billion for NIH, an increase of $5.5 billion above the FY 2020 enacted level. The bill provides $42 billion in annual appropriations, an increase of $500 million above the 2020 enacted level and $8.6 billion above the President’s budget request, as well as $5 billion in emergency appropriations. The bill increases funding for each Institute and Center by no less than 7 percent to support a wide range of critical research on diseases and conditions that affect individuals and families all over the world. Additionally, the bill provides targeted investments in several high-priority areas, including: $5 billion in emergency funding to improve capacity at research institutions; $240 million for Universal Flu Vaccine Research, an increase of $40 million above the FY 2020 enacted level; $3.1 billion for HIV/AIDS research, an increase of $37 million above the FY 2020 enacted level; $2.9 billion for Alzheimer’s disease and related dementias research, an increase of $35 million above the FY 2020 enacted level; $65 million for the INCLUDE Down syndrome research initiative, an increase of $5 million above the FY 2020 enacted level; $25 million for firearm injury and mortality prevention research, an increase of $12.5 million above the FY 2020 enacted level; $80 million for Research Centers in Minority Institutions, an increase of $5 million above the FY 2020 enacted level; $397 million for Institutional Development Awards, an increase of $10 million above the FY 2020 enacted level; and Continued robust investments in initiatives such as the Cancer Moonshot, All of Us Precision Medicine Initiative, BRAIN Initiative, Opioids research, combating antibiotic-resistant bacteria, and Clinical and Translational Science Awards. Centers for Disease Control and Prevention (CDC) – The bill includes a total of $8 billion for CDC, an increase of $232 million above the FY 2020 enacted level, not including a one-time transfer in 2020 from the Nonrecurring Expenses Fund, and $925 million above the President’s budget request. This includes $856 million in transfers from the Prevention and Public Health Fund.

In addition, the bill includes $9 billion in emergency supplemental appropriations for CDC to improve the nation’s preparedness for public health emergencies.

The bill includes $25 million, an increase of $12.5 million above the FY 2020 enacted level, to specifically support firearm injury and mortality prevention research. The bill includes significant investments in our nation’s public health infrastructure including: $50 million for the multi-year effort to modernize public health ***data*** surveillance and analytics at CDC, State and local health departments, and the National Center for Health ***Statistics***. $56 million, an increase of $5 million above the FY 2020 enacted level, in public health workforce initiatives. $700 million, an increase of $25 million above the FY 2020 enacted level, for public health emergency preparedness cooperative agreements. $363 million, an increase of $10 million above the FY 2020 enacted level, for epidemiologic and laboratory support at State and eligible public health agencies. The bill provides increases for numerous public health efforts, including: $65 million, an increase of $2 million above the FY 2020 enacted level, for food safety. $240 million, an increase of $10 million above the FY 2020 enacted level, to address tobacco and e-cigarettes. $150 million, an increase of $10 million above the FY 2020 enacted level to support CDC’s efforts to reduce new HIV infections by 90 percent in 10 years. $30 million, an increase of $3 million above the FY 2020 enacted level, for the Diabetes Prevention Program. $67 million, an increase of $7 million above the FY 2020 enacted level, for the only Federal program addressing the nation’s racial and ethnic health disparities, Racial and Ethnic Approach to Community Health (REACH), including $23 million, an increase of $2 million, for Good Health and Wellness in Indian Country. $68 million, an increase $10 million above the FY 2020 enacted level, for safe motherhood. $15 million, an increase of $5 million above the FY 2020 enacted level, for the health impacts of climate change. $10 million for a new effort focused on social determinates of health. $10 million for a new effort focused on healthy aging. $10 million to continue the Flint, Michigan Lead Exposure Registry. $2 million, an increase of $1 million above the FY 2020 enacted level, for child sexual abuse prevention. $7.5 million, an increase of $2 million above the FY 2020 enacted level, for domestic violence prevention.

The bill includes $9 billion in emergency supplemental funding for the following public health and emergency response activities:

$4 billion for enhanced public health prevention efforts, including an influenza vaccination campaign. $2 billion for Public Health Emergency Preparedness cooperative agreements to increase State and local public health emergency response capabilities. $1 billion to improve capabilities at State and local public health laboratories. $1 billion to strengthen global public health preparedness and response capacity. $400 million for the multi-year effort to modernize public health ***data*** surveillance and analytics. $400 million for the Infectious Diseases Rapid Response Reserve Fund. $200 million for public health workforce development, including the doubling of the Epidemic Intelligence Service fellowship program.

Substance Abuse and Mental Health Services Administration (SAMHSA) – The bill funds SAMHSA at $6 billion – an increase of $96 million above the FY 2020 enacted level and $238 million above the President’s budget request. SAMHSA funding includes increased support for: Mental health resources for children and youth including $107 million for Project AWARE, an increase of $5 million above the FY 2020 enacted level; and $72 million for the National Child Traumatic Stress Initiative, an increase of $3 million above the FY 2020 enacted level. Suicide prevention including $21 million for the Zero Suicide program, an increase of $5 million above the FY 2020 enacted level; and $21 million for the Suicide Lifeline, an increase of $2 million above the FY 2020 enacted level. $35 million for a new set-aside in the mental health block grant to support mental health crisis systems. Substance use treatment: $3.8 billion, an increase of $10 million above the FY 2020 enacted level, including continued funding for opioid prevention and treatment, recovery and tribal-focused treatment efforts. Substance abuse prevention: $209 million, an increase of $3 million above the FY 2020 enacted level. Health Resources and Services Administration (HRSA) – The bill includes $7.2 billion for HRSA, an increase of $159 million above the 2020 enacted level and $907 million above the President’s budget request. The amount includes: $1.65 billion, an increase of $25 million above the FY 2020 enacted level, for the Health Centers program, including $10 million to support school-based health centers; $2.4 billion, an increase of $25 million above the FY 2020 enacted level, for the Ryan White HIV/AIDS program; $65 million in Health Centers and $95 million in the Ryan White HIV/AIDS program for the Domestic HIV/AIDS Initiative; $1.2 billion, an increase of $48 million above the FY 2020 enacted level, for HRSA’s Bureau of Health Professions programs to support the medical workforce; $981 million, an increase of $37 million above the FY 2020 enacted level, for programs to improve maternal and child health, including an additional $25 million for the Maternal and Child Health Block Grant; $334 million, an increase of $16 million above the FY 2020 enacted level, for Rural Health Programs, including increases for telehealth and rural hospitals; and $33 million, an increase of $5.5 million above the FY 2020 enacted level, for Organ Transplantation to expand support for living organ donors. Agency for Healthcare Research and Quality (AHRQ) – The bill provides $343 million for AHRQ, an increase of $5 million above the FY 2020 enacted level. Centers for Medicare and Medicaid Services (CMS) – The bill provides $4 billion for CMS administrative expenses, an increase of $315 million above the FY 2020 enacted level and $291 million above the President’s budget request. This funding level includes an increase of $10 million above the FY 2020 enacted level for State Survey and Certification activities to support additional health and safety inspections of nursing home facilities.

The bill also directs CMS to use $100 million in carryover funds from ACA user fees to support the ACA Navigators program, as well as outreach, enrollment, and advertising during the ACA open enrollment period.

Administration for Children and Families (ACF) – The bill provides $24.8 billion in discretionary funding for ACF, an increase of $317 million above the FY 2020 enacted level and $4.6 billion above the President’s budget request. Early childhood programs receive an increase of $275 million above the FY 2020 enacted level:

$5.9 billion for the Child Care and Development Block Grant, an increase of $100 million above the FY 2020 enacted level; $10.8 billion for Head Start, an increase of $150 million above the FY 2020 enacted level; and $300 million for Preschool Development Grants, an increase of $25 million above the FY 2020 enacted level. $3.8 billion for the Low Income Home Energy Assistance Program, an increase of $25 million above the FY 2020 enacted level. $750 million for the Community Services Block Grant, an increase of $10 million above the FY 2020 enacted level. $193 million for Child Abuse Prevention and Treatment Act programs, an increase of $12.5 million above the FY 2020 enacted level.

Administration for Community Living (ACL) – The bill funds ACL at $2.3 billion, an increase of $56 million above the FY 2020 enacted level and $171 million above the President’s budget request. This amount includes: $957 million for Senior Nutrition programs, an increase of $20 million above the FY 2020 enacted level; $400 million for Home and Community-based Supportive Services, an increase of $10 million above the FY 2020 enacted level; and $206 million for Family and Native American Caregivers Services, an increase of $10 million above the FY 2020 enacted level. Office of the Secretary—General Departmental Management – The bill provides $523 million, a reduction of $22 million below the FY 2020 enacted level and an increase of $102 million above the President’s budget request. The amount includes: $101 million for the Teen Pregnancy Prevention program, equal to the FY 2020 enacted level. $65 million for the Office of Minority Health, an increase of $6 million above the FY 2020 enacted level. $57 million for the Minority HIV/AIDS Initiative, an increase of $3 million above the FY 2020 enacted level. $37 million for the Office on Women’s Health, an increase of $3 million above the FY 2020 enacted level. $5 million for KidneyX, equal to the FY 2020 enacted level, for a public-private partnership to accelerate the development and adoption of novel therapies and technologies to improve the diagnosis and treatment of kidney diseases. No funding for abstinence-only education. Public Health and Social Services Emergency Fund (PHSSEF) – The bill provides $2.8 billion for PHSSEF, an increase of $90 million above the FY 2020 level and $186 million above the President’s budget request.

In addition, the bill includes $4.5 billion in emergency supplemental appropriations for BARDA to support advanced research and development and advanced manufacturing of vaccines and therapeutics to improve the nation’s preparedness for public health emergencies.

$300 million, an increase of $25 million above the FY 2020 enacted level, for Hospital Preparedness Program formula grants. $310 million, an increase of $50 million above the FY 2020 enacted level, for pandemic influenza. $10 million for pediatric disaster care. $5 million for a new effort to support the implementation of the National Biodefense Strategy. $562 million for the Biomedical Advanced Research and Development Authority (BARDA), equal to the FY 2020 enacted and the President’s budget request. $735 million for Project BioShield, equal to the FY 2020 enacted level and $200 million above the President’s budget request. $705 million for the Strategic National Stockpile, equal to the FY 2020 enacted and the President’s budget request. At least $11 million for the National Emerging Special Pathogen Training and Education Center (NETEC) and 10 existing regional Ebola and other special pathogen treatment centers.

The bill includes emergency supplemental funding to support advanced research, development, manufacturing, production, and purchase of vaccines and therapeutics; enhancements to domestic vaccine production facilities; and innovation in antibacterial research and development:

$3.5 billion for Biomedical Advanced Research and Development Authority (BARDA) to support advanced research and development, and advanced manufacturing of vaccines and therapeutics. $500 million for BARDA to support and promote innovation in antibacterial research and development. $500 million for BARDA to support U.S -based next generation vaccine manufacturing facility enhancements.

Public Health Emergency Fund – The bill provides $5 billion to deposit in a permanent emergency fund to ensure the Department of Health and Human Services is able to respond quickly and aggressively to a broad range of public health threats and protect the American people.

Department of Education (ED) – The bill provides a total of $73.5 billion in discretionary appropriations for ED, an increase of $716 million above the FY 2020 enacted level and $6.9 billion above the President’s budget request. Of this amount, the bill includes:

$16.6 billion for Title I Grants to Local Educational Agencies, an increase of $254 million above the FY 2020 enacted level. The President’s budget proposes to eliminate this program.

$14.1 billion for Special Education, an increase of $208 million above the FY 2020 enacted level and $108 million above the President’s budget request. The amount includes: $13 billion for Part B Grants to States, an increase of $194 million above the FY 2020 enacted level and $94 million above the President’s budget request, and $25 million for Special Olympics education programs, an increase of $5 million above the FY 2020 enacted level and the President’s budget request. $2.2 billion for Supporting Effective Instruction State Grants (Title II-A), an increase of $23 million above the FY 2020 enacted level. The President’s budget proposes to eliminate this program. $797 million for English Language Acquisition, an increase of $10 million above the FY 2020 enacted level. The President’s budget proposes to eliminate this program. $1.2 billion for Student Support and Academic Enrichment State Grants, an increase of $10 million above the FY 2020 enacted level. The President’s budget proposes to eliminate this program. $1.3 billion for Nita M. Lowey 21st Century Community Learning Centers, an increase of $13 million above the FY 2020 enacted level. The President’s budget proposes to eliminate this program. $400 million for the Charter School Program, $40 million below the FY 2020 enacted level. The President’s budget request proposes to eliminate this program. $85 million, an increase of $20 million over the FY 2020 enacted level, for grants to expand opportunities in Science, Technology, Engineering, and Math (STEM), including computer science within the Education Innovation and Research program. The President’s budget proposes to eliminate this program. $172 million for a Social-Emotional Learning (SEL) Initiative to support SEL and “whole child” approaches to education. Within this amount, the bill provides: $110 million, an increase of $45 million over the FY 2020 enacted level, for grants for evidence-based, field-initiated innovations that address student social, emotional, and cognitive needs within the Education Innovation and Research program. The President’s budget proposes to eliminate this program; $22 million to continue funding for grants within the Supporting Effective Educator Development (SEED) program with a priority for teacher professional development and pathways into teaching that provide a strong foundation in child development and learning, including skills for implementing SEL strategies. The President’s budget proposes to eliminate this program; $10 million within the School Safety National Activities program to continue funding for grants that will make schools safer by helping LEAs directly increase the number of mental health and child development experts in schools. The President’s budget proposes to eliminate this program; and $30 million, an increase of $5 million over the FY 2020 enacted level, for Full-Service Community Schools to provide comprehensive services and expand evidence-based models that meet the holistic needs of children, families, and communities. The President’s budget proposes to eliminate this program. Career, Technical and Adult Education—The bill provides $2 billion for Career, Technical and Adult Education, an increase of $25 million above the FY 2020 enacted level and $738 million below the President’s budget request. This amount includes: $1.3 billion for CTE State Grants, an increase of $18 million above the FY 2020 enacted level and $662 million below the President’s budget request, and $664 million for Adult Education State Grants, an increase of $7 million above the FY 2020 enacted level and the President’s budget request. Student Financial Assistance— The bill provides $24.6 billion for Federal student aid programs, an increase of $45 million above the FY 2020 enacted level and $1.6 billion above the President’s budget request. Within this amount, the bill provides: $6,495 for the maximum Pell Grant, an increase of $150 above the FY 2020 enacted level and the President’s budget request. The increase will help the maximum award keep pace with inflation. $880 million for the Federal Supplemental Educational Opportunity Grant program, an increase of $15 million above the FY 2020 enacted level. The President’s budget request proposes to eliminate this program. $1.2 billion for Federal Work Study, an increase of $30 million above the FY 2020 enacted level and $710 million above the President’s budget request. Higher Education— The bill provides $2.6 billion for higher education programs, an increase of $81 million above the FY 2020 enacted level and $768 million above the President’s budget request. Within this amount, the bill provides $808 million, an increase of $49 million over the FY 2020 enacted level and $156 million over the President’s budget request, to assist primarily Minority Serving Institutions (MSIs) in the Aid for Institutional Development ***account***, including: $344 million for Historically Black Colleges and Universities, an increase of $19 million above the FY 2020 enacted level and the President’s budget request. $155 million for Hispanic Serving Institutions, an increase of $12 million above the FY 2020 enacted level. The President’s budget proposes to consolidate this and other MSI programs into a single MSI grant program, which the bill rejects. $39 million for Tribally Controlled Colleges and Universities, an increase of $2 million above the FY 2020 enacted level and the President’s budget request. The bill also provides investments in the following higher education programs: $1.1 billion for Federal TRIO programs, an increase of $10 million above the FY 2020 enacted level and $150 million above the President’s budget request. $370 million for GEAR UP, an increase of $5 million above the FY 2020 enacted level. The President’s budget proposes to consolidate the program into the TRIO programs. $52 million for Teacher Quality Partnerships, an increase of $2 million above the FY 2020 enacted level. The President’s budget request proposes to eliminate this program. $55 million for the Child Care Access Means Parents in School, an increase of $2 million above the FY 2020 enacted level and $40 million above the President’s budget request. $31 million for the Fund for the Improvement of Postsecondary Education, an increase of $6.5 million above the FY 2020 enacted level. The President’s budget proposes to eliminate this program. This amount includes: $7 million to continue the Centers of Excellence for Veteran Student Success Program to provide student veterans a one-stop-shop for academic support, networking opportunities, peer mentorship, financing assistance, counseling, and career services. $7 million to continue the Open Textbook Pilot program to support the creation and expand the sustainable use of quality open college textbooks. $7 million to promote the study of modeling and simulation at institutions of higher education, specifically to promote the use of technology in such study through the creation of accurate models that can simulate processes or recreate real life. $5 million for a Basic Needs Grants pilot to help support college students achieve academic success by meeting their basic needs, such as housing, food, transportation, and access to physical and mental health. $2 million for the operation of the National Center for Information and Technical Support for Postsecondary Students with Disabilities. $2 million for a Center of Educational Excellence to help HBCUs increase the number of Black teachers. $1 million to help support gang-involved youth transition to higher education.

Related Agencies –

$1.2 billion for the Corporation for National and Community Service (CNCS), an increase of $50 million above the FY 2020 enacted level. The President’s budget proposes to eliminate CNCS. Within the total amount, the bill includes: $239 million for Senior Corps programs, an increase of $18 million over the FY 2020 enacted level. $447 million for AmeriCorps, an increase of $18 million over the FY 2020 enacted level. $35 million for National Civilian Community Corps, an increase of $2 million over the FY 2020 enacted level. $515 million for the Corporation for Public Broadcasting (CPB), in 2023 advance funding, an increase of $50 million above the FY 2022 enacted level. In addition, the bill includes $20 million for the interconnection system and system wide infrastructure, equal to the FY 2020 enacted level. The President’s budget request proposes to eliminate the CPB. $257 million for the Institute of Museum and Library Services, an increase of $5 million above the FY 2020 enacted level. The President’s budget request proposes to eliminate IMLS. $278 million for the National Labor Relations Board (NLRB), an increase of $4 million above the FY 2020 enacted level and $31 million above the President’s budget request. Within this amount, the bill includes $1 million and new bill language for the NLRB to establish and administer a process for electronic voting. $13 billion for the Social Security Administration’s (SSA) operating expenses, with an increase of $100 million above the FY 2020 enacted level to hire additional staff at field offices, teleservice and processing centers and improve public services.

Policy Provisions

Bolstering Pandemic Response

Strategic National Stockpile—The bill includes a new provision requiring a weekly report on the inventory of ventilators and personal protective equipment in the Strategic National Stockpile, as well as an annual professional judgment budget for necessary expenditures to maintain the minimum level of relevant supplies, including in the case of a pandemic.

Supporting Affordable Health Care

ACA Navigators—The bill directs CMS to use at least $100 million of carryover ACA user fees to support the ACA Navigators program, as well as outreach, enrollment, and advertising during the ACA open enrollment period.

Medicaid Non-Emergency Medical Transportation—The bill includes a new provision prohibiting funds from being used to publish a proposed regulation to limit the Medicaid non-emergency medical transportation benefit for Medicaid beneficiaries.

Protecting Migrants

Memorandum of Agreement—The bill includes a provision to prohibit any funding from being used to implement or enforce the Memorandum of Agreement (MOA) between the Office of Refugee Resettlement and the Department of Homeland Security that shares sponsor information with ICE for the purposes of immigration enforcement.

Influx Shelters—The bill prohibits funds from being used to house unaccompanied children in the custody of the Office of Refugee Resettlement in influx shelters that are not State-licensed for the care of unaccompanied children.

Congressional Oversight—The bill includes a modification of the FY 2020 enacted provision relating to Members of Congress and oversight of facilities responsible for the care of unaccompanied alien children.

Counseling Sessions—The bill prohibits the sharing of information provided by unaccompanied children during mental health or therapeutic services with the Department of Homeland Security or the Department of Justice for immigration enforcement.

Defending Reproductive Health Care

Title X Family Planning—The bill includes language to override the Administration’s gag order and restore grant eligibility to Planned Parenthood and other health clinics that offer the full range of reproductive health services.

Teen Pregnancy Prevention Program (TPPP)—The bill includes new language to ensure that TPPP grantees offer medically accurate, complete, and age-appropriate programs, as required by statute.

Protecting Workers Rights

Home Health Workers—The bill includes a new provision to block the Administration’s regulation to prevent unionized home health workers from using a payroll deduction to pay their union dues.

Joint Employer—The bill includes new provisions prohibiting funds from implementing Department of Labor and National Labor Relation Board rules that allow corporations not to be liable for wages and working conditions at their franchisees or contractors.

Merit Staffing—The bill includes a new provision prohibiting the use of funds to implement a final rule that would privatize job search functions and other essential services offered through the Employment Service system.

Protecting Civil Rights

Protections for the LGBTQ Community—The bill includes a new provision to block the Administration’s new regulation that would allow discrimination in health and health education programs against individuals based on LGBTQ status.

Preventing Discrimination in Foster Care—The bill includes a new provision prohibiting funds from being awarded to a foster care organization that does not comply with nondiscrimination regulations related to age, disability, sex, race, color, national origin, religion, gender identity, or sexual orientation.

School Desegregation—The bill includes language eliminating a 46-year-old education authorizing statute provision that prohibits funds from being used to address school segregation.

Title IX—The bill includes a new provision prohibiting funds from implementing the final Title IX regulation regarding how schools respond to sexual assault and harassment and that disproportionately burdens complainants.

Expanding Opportunity and Ensuring Accountability in Education

Second Chance Pell—The bill includes new language allowing incarcerated individuals to be eligible for Pell Grants.

For-Profit College Accountability—The bill includes new language requiring for-profit colleges to derive more of their revenue from non-Federal sources and includes all Federal education assistance in the calculation.

Supporting People with Disabilities

Continuing Disability Reviews—The bill includes a new provision prohibiting the Social Security Administration from finalizing or implementing a new rule that would significantly increase the number and frequency of CDRs, cutting benefits to Social Security and SSI disabled beneficiaries.

Administrative Law Judges—The bill includes a new provision prohibiting the Social Security Administration from finalizing or implementing a proposed rule that would replace an individual’s right to appeal their denied application for Social Security or SSI benefits before an independent Administrative Law Judges at a hearing, with an appeal before an SSA staff attorney.

Helping Reduce Injection-Related Infections to Save Lives

Syringe Exchange—The bill removes a longstanding general provision that prohibited federal funds from being used to purchase syringes as part of a public health campaign to provide services to individuals involved in injection drug use.

Division G – Transportation-Housing and Urban Development

Overview:

The Transportation-Housing and Urban Development bill funds the Department of Transportation, the Department of Housing and Urban Development, and other related agencies, including the United States Interagency Council on Homelessness.

For fiscal year 2021, the legislation provides $158.3 billion in base budgetary resources. The bill includes $75.9 billion in discretionary funding, an increase of $1.7 billion above the FY 2020 enacted level and $16.8 billion above the President’s 2021 budget request. Consistent with the INVEST in America Act, the bill includes budgetary resources for surface transportation programs totaling $78.7 billion. In addition, the legislation provides $75 billion to support the economic recovery from the coronavirus pandemic by investing in our nation’s transportation and housing infrastructure.

Bill Summary:

Department of Transportation (DOT)— For fiscal year 2021, the bill provides a total of $107.2 billion in total budgetary resources for DOT – an increase of $21.1 billion above the FY 2020 enacted level and $19.4 billion above the President’s 2021 budget request. Of this amount, the bill includes:

$1 billion for National Infrastructure Investments (TIGER/BUILD), equal to the FY 2020 enacted level and the President’s budget request. $3 million to support the Highly Automated Systems Safety Center of Excellence established in fiscal year 2020. This program was not in the President’s budget request. $10 million for Transportation Planning Grants to assist areas of persistent poverty. This new competitive grant program was not in the FY 2020 enacted bill or the President’s budget request. $18.1 billion for the Federal Aviation Administration (FAA), an increase of $522 million above the FY 2020 enacted level and $618 above the President’s budget request.

$1.5 billion for Aviation Safety, an increase of $96 million above the FY 2020 enacted level and $26 million above the President’s budget request. $500 million for discretionary Airport Improvement Grants, an increase of $100 million above the FY 2020 enacted level and $500 million above the President’s budget request.

$62.9 billion for the Federal Highway Administration: $61.9 billion, consistent with the INVEST in America Act, for programs funded from the Highway Trust Fund, an increase of $14.7 billion above the FY 2020 enacted level and $11.1 billion above the President’s budget request. $1 billion for discretionary Highway Infrastructure Programs, a decrease of $1.2 billion below the FY 2020 enacted level and $1 billion above the President’s budget request. $886 million for the Federal Motor Carrier Safety Administration, consistent with the INVEST in America Act, an increase of $207 million above the FY 2020 enacted level and $184 million above the President’s budget request. $1.3 billion for the National Highway Traffic Safety Administration, consistent with the INVEST in America Act, an increase of $268 million above the FY 2020 enacted level and $293 million above the President’s budget request. $3 billion for the Federal Railroad Administration, an increase of $201.8 million above the FY 2020 enacted level and $1 billion above the President’s budget request. $500 million for Consolidated Rail Infrastructure and Safety Improvements, an increase of $175 million above the FY 2020 enacted level and $170 million above the President’s budget request. $200 million for Federal-State Partnership for State of Good Repair, equal to the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $2.05 billion for Amtrak, an increase of $50 million above the FY 2020 enacted level and $1.1 billion above the President’s budget request. $750 million for Northeast Corridor Grants, an increase of $50 million above the FY 2020 enacted level and $424.5 million above the President’s budget request. $1.3 billion for National Network Grants, equal to the FY 2020 enacted level and $689 million above the President’s budget request.

$18.9 billion for the Federal Transit Administration: $15.9 billion, consistent with the INVEST in America Act, for Transit Formula Grants funded from the Highway Trust Fund, an increase of $5.8 billion above the FY 2020 enacted level and $4.9 billion above the President’s budget request. $2.2 billion for Capital Investment Grants, equal to the authorized level, an increase of $197 million above the FY 2020 enacted level, and $286 million above the President’s budget request. $510 million for Transit Infrastructure Grants, equal to the FY 2020 enacted level and $510 million above the President’s budget request. $40 million for the Saint Lawrence Seaway Development Corporation, an increase of $2 million above the FY 2020 enacted level and $9.3 million above the President’s budget request. $1.2 billion for the Maritime Administration, an increase of $197.3 million above the FY 2020 enacted level and $506.7 million above the President’s budget request. $314 million for the Maritime Security Program, an increase of $14 million above the FY 2020 enacted level and equal to the President’s budget request. In addition, Section 171 of the bill provides an additional $500,000 in fiscal year 2021 for each vessel in the program. $300 million for the Port Infrastructure Development Program, an increase of $75 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $389 million for schoolship construction, an increase of $89 million above the FY 2020 enacted level and $89 million above the President’s budget request.

In addition, to support the economic recovery from the coronavirus pandemic, the bill provides an additional $26 billion for the Department of Transportation programs to strengthen and make more resilient our nation’s aging infrastructure, including:

$3 billion for National Infrastructure Investments (TIGER/BUILD); $10.5 million for DOT Cyber Security Initiatives; $500 million for FAA Facilities and Equipment; $2.5 billion for FAA Grants-in-Aid for Airports; $5 billion for Consolidated Rail Infrastructure and Safety Improvements; $100 million for Magnetic Levitation Technology Deployment Program; $5 billion for Northeast Corridor Grants to Amtrak; $3 billion for National Network Grants to Amtrak; $5 billion for the Capital Investment Grants; $125 million for Maritime Administration Operations and Training; $345.5 million for State Maritime Academy Operations; $100 million for Assistance to Small Shipyards; $1 billion for Port Infrastructure Development Program; and $7.5 million for the DOT Office of Inspector General.

Department of Housing and Urban Development (HUD)— For fiscal year 2021, the bill provides a total of $50.6 billion for HUD – an increase of $1.5 billion above the FY 2020 enacted level and $13.3 billion above the President’s 2021 budget request. FHA and GNMA receipts for FY 2021 are $10.7 billion, $3.3 billion more than in the FY 2020 enacted bill. Of the $50.6 billion, the bill includes:

$34.8 billion for the Office of Public and Indian Housing, an increase of $2.4 billion above the FY 2020 enacted level and $6.3 billion above the President’s budget request. $25.7 billion for Tenant-based Rental Assistance, an increase of $1.9 billion above the FY 2020 enacted level and $2.4 billion above the President’s budget request. $60 million for housing for homeless veterans, an increase of $20 million above the FY 2020 enacted level. This includes $20 million for the HUD/VA Supportive Housing for Homeless Veterans, which the President’s budget request proposed eliminating, and $40 million in new Incremental Vouchers to Address Homelessness for veterans. $2.5 million for HUD/VA Supportive Housing for Homeless Native American Veterans, an increase of $1.5 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program.

$3.2 billion for the Public Housing Capital Fund, an increase of $310 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $4.6 billion for the Public Housing Operating Fund, an increase of $100 million above the FY 2020 enacted level and $405 million above the President’s budget request. $250 million for the Choice Neighborhoods Initiative, an increase of $75 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $155 million for Self-Sufficiency Programs, an increase of $25 million above the FY 2020 enacted level. $835 million for Native American Programs, an increase of $10 million above the FY 2020 enacted level and $235 million above the President’s budget request. $4 million for Native Hawaiian Housing Block Grant, an increase of $2 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program.

$9.1 billion for the Office of Community Planning and Development, an increase of $1.1 billion above the 2020 enacted level and $6 billion above the President’s budget request. $430 million for Housing Opportunities for People with AIDS, an increase of $20 million above the FY 2020 enacted level and $100 million above the President’s budget request. $3.5 billion for Community Development Block Grants, an increase of $100 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $1.7 billion for the HOME Investment Partnership Program, an increase of $350 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $45 million for Section 4 Capacity Building, an increase of $9 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $3.4 billion for Homeless Assistance Grants, an increase of $638 million above the FY 2020 enacted level and $642 million above the President’s budget request.

$14.6 billion for the Office of Housing, $1 billion above the FY 2020 enacted level and $854 million above the President’s budget request. $13.4 billion for Project-Based Rental Assistance, an increase of $881 million above the FY 2020 enacted level and $809 million above the President’s budget request. $893 million for Housing for the Elderly, an increase of $100 million above the FY 2020 enacted level and $40 million above the President’s budget request. $227 million for Housing for Persons with Disabilities, an increase of $25 million above the FY 2020 enacted level. $75 million for Housing Counseling, an increase of $22 million above the FY 2020 level and $30 million above the President’s budget request. $118 million for Policy Development and Research, an increase of $20 million above the FY 2020 enacted level and $23.4 million above the President’s budget request. $80.3 million for Fair Housing and Equal Opportunity, an increase of $10 million above the FY 2020 enacted level and $15 million above the President’s budget request. $340 million for the Office of Lead Hazard Control and Healthy Homes, an increase of $50 million above the FY 2020 enacted level.

In addition, to support the economic recovery from the coronavirus pandemic, the bill provides an additional $49 billion for the Department of Housing and Urban Development programs to bolster communities nationwide by making robust and resilient investments in public housing, affordable housing, and community development, including:

$24.25 billion for the Public Housing Capital Fund; $300 million for the CHOICE Neighborhoods Initiative; $1 billion for Native American Programs; $20 million for the Native Hawaiian Housing Block Grant; $4 billion for the Community Development Block Grant; $17.5 billion for the HOME Investment Partnerships; $55 million for the Self-Help and Assisted Homeownership Opportunity; $750 million for capital improvements for properties receiving project-based rental assistance; $750 million for the Housing for the Elderly; $179 million for the Housing for Persons with Disabilities; $100 million for the Office of Lead Hazard Control and Healthy Homes; $100 million for the HUD Cybersecurity and Information Technology Fund; and $7.5 million for the HUD Office of Inspector General.

Related Agencies—The bill provides $432.2 million for the related agencies in the bill, an increase of $62.2 million above the FY 2020 enacted level and $184 million above the President’s 2021 budget request.

$208.5 million for NeighborWorks, an increase of $50 million above the FY 2020 enacted level. The President’s budget request proposed eliminating this program. $3.8 million for the U.S Interagency Council on Homelessness, equal to the FY 2020 enacted level and the President’s budget request.

In addition, to support recovery from the coronavirus pandemic, the bill provides an additional $300 million for the Neighborhood Reinvestment Corporation (NeighborWorks) to spur economic stabilization and investment in communities.

Policy Provisions

Blocks the administration’s public housing rule change targeting undocumented immigrants, which threatens the housing of 55,000 children who are citizens or legal residents. Blocks the administration’s proposal to weaken housing protections for LGBT individuals. Requires the use of masks and enhanced sanitation measures on airplanes, Amtrak trains, and certain large public transit systems for the duration of the presidentially declared COVID-19 national emergency. Extends the period of availability for CDBG-DR funding from the Disaster Relief Appropriations Act, 2013 and provides criteria for waivers of recaptures of funding from disaster survivors.

**Load-Date:** July 22, 2020

**End of Document**



[***Brazil president fires health minister over Covid-19 stand-off - as it happened; Dismissal comes after weeks-long stand-off; almost 700 test positive on French aircraft carrier. This blog is now closed.Follow the latest coronavirus blog for live news and updates***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YNV-MP41-F021-637T-00000-00&context=1516831)

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**Byline:** Helen Sullivan (now and earlier); Nadeem Badshah, Damien Gayle, Amy Walker, and Simon Murphy

**Body**

block-time published-time 12.50am BST

That's it for this live blog for today - we've fired up a new one at the link below, we'll continue to bring you rolling coverage of the latest developments in the coronavirus pandemic:

Related: [*Coronavirus live news: Trump says 29 states could reopen 'relatively soon' as global deaths near 145,000*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 12.28am BST

Key developments in the global coronavirus outbreak today include: Global death toll passes 142,000

The total number of coronavirus deaths across the world has reached 142,735, according to [*Johns Hopkins University*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), which has tracked the spread of the virus during the pandemic.

The US has the highest number of deaths, with more than 33,000, followed by Italy, which has passed the 22,000 mark, and Spain, which has recorded more than 19,000 fatalities.

Across the world, the total number of coronavirus cases has reached more than 2.13 million.

Trump announces guidelines to end US lockdown

Donald Trump has announced guidelines for individual states to reopen on different schedules.

At his White House briefing, he said: "We're opening up our country ... America wants to be open ... our experts say the curve has flattened and the peak in new cases is behind us."

The president added: "We must have a working economy and we want to get it back very quickly, and that's what's going to happen."

UK government minister's father died from pneumonia 'brought on by coronavirus'

Greg Hands tweeted in tribute to his father, who he said died on Monday with Covid-19. The trade minister paid tribute to the "brilliant grammar school scientist" and "determined man", adding that he would be "sorely missed".

Hands, the MP for Chelsea and Fulham in west London, shared the tribute after taking part in the applause for NHS workers on Thursday night, calling the moment "especially poignant".

Captain Tom to 'keep on going'

Captain Tom Moore, the 99-year-old war veteran pacing his garden to raise money for the NHS, says he will continue completing his laps despite passing his 100-lap target.

Moore originally aimed to raise just £1,000 for NHS Charities Together, but has now raised almost £16m. He completed his final lap on Thursday but tweeted to say he planned to "keep on going".

Police discover 17 bodies in US nursing home

Police have found 17 bodies in one of New Jersey's largest nursing homes after an anonymous tip said a body was being stored in a shed.

A total of 68 people associated with the Andover Subacute and Rehabilitation Centers have recently died, with 26 having tested positive for coronavirus.

Officers found no body in the shed, but said the facility's tiny morgue was "overwhelmed", holding 17 bodies. It is unclear how many of the deaths were due to Covid-19.

US business funding programme runs out of money

A US small business lending programme set up to help companies affected by coronavirus has run out of money. The Small Business Administration said it was unable to accept new applications "based on available appropriations funding".

It had been given the task of managing the $349bn (£280bn) programme that grants loans to businesses so that they can pay their employees.

Saudi Arabia pledges $500m to support efforts to tackle coronavirus

Saudi Arabia, the current G20 chair, said it has pledged $500m to support global efforts to combat the coronavirus pandemic and urged other countries and organisations to help bridge an $8bn financing gap.

Riyadh said it would allocate $150m to the Coalition for Epidemic Preparedness and Innovation, $150m to the Global Alliance for Vaccines and Immunizations, and $200m to other health organisations and programmes.

France death toll increases by 753

France registered 753 more deaths from coronavirus infections on Thursday, bringing the total to 17,920, the fourth highest tally in the world. But the number of people in hospital declined for a second day running.

Jerome Salomon, head of France's public health authority, said the total number of people in intensive care units fell for the eighth day in a row, to 6,248 - the lowest figure since 1 April.

At 17,920, the number of fatalities is up 4.4% over 24 hours, with the rate of increase decelerating again after it had increased the two previous days.

Brazil's president Bolsonaro fires health minister

Brazil's president, Jair Bolsonaro, has sacked his health minister, Luiz Mandetta, after a [*standoff*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) between the two men over radically different views of the pandemic.

Mandetta [*tweeted*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) on Thursday: "I have just received notice of my dismissal from President Jair Bolsonaro. I would like to say thank you for the opportunity that was given to me, to manage our health service ... and to plan our fight against the coronavirus epidemic, this great challenge that our health system is about to face."

Mandetta has defended social isolation while the far-right president insists the impact of the pandemic on Brazil's struggling economy is more important than loss of life.

Putin delays Victory Day anniversary celebrations

Vladimir Putin has delayed Russia's celebrations for the 75th anniversary of Victory Day due to the coronavirus outbreak.

Russia's president said: "The risk connected to the epidemic, the peak of which has not passed, are still dangerously high. And that doesn't give me the right to begin the preparations for the parade and other mass events."

Putin did not set a new date for the parade, which had been scheduled for 9 May, but promised it would take place this year.

block-time published-time 12.14am BST

The White House press briefing has now ended. The "Guidelines for Opening Up America Again" can be found on the White House website [*here*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

block-time updated-timeUpdated at 12.27am BST

block-time published-time 12.12am BST

Trump is asked about the thousands of protesters in cars and on foot who have flouted Michigan's stay-at-home orders to demand the state reopened.

Democratic governor Gretchen Whitmer was the main target of armed pro-Trump protesters, with some chanting 'lock her up' on the steps of Lansing's town hall. Whitmer responded hours after the protest saying she understood the frustration but the 'sad irony' about the demonstration was that it could have further spread the virus and therefore created the need to extend Michigan's stay-at-home order. So far, 1,900 Michigan residents have died due to the coronavirus.

Trump's response:

enltrJON KARL: Shouldn't the anti-stay-at-home protesters in Michigan listen to local authorities? TRUMP: "I think they're listening. I think they listen to me. They seem to be protesters that like me." [*pic.twitter.com/842jov2kY8*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Aaron Rupar (@atrupar) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time updated-timeUpdated at 12.27am BST

block-time published-time 12.08am BST

Back to the White House.

Trump says that states who meet the Phase 1 criteria can reopen tomorrow (Friday).

block-time published-time 12.06am BST

Cutting away from this White House presser for a moment to the UK now:

The UK government has set up a three-month advertising partnership with the newspaper industry to push its "stay at home" message to the public. On Friday, all regional and national daily news titles will run the slogan "Stay at home for the NHS, your family, your neighbours, your nation the world and life itself" as a cover wrap. Michael Gove, minister for the Cabinet Office' said: "Newspapers are the lifeblood of our communities and we need them now more than ever. "Their role as a trusted voice and their ability to reach isolated communities is especially vital at this time.

Here is what that looks like on the Guardian's print edition:

The UK government has set up a three-month advertising partnership with the newspaper industry to push its "stay at home" message to the public. Photograph: Guardian

block-time updated-timeUpdated at 12.12am BST

block-time published-time 11.59pm BST

Trump says there are 29 states that will be able to reopen "relatively soon". He doesn't name any of them.

New York and New Jersey are "obviously" not among them, he adds.

block-time updated-timeUpdated at 12.06am BST

block-time published-time 11.52pm BST

Questions have begun.

Trump is asked whether he heard from any governors today that they are ready to re-open. He did, Trump replies. There will be "good news" in the next few days, Trump says.

Trump says he spoke to the commissioners of "every sport" yesterday, which seems far-fetched. He's talking about whether sporting venues can be re-opened - Dr Fauci has just spoken about this saying eventually it will be possible - in phase 3 - but not at the same time for everyone.

Trump echoes this, but in a less measured way:

enltrTrump: I spoke to sports commissioners, and many of them will start without fans; "Made for television. The good ole days." (?) He says there'll then be space between fans; then, "when the virus is gone, we'll be back to normal." (We haven't heard this stuff from the commishes)

- Daniel Dale (@ddale8) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 11.47pm BST

Dr Anthony Fauci, the leading US expert on infectious diseases, is speaking now.

No matter what phase you're in (referring to the phases of reopening detailed by Dr Birx), there are certain fundamental things that mist be done that are not like before - "If you want to call it the new normal, fine."

block-time published-time 11.42pm BST

Before the US can consider reopening, there needs to be robust testing, especially for health care workers, and indications that the number of infections is decreasing for at least 14 days.

"We want every state to have a plan to protect the health and safety of its workers," Birx added - states and counties need to also surveil and monitor cases among nursing homes and other vulnerable populations, she said.

Dr Birx is outlining the phases of reopening:

Phase 1: Schools that are closed should remain closed, people should not be able to visit aged care facilities and some elective surgeries can resume. Non-essential travel should be avoided, people should work from home where possible.

Phase 2: Non-essential travel can resume, telework is still encouraged. Schools, daycares and camps can reopen. Visits to senior living facilities prohibited. In-patient and out-patient surgeries can resume.

Phase 3: Returning to new normal. Continuing with good hygiene practices, respect for space between individuals.

block-time updated-timeUpdated at 11.43pm BST

block-time published-time 11.39pm BST

Dr Birx says the task force will be doing "sentinel surveillance" in nursing homes, inner city clinics, and indigenous populations to find early alerts for asymptomatic and syndromic cases.

As far as I'm able to understand it at the moment, sentinel surveillance means testing and other measures to ensure early detection among vulnerable populations.

But it's not immediately clear:

enltrme listening to Dr. Birx talking about "sentinel surveillance" and "syndromic surveillance" [*pic.twitter.com/HSDRWku8vu*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Aaron Rupar (@atrupar) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 11.32pm BST

Dr Deborah Birx, Coronavirus Response Coordinator , is speaking now (so far, this morning's briefing has been fairly tame - compared to the extraordinary performances from Trump seen earlier this week).

Pence spoke just before Dr Birx - this was the gist:

enltrPence: We made clear to governors that these guidelines can be implemented statewide or county-by county.

- Daniel Dale (@ddale8) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time updated-timeUpdated at 11.34pm BST

block-time published-time 11.30pm BST

You can watch the briefing live below:

block-time published-time 11.30pm BST

"America wants to be open and Americans want to be open," Trump says.

Of course, it's hard to argue that we don't want to get back outside, back to work, and reunited with friends and families who live away from us. But a [*Pew research poll*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) published today found that "Americans say their greater concern is that state governments will lift restrictions on public activity too quickly (66%) than not quickly enough (32%)."

block-time published-time 11.29pm BST

The new guidelines were released about an hour ago. They don't include a deadline, which is a relief - this means for now states are being allowed to reopen as they are ready.

There is a handy thread with the guideline slides below:

enltrThe discussion starts with the pre-conditions. They contain the right elements but need to be more specific (how many cases, how many tests needed, how to pay for contact tracers, how much PPE). Clearer guidelines should hopefully follow from CDC. 2/ [*pic.twitter.com/zMGpzFzpHv*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Andy Slavitt @ ?? (@ASlavitt) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 11.27pm BST

Trump, speaking at the White House, says the virus may return in the fall (autumn), but that the new guidelines released today will ensure America is "up and running" and able to "put it out quickly."

enltrTrump: If the virus returns in the fall, "as some scientists think it may, possibly," we will "put it out quickly."

- Daniel Dale (@ddale8) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 11.24pm BST

You can get in touch with me directly on [*Twitter @helenrsullivan*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

block-time published-time 11.23pm BST

Hello, Helen Sullivan with you now - bringing you the latest from the White House press briefing and beyond.

block-time published-time 11.16pm BST

Trump says US has passed peak of coronavirus cases

In his White House news conference, President Trump said: "Our experts say the curve has flattened and the peak in new cases is behind us."

enltrTrump: Some states not in the kind of trouble others are; we have passed the peak in new cases; we're now starting "life again" in a "safe and structured and very responsible fashion."

- Daniel Dale (@ddale8) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 11.13pm BST

Forty-four Guatemalans deported on a flight from the United States this week have tested positive for COVID-19, a Guatemala government official said.

The flight arrived in Guatemala's capital on Monday from Brownsville, Texas carrying 76 Guatemalans.

Three deportees displaying coronavirus symptoms cough and fever were taken for testing.

When one of those tests came back positive, more who had been quarantined at the airport were tested and 43 more resulted positive, said the official who requested anonymity.

Presidential spokesman Carlos Sandoval said the official total number of infected deportees remained at five.

"We're going to check with the Health Ministry," he said.

"For the moment I can only confirm the cases the (president) has said. I wouldnt know what to say, I cant even say no, but I also can't confirm it."

block-time published-time 11.05pm BST

Friday's Guardian front page.

enltrFriday's GUARDIAN: Lockdown may last into June as pressure builds over exit strategy [*#tomorrowspaperstoday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/1DrdiNy2xP*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Helen Miller (@MsHelicat) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 10.58pm BST

Tomorrow's Independent.

enltrFriday's INDEPENDENT: No lifting the lockdown [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/aFPYJzYrCU*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Helen Miller (@MsHelicat) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 10.54pm BST

Friday's Daily Mail.

enltrFriday's MAIL: Wear a mask in the office [*#tomorrowspaperstoday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/LexxnenlVE*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Helen Miller (@MsHelicat) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 10.50pm BST

Friday's Daily Telegraph on the UK lockdown being extended for a further three weeks.

enltrFriday's TELEGRAPH: No end in sight for lockdown [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/dMGpKehJkB*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Helen Miller (@MsHelicat) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 10.41pm BST

The Financial Times leads on its interview with France's president Emmanuel Macron.

enltrFriday's FT: Macron warns EU will unravel unless bloc embraces financial solidarity [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/FhpFqxweDX*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Helen Miller (@MsHelicat) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 10.39pm BST

The front pages of the UK's front pages have been released, starting with The Times.

enltrFriday's TIMES: Raab points to 'light at end of the tunnel' [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/vGfLnUhk8V*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Helen Miller (@MsHelicat) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 10.35pm BST

Mid-sized and larger businesses in the UK with a turnover of more than £45 million will be allowed to access funding through a new government scheme from Monday, according to the British Business Bank.

Chancellor Rishi Sunak said companies can apply for the loans from lenders accredited by the banking group, through the Coronavirus Large Business Interruption Loan Scheme (CLBILS).

Bosses with sales between £45 million and £250 million can apply for the short-term loans and financial support of up to £25 million if they have been forced to shut down operations or been impacted by the virus shutdown.

Larger businesses with sales of more than £250 million can also take the support. However, if they access CLBILS they will be unable to use the Bank of England's Covid Corporate Financing Facility.

block-time published-time 10.31pm BST

A mother who gave birth nearly two weeks ago in New York while in a coma and suffering from coronavirus has finally met her baby son Walter.

Yanira Soriano, 36, had difficulty breathing while having contractions when 34 weeks pregnant and tested positive for Covid-19.

Doctors put Soriano in a medically-induced coma so they could place her on a ventilator.

Walter was delivered through an emergency caesarean section while she was unconscious.

Dr. Benjamin Schwartz, who delivered Walter, told US TB station ABC7 News: "In most instances you're awake when you deliver the baby and you can bond with the baby right away.

"But because the mother was so ill, she had to be put on a ventilator and put to sleep right before the baby was born."

block-time published-time 10.17pm BST

Albania has amended its penal code on to punish anyone breaking coronavirus quarantine and self-isolation rules and infecting others with up to eight years in jail as it slowly prepares to restart sections of its economy.

Critics of the tougher measure said fines were proving effective but prime minister Edi Rama defended the new penalty as necessary for successfully relaxing the lockdown.

Rama said the government believed about 2,800 people would have died if lockdown rules had not been imposed.

As of Thursday, 26 people have died and 518 have been infected with the coronavirus among Albania's 2.8 million people.

block-time published-time 10.12pm BST

Celebrities including Robert De Niro, Matthew McConaughey, Kevin Hart and Leonardo DiCaprio are offering prizes as part of a Covid-19 fundraiser.

People who donate to the All In Challenge will be entered into a prize draw.

The campaign aims to help feed vulnerable people in the US. So far $5.6m (£4.4m) has been raised.

McConaughey has invited a donor to join him in his private box to watch an American Football game in Texas while actor Hart is offering a speaking role in his next film.

DiCaprio and Robert De Niro are offering a walk-on role in their upcoming film Killers Of The Flower Moon. It includes a day on set and lunch with DiCaprio, De Niro and director Martin Scorsese.

Musicians taking part include Drake and Meek Mill.

Leonardo DiCaprio is among the celebrities offering prizes at the Covid-19 fundraiser. Photograph: Utrecht Robin/Action Press/REX/Shutterstock

block-time updated-timeUpdated at 10.15pm BST

block-time published-time 10.05pm BST

Captain Tom Moore, the 99-year-old war veteran in the UK, has vowed to continue completing laps of his garden despite passing his 100-lap target.

He originally aimed to raise just £1,000 for NHS Charities Together by completing the laps but has now raised almost £16 million.

The Duke of Cambridge and Duchess of Cornwall have written to Captain Moore.

Prince William has also made an undisclosed donation to the appeal, Kensington Palace said.

enltrToday I completed my final 10 laps, and although the mission is complete - I am going to keep on going. The donations stand at 15.5 MILLION pounds - wow. Thank you all - now let's continue to support our NHS! Images by Emma Sohl - Capture The Light Photography [*#walkwithtom*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/UhDmUD3HCO*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Captain Tom Moore (@captaintommoore) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 9.51pm BST

Every day the UK government reveals the latest coronavirus death toll. However, this number is not giving us the full picture.

The Guardian's ***data*** editor, Caelainn Barr, explores what this figure is missing, including information on gender, age and ethnicity.

block-time published-time 9.32pm BST

A UK government minister has disclosed his father has died in a care home from pneumonia "brought on by coronavirus"

Greg Hands tweeted in tribute to his father who he said died on Monday with Covid-19.

The trade minister paid tribute to the "brilliant grammar school scientist" and "determined man", adding that he will be "sorely missed".

Hands, MP for Chelsea and Fulham in west London, shared the tribute after taking part in the applause for NHS workers on Thursday night, calling the moment "especially poignant".

enltr...My father is another care home COVID death, but I remember him as a brilliant grammar school scientist, a single-minded & determined man, worked his way out of poverty, fought hard and gave his best. He will be sorely missed. 1934-2020, RIP. [*pic.twitter.com/fm6iATx4yF*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Greg Hands #StayHomeSaveLives (@GregHands) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 9.23pm BST

Spain's coronavirus death toll soared past 19,000 on Thursday with another 551 deaths, but questions over the counting method have raised some regional concerns the real figure is much higher.

After nearly five weeks of confinement, the rise in deaths and infections has slowed over the past fortnight, with the overnight fatalities taking the toll to 19,130.

But regional authorities in Madrid and Catalonia said they each had thousands more victims than the official count.

Fernando Simon, the health ministry's emergencies coordinator, said: "The real number of deaths is difficult to know."

The daily figure was compiled from information provided by regional authorities concerning deaths among patients who "had tested positive for coronavirus", he added.

Between them, Madrid and Catalonia ***account*** for 56 percent of the national toll, but some officials say the numbers are flawed for not including all those who have died outside of hospitals.

Madrid has counted 6,877 deaths but on Wednesday a top official said the true figure was likely to be more than 10,000.

In Catalonia, where 3,855 people have died, the real number could be higher than 7,000, prompting the regional government to announce changes to its counting method.

block-time published-time 9.17pm BST

Saudi Arabia, the current G20 chair, said it has pledged $500 million to support global efforts to combat the coronavirus pandemic and urged other countries and organisations to help bridge an $8 billion financing gap.

Riyadh said it would allocate $150 million to the Coalition for Epidemic Preparedness and Innovation, $150 million to the Global Alliance for Vaccines and Immunizations, and $200 million to other health organisations and programmes.

In a statement, it called on all countries, non-governmental organisations, philanthropies and the private sector to help close a financing gap estimated at over $8 billion to combat the Covid-19 pandemic.

block-time published-time 8.46pm BST

The full story on the firing of Brazil's health minister -

Related: [*Bolsonaro fires popular health minister after dispute over coronavirus response*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 8.38pm BST

A US small business lending programme set up to help companies affected by coronavirus has run out of money.

The Small Business Administration said it was unable to accept new applications "based on available appropriations funding."

It has been given the task of managing the $349 billion (£280 billion) programme which grants loans to businesses so that they can pay their employees.

The news comes as Congress continues to negotiate further funding to the programme.

President Donald Trump is expected to unveil recommendations to begin easing the lockdown in the least-affected US states at a news conference at 6pm ET (2200 GMT) to "explain the guidelines for opening up America again."

Meanwhile, George Soros, the billionaire philanthropist, is directing more than $130 million through his Open Society Foundations to combat the effects of the coronavirus, with $37 million aimed to help at-risk populations in New York City.

block-time published-time 8.24pm BST

Brazil's president Bolsonaro fires health minister

Brazil's president Jair Bolsonaro has sacked his popular health minister Luiz Mandetta after a weeks-long stand-off between the two men over radically different views of the coronavirus pandemic.

Mandetta announced the news on Twitter. He has defended social isolation while the far-right president insists the impact of the pandemic on Brazil's struggling economy is more important than loss of life.

block-time updated-timeUpdated at 8.28pm BST

block-time published-time 8.21pm BST

Poland's borders will remain closed until at least May 3, Prime Minister Mateusz Morawiecki said on Thursday.

Morawiecki said Poland would start easing some coronavirus restrictions from April 20.

Poles will also have to cover their noses and mouths in public until a coronavirus vaccine is found, health minister Lukasz Szumowski announced.

While the reopening of parks and forests from April 20 will be welcomed by those stuck in lockdown, many restrictions look set to continue into May, when a presidential election is due.

"These steps... do not mean the epidemic is over," Szumowski said.

"We are going to have to learn to live with the epidemic for... a long time."

In addition to reopening green spaces, Morawiecki said limits on the numbers of people in shops would be eased. He said he planned to ease the lockdown further every week or two.

block-time published-time 8.13pm BST

New York Federal Reserve Bank President, John Williams, said it may take a few years for the US economy to recover from the severe downturn caused by the coronavirus pandemic.

Once the spread of the virus is contained, it may take a while for consumers to feel safe attending concerts or other large events, Williams said during a discussion organised by the Economic Club of New York.

He said: "First we have to make sure we're seeing the number of cases plateau and come down, and then think about a gradual return to normal."

Williams added it may take one to two years to get the economy back to "full strength."

block-time published-time 8.00pm BST

Households across the UK are now taking to their gardens, doorsteps, balconies and windows to applaud for the frontline workers fighting the coronavirus.

It will be the fourth "clap for carers" event in the UK, becoming a staple for Thursday nights in lockdown.

block-time published-time 7.54pm BST

Leaders of the G7 group of major industrialised nations have agreed the rapid development of a coronavirus vaccine is crucial in dealing with the outbreak.

First Secretary of State Dominic Raab deputised for the UK's prime minister Boris Johnson at the virtual summit, which also discussed the particular risk coronavirus poses for developing countries.

A Downing Street spokesperson said: "They agreed that the rapid development and production of coronavirus treatments and a vaccine will be crucial to stop the spread of the virus around the world.

"The First Secretary of State stressed the need for the response to be internationally coordinated.

"Leaders discussed the particular risk coronavirus poses to developing nations and agreed on the need to fight coronavirus in every country.

"They committed to continue to support developing countries through bilateral assistance, multinational organisations and by ensuring governments around the world have access to the medical supplies they need."

Experts have suggested a vaccine for coronavirus could be 12 to 18 months away.

Downing Street added: "G7 leaders also agreed on the importance of financial measures to defend the global economy against the impact of coronavirus."

With Johnson recovering from the impact of coronavirus, the Downing Street spokesperson said: "All leaders expressed their best wishes for the Prime Minister's recovery and welcomed the cooperation that has already taken place between G7 countries."

The G7 is made up of the US, Japan, Germany, Britain, France, Italy and Canada.

block-time published-time 7.50pm BST

Police have found 17 bodies in one of New Jersey's largest nursing homes after an anonymous tip said a body was being stored in a shed.

A total of 68 people associated with the Andover Subacute and Rehabilitation centres have recently died, with 26 having tested positive for coronavirus.

Police did not find a body in the shed but said the facility's tiny morgue was "overwhelmed".

New Jersey has over 71,000 cases and 3,100 deaths due to the coronavirus.

On Monday, police received the anonymous tip about a body being kept in a shed.

Instead, they found 17 bodies kept in a morgue built to house four.

Andover police chief Eric Danielson told the New York Times: "They were just overwhelmed by the amount of people who were expiring."

It is unclear whether any of the 17 deaths were due to Covid-19.

block-time updated-timeUpdated at 11.03pm BST

block-time published-time 7.40pm BST

First Lady of the United States, Melania Trump, has phoned Carrie Symonds to wish her and her fiance Boris Johnson well.

She said the US was praying for their "speedy and full recoveries" after Johnson spent a week in hospital with Covid-19.

The office of the First Lady said: "Today, First Lady Melania Trump spoke with Ms Carrie Symonds of the United Kingdom.

"Mrs Trump expressed well wishes for Ms Symonds and Prime Minister Johnson, and noted that the United States was praying for their speedy and full recoveries.

"Mrs Trump reaffirmed that the United States stands together with the United Kingdom in the fight to defeat the coronavirus pandemic.

"Mrs Trump and Ms Symonds expressed optimism that the United States and the United Kingdom would get through this difficult period and emerge stronger than before."

First lady Melania Trump called Carrie Symonds on Thursday. Photograph: Jonathan Ernst/Reuters

block-time updated-timeUpdated at 7.45pm BST

block-time published-time 7.30pm BST

European commission president Ursula von der Leyen said Europe owes Italy "a heartfelt apology".

block-time published-time 7.26pm BST

Italy will offer small savers a new inflation-linked bond next month to raise funds to help the economy cope with the coronavirus crisis, the country's Treasury said.

Italy's budget deficit will be near 10% of gross domestic product this year, a senior government official told Reuters, as Rome increases borrowing to counter the deep recession which the virus is expected to have caused.

The new "BTP Italia" bond, which pays a coupon tied to the domestic inflation rate, will have a maturity ranging from four to eight years.

Retail investors will be able to buy the bond from May 18 to May 20, while the offer reserved for institutional investors will take place on May 21.

Italy introduced the BTP Italia bonds at the height of the euro zone crisis to tap large private wealth at home in the face of scant foreign demand for its debt.

block-time published-time 7.20pm BST

A reminder that at 8pm UK time, there will be a nationwide applause to pay homage to NHS and key workers across the country.

enltrOnly 1 hours remaining - put your hands together tonight at 8pm in gratitude to all those who are putting themselves at risk every day across the UK! [*#clapforourcarers*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#thankyouthursday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#covid19*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#coronavirus*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#clapforkeyworkers*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#clapforcarers*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#stayhomesavelive*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*#onemillionclaps*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/mEoWBGud3e*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Clap for our Carers (@ClapforCarers) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 7.10pm BST

France death toll increases by 753

France registered 753 more deaths from coronavirus infections on Thursday, bringing the total to 17,920, the fourth highest tally in the world.

But the number of people in hospital has declined for a second day running.

Jerome Salomon, head of France's public health authority, said the total number of people in intensive care units fell for the eighth day in a row, at 6,248, a low point since April 1.

At 17,920 the number of fatalities is up 4,4% over 24 hours, with the rate of increase decelerating again after it increased the two previous days

block-time published-time 6.58pm BST

Vladimir Putin has delayed celebrations for the 75th anniversary of Victory Day due to the coronavirus outbreak, rescheduling a patriotic holiday with major political significance.

In remarks on Thursday evening, Putin said that "the risk connected to the epidemic, the peak of which has not passed, are still dangerously high. And that doesn't give me the right to begin the preparations for the parade and other mass events."

The holiday is usually observed on May 9th with a military parade including soldiers, tanks and intercontinental ballistic missiles. The government has also recently adopted an event called the Immortal Regiment where hundreds of thousands of ordinary

Russians march bearing images of relatives who died in the war.

Putin did not set a new date for the parade, but promised it would take place in 2020. The Kremlin was also expected to host French President Emmanuel Macron this year in a politically significant visit that Russia hoped to portray as confirming its exit from isolation.

Putin announced the decision on Thursday after veterans associations submitted a similar request to him, in what was likely a politically choreographed show to justify pushing back the holiday.

The coronavirus epidemic has upended a busy political season in Russia, with the Kremlin already pushing back plans to hold a national plebiscite to endorse constitutional amendments that will allow Putin to run twice more for the presidency, potentially staying in office until 2036. Earlier, a video purporting to show thousands of Russian troops taking part in rehearsals for the country's Victory Day parade has raised questions about the Kremlin's efforts to fight the spread of coronavirus in the armed forces.

enltrVideo purportedly of Russian troops at the Victory Day Parade rehearsals in Alabino who aren't quite meeting the 1.5 meter social distancing requirement instituted by local officials. [*https://t.co/Zhut8EX9gt*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/JIQLTPFUMQ*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Rob Lee (@RALee85) [*April 2, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 6.48pm BST

Global death toll passes 140,000

The total number of coronavirus deaths across the world has reached at least 140,773, according to [*Johns Hopkins University*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), which has tracked the spread of the virus during the pandemic.

The US has the highest number of deaths with more than 33,000 followed by Italy which has passed the 22,000 mark and Spain which has more than 19,000 casualties.

Across the world, the total number of coronavirus cases has reached at least 2,101,164.

block-time published-time 6.39pm BST

Key developments in the global coronavirus outbreak today include: Global coronavirus cases pass 2 million mark

The total number of coronavirus cases across the world has reached at least 2,090,110, according to [*Johns Hopkins University*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), which has tracked the spread of the virus during the pandemic.

The US has the highest number of cases with 640,291, followed by Spain, with 182,816. The number of cases of coronavirus registered globally passed 1.5 million on 9 April.

UK government announces lockdown extension for three weeks

The UK's foreign secretary, Dominic Raab, who is deputising for Boris Johnson as he recovers from Covid-19, confirmed the extension following advice from the government's scientific advisory group for emergencies (Sage).

Raab said: "The government has decided that the current measures must remain in place for at least the next three weeks."

He said Sage had advised that "relaxing any of the measures in place" would "undo the progress we have made" and would "risk damage to both public health and the economy".

There were 861 Covid-19 deaths in UK hospitals reported on Thursday, taking the total past 13,000.

5 million more Americans sign on as unemployed

More than 22 million American have lost their jobs in the last four weeks as the coronavirus pandemic has swept across the US.

The US labour department announced that another 5.24 million people filed for unemployment benefits last week, making a total of 22.2 million since 14 March, when nationwide stay-at-home orders led to an unprecedented wave of layoffs across the country.

The largest number of people to ask for unemployment benefits in a four-week period before the Covid-19 crisis came in 1992, when 2.7 million sought support.

Australia PM says more Covid-19 measures needed

Scott Morrison, Australia's prime minister, said the country had succeeding in flattening the infection curve but that a "more extensive surveillance regime" needed to be implemented if they were to forge "the road out" of lockdown.

He praised the extensive testing and contact-tracing system in place and the actions from states to open testing to anyone with symptoms. But he cautioned: "We need to do even better than that ... so when we move to a less restricted environment, we can identify outbreaks very quickly and respond to them."

His government has proposed a mobile app that would trace the movements of patients. At least 40% of Australians would need to download the app for it to be effective.

EU chief: 'Europe owes Italy an apology'

[*Europe*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) owes Italy "a heartfelt apology" for not offering assistance when the country was suffering in the early stages of the coronavirus outbreak, the head of the European Union executive said.

Speaking at the European parliament, commission president Ursula von der Leyen said truth was needed to overcome the pandemic, including political honesty. She said: "Too many were not there on time when Italy needed a helping hand at the very beginning. And yes, for that it is right that Europe as a whole offers a heartfelt apology."

New York State lockdown extended

Governor Andrew Cuomo has extended the New York state shutdown to 15 May. He also announced that starting on Friday, anyone aged two and older would be required to wear face coverings in public if they cannot socially distance.

Another 606 people have died from the virus in New York, the lowest figure in 10 days, bringing the total above 12,000 in the state.

IMF: Asian economies will not grow this year

Economies in Asia will see zero growth this year for the first time in 60 years, the International Monetary Fund (IMF) has said. It warned that the global economy would face the "worst recession since the Great Depression" and that Asia's service sector in particular will struggle to rebound.

Changyong Rhee, director of the IMF's Asia and Pacific department, warned that governments would need to take extraordinary actions as a result. Rhee said: "This is not a time for business as usual. Asian countries need to use all policy instruments in their toolkits."

Singapore reports biggest jump yet in cases

Singapore reported at least 728 new confirmed cases of coronavirus in the previous 24 hours, the biggest jump yet in numbers in the city-state, which had fought hard to keep its outbreak under control.

The latest increase in confirmed cases is 63% more than the 447 new cases reported by the health ministry on Wednesday, and brings the total number so far in the city to 4,427.

Singapore had been praised by the World Health Organization for rigorous contact tracing, quarantine and surveillance measures, which had previously mitigated the spread of Covid-19. But the disease has begun spreading rapidly within the large migrant worker community that Singapore relies on to staff many of its basic services, highlighting what rights groups say is a weak link in containment efforts.

Japan declares nationwide state of emergency

Japan has expanded its state of emergency to cover the entire country.

Shinzo Abe, the country's prime minister, told a special meeting of medical experts called to discuss the disease: "Areas where a state of emergency should be carried out will be expanded from the seven prefectures to all prefectures."

According to AFP, the declaration allows regional governors to urge people to stay indoors, but with no punitive measures or legal force the measure is weaker than strict lockdowns seen in other parts of the world.

Facebook to warn users who 'like' misinformation

Facebook will begin showing notifications to users who have interacted with posts that contain "harmful" coronavirus misinformation, the company announced.

The new policy applies only to misinformation that Facebook considers likely to contribute to " [*imminent physical harm*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) ", such as false claims about "cures" or statements that physical distancing is not effective. Facebook's policy has been to remove those posts from the platform.

Under the new policy, which will be rolled out in the coming weeks, users who liked, shared, commented or reacted with an emoji to such posts before they were deleted will see a message in their news feed directing them to a " [*myth busters*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) " page maintained by the WHO.

block-time published-time 6.35pm BST

The death toll from Covid-19 in Serbia has reached 103, after health authorities in the country reported four more deaths in the past 24 hours, Serbian news site [*Telegraf*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) reports.

In a news conference on Thursday afternoon, Darija Kisic Tepavcevic, deputy director of the Serbia's public health institute, also announced 445 new confirmed cases of coronavirus, taking the total in the country to 5,318.

In Croatia, meanwhile, health authorities have reported 1,791 total cases, and 35 deaths.

That's it from me, Damien Gayle, for today. Thanks to all those who have been in touch with news, tips and suggestions.

block-time published-time 6.21pm BST

A senior public health scientist has described the plan to stage the Tour de France in August as a "recipe for disaster", Jeremy Whittle, the Guardian's Tour de France correspondent, reports.

"The wise thing to do is cancel for this year," said Devi Sridhar, the chair of Global Public Health at the University of Edinburgh, who is also a key adviser to the Scottish government on the Covid-19 pandemic. "It's a painful decision but they have no choice."

The Tour was moved this week from its original start date in late June to a new Grand Départ in Nice on 29 August, following the banning of any large public events until 11 July by the French president, Emmanuel Macron.

"This is a long-term problem, a chronic problem," Sridhar told [*cyclingnews.com*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000). "This virus is here to stay and will come back. Even if France gets a handle on it by August, then of course the issue is people coming in from different countries."

Sridhar pointed to a series of potential risks, that might even lead to the Tour being halted if there was an outbreak within the race convoy during the race. "There's definitely a risk that the [*Tour de France*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) moving around and unwittingly spreading the virus could kick-start a new lockdown."

Related: [*August Tour de France 'recipe for disaster', public health expert warns*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 6.15pm BST

Health authorities in Poland on Thursday announced 336 new confirmed cases of coronavirus and 28 deaths, as the first health worker in the country died from Covid-19.

The 46-year-old physiotherapist, a father of two, had been on intensive care in Radom, east-central Poland, after falling ill with the disease two weeks ago, [*local media reported*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000). He had been working in a hospital that had become a hotspot for coronavirus, with more than 200 patients and members of staff testing positive.

Poland has so far reported 7918 coronavirus infections, and 314 deaths from the virus.

Polish president Andrzej Duda speaking at a press conference, watched in an apartment in Warsaw Photograph: Wojciech Olkusnik/EPA

The latest figures come as members of Poland's governing coalition on Thursday sought opposition support for a two-year extension of the president's term because of the difficulty of holding an election next month under coronavirus restrictions, Reuters reports.

Poland's ruling nationalist Law and Justice (PiS) party had advocated holding a postal ballot for the May 10 election, but late on Wednesday unexpectedly presented a bill to keep President Andrzej Duda in office for longer. As a constitutional change, it needs opposition backing to secure the necessary two-thirds approval.

Prime minister Mateusz Morawiecki was also expected on Thursday to announce an easing of its coronavirus lockdown.

In March, Poland closed its borders, schools and other public places and forbade people to leave their homes except for pressing reasons. It has so far recorded 7,771 coronavirus infections and 292 deaths.

"Final decisions will be taken today. I think that first, starting from Monday, we can expect an opening of forests, green areas," Deputy Prime Minister Jacek Sasin told the private radio station RMF.

block-time published-time 6.05pm BST

Closer international cooperation is needed to coordinate the fight against Covid-19 with greater involvement by the United Nations, international law experts have urged, writes Owen Bowcott, the Guardian's legal correspondent.

The former legal director of the World Health Organisation (WHO), Professor Gian Luca Burci, and the prominent international lawyer Professor Philippe Sands QC have called for a better alert system and more information sharing.

While accepting that now, in the middle of a pandemic, is not the time to allocate blame, they questioned whether China should have sounded the alarm earlier and doubted whether there is a legal basis for President Trump unilaterally withdrawing US funding for the WHO.

In a webinar organised by the British Institute of International and Comparative Law held on Thursday afternoon, Professor Burci said:

There's enough evidence to suggest that China knew and should have known earlier.... The WHO acted fairly quickly and quite diligently.

More developed countries should have known that a virus of this nature could spread internationally and it was [their] responsibility [to prepare].

The lessons from this crisis is to learn planning for the next one.. There should be a more consultative mechanisms where states sit together. There needs to be cooperation. There should be a blueprint for working together. There's a real place for the UN rather than [working] through a sectoral organisation. We need a politically effective forum for consultation.

The number of diseases spread internationally is expanding. So this is our future and we may not have long time to prepare. Most of the diseases [like HIV or Ebola] have had an animal origin.

In terms of Trump's funding withdrawal, Burci said: "There's no legal basis for a unilateral decision by the US to stop funding." He said there is a dispute resolution in article 56 of the International Health Regulations but it has never been tested.

Professor Sands agreed that there is a need for improved international cooperation at a time of populist politics but any inquiry into the Covid-19 outbreak should be conducted by a panel of independent academics, he sugested, rather than the UN security council which is vulnerable to vetoes from its members such as China, the US or the UK.

Taiwan, not a member of WHO, he pointed out has been a model in terms of country responses: it was testing incoming passengers from Wuhan even before China declared an outbreak on December 31st last year. Coronavirus is a wake-up call for larger threats such as climate change, Sands added.

block-time published-time 5.47pm BST

After more than a month in which he was not seen in public, Nicaragua's president has reappeared, giving a speech in which he claimed the coronavirus was "a sign from God", the Associated Press reports.

In the televised address on Wednesday night, [*Daniel Ortega*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) claimed that Nicaragua had suffered only one death from the coronavirus pandemic and that the country's three confirmed cases were "imported".

There had been concerns about the health of the 74-year-old former guerrilla leader, but he appeared well and was not using a mask during his speech.

Ortega has [*refused to adopt the social-distancing*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) and lockdown measures used in other countries, and has in fact encouraged Nicaraguans to participate in mass gatherings.

Nicaraguans "haven't stopped working, because if this country stops working, it dies", Ortega said. The government did extend Holy Week school vacations to two weeks; classes are scheduled to resume on 20 April.

Ortega did not comment on how many tests have been carried out. Experts suspect there are many undetected cases.

Related: [*Nicaragua's Daniel Ortega reappears to call coronavirus 'a sign from God'*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 5.45pm BST

UK lockdown extended for three weeks

Britain's lockdown is to continue for at least another three weeks because experts still cannot be sure the coronavirus epidemic has peaked, the foreign secretary, [*Dominic Raab*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), has said, writes Rowena Mason, the Guardian's deputy political editor, in London.

Raab, who is deputising for the prime minister while he recovers from Covid-19, said there was hope that the number of new infections was no longer rising in the community daily but there was less certainty about some hospitals and care homes.

However people would have to stick with the instructions to "stay at home, protect the NHS, and save lives" until scientists and medics could be sure the outbreak was under control.

"The worst thing we could do is ease up too soon. It would be the worst outcome not just for public health but the economy and the country as a whole," he said.

Related: [*UK lockdown to continue for at least three weeks, Raab confirms*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 5.41pm BST

The coronavirus outbreak in Canada's long term care homes has become so grave that one province has repeatedly asked for the military to be deployed, prime minister Justin Trudeau said Wednesday, Leyland Cecco reports from Toronto.

Calling it an "unusual request", Trudeau said the officials in Quebec have sent three requests to the federal government for help.

"We know this is a serious situation if Quebec is asking the federal government for help. We will do this as quickly as possible so we can send them the support they need," said Trudeau. But he also said that while the military had a number of doctors, he wasn't sure if troops were well-suited to aid in care homes.

The hardest-hit province in the country, Quebec is grappling with a mounting death toll among its elderly population and a shortage of workers for retirement homes. On Wednesday, premier François Legault said an additional healthcare workers were needed, calling the situation a "national emergency".

Centre d'hebergement de la Piniere, an elderly care home affected by the outbreak of Covid-19 in the Laval, Quebec Photograph: Christinne Muschi/Reuters

There are more than 14,000 cases recorded in the province with at least 487 deaths. Across the country, nearly half of the 1,048 deaths from Covid-19 have been in long term care home.

Ontario, the country's most populous province, is also grappling with outbreaks in its care homes. On Wednesday, premier Doug Ford announced new directives to prevent care aides and nursing staff from working at multiple locations.

The prime minister admitted the impact to seniors residences has been "more severe" than the government had hoped. "The conditions are getting more and more difficult."

block-time published-time 5.34pm BST

Italy registered 525 more deaths from Covid-19 on Thursday, 53 less than Wednesday, taking the death toll to 22,170, Lorenzo Tondo in Palermo reports.

The number of people who are currently infected rose by 1189 in a day, 62 more than on Wednesday. Some 2,072 have recovered in the last 24 hours, bringing the total number to 40,164.

The Civil Protection agency said the overall total of cases in Italy, including the deceased, the currently infected and those who have recovered, is now 168,941, up 3,786 on Thursday.

Authorities said the number of intensive care beds in use continues to fall: 2,936 are currently hospitalised in intensive care units - the lowest number registered since 21 March.

Italy's government is still working on a plan to enter 'phase two' of its lockdown, which is set to end on 3 May, as several regions, worried for the economic impact, are urging Rome to not extend the quarantine beyond its current deadline.

Red Cross staff take a selfie at the Red Cross headquarters in Turin Photograph: Stefano Guidi/Getty Images

As the country is struggling to pull its economy through the coronavirus crisis, European Commission president Ursula von der Leyen [*apologised to Italy*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) on behalf of Europe for its failure to do more to help at the beginning of the pandemic.

"It is true that no one was really ready for this. It is also true that too many were not there on time when Italy a needed a helping hand at the very beginning," she said in a speech to the European Parliament.

block-time published-time 5.29pm BST

More good news for Greece on the Covid-19 front, as research showed that when it comes to containing the deadly disease it is the best performing country in Europe, writes Helena Smith in Athens.

In what has been described as ground-breaking analysis of the best and worst performing countries on the continent, Greece has outstripped all others in both dealing with the outbreak, according to The Bridge Tank. The independent economic think tank says:

Thanks to early and strict containment measures, they have successfully managed to flatten the curve and slow down the spread of the virus. The contrast between Greece - which suspended public events and closed schools even before the first 100 cases were detected, and Spain - which took similar decisions at a much later stage of the epidemic - is particularly striking.

Greek health authorities have confirmed 2,207 cases of coronavirus and 105 deaths to date. In the pan-European comparative analysis it was followed by the Czech Republic and Romania. The report went on:

Four weeks after the first 100 COVID-19 cases were detected in each country, it took 19 days for the number of cases in Greece to double, a clear indicator that Greece has successfully 'flattened the curve'. At the other end of the spectrum, the UK is still witnessing a sharp rise in confirmed cases.

This week we looked into how a country more normally associated with crisis apparently managed to avert this one.

Related: [*How Greece is beating coronavirus despite a decade of debt*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 5.25pm BST

Slovakia has posted its biggest daily jump in the number of new coronavirus cases, bringing its total to nearly 1,000, the country's health ministry said on Thursday, according to Reuters.

On Wednesday, Slovakia recorded 114 new cases, bringing the total to 977 since the virus was first detected in March. The jump surpassed a daily rise of 101 cases recorded on 7 April, when at least 31 cases were detected in marginalised Roma communities, prompting the state to quarantine five settlements in eastern Slovakia. Eight coronavirus patients have died so far.

While neighbours in central Europe such as the Czech Republic and Poland begin to ease restrictions as the growth in cases slows or steadies, Slovak prime minister Igor Matovic has said the country will re-open only cautiously.

Slovakia has has banned international passenger travel, closed schools and most shops, banned cultural, religious and sporting events and imposed 14-day quarantine for anyone returning from abroad.

Slovakia's prime minister, Igor Matovic, speaking at a news conference in Bratislava in March Photograph: Radovan Stoklasa/Reuters

block-time published-time 5.11pm BST

EU chief: 'Europe owes Italy an apology'

Europe owes Italy "a heartfelt apology" for not being there when the country was suffering the consequences of coronavirus, the head of the European Union executive has said.

Speaking at the European parliament, European commission president Ursula von der Leyen said truth was needed to overcome the pandemic, including political honesty.

Too many were not there on time when Italy needed a helping hand at the very beginning. And yes for that it is right that Europe as a whole offers a heartfelt apology.

She went on to claim that Europe is now "the world's beating heart of solidarity," citing German deliveries of ventilators to Spain, the Czech Republic's decision to open hospitals to French coronavirus patients, as well as the Polish paramedics and Romanian doctors saving lives in Italy.

Ursula von der Leyen, president of the European Commission, speaking in the European parliament on Thursday Photograph: Thierry Monasse/Getty Images

The direct apology to Italy went further than von der Leyen's [*previous expressions of regret*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), where she chided member states for an "only-for-me response" during the early phase of the pandemic. At the start of the crisis, France and Germany imposed export bans on vital medical equipment, while no European country initially answered Italy's call for aid via the EU's emergency mechanism.

A mid March opinion poll found that 88% of Italians felt Europe was failing to support Italy, results that rattled Brussels and other national capitals.

EU leaders are meeting next Thursday, where they will again try to chart a common path out of the crisis, but they remain divided on the best economic recovery plan.

block-time published-time 5.05pm BST

MPs in Sweden have passed a new law granting the government temporary powers to quickly adopt measures aimed at curbing the spread of coronavirus, AFP reports.

The new law grants the Social Democrat-led government the ability to temporarily close businesses, limit public gatherings or shut down ports and airports, as well as a number of other measures.

It comes after [*criticism of the comparatively relaxed approach*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) taken so far in the Scandinavian country, which had held back from strict measures and now has a rate of coronavirus deaths and infections that is far higher than its near neighbours.

Sweden's prime minister, Stefan Lofven, at a news conference on the coronavirus situation, in Stockholm, earlier today Photograph: Ali Lorestani/TT/EPA

The government is still prohibited from adopting measures that curtail rights guaranteed by the country's constitution, meaning it would still need to go through parliament to issue the type of curfews that have been imposed elsewhere in Europe.

So far the government has banned gatherings of more than 50 people and barred visits to nursing homes. On Thursday, the government also decided on a month-long extension of a ban on non-necessary travel to the country from outside the EU, in line with a joint EU decision.

The new powers come into force on 18 April and last until the end of June.

Sweden's public health agency on Thursday reported another 130 deaths from coronavirus, bringing the total death toll in the country to 1,333. So far the country has recorded 12,540 confirmed cases of coronavirus. Of those, 996 have been treated in intensive care.

block-time updated-timeUpdated at 5.11pm BST

block-time published-time 4.56pm BST

Singapore reports biggest jump yet in cases

Singapore has reported 728 new confirmed cases of coronavirus detected in the past 24 hours, the biggest jump yet in numbers in the city state, which had fought hard to keep its outbreak under control.

The latest increase in confirmed cases is 63% more than the 447 new cases reported by the health ministry on Wednesday, and brings the total number so far in the city to 4,427.

Singapore had been praised by the World Health Organization for rigorous contact tracing, quarantine and surveillance measures, which had previously mitigated the spread of Covid-19.

But the disease has begun spreading rapidly within the large migrant worker community that Singapore relies upon to staff many of its basic services, highlighting what rights groups say is a weak link in containment efforts, Reuters reports.

block-time updated-timeUpdated at 5.03pm BST

block-time published-time 4.44pm BST

5m more Americans sign on as unemployed

More than 22 million American have lost their jobs in the last four weeks as the coronavirus pandemic has swept across the US, according to government figures, write Dominic Rushe and Amanda Holpuch in New York .

The US labor department announced on Thursday that another 5.24 million people filed for unemployment benefits last week, making a total of 22.2 million since 14 March when nationwide stay at home orders led to an unprecedented wave of layoffs across the country.

The largest number of people to ask for unemployment benefits in a four-week period before the Covid-19 crisis came in 1992 when 2.7 million sought support.

[*This graph shows the rise in initial unemployment claims recorded since the coronavirus crisis began affecting the US in mid-March*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

The torrent of layoffs has swept across the country, and every sector of the economy, leading to backlogs [*and anger*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) at state unemployment offices as people have struggled to make claims. The delays are likely to trigger further spikes in the figures in coming weeks.

"It's akin to the entire country being hit by a hurricane," said Jason Reed, assistant chair of finance at the University of Notre Dame. "And we don't know when the hurricane is leaving."

Related: [*'Hit by a hurricane': 22m out of work in US as coronavirus takes heavy economic toll*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time updated-timeUpdated at 5.03pm BST

block-time published-time 4.36pm BST

The death rate in "institutional households" in the Netherlands has doubled since the first part of this year, the Dutch public health authority has said, as it reported 181 more deaths from Covid-19 on Thursday. The death toll in the Netherlands is now 3,315.

At 2pm on Thursday, RIVM said 1,061 more people had tested positive for coronavirus, bringing the total number of confirmed cases in the Netherlands up to 29,214. The number of patients admitted to hospital with the disease is 9,309, up 182 on a day earlier.

Institutional households include care homes, mental health institutions, residential institutions for the disabled, prisons, and residential centres for asylum seekers, RIVM said in a news release. In an updated filed this afternoon, the agency said it estimates that a third of Dutch care homes now have at least one patient with coronavirus.

The death rate in private households was 1.5 times higher than usual.

block-time updated-timeUpdated at 5.02pm BST

block-time published-time 4.23pm BST

Belgium begins testing in all care homes

Belgium has begun testing more than 210,000 residents and staff at nursing homes, which ***account*** for about half of the country's coronavirus-related deaths, Reuters reports.

Belgium is one of only a few countries in Europe that includes all non-hospitalised people who displayed symptoms of the disease in its daily tally of Covid-19 deaths, even if they had not been confirmed as having had it.

A nurse cares for a resident at a care home in Ciney, Belgium, in this picture taken earlier in April Photograph: Olivier Hoslet/EPA

The policy, which has proven controversial, may help to explain the small country of about 11.5 million people, which has been in lockdown since mid-March, has the fifth highest coronavirus death toll in Europe, more than larger countries such as Germany and the Netherlands.

On Thursday, Belgian medical authorities said the coronavirus death toll had risen to 4,857 people, of which 49% had been in care homes. Of these, only 6.5% were confirmed as having Covid-19. The vast majority were merely suspected cases.

The mass testing at care homes is expected to take about three weeks.

block-time updated-timeUpdated at 4.29pm BST

block-time published-time 4.16pm BST

The public health agency in Sweden has reported another 130 deaths from coronavirus, fewer than the day before, bringing the total death toll in the country to 1,333.

So far the country has recorded 12,540 confirmed cases of coronavirus. Of those, 996 have been treated in intensive care, the public health agency said.

Stockholm remains the worst-affected region, with more than 5,000 cases.

block-time updated-timeUpdated at 5.12pm BST

block-time published-time 4.08pm BST

One more person has died from Covid-19 in Kenya since yesterday, and nine new cases of coronavirus have been recorded. There has been no change in the number of patients who have recovered.

enltr [*#KomeshaCorona*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) update by President Uhuru Kenyatta; ??The number of deaths in Kenya has risen to 11. ??53 patients have recovered & discharged   [*pic.twitter.com/RLraME6K5X*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Ministry of Health (@MOH\_Kenya) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 4.01pm BST

The PGA Tour has announced plans to resume in June, with the first four events being closed to spectators due to the coronavirus pandemic.

The tour has been suspended since the Players Championship was cancelled after the opening round on 12 March, with the first three majors of the year - the Masters, US PGA and US Open postponed and the Open Championship cancelled for 2020.

As a result, September's US Open and November's rescheduled Masters will form part of the PGA Tour's 2020-21 season, with 14 events remaining on the 2019-20 calendar.

Related: [*Golf returns in June with first four PGA Tour events behind closed doors*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 3.58pm BST

UK reports 861 new Covid-19 deaths

The UK's health department has issued the latest daily figures for coronavirus hospital deaths. There were 861, taking the running total to 13,729.

Yesterday [*the daily figure was 761*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) but Prof Chris Whitty, the UK government's chief medical adviser, said in the press conference yesterday afternoon that   [*he expected today's figure to be higher.*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

The latest figures come as the UK government's spokesman claimed the coronavirus crisis strengthened the need for the UK to be free of EU regulation after 2020. He made that argument as he said the UK would refuse to extend the post-Brexit transition - even if the EU requested an extension.

enltrAs of 9am 16 April, 417,649 tests have concluded, with 18,665 tests on 15 April. 327,608 people have been tested of which 103,093 tested positive. As of 5pm on 15 April, of those hospitalised in the UK who tested positive for coronavirus, 13,729 have sadly died. [*pic.twitter.com/z6FNsommq9*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Department of Health and Social Care (@DHSCgovuk) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

There is more information about today's figures [*here*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000). For more developments from Britain, follow our UK coronavirus live blog.

block-time published-time 3.46pm BST

Facebook to warn users who 'like' misinformation

Facebook will begin showing notifications to users who have interacted with posts that contain "harmful" coronavirus misinformation, the company announced on Thursday, writes Julia Carrie Wong, the Guardian's tech reporter in San Francisco.

The new policy applies only to misinformation that Facebook considers likely to contribute to " [*imminent physical harm*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) ", such as false claims about "cures" or statements that physical distancing is not effective. Facebook's policy has been to remove those posts from the platform.

Under the new policy, which will be rolled out in the coming weeks, users who liked, shared, commented or reacted with an emoji to such posts before they were deleted will see a message in their news feed directing them to a " [*myth busters*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) " page maintained by the World Health Organization (WHO).

Announcing the move, Guy Rosen, Facebook's vice-president of integrity, said in a [*blogpost*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) :

We're going to start showing messages in News Feed to people who have liked, reacted or commented on harmful misinformation about COVID-19 that we have since removed. These messages will connect people to COVID-19 myths debunked by the WHO including ones we've removed from our platform for leading to imminent physical harm.

We want to connect people who may have interacted with harmful misinformation about the virus with the truth from authoritative sources in case they see or hear these claims again off of Facebook. People will start seeing these messages in the coming weeks.

Facebook does not take down other misinformation about Covid-19, such as conspiracy theories about the virus's origins, but instead relies on its third-party factchecking system. If a factchecker rates a claim false, Facebook then adds a notice to the post, reduces its spread, alerts anyone who shared it, and discourages users from sharing it further.

Related: [*Coronavirus: Facebook to warn users who engaged with 'harmful' misinformation*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 3.00pm BST

Restrictions to tackle the spread of the coronavirus in Switzerland will be gradually relaxed from April 27.

On Thursday, the government said hospitals would be allowed to perform all procedures, including elective surgeries, while hair salons and massage parlours will be allowed to reopen.

A view of empty Zurich city centre in Switzerland on April 7, 2020. Photograph: Anadolu Agency/Anadolu Agency via Getty Images

Primary schools, shops and markets will reopen on May 11, while secondary schools, vocational schools and universities will reopen on June 8.

An existing ban on meetings of more than five people is also expected to be relaxed, but details will not be announced until the end of May.

Swiss president Simonetta Sommaruga told a news conference:

The spread of the coronavirus was slowed, and our hospitals are not stretched to the limit."

"We want to make sure there isn't a resurgence in infections, and we don't want to endanger the gains we've made so far. That's why we ask people to stick to the social distancing and hygiene measures we've put in place."

The country's death toll from Covid-19 stands at 1,269, while 26,422 people have tested positive for the virus according to ***data*** from John Hopkins University.

block-time updated-timeUpdated at 3.05pm BST

block-time published-time 2.53pm BST

Germans have the right to hold public protests if they adhere to social distancing rules, the country's constitutional court has ruled.

A group of pro-democracy activists had petitioned the court after authorities in the town of Giessen banned a protest planned this week to denounce lockdown rules that prevent public gatherings of more than two people.

They said the measures breached freedom of assembly, a key tenet of the German constitution.

Although two lower courts had previously sided with the local authorities, the constitutional court said a general ban on demonstrations would be unconstitutional.

However, it stopped short of allowing the protest planned this week to go ahead.

I'm [*Amy Walker*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), taking over the liveblog while my colleague Damien Gayle takes a break.

block-time updated-timeUpdated at 2.55pm BST

block-time published-time 2.37pm BST

In India, [*politicians*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) from the ruling Hindu nationalist BJP party have been   [*touting cow urine*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) as a cure for Covid-19.

In Tanzania the president has promised that taking communion in church would "burn" the virus away.

In Brazil a congressman claimed a day of fasting would halt its spread.

As the global pandemic has worsened, politicians, faith leaders and other authority figures from around the world have touted unscientific methods to tackle its spread.

The Guardian's network of foreign correspondents have rounded up the nuttiest.

Related: [*As coronavirus spreads around the world, so too do the quack cures*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 2.30pm BST

Amazon has closed its six distribution centres in France, two days after a French court ruled it was not doing enough to protect workers from the coronavirus pandemic.

The company is facing mounting scrutiny on both sides of the Atlantic as it tries to deal with a surge in online orders during lockdowns while keeping employees safe.

On Tuesday a court in Nanterre, Paris, issued an emergency ruling requiring the company to stop selling non-essential goods [*for a month*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) while it works out new safety measures.

Sales of food, medicine and hygiene supplies are still allowed under the ruling. However, Amazon France said that given the "inherent complexity" of its activities, and the potential (EURO)1m (£870,000) fine for each violation of the ruling, the risk was too high.

Amazon France's chief executive, Frédéric Duval, denounced the court's order on Thursday, saying the company had spent "colossal amounts" on health precautions including sanitary gels and face masks. He said the firm would appeal.

Related: [*Amazon closes French warehouses after court ruling on coronavirus*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 2.19pm BST

The author Luis Sepúlveda, the celebrated author and former communist militant from Chile during the Pinochet regime, has died at a hospital in northern Spain, AFP reports.

Best-known for his 1992 novel, "The Old Man Who Read Love Stories", Sepulveda, who was 70, was particularly successful in Europe, where he had been based since the 1980s.

His works, appreciated for their simple humour and depictions of life in South America, have been translated in some 50 countries and range from novels, chronicles and novellas to children's stories.

"I write because I believe in the militant force of words", he once wrote.

Luis Sepulveda, pictured in 2017, who has died in a hospital in northern Spain Photograph: Duilio Piaggesi/Rex/Shutterstock

Sepulveda was born on 4 October, 1949, at Ovalle, north of the Chilean capital Santiago. From a young age he was a political activist, first for Chile's Communist Youth, and then for the Socialists.

He was arrested and jailed for treason for two and a half years in 1973 under the military regime of Augusto Pinochet. After rights group Amnesty International intervened, Sepulveda was freed and escaped, living underground for nearly a year before being recaptured and sent into exile in 1977.

He never returned to live in Chile and it was only in 2017 that he regained his Chilean nationality, which had been stripped from him decades earlier.

He first began showing symptoms of Covid-19 on February 25 after returning from a festival in Portugal.

block-time updated-timeUpdated at 2.31pm BST

block-time published-time 2.09pm BST

enltrArgentina installing thermal cameras (measure body temperature of up to 50 people at a time) at main transit points. Already operative at Ezeiza international airport, Constitución rail-bus station. Subways next. People with temperature will be stopped. [*pic.twitter.com/t3lyGFg0Gk*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Uki Goñi (@ukigoni) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

block-time published-time 2.05pm BST

Health authorities in Russia reported 3,448 new confirmed cases of the coronavirus on Thursday, up from 3,388 a day earlier, bringing the overall number of cases in the country 27,938, Reuters reports.

Thirty-four people died in the last 24 hours, which took the national coronavirus death toll to 232, the Russian coronavirus crisis response centre said.

The latest figures came as the Kremlin said it would accept a "kind offer" by Donald Trump to ship ventilators from the US if Russia felt it needed them.

Russia shipped ventilators and protective gear this month to the US after a phone call between Trump and his Russian counterpart, Vladimir Putin.

Trump told Putin in a recent phone call that the US could reciprocate as it begins to produce more ventilators, Kremlin spokesman Dmitry Peskov told reporters on a conference call on Thursday.

"If necessary, Russia would of course take advantage of this kind offer," Peskov said.

Updated at 2.31pm BST

1.56pm BST

Spain is to introduce a targeted basic income to support its least well off citizens through the economic slump to come after its coronavirus outbreak, according to the leader of junior coalition partner Podemos.

In a statement posted on Twitter on Thursday morning, Pablo Iglesias, secretary general of the centre-left party, said the basic income was "a measure of social justice and also of economic efficiency". He wrote:

We are very happy that in the coalition government we have finally agreed that in this country there will be a minimum vital income this May.

There are hundreds of thousands of families in Spain that could not wait several months; The government is aware of its situation and will work to accelerate to the maximum all the necessary procedures so that this minimum vital income is effectively functioning in this month of May.

It is a measure of social justice and also of economic efficiency: it will allow the fridge of many compatriots to be filled and it will also allow many people to maintain a minimum consumption capacity, which is essential for the economy to recover as quickly as possible when we have defeated the virus.

... Everything is ready so that the teams of the vice-presidency for social rights and the ministry of inclusion, social security and migration hold new meetings, as we have had for days now to finish defining the details of this social protection system, which is called to become a new nuclear social right of our welfare state and of our democracy.

This is not a victory for the coalition government, nor for Podemos; it is a victory for all the groups that for many years have worked through thick and thin to put on the table the need for a minimum income.

To all of them: thank you. We hope to be in the expectations.

Here's the first tweet in the thread for you to read for yourself.

Estamos muy contentos de que en el Gobierno de coalición finalmente hayamos acordado que en este país va a haber un Ingreso Mínimo Vital este mismo mes de mayo. HILO ??

- Pablo Iglesias ?? (@PabloIglesias) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

Updated at 2.04pm BST

1.40pm BST

In a bid to keep up with the coronavirus spread, the Indian state of Kerala is set to convert thousands of its iconic houseboats into isolation wards, writes Hannah Ellis-Petersen, the Guardian's South Asia correspondent.

Around 2,000 houseboats, which usually travel through the serene, palm tree-lined backwaters of Kerala, are currently being converted into isolation facilities for coronavirus patients.

The two storey luxury boats are beloved by tourists and are also a popular purchase among Bollywood actors, who are known to renovate them to the highest standards of luxury.

"We are happy to hand over our boats," said Kevin Rozario, general secretary of All Kerala Houseboat Owners and Operators Association. "By handing over our boats, we are joining the global fight against the virus. We see it as our duty and we will provide all help."

A houseboat in the backwaters of Kerala, prior to the Covid-19 pandemic...Photograph: David Noton/ALAMY

According to the local government, the boats can be made fit for purpose by the end of the month, and then can be moved to remote locations for the safety of patients and locals.

It follows on from the Indian government beginning to renovate 20,000 train carriages into medical facilities and isolation wards two weeks ago. Each train carriage holds 16 beds and a total of 320,000 patients could be cared for in the "quarantine coaches", a statement from the railways said.

India currently has 12,380 confirmed coronavirus cases and 414 deaths. However, officials believe the real figure could be much higher as India has one of the lowest testing rates in the world.

1.23pm BST

Japan declares nationwide state of emergency

Japan has expanded its state of emergency to cover the entire country, AFP reports.

My colleague in Tokyo, Justin McCurry, [*earlier reported*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) that Shinzo Abe, the country's prime minister, was poised to announce the expansion of measures, which had already been declared in seven regions, including Tokyo.

On Thursday evening, Abe told a special meeting of medical experts called to discuss the disease:

Areas where a state of emergency should be carried out will be expanded from the seven prefectures to all prefectures

According to AFP, the declaration allows regional governors to urge people to stay indoors, but with no punitive measures or legal force the measure is far weaker than strict lockdowns seen in other parts of the world.

Despite recording its first case in mid-January, Japan has so far seen a relatively small outbreak with about 8,500 infections and 136 deaths by Thursday.

Updated at 1.37pm BST

1.09pm BST

Security forces enforcing the lockdown in Nigeria to curb the spread of Covid-19 have killed more people so far than the virus itself, the country's official human rights body reports.

Nigeria has imposed a total lockdown in the capital Abuja and economic hub Lagos, a city of some 21 million people, and set restrictions in other regions in a bid to contain the spread of the coronavirus, with security forces, including the police and army, deployed to enforce them.

In a report released late on Wednesday, the National Human Rights Commission said it had received and documented "105 complaints of incidents of human rights violations perpetuated by security forces" in 24 of Nigeria's 36 states and Abuja.

Of these complaints, "there were 8 documented incidents of extrajudicial killings leading to 18 deaths", it said. According to the latest figures published on Wednesday night, 12 people in Nigeria have died of Covid-19, out of a total of 407 confirmed cases. [*The report added*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) :

This speaks volumes of the protocols and rules of engagement for our law enforcement as well the efficiency level and capacity of law enforcement agents to deal with civil population. It's a sheer display of impunity and reckless disregard for human life in law enforcement by security personnel.

Thirty-four new cases of [*#COVID19*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) have been reported as follows: 18 Lagos 12 in Kano 2 in Katsina 1 in Delta 1 in Niger As at 11:20 pm 15th April there are 407 confirmed cases of   [*#COVID19*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) reported in Nigeria. 128 have been discharged with 12 deaths   [*#TakeResponsibility*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/oxM9pVb9QQ*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- NCDC (@NCDCgov) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

12.51pm BST

The number of new confirmed coronavirus infections in Germany has risen for a second consecutive day, as the country prepares to lift restrictions aimed at slowing the spread of the virus.

The Robert Koch Institute (RKI) for infectious diseases reported 2,866 new confirmed cases on Thursday, bringing the country's total to to 130,450. The number of new cases on Wednesday was 2,486.

The daily death toll also rose for a second day, by 315 to 3,569, the tally showed. On Wednesday the reported death toll was 285.

12.43pm BST

The number of the coronavirus deaths in Iran was below 100 for the third consecutive day on Thursday.

Health ministry spokesman Kianush Jahanpur said in a statement on state TV that 92 more people had been recorded as dying from the virus, bringing the total death toll in the country to 4,869.

Iran's total number of cases of people infected with the coronavirus has reached 77,995, Jahanpur said.

12.28pm BST

Dr Matshidiso Moeti, the head of the World Health Organization in Africa, has called Donald Trump's decision to cut funding for the UN health body a blow to efforts to support healthcare across Africa.

Asked in a press briefing about the impact of the decision by the WHO's biggest funder to withhold cash, Moeti said it would have an impact that went beyond the WHO's ability to fund efforts to fight Covid-19. She warned efforts to fight polio, HIV and malaria in Africa were also likely to be affected.

Overall, we will be needing about $300m for the next six months at least to support what countries are doing [to combat Covid-19). This has been a blow to the global WHO budget.

Updated at 12.31pm BST

12.13pm BST

The French military has ordered an inquiry into how the Charles de Gaulle aircraft carrier, the flagship of the naval fleet, was contaminated with Covid-19 after a third of its crew tested positive for the virus, Kim Willsher, the Guardian's Paris correspondent, reports.

The cluster is especially puzzling as the nuclear-powered vessel had reportedly had no contact with the outside world since it went to sea on 15 March.

Last Friday, the French defence ministry confirmed 50 sailors had coronavirus and the ship, in the Atlantic at the time, was ordered back to base in the port of Toulon on France's Mediterranean coast. It arrived on Sunday, two weeks earlier than planned.

Since then 668 sailors, one third of the 1,767-strong crew have tested positive, the French defence ministry confirmed.

French sailors wearing face masks aboard the aircraft carrier Charles de Gaulle as it arrived in Toulon earlier this weekPhotograph: Christophe Simon/AFP via Getty Images

"Today, 31 of them are in hospital, one in intensive care. We do not have the results for 30% of the tests," it said in a statement.

The crew has been placed in isolation for 14 days before being allowed to rejoin their families.

"Operations to disinfect the vessel and aircraft have begun," the French defence minister, Florence Parly, said adding a message of support for the confined sailors and their families.

The Charles de Gaulle was docked at Brest on France's western coast between 13-15 March, where the sailors were given shore leave. This was two days before the strict confinement.

Admiral Christophe Prazuck, the chief of staff of the French navy, has ordered an inquiry into the contamination of the vessel.

The Charles de Gaulle, which carries Rafale fighter planes, Hawkeye surveillance and control aircraft as well as Caracal and Cougar helicopters and Aster anti-air missiles, had been on exercise since 21 January.

It spent several weeks in the Mediterranean as part of Opération Chammal, the French contribution to the international anti-terrorist operation Inherent Resolve in Iraq and Syria. It then sailed to the North Sea and then the Atlantic for "operations of security and defence" to European sea routes, said the ministry.

Updated at 12.21pm BST

12.08pm BST

Spain recorded 5,183 new cases of the virus between Wednesday and Thursday, bringing its total number of confirmed cases to 182,816 - a rise of 2.9% on the previous 24 hours, writes Sam Jones in Madrid.

Over recent days, the increase in new cases has been holding at around 3% a day, well down from a daily average of 12% at the end of March and 20% in mid-March. To date, Spain has recorded 19,130 deaths.

Questions remain over Spain's official figures because of the way it tests and reports. So far, the official figures from the health ministry have been based only on deaths of people who have tested positive for the coronavirus.

A patient is carried by health staff to the intensive care unit of Gregorio Maranon Hospital in Madrid, Spain on WednesdayPhotograph: Anadolu Agency/Anadolu Agency via Getty Images

As the health minister, Salvado Illa, put it recently: "Anyone who's been positively diagnosed with the coronavirus and who dies is a person who's counted as a victim of the coronavirus."

A lot of people are likely to have died from the virus without having been tested, meaning their deaths do not figure in the official count.

This is particularly the case in care homes, where thousands of people have died untested, but showed symptoms consistent with the coronavirus.

According to figures analysed by El País, at least 11,600 people have died of the virus - or displaying symptoms associated with it - in Spanish care homes. Those deaths would ***account*** for almost two-thirds of the nationwide fatalities.

On Wednesday, Catalonia's regional government changed the way it counted coronavirus deaths after asking for ***data*** from funeral companies.

It now puts the region's death toll - in hospitals, homes and care homes - at 7,097. However, the rise in the death toll has not been factored into Thursday's figure from the Spanish health ministry, which puts the regional death toll at 3,855.

Updated at 1.33pm BST

12.03pm BST

The World Health Organization Africa region is holding a live joint media briefing with the World Economic Forum. You can watch in this player on its Twitter feed.

COVID-19 in Africa: watch a joint media briefing with WHO and WEF [*https://t.co/BHhVck8S0c*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- WHO African Region (@WHOAFRO) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

Updated at 12.09pm BST

11.56am BST

Japan's prime minister, Shinzo Abe, is poised to declare a nationwide state of emergency in an attempt to contain the coronavirus outbreak, Japanese media reports said on Thursday, writes Justin McCurry in Tokyo.

Abe last week declared a month-long state of emergency in seven regions, including Tokyo, but has come under pressure to include other parts of the country amid a steady rise in Covid-19 cases.

The move stops far short of the lockdowns introduced in other countries. Instead, local authorities have asked people to stay indoors and request that non-essential businesses close, but there are no penalties for those who fail to comply.

The government has said people have to reduce contact with others by 70-80% to avoid an explosive growth in infections in Japan, which has so far seen a relatively small outbreak, despite recording its first case in mid-January, with about 8,500 infections and 136 deaths by Thursday.

As a result, there has been a significant fall in the number of commuters on Tokyo's usually crowded public transport system and some central parts of the city are practically deserted. But experts fear the virus could spread in local neighbourhoods, where the streets appear to be much busier.

People walk in the entertainment district of Dotonbori on Wednesday. Japan's prime minister is poised to declare a nationwide state of emergencyPhotograph: Aflo/Rex/Shutterstock

Since the state of emergency emergency came into effect on 8 April, several regional governors have called for the measures to be expanded to cover their areas - warning of a growing number of infections and stretched medical facilities.

The chief cabinet secretary, Yoshihide Suga, said the government would consult experts on Thursday before widening the state of emergency from seven to all 47 of Japan's prefectures.

In a joint statement issued this week, emergency medical associations warned that they were "already sensing the collapse of the emergency medical system", with hospitals unable to deal with patients suffering from illnesses other than Covid-19.

In addition, the mayor of Osaka, Japan's third-biggest city, this week appealed for donations of raincoats to be repurposed as protective clothing for health workers who were being forced to use bin liners due to a shortage of equipment.

Updated at 11.56am BST

11.42am BST

1m coronavirus tests to be rolled out across Africa

More than 1 million coronavirus tests will be rolled out in Africa from next week to address a gap in assessing the number of cases on the continent, the head of the African Union's health body has said.

In an online briefing to journalists on Thursday, John Nkengasong, director of the Africa Centres for Disease Control, said maybe 15 million tests would be required across Africa in the next three months, the Associated Press reported.

Africa has suffered in the global race to obtain testing kits and other badly needed medical equipment. While the number of virus cases across the continent was above 17,000 on Thursday, health officials have said the testing shortage means more are out there. South Africa, the most assertive African nation in testing, has carried out perhaps 80,000 tests so far, Nkengasong said.

[*#COVID2019*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) update (9 am EAT 16 April 2020). 52   [*@\_AfricanUnion*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) Member States reporting 17247 cases, 910 deaths, and 3546 recoveries   [*pic.twitter.com/M4SnSq06AP*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Africa CDC (@AfricaCDC) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

He also expressed concern for the US decision to cut funding for the World Health Organization, saying it absolutely will affect African Union member states' ability to receive support from the UN agency.

Any reduction in support for African nations will be painful as the continent has some of the world's weakest health systems.

Ten African nations have no ventilators at all to treat virus patients who need respiratory support, the Africa CDC chief said, but arrangements are being made to deliver some recently donated by the Jack Ma Foundation. Nkengasong did not name the 10 countries.

Updated at 11.46am BST

11.27am BST

In a development that runs contrary to the rules of science and technology, Iran's Islamic Revolutionary Guards Corps claims to have invented a device that can detect the presence of coronavirus at a distance of 100 metres, writes Patrick Wintour, the Guardian's diplomatic editor.

The IRGC, subject to intense US sanctions and seen by Washington as the source of instability across the Middle East, unveiled the device earlier this week at a ceremony hosted by its commander Maj Gen Hossein Salami.

Hossein Salami, commander-in-chief of the Islamic Revolutionary Guard Corps, giving a speech in FebruaryPhotograph: WANA/Reuters

The device "creates a magnetic field, and by using an embedded bipolar virus, any infected area can be detected within a 100-metre radius", according to the IRGC, which said the process takes under five seconds.

Salami said:

This device does not require blood transfusions and operates remotely and intelligently, i.e. it is used for mass screening and fully detects infected surfaces and people who are infected.

He said it would also act as a smart disinfectant since it would know which areas need disinfecting.

This is an amazing scientific phenomenon, and it has been tested in various hospitals, and it has answered more than 80% of its accuracy, and it will be a very good basis for any kind of virus.

It is fair to say that the device's unveiling led to a degree of scepticism on social media, with some Iranians saying they did not know whether to laugh or cry.

Separately Babak Shokri, vice-chancellor of Shahid Beheshti University of Medical Sciences claimed Iran will be able to market a coronavirus-resistant fabric within a month.

Updated at 11.52am BST

11.18am BST

This is Damien Gayle taking control of the live blog now for the next eight hours or so, with thanks to my colleague Simon Murphy for keeping things ticking over.

As usual I'll be bringing you the latest coronavirus news, with a focus on Europe, the Middle East and Africa, while picking up the last updates from the evening in Asia and the first news emerging from the east coast of the Americas.

If you want to get in touch with me, with any tips, suggestions or questions, or news that you would like to see us covering, please send an email to [*damien.gayle@theguardian.com*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) or a direct message via my Twitter profile,   [*@damiengayle*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

Updated at 11.23am BST

11.01am BST

The number of confirmed cases in west Africa is steadily rising since the first case confirmed by Nigeria on 27 February. All countries in the region are affected and under lockdowns of varying degrees, with international travel suspended and movement increasingly prohibited. Ivory Coast has the highest number of confirmed cases at 654.

Yet, across west Africa testing is very limited, with Ghana testing about 35,000 people so far and Nigeria only about 5,000. In Lagos, authorities have just begun the first community testing to determine the spread in the wider population, as so far tests have only been conducted on people who have recently travelled into the country or who have alerted authorities to their condition.

Nigeria 's government is racing to strengthen a chronically underfunded health system, with only a few hundred ICUs and ventilators for its 200 million people, according to medical unions. Nigeria spends 4% of GDP on health, which is among the lowest levels in percentage terms in Africa. Nigeria already has an oxygen crisis, with 625,000 people dying each year due to hospitals not having enough oxygen provision. In recent weeks, strikes by doctors have further highlighted the difficulties in health services, amid complaints of unpaid salaries and poor working conditions. The number of laboratories testing for Covid-19 are being quickly expanded and health centres built with help from the private sector. But there remain fears that even a moderate outbreak could overwhelm the system unless much more is done.

The financial toll of the lockdowns on the poor in west Africa is already becoming clear, with videos across social media of citizens pleading for food supplies and money. Lockdowns have been widespread but help is incredibly limited. Ghana has been among the more proactive countries, yet most are struggling to provide adequate supplies to more than a fraction of the people affected. In Senegal, there are fears that more than 100,000 street children, known locally as Talibés, who beg on the streets are at a greater risk of contracting the coronavirus. Many are homeless or living in squalid, congested Islamic boarding schools. Senegalese authorities say they are trying to help by providing education centres for 1,500 children.

Updated at 11.20am BST

10.53am BST

Europe still in the midst of the Covid-19 storm, World Health Organization warns

[*More from the World Health Organization press briefing*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), as the body's European regional director warns that the continent is still in the midst of the storm of the Covid-19 pandemic, with the number of cases nearing a million.

"As of today, Europe remains very much at the centre of the pandemic. And on the one hand, we have reason to be optimistic, and at the other to be still concerned," the WHO's Hans Kluge said.

In the past 10 days, the number of cases reported in [*Europe*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) has nearly doubled to close to 1 million, he told reporters in an online briefing. This meant about 50% of the global burden of Covid-19 was in Europe, Kluge said.

Updated at 1.44pm BST

10.32am BST

The French government has unveiled a vast package of measures estimated at (EURO)110bn (£95.8bn) to help the country through the coronavirus crisis.

A new budget bill announced by the prime minister, Édouard Philippe, aims to address the economic and social problems caused by the Covid-19 pandemic.

It is a significant increase on the (EURO)45bn plan announced in March but the finance minister, Gérard Darmanin, said noone could be sure (EURO)110n would be enough. "The government is prepared to go further if necessary," Darmanin said.

France is among Europe's worst-hit countries from the pandemic, with more than 134,000 confirmed cases and in excess of 17,000 deaths, [*according to figures compiled by John Hopkins University*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

With the loss of an estimated (EURO)43bn in tax revenues and increased costs to mitigate the crisis, the economy minister, Bruno Le Maire, has announced he expects the French economy to shrink by 8% this year. Measures in the emergency package include:

* Frontline hospital staff are to get bonuses of between (EURO)500 and (EURO)1,500 and up to time and a half for overtime hours until the end of the health emergency. The extra payments and bonuses will be free of tax and social charges. There will also be payments to carers in nursing and residential homes.

1. Public officials who are working through the lockdown could be eligible for bonuses of up to (EURO)1,000, including police officers and teachers who have taken care of the children of essential workers.
2. From mid-May, there will be additional financial support paid to low-income families: a (EURO)150 one-off payment and an extra (EURO)100 per child. Other low-income families will receive (EURO)100 per child.
3. The budget for the "partial unemployment" scheme under which firms are encouraged to keep workers on staff during the lockdown, with the government paying a large part of their salaries, was given an extra (EURO)4bn, taking it to (EURO)24bn. About eight million French workers from an estimated 700,000 companies are believed to be on the scheme. Workers at qualifying companies who earn up to (EURO)4,607.82 net - which is four and a half times the minimum wage - are paid 84% of their net salary while not working; those on the minimum wage will receive their full salary. The scheme covers temporary staff but not interns or apprentices.
4. A further 900,000 small French businesses, freelancers and self-employed have applied for financial help that has also been increased from (EURO)1,500 to (EURO)3,500. Small businesses and the self-employed have been allowed to suspend payments of rent, gas and electricity.

The government appears to be making good on the president, Emmanuel Macron's, early pledge that no French firms would be allowed to go under during the coronavirus crisis.

Le Maire said the government was also considering what financial aid should be given to the struggling national airline AirFrance-KLM and said he would announce its decision "in the coming days".

Updated at 12.39pm BST

10.20am BST

Despite optimistic signs there have been declining numbers of new Covid-19 cases in some European countries, the World Health Organization's regional director for the continent said: "We remain in the midst of a storm."

Hans Kluge, WHO Europe's regional director, is answering journalists' questions at a briefing.

Of the 10 countries in the Region with the highest numbers of cases, there have been optimistic signs in terms of declining numbers in Spain, Italy, Germany, France and Switzerland in recent weeks. [*@hans\_kluge*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- WHO/Europe (@WHO\_Europe) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

Make no mistake, despite this spring weather, we remain in the midst of a storm. Several countries are yet to feel its full impact, while others are experiencing a lull as numbers of new cases of COVID-19 are falling. [*@hans\_kluge*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- WHO/Europe (@WHO\_Europe) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

Updated at 10.52am BST

10.20am BST

The coronavirus pandemic should act as a call for solidarity among Europe's leaders, the German finance minister, Olaf Scholz, has said, adding that he hoped the European Union would emerge from it stronger. Reuters reports:

EU finance ministers agreed last week on half-a-trillion euros of support for their coronavirus-battered economies, but left open the question of how to finance the subsequent recovery in the bloc, which is headed for a steep recession. "The current challenge is a call for solidarity. That applies on a global scale, but it also applies particularly for Europe," Scholz said.

His comments came in an interview with Reuters on Thursday, in which he also reiterated Germany's reluctance to commit any form of collective post-lockdown debt issuance by the bloc or its institutions. Asked how the pandemic would change the EU, Scholz said: "I hope it will be stronger, more united and more confident."

The outbreak has laid bare bitter divisions within the bloc, with member states squabbling over topics including money, medical equipment and drugs, border restrictions and trade curbs.

Last week's agreement did not resolve the issue of whether to use joint debt to help finance the recovery, something Italy, France and Spain pushed strongly for but which remains a red line for Germany, the Netherlands, Finland and Austria.

The bloc's 27 national leaders are only committed to discussing whether "innovative financial instruments" should be applied, paving the way for further debate.

10.03am BST

MEPs and civil society groups have called on the European commission and European Council to condemn the Hungarian government's exploitation of the coronavirus crisis to erode democracy.

In [*an open letter*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), 80 signatories, including Human Rights Watch and Transparency International, warned the European commission president, Ursula Gertrud von der Leyen, and the European Council president, Charles Michel, that they must not allow Hungary's nationalist prime minister, Viktor Orbán to use the pandemic as a smokescreen for anti-democratic activities

[*The measures, in place since*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) late March, have been   [*criticised*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) for the sweeping powers they hand to Orbán, to rule by decree. Another part of the bill provides penalties of up to five years in prison for those spreading misinformation during the pandemic.

The letter says: "We cannot allow unscrupulous political actors to use the current climate as a pretext for dismantling democracy and undermining the rule of law.

The recent actions of Viktor Orbán's government in Hungary are a flagrant attack on the cornerstones of the rule of law and the values of the union. We therefore urge you to unequivocally condemn the Hungarian government's misuse of the coronavirus crisis to erode democratic values.

The European Commission and the Council must also take swift and decisive actions to address these threats to the rule of law being carried out under the guise of emergency powers."

Updated at 10.14am BST

10.00am BST

Death rates from coronavirus in [*Ireland*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) and Northern Ireland appear to be stabilising but care homes continue to be badly hit.

At least 10 people died in a care home in Derry over the past two weeks and eight died in a psychiatric centre in county Laois last weekend.

Irish authorities also reported the death of two healthcare workers, a man in his 40s and a woman in her 50s, who worked St Luke's hospital in Kilkenny.

Ireland on Wednesday recorded 38 deaths, including that of a 23-year-old, bringing the official toll to 444. There are 12,547 confirmed cases of infection.

Ireland's death rate has stabilised in recent days and the number of people in intensive care has declined slightly, prompting cautious optimism. "While a number of these parameters are going in a positive direction, it is clear that we need to keep going in our efforts, on an individual level, to limit the spread of this virus," Tony Holohan, the chief medical officer, told a media briefing.

[*Northern Ireland*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) reported six deaths on Wednesday, bringing its total to 121 deaths in hospitals, with 2,088 cases of infection. The predicted number of deaths was less severe than originally feared, when modelling suggested 3,000 deaths, said Robin Swann, the health minister. "We cannot be certain of how this first wave will play out - no modelling can predict the future - but we can acknowledge that the unprecedented social distancing restrictions on all our lives are starting to make an impact."

9.41am BST

[*More from the Netherlands*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), where a study of blood donors has discovered that around 3% have developed antibodies against the new coronavirus, giving an indication of what percentage of the Dutch population may have already had the disease.

The head of the National Institute for Health (RIVM), Jaap van Dissel, disclosed the results during a debate with parliament on Thursday.

"This study shows that about 3% of Dutch people have developed antibodies against the coronavirus," Van Dissel said. "You can calculate from that, it's several hundred thousand people" in a country of 17 million.

There are 28,158 confirmed coronavirus cases in the Netherlands, but only the very ill and healthcare workers are currently being tested, Reuters reports.

9.27am BST

The president of Afghanistan has asked the Taliban to declare a ceasefire in an effort to instead fight coronavirus as the number of confirmed cases reached 840, triggered by a surge of infections in Kabul.

The country's president, Ashraf Ghani, has asked for a ceasefire across the country so health workers can fight the virus. "I call on the Taliban to give a positive response to the rightful demand of United Nations secretary general, regional governments, people of Afghanistan and the government to stop war and declare a ceasefire," he said.

About 56 new Covid-19 cases have been recorded in the last 24 hours, a health ministry spokesman said in a press conference in Kabul. Of the new cases, 37 were confirmed in Kabul, the country's capital. The city of six million, which has so far recorded 238 confirmed cases, is under full lockdown in an attempt to contain the spread of the disease.

Six new coronavirus deaths have also been reported in the same period, pushing the death toll to 30. There have been 56 recoveries so far. Of new cases, 11 have been confirmed in Herat, Afghanistan's worst affected area so far, with 321 confirmed cases. In Kandahar, the testing process is halted due to lack of test kits, local officials said. The province has had a surge in infections as thousands of Afghan migrants poured back from Pakistan in recent days. Kandahar went into full lockdown on Wednesday. A health ministry spokesman said the real number of infections is higher than what the ministry announces as many of patients decline to be hospitalised, citing "social stigma". "We're so vulnerable, because of war, migrants and also we are a poor nation but our good point is that we get united at times of crises," the spokesman said.

Updated at 9.35am BST

9.08am BST

The Foreign Office has responded to [*our earlier report*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) detailing how Britons have been left stranded in Peru after missing UK repatriation flight because a military aircraft that had been sent to collect them refused to let them board.

According to the Foreign Office, a dozen passengers were unable to board the flight from Cusco to the country's capital, Lima, because they failed a health screening.

A Foreign Office spokesman said: "We can confirm that, unfortunately, a dozen passengers were refused access to the military flight from Cusco to Lima that was due to join up with the flight to London. The Peruvian authorities denied them boarding, following health screening.

"We recognise this is deeply disappointing for these passengers and a worrying time. We will continue to do all we can to support them and other British nationals who remain in Peru."

Updated at 9.13am BST

8.54am BST

Authorities in the India state of Kashmir have issued an unusual order as part of their efforts to stop the spread of coronavirus: the felling of thousands of poplar trees.

The Jammu and Kashmir administration said pollen from the millions of Russian poplar trees in the region risked causing hay fever and allergies, which could result in sneezing and coughing, which might then increase the spread of coronavirus and make people more vulnerable.

The order issued by the Jammu and Kashmir government requested district administrations to carry out "lopping/felling" of the poplar trees as they "may prove fatal to the public health".

"The pollen of said trees," added one local magistrate, "create influenza like infections which may create unnecessary panic among the general public". The magistrate ordered all poplar trees in the district to be cut within the week.

The ruling was the result of a petition filed to the Jammu and Kashmir high court in early April, stating that poplar pollen could create "havoc for humans with respiratory diseases" and potentially aggravate COVID-19 infections.

However, doctors have called this into question, stating there is little evidence that poplar pollen causes respiratory problems. Activists and conservationists, meanwhile, said the felling will have a hugely detrimental impact on the environment of Kashmir.

"Eradication of exotic varieties of poplars would result in an economic and ecological disaster in Kashmir," warned Tariq Hussain Masoodi, dean of the forest faculty at Sher-e-Kashmir University of ***Agriculture*** Sciences and Technology.

The Jammu and Kashmir government said they had now assembled a team of experts and would be evaluating the issue over the next two weeks.

There are an estimated 10-15m poplar trees in Kashmir, and every April they shed cotton-like balls, which can be seen floating in the air. But this is not the first time they have been subject to a felling order. In 2015, following health concerns, Jammu and Kashmir high court banned the sale, purchase and planting of the trees and ordered millions felled.

Updated at 9.22am BST

8.11am BST

Poland is loosening its coronavirus lockdown as it will reopen parks and forests on Monday before eventually revising rules on the number of customers allowed in shops, a minister has indicated.

The country has so far recorded 7,582 coronavirus cases with 286 deaths, according to [*figures compiled by Johns Hopkins University*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

Poland's prime minister is expected to announce on Thursday details of the government's plan for easing restrictions on public life, which were launched to curb the spread of the virus.

"Final decisions will be taken today. I think that first, starting from Monday we can expect opening of forests, green areas," the state assets minister, Jacek Sasin, told private radio RMF on Thursday. Poland will also revise the rules on the number of customers allowed in shops at a time, he added, but did not say when they would come into effect. Sasin also said it is too early to talk about reopening of schools.

It comes after [*protesters in Poland defied the coronavirus lockdown*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) to oppose a proposal that would almost completely ban abortion.

Updated at 8.44am BST

7.55am BST

Like elsewhere, the economic reality of the coronavirus pandemic lockdown is beginning to bite in the Netherlands where the number of people filing for unemployment benefits soared by 42% in March.

The country, the eurozone's fifth largest economy, paid benefits to 37,800 new unemployed in March, an increase of 11,200 from the month before.

The strongest increases were among people who used to work in restaurants and bars, and among people under 25 years of age, the Dutch federal employment agency said. on Thursday.

The country's government ordered all restaurants, bars, museums, sport facilities and other public places in the Netherlands to shut down on 15 March in the fight against the coronavirus pandemic. They are to remain shut until at least 28 April. To help businesses cope with the economic standstill and to prevent significant layoffs, the Dutch government has said it will cover up to 90% of the wage bill of companies who see a significant decline in sales in the coming months.

More than 85,000 companies have already applied for this support. Despite the help, the number of people who lost their jobs in March jumped almost 10% from the previous month to about 283,000, ***Statistics*** Netherlands said.

Updated at 9.24am BST

7.41am BST

Nearly two dozen French sailors are being treated in hospital after a large outbreak of Covid-19 on board an aircraft carrier.

Some 1,767 marines have been evacuated from the French carrier, the Charles De Gaulle, with at least 668 testing positive for coronavirus.

"There are about 20 at the moment in hospital. Out of the 20, one is in the re-animation ward and in a stable case," spokesman Eric Lavaul t told RMC radio.

On Wednesday, the French armed forces ministry said 1,767 marines - nearly all from the Charles de Gaulle carrier itself - had been evaluated and at least 668 had tested positive for the virus.

The vessel set sail for the eastern Mediterranean on 21 January to support French military operations in Iraq and Syria, before deploying to the Atlantic and then the Baltic. It participated in exercises with northern European navies in the Baltic Sea before returning to Toulon two weeks earlier than planned after crew members showed signs of Covid-19 symptoms.

Updated at 8.54am BST

7.31am BST

Let's kick off with some good news to warm our hearts during these dark times. In the UK, a 99-year-old war veteran [*has now raised more than £12million for the NHS*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) by walking lengths of his garden.

Cap Tom Moore, who lives with his family in Bedfordshire, had originally planned to raise £1,000 with his challenge but smashed through his target after his efforts captivated the nation.

The veteran, who served in the second world war after being selected for officer training in 1940 and completed postings in India and Sumatra, is walking 10 laps of the 25-metre garden a day with the help of his walking aid and hoped to reach 100 laps by his 100th birthday in April. However, he is likely to reach his target ahead of schedule today.

"Our brave nurses and doctors are frontline in this case ... this time our army are in doctors and nurses uniforms and they're doing a marvellous job," Moore said earlier this week.

[*Here's*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) my colleague Jessica Murray's story about Tom from yesterday by which time the war veteran had already raised £9m.

Related: [*War veteran, 99, raises £9m for NHS by walking lengths of back garden*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

Updated at 9.57am BST

7.14am BST

Morning folks, it's Simon Murphy here taking the helm of the coronavirus global live blog from the UK to steer you through events as they unfold for the next few hours.

7.11am BST

That's it from me, [*Helen Sullivan*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) for today. Thanks for following along - I'm now handing the blog over to my colleague Simon Murphy, who is suitably caffeinated.

But first - a poem:

Related: [*Poems to get us through: Nature Walk by Colette Bryce*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

7.07am BST

Profit over people, cost over care: America's broken healthcare exposed by virus

In the wealthiest country in the world, the Covid-19 pandemic has exposed the core of a healthcare system that is structurally incapable of dealing with the pandemic. Federal and local governments, health insurers and employers have pledged to help Americans pay their way through this crisis, but to do so requires a dramatic overhaul of a system which has for decades prioritised cost over care.

Related: [*Profit over people, cost over care: America's broken healthcare exposed by virus*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

6.49am BST

Coronavirus latest: at a glance

A summary of the biggest developments in the global coronavirus outbreak:

Related: [*Coronavirus latest: at a glance*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

6.44am BST

In the US meanwhile, retail sales plunged in March while industrial production in the same month suffered its steepest drop since 1946, ***data*** showed Wednesday.

Other reports pointed to weak homebuilder sentiment and manufacturing conditions, while a Federal Reserve report said American economic activity "contracted sharply", AFP reports.

"The economic ***data*** was nothing short of disastrous," Ann Miletti of Wells Fargo Asset Management told Bloomberg TV.

"How long can you sustain the shutdown is what's on investors' minds."

The nearly empty parking lot of the Mall of Georgia in Buford, Georgia, USA, 15 April 2020.Photograph: Erik S Lesser/EPA

President Donald Trump has said that he will on Thursday announce the first plans for lifting lockdowns after the US - the worst-hit country with the most virus deaths and infections - passes the "peak on new cases".

The World Health Organization has warned, however, that lifting virus-related restrictions too early could have devastating consequences, with fears of a possible second wave of infections.

6.39am BST

Asian markets fell in early trade on Thursday following overnight woes on Wall Street as more negative US economic ***data*** fuelled worries about the full impact of the coronavirus pandemic.

There had already been a spate of grim economic forecasts this week, with the IMF warning of the worst global downturn in a century, and poor US economic figures released Wednesday spooked investors further.

The woes on Wall Street discouraged traders in Asia, where Tokyo was down 1.2%, Hong Kong lost 0.8& and Sydney dropped 1.4%.

Seoul slipped 0.6%, while Taipei shed 0.3% and Shanghai was down 0.1%.

The Philippine central bank cut its benchmark interest rate by 50 basis points on Thursday ahead of a 21 May policy meeting, this year's latest reduction aiming to counter the economic impact of the coronavirus pandemic. The cut takes the rate on the bank's overnight reverse repurchase facility to 2.75% with effect from Friday.

Updated at 6.45am BST

6.30am BST

UK papers, Thursday 16 April 2020

GUARDIAN: Warning as virus leads to surge in home deaths [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/XtyUM5Tlah*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Neil Henderson (@hendopolis) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

TIMES: New Covid 19 infections 'flattening out in Britain' [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/c6uy86qOII*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Neil Henderson (@hendopolis) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

INDEPENDENT DIGITAL: UK is reaching peak of virus crisis... 'probably' [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/3WqATnrAdn*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Neil Henderson (@hendopolis) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

TELEGRAPH: Virus finally 'reaching the peak' [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/iVrrFVKs1Y*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Neil Henderson (@hendopolis) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

SCOTSMAN: Quarter of all Covid 19 deaths are in care homes [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/EFHssBQDwu*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Neil Henderson (@hendopolis) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

I: Reality of working in a coronavirus care home [*#TomorrowsPapersToday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)   [*pic.twitter.com/KQDuk74XIl*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

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6.24am BST

Trump wades further into China Covid-19 row as focus turns to easing lockdowns

Donald Trump has again questioned China's transparency over the coronavirus outbreak, casting doubt on the origins of the virus and number of cases, while signalling the US would soon join countries across Europe in easing its lockdown.

"Do you really believe those numbers in this vast country called China?" the US president said, when asked about the severity of the US death toll at a White House press briefing. "We report everything, we're reporting the cases and our reporting is good. We're reporting every death."

Meanwhile the IMF said on Thursday Asia's economic growth would grind to a halt for the first time in 60 years, as the crisis takes an "unprecedented" toll on the service sector and major export destinations:

Related: [*Trump wades further into China Covid-19 row as focus turns to easing lockdowns*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

6.19am BST

Australian Prime Minister has just given a press conference in which he announced the following:

* Restrictions to remain in place for at least another four weeks, but easing is on the agenda

1. The government wants increased testing - including those with no symptoms - as well as larger scale contact tracing (downloading the app) and localised lockdown ability to be put in place, before restrictions are loosened.
2. Parliament may return next month

Slides handed out to media at the conference argue that Australia has one of the highest reported detection rates globally, and estimate that approximately 92% of all symptomatic cases are being detected across the country.

Australia has 6457 confirmed cases. The coronavirus death toll is 63 people.

The country's Chief Medical Officer, Professor Brendan Murphy, said the growth rate in cases is "very encouraging".

6.05am BST

Trump used Wednesday's White House briefing to continue his attack on the World Health Organisation but this time also targeted the World Trade Organisation's practice of favouring developing nations over developed ones when it comes to trade terms. Trump claimed that 'as far as I'm concerned' the US is 'a developing nation, too'.

Trump has threatened to shut down Congress so he could fill vacancies in his administration without Senate confirmation. No US president has ever used the authority, included in the Constitution, to adjourn both chambers of Congress.

5.43am BST

Engineers in Colombia have developed a mechanical ventilator for Covid-19 patients that could cost as little as $2,000, in one of numerous crash projects around the world aimed at helping ease a global shortage of the devices, AP reports.

The prototype for a low-cost ventilator is calibrated by engineering professors from La Sabana University.Photograph: Fernando Vergara/AP

It's one of the latest efforts around the world to produce pared down, emergency versions of full feature ventilators, which have become more expensive as governments try to outbid each other to purchase them. According to New York governor Andrew Cuomo ventilators are currently selling for $50,000 each.

Here are a few others:

* In Afghanistan, a female team of robotics experts announced last week they had created a Covid-19 ventilator made out of Toyota car parts that will cost $400.

1. In Argentina, the National University of Rosario says it has come up with a ventilator that has fewer than 20 components, and has shared its design online.
2. In Colombia, at least five universities have been working separately on their own ventilators and three of them have built prototypes that are already being tested to comply with standards set by national regulators. Ae ventilator produced by Sabana University has been tested successfully on a pig. It must still undergo further tests on animals and humans before it can go into production.

5.35am BST

The Guardian's Verna Yu has this explainer on what a wet market is - and why Wuhan's is different:

At the crack of dawn every day, "wet markets" in [*China*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) and across Asia come to life, with stall owners touting their wares such as fresh meat, fish, fruits and vegetables, herbs and spices in an open-air setting.

The sights and sounds of the wet market form part of the rich tapestry of community life in Asia. They are where local people buy affordable food, or just go for a stroll and meet their neighbours for a chat.

While "wet markets", where water is sloshed on produce to keep it cool and fresh, may be considered unsanitary by western standards, most do not trade in exotic or wild animals and should not be confused with "wildlife markets" - now the focus of vociferous calls for global bans.

The now-infamous Wuhan South China seafood market, suspected to be a primary source for spreading Covid-19 in late 2019, had a wild animal section:

Related: [*What is a wet market?*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

5.28am BST

In the six days after top Chinese officials secretly determined they likely were facing a pandemic from a new coronavirus, the city of Wuhan at the epicentre of the disease hosted a mass banquet for tens of thousands of people; millions began traveling through for Lunar New Year celebrations, AP reports.

The shuttered Huanan Seafood Market in Wuhan, China being disinfected in March.Photograph: Gerry Yin/The Guardian

President Xi Jinping warned the public on the seventh day, 20 January 2020. But by that time, more than 3,000 people had been infected during almost a week of public silence, according to internal documents obtained by The Associated Press and expert estimates based on retrospective infection ***data***.

China has now reported a total of 3,342 deaths from the virus among 82,341 cases.

5.21am BST

Foreigners working in Singapore's trade-dependent economy and living in crowded dormitories now ***account*** for half of the tiny city-state's virus cases after new infections spiked for a third day, AP reports.

Workers look out of their dorm at Westlite Dormitory, one of the two workers' dormitory gazetted as isolation areas to curb the spread of coronavirus in Singapore.Photograph: Edgar Su/Reuters

Its number of coronavirus infections has jumped by 1,167 since Monday. While successfully managing its first wave of infections, Singapore overlooked its vast population of foreign workers who live in dormitories that typically house up to 20 men sharing kitchens, toilets and other facilities. Tens of thousands of the workers from Bangladesh, India and other poorer Asian countries are now quarantined in their dormitories or have been moved to alternative sites to reduce crowding. The 447 new coronavirus cases raise Singapore's total to 3,699. The health ministry said in a statement late Wednesday that the significant rise in cases among foreign workers was expected partly due to ongoing tests at the dormitories. About a fifth of total cases were detected in one single dormitory.

5.13am BST

A fascinating read here from Jason Burke on how Islamic extremists hope to exploit the Covid-19 pandemic to launch new attacks, motivate followers and reinforce their credentials as alternative rulers of swaths of unstable countries across the Middle East, Asia and Africa:

Related: [*Opportunity or threat? How Islamic extremists are reacting to coronavirus*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

Updated at 5.14am BST

5.08am BST

New Zealand's prime minister has warned there will be no "rush to normality" when restrictions are eased.

Jacinda Ardern said that significant restrictions would be kept in place even if the country eases the nationwide one-month lockdown enforced to beat the spread of the coronavirus.

New Zealand introduced its highest, level 4 lockdown measures in March, under which offices, schools and all non-essential services like bars, restaurants, cafes and playgrounds were shut down. A decision on whether to lift the lockdown would be made on 20 April.

Ardern said if New Zealand moves to the lower level 3 of restriction, it would permit aspects of the economy to reopen in a safe way but there will be no "rush to normality".

4.56am BST

Here's our report on the results of the first general election of the coronavirus outbreak, where South Korea's ruling party has won a landslide victory in national assembly elections, in what is being seen as an endorsement of President Moon Jae-in's response to the [*pandemic*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

Moon's left-leaning Democratic party and its smaller affiliate won 180 seats in the 300-seat assembly - the biggest majority in the national assembly by any party since South Korea's transition to democracy in 1987 - according to the Yonhap news agency. The conservative opposition United Future party and its smaller sister party won 103 seats.

Turnout was 66.2%, higher than any parliamentary elections held in [*South Korea*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) since 1992.

Related: [*South Korea's ruling party wins election landslide amid coronavirus outbreak*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

4.52am BST

Some news from New Zealand now, where the coronavirus crisis has hit the world of rugby.

Related: [*All Blacks players face 50% wage cut due to coronavirus crisis*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

4.40am BST

PBS and the Associated Press report that International aid groups are now supporting the US healthcare system, in an indictment of the response to the coronavirus pandemic from one of the world's wealthiest countries.

The 638,111 confirmed cases of coronavirus - a number more than three times higher than that of the next worst-affected country, Spain, which has 180,000.

30,844 Americans have lost their lives in the crisis so far.

International aid groups are now supporting the U.S. healthcare system, which experts say shows how dire the need is domestically, and how inadequate the federal response has been. A report with [*@AP*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) and   [*@GlobalRepCentre*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).   [*https://t.co/RHvWXWcVLI*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- FRONTLINE (@frontlinepbs) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

4.36am BST

Elizabeth Warren says she would accept being Joe Biden's running mate

Warren has said she would accept an offer to be running mate to the Democratic presidential candidate, Joe Biden, if the position were offered.

"Yes," said the US Senator when asked on MSNBC how she would respond if Biden asked her to run for vice-president.

Biden, who was Barack Obama's vice-president, has vowed to pick a woman to be his running mate and said he would name a committee to help him vet a shortlist of names soon.

Several people likely to be in contention have expressed their interest. "I would be an excellent running mate," said Stacey Abrams, the former Georgia gubernatorial candidate, in an interview published by Elle on Wednesday. Governor Gretchen Whitmer of Michigan told NBC News on Wednesday that she was "fortunate" to be considered for the position.

Related: [*Elizabeth Warren says she would accept being Joe Biden's running mate*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

4.34am BST

Ecuador's Galapagos Islands, a UNESCO World Heritage site, have 73 confirmed cases of the novel coronavirus, the majority on board a tourist ship, the governing council president said Wednesday.

A Metropolitan police officer stands guard at the entrance of Rio Coca bus terminal in Quito on 17 March 2020.Photograph: Rodrigo Buendía/AFP via Getty Images

"Forty-eight positive cases have been identified" out of the 69 people on board the Flora, Norman Wray told AFP. Wray, who heads the Galapagos Government Council, added that all passengers are crew members, as the ship no longer has tourists on board. "In total, we have 73" confirmed cases and two deaths on the archipelago, Wray said.

Ecuador has recorded 7,858 cases and 388 deaths since the start of the pandemic. Guayas province and its capital, port city Guayaquil, have been the hardest hit, comprising about 70 percent of the cases reported since February 29.

According to Wray, there are still 1,000 tourists in the Galapagos, most of whom are Ecuadorians who decided to stay during the general lockdown, which has been extended by the national government until April 19. About 1,500 other tourists were evacuated from the islands.

4.26am BST

Summary

* Confirmed cases worldwide top 2m. The latest numbers from Johns Hopkins University, which is tracking the spread of the virus, put the confirmed global total of cases at 2,063,161. The researchers say at least 136,938 people have died since the start of the outbreak.

1. Asia's economic growth this year will grind to a halt for the first time in 60 years, the IMF said on Thursday, as the coronavirus crisis takes an "unprecedented" toll on the region's service sector and major export destinations.
2. The US reports more than 25,000 new cases. Washington's Centers for Disease Control and Prevention has reported 605,390 cases of coronavirus - an increase of 26,385 cases from its previous count - and said the number of deaths has risen by 2,330 to 24,582.
3. US president Donald Trump says some states may reopen before 1 May. There were governors "champing at the bit" to reopen, he said. Trump also reiterated the decision to halt funding to the World Health Organization.
4. The head of the WHO said he regrets US President Donald Trump's decision to pull funding for the agency, but that now is the time for the world unite in its fight against the new coronavirus.
5. South Korea's left-leaning ruling party won a landslide victory in Wednesday's general election, partial results showed, after the coronavirus pandemic turned the political tide in President Moon Jae-in's favour.
6. Nearly 700 sailors assigned to the French aircraft carrier Charles de Gaulle's naval group have tested positive for the coronavirus, the armed forces ministry said on Wednesday.
7. Amazon has ordered the temporary closure of all six of its French distribution centres, one day after a French court ruled it was not doing enough to protect its workers in the country amid the coronavirus pandemic.
8. Ten Britons and a UK resident have been left stranded in Cusco, Peru, after missing a UK repatriation flight on Wednesday because a military aircraft which had been sent to collect them refused to let them board after landing and taking off twice, they say.
9. A man who lost his mother to the coronavirus has filed a police case against the leader of Belarus, accusing President Alexander Lukashenko of failing to take adequate measures to fight the spread of the pandemic, Reuters reports.
10. Los Angeles Mayor Eric Garcetti said Wednesday it is unlikely concerts and sporting events will resume until at least 2021, as the city continues to fight the coronavirus pandemic.
11. New York City revises its death toll sharply upwards to more than 10,000 people. It added 3,778 people who were not tested but who are nevertheless presumed to have died from Covid-19.
12. G20 finance ministers agree to suspend poorer countries' debt payments. The measure will be in effect from 1 May until the end of the year as they prepare for increased spending on healthcare systems.

Updated at 5.53am BST

4.11am BST

An explainer now on how WHO funding works and where it goes, as Trump announces US funding to the organisation will be put on hold.

The United States' funding freeze blows a major hole in the World Health Organization's budget as it attempts to steer the fightback against the coronavirus pandemic.

Washington is the biggest single contributor to the United Nations' health agency, AFP reports.

Looking at the specified voluntary contributions that have been fully distributed is one way of making comparisons between the contributions of donors to the WHO.

In this sector, the United States is the biggest contributor with $553.1 million, or 14.67%. China's contribution of $7.9 million amounted to 0.21% of the total.

Officials of the World Health Organisation are seen during a community testing in Abuja, Nigeria 15 April, 2020.Photograph: Afolabi Sotunde/Reuters

The money, which can often be highly earmarked for particular projects, is paid out throughout the year as projects and needs arise.

Within the specified voluntary contributions sector in the 2018 and 2019 budget - before the coronavirus crisis - the WHO's biggest spending outlay was on polio eradication (26.51%).

Next came:

* Increasing access to essential health and nutrition services (12.04%);

1. Vaccine-preventable diseases (8.89%);
2. Establishing effective coordination and operations support (6.1%)
3. Preventing and controlling outbreaks (5.96%).

In terms of regional distribution, it reached those projects via:

* Africa, which received $1.32 billion;

1. The eastern Mediterranean ($1.23bn);
2. The WHO headquarters ($591m);
3. Southeast Asia and Europe ($223m);
4. The western Pacific ($166m)
5. The Americas ($24m).

3.58am BST

Germany on Wednesday unveiled plans to lift some restrictions imposed because of the coronavirus pandemic, becoming the first major European nation to take on the delicate task of reopening without triggering a new wave of infections, AFP reports.

Germany was the largest of several European countries announcing tentative steps on Wednesday to reopen their economies and societies.

Denmark began reopening schools for younger children after a month-long closure and Finland lifted a two-week rail and road blockade on the Helsinki region.

Lithuania said it would allow smaller shops to reopen from Thursday.

Yet a full-scale return to normality still appears a long way off in most other countries.

Harvard scientists have warned that repeated periods of social distancing could be needed as far ahead as 2022 to avoid overwhelming hospitals.

Spanish Prime Minister Pedro Sanchez, who has allowed work to restart in some factories and building sites, warned that "nothing will be the same until a vaccine is found."

Belgium extended its stay-at-home order until at least 3 May and banned mass gatherings until the end of August.

3.48am BST

Australian riot police enter Villawood detention centre

Australia's immigration detention centres have been largely forgotten during this crisis. But detainees remain scared.

AAP has this report:

Riot police have entered western Sydney's Villawood Immigration Detention Centre to stop a protest by detainees concerned about a COVID-19 outbreak in the facility.

Three detainees in the centre's Blaxland compound have been holding a rooftop protest since Saturday while others remain on a hunger strike demanding COVID-19 virus testing and the release of detainees, according to the Refugee Action [*Coalition*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

"Other detainees in Blaxland have been locked in their rooms," the Refugee Action Coalition said in a statement on Thursday.

The riot squad are on the scene with police working with Australian Border Force to control the situation, a NSW Police spokeswoman told AAP.

3.40am BST

Qatar Airways crews have been applauded by passengers and won praise from governments for repatriating thousands of travellers stranded by the coronavirus aviation shutdown, AFP reports.

Qatar Airways crew prepare to enter Sydney international airport to fly a repatriation flight back to France on 2 April 2020.Photograph: Peter Parks/AFP via Getty Images

Observers say Doha is hoping that by carrying on flying when regional competitors are grounded, it will score diplomatic points in an ongoing confrontation with its neighbours.

While Qatar Airways is only operating 35 percent of its normal services, it has used spare capacity to carry 17,000 people on almost 60 special charter services for countries with stranded citizens.

Germany, France and Britain have all publicly directed citizens to fly home on the Gulf airline and praised Qatar on social media.

Qatar Airways has also evacuated US diplomats and other nations' foreign service staff from Iraq.

However, there was criticism of the airline on social media at the start of the month from travellers stuck in New Zealand that the only flight option for those not on a special repatriation flight was a $10,000 business fare.

3.34am BST

Ten Britons and a UK resident stranded in Peru after missing repatriation flightChris Ramsay in happier times trekking at the Vinicunca Rainbow Mountain in Cusco.Photograph: Whatsapp

[*Dan Collyns*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) reports for the Guardian:

Ten Britons and a UK resident have been left stranded in Cusco, Peru, after missing a UK repatriation flight on Wednesday because a military aircraft which had been sent to collect them refused to let them board after landing and taking off twice, they say.

As a result, they missed the repatriation flight which the UK embassy in Peru says is the last. Several such flights have shuttled marooned Britons back to the UK over recent weeks.

Chris Ramsay, 29, who was among at least four of the Britons who had been diagnosed with Covid-19, said he felt abandoned by the British foreign office.

"It's been a rollercoaster of emotions and events," said Ramsay, one of seven Britons who had been staying in the [*Pariwana*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) hostel which was put under quarantine by Peruvian health authorities in March when two guests tested positive for the virus. Ramsay believes he was infected while under the lockdown.

"I woke up expecting to be going home today, then was told 'no' after the military flight left, then was told maybe and they'd got it to turn around, then 'no' again when it left Cusco without us for the second time," he said.

UK citizen Patricia Pacheco, 61, has been in Cusco since February with her Peruvian husband Roberto and her brother Ian Lindsay, who was diagnosed with Covid-19, and his wife Mary McCarron.

Pacheco said UK officials had managed to arrange the Peruvian military flights late on Tuesday after a flight charter company abruptly refused to carry anyone who had tested positive for the virus.

"We thought we were getting out now we've sunk back to the depths of despair," said Pacheco, who lives with her husband, a UK resident, in Montgomery, Wales.

On Wednesday, the [*Twitter*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) ***account*** of the UK embassy in Peru said: "Today one last UK Government chartered flight took back British nationals and residents from Lima to London. We've now helped over 1,200 people get back to the UK from Peru in very challenging circumstances."

It added: "The vast majority of British nationals have now left Peru but we are aware that not everyone who wanted to leave was able to."

Update: [*The Foreign Office says*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) a dozen passengers were unable to board the military flight from Cusco to Lima because they failed a health screening.

Updated at 1.34pm BST

3.31am BST

With the global economy plunged into the worst recession in a century, the Group of 20 nations on Wednesday announced a one-year debt standstill for the world's poorest nations as they struggle to deal with the coronavirus pandemic.

The G20, which brings together the world's largest economies, also reiterated the pledge to deploy "all available policy tools" to deal with the health and economic crisis caused by Covid-19.

The G20 finance ministers and central bankers endorsed "a time-bound suspension of debt service payments for the poorest countries," and in the communique following their virtual meeting, said, "All bilateral official creditors will participate in this initiative."

Saudi Finance Minister Mohammed Al-Jadaan, who currently chairs the group, said this means "poor countries don't need to worry about repaying over the course of the next 12 months."

The initiative will "provide north of $20 billion of immediate liquidity" for poor countries to use "for their health system and support their people facing Covid-19," he said in a press briefing.

Updated at 4.24am BST

3.24am BST

United Airlines Holdings Inc said on Wednesday that it has cut its flight schedule by 90% in May and expects similar cuts for June as a result of the coronavirus pandemic, and warned that travel demand that is now "essentially at zero shows no sign of improving in the near term," making job cuts likely, Reuters reports. United disclosed its outlook in a memo to employees that it publicly released. The airline said it flew fewer than 200,000 people in the first two weeks of April, a 97% drop from the more than 6 million people it flew during the same time in 2019. It expects to fly fewer people during the entire month of May than it did on a single day in May of last year, Munoz and Kirby said. "The historically severe economic impact of this crisis means even when travel demand starts to inch back, it likely will not bounce back quickly," they said. While the $5 billion that United expect to receive in government payroll support under the CARES Act means it is barred from involuntary furloughs before 30 September, the airline indicated that it expects to have to cut payroll after that. It said it will be offering new voluntary leave packages in the coming weeks and voluntary separation programs.

United Airlines employees check a passenger in during the coronavirus pandemic at Denver International Airport Tuesday, 14 April 2020.Photograph: David Zalubowski/AP

3.18am BST

Podcast: How did an unproven drug become Trump's 'miracle cure'?

Hydroxychloroquine has been used to treat a number of diseases in the past half-century but after a French study claimed it was effective against coronavirus it has been hailed by the US president as a cure. But there is scant evidence it is effective - and it could actually be harmful.

Related: [*Hydroxychloroquine: How did an unproven drug become Trump's 'miracle cure'?*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

3.05am BST

IMF says Asia will suffer zero economic growth this year

Asia's economic growth this year will grind to a halt for the first time in 60 years, as the coronavirus crisis takes an "unprecedented" toll on the region's service sector and major export destinations, the International Monetary Fund said on Thursday. Asia's economy is likely to suffer zero growth this year the IMF said in a report on the Asia-Pacific region released on Thursday.

Chinese workers and health officials wear protective white suits as travellers from Wuhan are processed and taken to do 14 days of quarantine, after arriving on the first trains to Beijing on April 8, 2020 in Beijing, China.Photograph: Kevin Frayer/Getty Images

While Asia is set to fare better than other regions suffering economic contractions, the projection is worse than the 4.7% average growth rates throughout the global financial crisis, and the 1.3% increase during the Asian financial crisis in the late 1990s, the IMF said. The IMF expects a 7.6% expansion in Asian economic growth next year on the assumption that containment policies succeed, but added the outlook was highly uncertain. Unlike the global financial crisis triggered by the 2008 collapse of Lehman Brothers, the pandemic was directly hitting the region's service sector by forcing households to stay home and shops to shut down, the IMF said. The region's export powerhouses were also taking a battering from slumping demand for their goods by key trading partners such as the United States and European countries, it said.

Updated at 5.56am BST

2.55am BST

South Korea's left-leaning ruling party wins landslide victory

South Korea's left-leaning ruling party won a landslide victory in Wednesday's general election, partial results showed, after the coronavirus pandemic turned the political tide in President Moon Jae-in's favour.

South Korean election officials sort voting papers for ballot counting in the parliamentary elections at a gymnasium in Seoul on 15 April 2020.Photograph: Jung Yeon-Je/AFP via Getty Images

The country uses a mix of first-past-the-post seats and proportional representation, but even before all the individual constituencies were decided, Moon's Democratic party had taken 163 seats in the 300-member National Assembly, an absolute majority.

Turnout was 66.2 percent, higher than any parliamentary elections held in the South since 1992.

Just a few months ago scandals over power abuse and sluggish economic growth threatened the left-leaning president, with critics calling his dovish approach towards North Korea - despite Pyongyang's abandonment of its nuclear and ballistic missile test moratoriums - unrealistic.

But the South's relatively quick and effective handling of the epidemic - it has also exported test kits to at least 20 countries - has been a boon for Moon ahead of the parliamentary elections, largely seen as a referendum on his performance.

And his so-called "coronavirus diplomacy" - such as recent publicity on his bilateral phone calls with at least 20 state leaders regarding epidemic response - boosted Koreans' confidence in his administration, said Minseon Ku, a politics scholar at Ohio State University in the United States.

2.50am BST

The Navajo Nation has extended its weekend lockdowns preventing people from leaving their homes, except in emergencies, on the vast expanse of land that has been harder hit by the coronavirus than any other Native American reservation in the US, AP reports.

A road sign outside Bloomfield warns Navajos to stay home during their nation's 8pm to 5am curfew to slow the spread of coronavirus in New Mexico, US, 7 April 2020.Photograph: Andrew Hay/Reuters

The tribe first put in place the 8pm Friday to 5am Monday lockdown last weekend for the reservation that lies in parts of Arizona, New Mexico and Utah and is larger than the state of West Virginia. It came after a nightly curfew was imposed to keep people at home from dusk to dawn during the week. Navajo Nation President Jonathan Nez said Wednesday he was thankful most people are adhering to public health orders, but not everyone is complying. The number of coronavirus cases on the Navajo reservation and border towns rose to 921 on Wednesday, with 38 deaths. About 175,000 people live on the Navajo Nation, and Nez said he was working to ensure non-essential business would close as ordered. Tribal police enforced the weekend lockdown by setting up checkpoints in Navajo communities. They issued more than 100 criminal nuisance citations for violating it on Friday and Saturday, Navajo Nation police spokeswoman Christina Tsosie said. Enforcement of the lockdown over Easter weekend was the largest coordinated effort ever for the department, Navajo Police Chief Phillip Francisco said.

2.48am BST

The best way to send news tips or ask questions is on [*Twitter @helenrusllivan*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

2.40am BST

US school administrators across America are trying to re-imagine classrooms and the prospect of reopening schools in the era of social distancing, AP reports. With the majority of schools nationwide shut down, educators are scrambling to plan for the future after a chaotic few weeks that, for many districts, included closing all schools, deciding whether to waive assessment tests and whether and how to do distance learning. Next comes the important question of when schools can safely re-open.

School buses are seen parked at First Student Charter Bus Rental in San Francisco, California, US 7 April, 2020.Photograph: Stephen Lam/Reuters

California Governor Gavin Newsom laid out a few possible scenarios this week for reopening the states public schools to 6 million students, saying the timeline was still unclear but when students do eventually return things will look radically different. The biggest challenge for schools is how to continue physical distancing among children and adults to ensure that kids aren't going to school, getting infected and then infecting grandma and grandpa, Newsom said. That could mean requiring schools to stagger schedules, with some students arriving in the morning and the rest in the afternoon. Similar conversations are taking place at state school boards across the country. The issue is on Idahos agenda Thursday, and several other states, including Arkansas and Mississippi, are starting to have the discussion, Hull said.

2.35am BST

In US election news, MSNBC news host Rachel Maddow has asked Elizabeth Warren whether she would consider being Joe Biden's running mate if asked.

She said she would:

Madddow: If [Joe Biden] asked you to be his running mate, would you say yes? Warren: Yes. [*pic.twitter.com/5EIofG2TNt*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- Maddow Blog (@MaddowBlog) [*April 16, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

2.33am BST

Mexican assistant health secretary Hugo López-Gatell said Wednesday there has been widespread non-compliance with orders for all non-essential businesses to close. Those firms that don't comply would be inspected, fined and possibly subject to criminal investigations for endangering the health of employees, he said.

While there have been widespread reports that border assembly plants known as maquiladoras had failed to close during the pandemic, López-Gatell cited only one border state Baja California as having a high level of non-compliance.

A cloud rests over a housing development across the highway from a new Toyota assembly plant, in Apaseo El Grande, Guanajuato state, Mexico.Photograph: Rebecca Blackwell/AP

Videos of walk-outs and protests at assembly plants have circulated on social media in recent weeks. But López-Gatell said the problem was centred more in Mexico's industrial central region. In all, 18% of firms in Mexico are considered essential and are allowed to stay open. López Gatell said 50% of those that were supposed to close did so, but about 32% of the remaining companies initially failed to close. Of that one-third, about half closed after being warned, while the other half continue to operate. Mexico has 5,847 confirmed coronavirus cases and almost 450 deaths.

2.30am BST

Nicaraguan President Daniel Ortega re-appeared Wednesday after 34 days in which he was not seen in public, AP reports. Ortega made a televised address to the nation in which he said Nicaragua had suffered only one death from the coronavirus pandemic and that the country's three confirmed cases were imported. There had been concerns about the health of the 74-year-old former guerrilla leader, but he appeared well and was not using a mask during his speech.

A man walks by a mobile health clinic displaying a picture of Nicaragua's President Daniel Ortega and his wife Vice-President Rosario Murillo in Managua on 14 April 2020.Photograph: Inti Ocón/AFP via Getty Images

Ortega has refused to adopt the social-distancing and lock-down measures used in other countries, and has in fact encouraged Nicaraguans to participate in mass gatherings. Nicaraguans haven't stopped working, because if this country stops working, it dies, Ortega said. The government did extend Holy Week school vacations to two weeks; classes are scheduled to resume April 20. Ortega did not comment on how many tests have been carried. Experts suspect there are many undetected cases.

2.20am BST

Trump fans flames of Chinese lab coronavirus theory during daily briefing

Donald Trump has fuelled a media theory that the coronavirus pandemic began when the pathogen accidentally escaped a Chinese laboratory, teasing that "more and more we're hearing the story".

The US president's TV network of choice, Fox News, [*has reported*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) that "multiple sources" in the American government believe   [*initial* ***transmission*** *of the virus*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) was bat-to-human in a virology lab in Wuhan. Due to weak safety protocols, an infected lab worker then went to a wet market where the virus spread.

When Fox News reporter John Roberts put this to Trump at a press briefing on Wednesday, he replied: "Well, I don't want to say that John, but I will tell you more and more we're hearing the story."

The president is notorious for recycling content from Fox News in his remarks or tweets, and it was unclear whether he was privy to any other information to back the claim. He added: "We'll see. When you say 'multiple sources', now there's a case where you can use the word 'sources'. But we are doing a very thorough examination of this horrible situation that happened."

Trump added that he did not want to disclose any discussions he had with Chinese president Xi Jinping about the laboratory.

Related: [*Trump fans flames of Chinese lab coronavirus theory during daily briefing*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

2.10am BST

The [*New York Times*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) is reporting that a pork factory in Smithfield, South Dakota is the new centre of the coronavirus pandemic in the US. This week, the paper reports:

The Smithfield plant became the nation's largest single-source [*coronavirus hot spot*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000). Its employees now make up about 44 percent of the diagnoses in South Dakota, and a team of researchers from the Centers for Disease Control and Prevention has traveled there to assess how the outbreak spiraled out of control. Smithfield is   [*the latest meat processing facility to close*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) in the face of the coronavirus.

2.07am BST

A Japanese MP has been expelled from his party after it was revealed he had visited a club in a Tokyo red light district, two days after the prime minister, Shinzo Abe, declared a state of emergency in an attempt to contain the coronavirus outbreak. Takashi Takai, a 50-year-old lower house member for the Constitutional Democratic party of Japan, admitted he had visited Sexy Cabaret Club in Tokyo's Kabukicho district on 9 April, media reports said, despite government requests that people refrain from visiting bars, restaurants and clubs as part of efforts to reduce personal contact by 70-80%. Takai submitted a letter of resignation after media reported his visit to the club, but the party rejected it and expelled him instead, Kyodo news agency said.

Almost empty street is seen after the government announced the state of emergency following the coronavirus disease outbreak at Kabukicho district in Tokyo.Photograph: Issei Kato/Reuters

Under the [*monthlong state of emergency*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), residents of Tokyo and six other areas have been asked to stay home and nonessential businesses to temporarily close. Bars and restaurants are allowed to stay open until 8 pm. Tokyo's governor, Yuriko Koike, has warned that clubs and hostess bars, some of which allow intimate physical contact, could become infection clusters. Takai reportedly told party officials: "I regret acting carelessly and making people feel uncomfortable when they have been asked to refrain from going out." In a video message, the party's leader, Yukio Edano, said the MP had acted irresponsibly, adding: "We decided to expel him given the seriousness of the matter."

1.58am BST

On the subject of deaths in US nursing homes, the [*New York Times*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) has this report, headlined "After Anonymous Tip, 17 Bodies Found at Nursing Home Hit by Virus."

The call for body bags came late Saturday.

By Monday, the police in a small New Jersey town had gotten an anonymous tip about a body being stored in a shed outside one of the state's largest nursing homes.

When the police arrived, the corpse had been removed from the shed, but they discovered 17 bodies piled inside the nursing home in a small morgue intended to hold no more than four people.

"They were just overwhelmed by the amount of people who were expiring," said Eric C. Danielson, the police chief in Andover, a small township in Sussex County, the state's northernmost county.

The 17 were among 68 recent deaths linked to the long-term care facility, Andover Subacute and Rehabilitation Center I and II, including two nurses, officials said. Of those who died, 26 people had tested positive for the virus.

1.54am BST

In the US, federal health officials are coming under increasing pressure to start publicly tracking coronavirus infections and deaths in nursing homes amid criticism they have not been transparent about the scope of outbreaks across the country that have already claimed thousands of lives, AP reports.

West Virginia National Guard's Task Force members prepare to test residents at nursing home in Charleston, West Virginia, US, 6 April 2020.Photograph: Us Army/Reuters

Experts say the lack of tracking and transparency has been a major blind spot, and that publicising outbreaks as they happen could not only alert nearby communities and anguished relatives but also help officials see where to focus testing and other safety measures. Such an action by the agencies that oversee the nations 15,000 nursing homes is seen as long overdue, coming more than a month after a nursing home in Washington state became the first Covid-19 hot spot in the US with an outbreak that ultimately killed 43 people and a near-daily drumbeat of new cases that in some cases has forced entire homes to be evacuated. Because the federal government has not been releasing a count, The Associated Press has been keeping its own running tally of nursing home outbreak deaths based on media reports and state health departments. The APs latest count of at least 4,817 deaths is up from about 450 just two weeks ago.

1.47am BST

A new decree took effect in Vietnam on Wednesday introducing fines for the dissemination of 'fake news' or rumours on social media. Local authorities have already fined hundreds of people for posting what they described as "fake news" about coronavirus, Reuters reports. But the new decree, drafted in February, supersedes one from 2013 which does not specifically cover 'fake news', new guidelines say. A fine of 10-20 million dong ($426-$853), equivalent to around three to six months' basic salary in Vietnam, will be imposed on people who use social media to share false, untruthful, distorted, or slanderous information, according to the decree. The new rules were not specifically drafted to deal with coronavirus social media comment and extend far beyond that topic, raising concern among human rights groups already heightened by a cybersecurity law that has been in effect since last year. Penalties can now be imposed on anyone sharing publications that are banned from circulation in Vietnam, state secrets, or maps which fail to show Vietnam's claims in the South China Sea, according to the decree.

1.39am BST

California is launching a $125m disaster relief fund for undocumented immigrants, the first of its kind in the nation, [*California*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) governor Gavin Newsom announced Wednesday.

Undocumented immigrants make up 10% of California's workforce, Newsom said, but are ineligible for unemployment insurance, pandemic unemployment assistance and federal stimulus support.

The governor noted that there was an overrepresentation of the undocumented workforce in essential services, "in the healthcare sector, [*in the* ***agriculture*** *and food sector*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), in the manufacturing and logistics sector, and in the construction sector."

"We feel a deep sense of gratitude for people that are in fear of deportation but are still addressing the essential needs of tens of millions of Californians," he said.

More than 2 million undocumented immigrants live in California, making up 6% of [*the state's overall population*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000). Last year, undocumented immigrants paid $2.5bn in local and state taxes, Newsom said. But still amid this crisis, many find themselves in the impossible situation of having to   [*choose between healthcare and legal status*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000), or continuing   [*essential work without protections*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

Related: [*California launches $125m disaster relief fund for immigrants, first in nation*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

1.32am BST

Amazon to close French warehouses over coronavirus concerns

Amazon has ordered the temporary closure of all six of its French distribution centres, one day after a French court ruled it was not doing enough to protect its workers in the country amid the coronavirus pandemic.

The online giant said in a statement that "this week, we are requesting employees of our distribution centres to stay at home. In the longer term, we will evaluate the impact of that [court] decision for them and our French logistic network".

Amazon's French warehouses are to be shut down for five days from Thursday to carry out a deep clean and to "take all the necessary measures to guarantee the health and safety of staff", the company said.

Management said the 10,000 full- and part-time staff would continue to be paid.

Related: [*Amazon to close French warehouses over coronavirus concerns*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

1.20am BST

A tribute to the prime minister of New Zealand has gone horribly wrong, after a television presenter attempted to render Jacinda Ardern in cake form, and failed spectacularly.

Laura Daniel said the common wisdom was "don't bake your heroes" but she wanted to try anyway as the coronavirus lockdown dragged on.

"I'm deeply sorry Jacinda Ardern," [*Daniel wrote on Instagram of her masterpiece.*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) "I truly tried my best with what I had available ... it's made from another NZ icon lolly cake."

View this post on Instagram

[*They say don't bake your Heroes But I wanted to try anyway. I'm deeply sorry @jacindaardern I truly tried my best with what I had available... it's made from another NZ icon lolly cake.... Swipe to see my bake off competitor @hilary.barry produce a stunning Aoraki Mt Cook Pav. #NailedIt*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

A post shared by [*Laura Daniel*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) (@lauradaniel25) on Apr 14, 2020 at 12:50am PDT

Supermarket shelves have been short of flour and baking supplies for weeks because many have taken up baking as a hobby during New Zealand's four-week lockdown, which has imposed some of the most strict restrictions anywhere in the world.

The cake - which features a lurid shade of pink lipstick, wavy black liquorice hair and googly blue candy eyes - was based on a picture of the prime minister on the cover of a recent biography of Ardern, An Extraordinary Leader .

The coup de grace was a set of what appeared to be real teeth.

Related: [*New Zealand TV presenter 'deeply sorry' for her disturbing Jacinda Ardern cake*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

1.18am BST

Irish police made one of their largest drug seizures of the year when a car tried to evade one of their checkpoints set up to enforce strict measures to curtail the spread of the coronavirus, Reuters reports. The police have been given new powers to enforce stay-at-home restrictions and increased the already large number of checkpoints over the Easter holiday weekend, mainly to deter trips to holiday homes. But cocaine with a street value of around (EURO)500,000 (US$545,700) was recovered when police caught up with a car that sped away from a checkpoint in Dublin's city centre in the early hours of Tuesday before colliding with a wall near the city's River Liffey, 2 km (1.2 miles) away.

Three people were arrested, and divers later recovered two handguns following a search of the riverbed, police said in a statement. Police say there have been 144 incidents that started "as potential breaches of the regulations, but during the incidents other offences were disclosed". On 8 April, the first day of the increased Easter operation, police seized 20,000 smuggled cigarettes from a driver at a checkpoint in County Mayo. Two days earlier, on April 6, police found cocaine with a street value of about (EURO)51,000 after stopping a car at a checkpoint in southern Waterford.

1.08am BST

One question: are you Shakespeare?

People wanted the full version of this video and here you are ???? [*pic.twitter.com/FpnxrDGOVq*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

- majimb.o (@ElsaAngel19) [*April 15, 2020*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000)

1.05am BST

A strange story from Kashmir now:

Authorities have ordered the felling of tens of thousands of poplar trees that ***account*** for nearly a third of the region's forests, over fears of a convergence of respiratory allergies and the spread of the coronavirus, Reuters reports.

But doctors and scientists say the imported trees' pollen and drifting seeds are not a particularly significant allergy problem, and that widespread forest losses may be the bigger threat.

A view of snow covered trees and mountains after a recent snow fall in Kashmir, 31 January, 2020.Photograph: Yawar Nazir/Getty Images

Widespread felling of the trees kicked off after the Jammu and Kashmir High Court earlier this month said health threats from poplars should be examined and, if supported, female poplar trees, which produce drifting cotton-like clumps of seeds in the spring, should be felled. The court decision was the result of a public-interest petition filed by a Srinagar lawyer, stating that poplar pollen could create "havoc for humans with respiratory diseases" and potentially aggravate Covid-19 infections.

Environmentalists and doctors have pointed out that male, rather than female, trees produce pollen, and said that neither the pollen nor seeds from the tree represented a more significant respiratory threat than other spring-blooming plants.

The Jammu and Kashmir region has so far seen about 300 confirmed cases of the virus, and four deaths, according to the Ministry of Health and Family Welfare.

12.52am BST

Vietnam's VietJet Air and state carrier Vietnam Airlines will resume some domestic flights from Thursday after the government eased a 15-day lockdown for some parts of the Southeast Asian country. Late on Wednesday, Vietnam's government extended a two-week period of social distancing for 12 provinces in the country, including capital Hanoi and the southern business hub of Ho Chi Minh City, but lifted those measures for most rural areas. The Civil Aviation Authority of Vietnam (CAAV) had previously said that domestic flights would remain suspended to fully comply with social distancing measures. But following Wednesday's announcement, the CAAV granted permission for four domestic airlines to resume flights between key routes, including Hanoi, Ho Chi Minh City and the central city of Danang.

A man picks up a luggage trolley at Noi Bai international airport in Hanoi, Vietnam.Photograph: Luong Thai Linh/EPA

12.45am BST

LA mayor says concerts and sporting events unlikely to resume until 2021

Los Angeles Mayor Eric Garcetti [*said Wednesday*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) it is unlikely concerts and sporting events will resume until at least 2021, as the city continues to fight the coronavirus pandemic.

"It's difficult to imagine us getting together in the thousands anytime soon, so I think we should be prepared for that this year," he told Wolf Blitzer on The Situation Room. "Until there's either a vaccine, some sort of pharmaceutical intervention, or herd immunity, the science is the science. And public health officials have made very clear we have miles and miles to walk before we can be back in those environments."

Garcetti's comments echo those of New York City mayor Bill de Blasio and [*California*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) governor Gavin Newsom, both of whom said it will be a long time before gatherings of 100 or more people are commonplace again.

President [*Donald Trump*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000) has expressed the desire to reopen the country by 1 May, but governors and city officials have increasingly put forward longer timelines.

12.39am BST

Man who lost mother to coronavirus files case against Belarus leader

A man living France who lost his mother to the coronavirus has filed a police case against the leader of his native Belarus, accusing President Alexander Lukashenko of failing to take adequate measures to fight the spread of the pandemic, Reuters reports.

A young man walks a dog by a billboard reading "We will win" in Minsk, Belarus.Photograph: Natalia Fedosenko/TASS

Aleksander Matveyev said he had reported Lukashenko to Belarus police for investigation over the death of his mother, Lydia Matveyeva, 68, who died on 2 April in a hospital in Vitebsk, a city in northeast Belarus. "Lukashenko did not take the necessary measures in time," her son told Reuters in a video call. "And if this person who exercises power does not take those measures, he does nothing, he should be held ***accountable*** like any other citizen." Lukashenko, in power since 1994, has been one of the world leaders most publicly sceptical about the need for strong action to curb the coronavirus. The Belarus health ministry, which encourages people to reduce contact to prevent the spread of the coronavirus, says 36 people in Belarus have died of it. But Lukashenko has said all victims had other health problems. On Monday he said he believed nobody in Belarus would be killed by the virus. Matveyeva's death certificate, an image of which was sent to Reuters by her family, records her "main cause of death" as "coronavirus". Lukashenko's office and the interior ministry did not respond to a request for comment. A person who answered the phone in the hospital director's office declined to comment on Matveyeva's death.

12.31am BST

Nearly 700 sailors from French aircraft carrier test positive

Nearly 700 sailors assigned to the French aircraft carrier Charles de Gaulle's naval group have tested positive for the coronavirus, the armed forces ministry said on Wednesday. The ministry said 1,767 mariners, nearly all from the Charles de Gaulle itself, had been tested and results showed at least 668 to be infected with the new coronavirus. Results are still not in from a third of the tests, Reuters reports. "Thirty one personnel are today in hospital," it said in a statement. "More tests are being carried out."

Medical staff of the Marseille Naval Fire Battalion testing sailors of the French aircraft carrier Charles De Gaulle in Saint-Mandrier, near Toulon, France, 14 April 2020.Photograph: Jonathan Bellenand/FRENCH NAVY HANDOUT/EPA

The carrier arrived home in Toulon two weeks earlier than expected after about 40 crew members showed signs of Covid-19 symptoms.

Sick crew members had been placed under strict medical observation on board the nuclear-powered carrier and a team equipped to carry out the first tests airlifted to the vessel.

Crew from the Charles de Gaulle and the frigate Chevalier Paul were now in confinement within their naval base, while the pilots of the carrier's warplanes and helicopters were also in quarantine. The navy chief had ordered an investigation, the ministry said.

12.25am BST

Summary

Hello and welcome to today's live coronavirus pandemic coverage. The world has passed another sombre milestone, with more than 2 million coronavirus cases confirmed worldwide.

Trump, meanwhile, held a press conference in which he expressed doubt over China's coronavirus death toll in response to reporter asking why US fatalities ***account*** for a fifth of the global total.

"Do you really believe those numbers from this vast country called China? And that they have a certain number of cases and a certain number of deaths. Does anyone really believe that," Trump said.

Trump doubled down on his decision to halt funding to the World Health Organization and announced that US governors will be given new guidelines on Thursday and some states may reopen before 1 May.

I'll be bringing you the latest developments from around the world as they happen.

A reminder that I welcome news tips, questions and comments on [*Twitter @helenrusllivan*](https://www.theguardian.com/world/live/2020/apr/17/coronavirus-live-news-trump-says-29-states-could-reopen-relatively-soon-as-global-deaths-near-145000).

* Confirmed cases worldwide top 2m. The latest numbers from Johns Hopkins University, which is tracking the spread of the virus, put the confirmed global total of cases at 2,047,731. The researchers say at least 133,354 people have died since the start of the outbreak.

1. The US reports more than 25,000 new cases. Washington's Centers for Disease Control and Prevention has reported 605,390 cases of coronavirus - an increase of 26,385 cases from its previous count - and said the number of deaths has risen by 2,330 to 24,582.
2. US president Donald Trump says some states may reopen before 1 May. There were governors "champing at the bit" to reopen, he said. Trump also reiterated the decision to halt funding to the World Health Organization.
3. The head of the WHO said on Wednesday he regrets US President Donald Trump's decision to pull funding for the agency, but that now is the time for the world unite in its fight against the new coronavirus.
4. New York residents will be required to wear face coverings when they are out in public and coming in close contact with other people, Governor Andrew Cuomo said Wednesday. The order takes effect on Friday.
5. G20 finance ministers agree to suspend poorer countries' debt payments. The measure will be in effect from 1 May until the end of the year as they prepare for increased spending on healthcare systems.
6. The UK hospital death toll rises by 761. The Department of Health and Social Care says a total of 12,868 people have now died in hospitals around the UK. The 761 new deaths announced on Wednesday represent a fall on the equivalent figure reported yesterday; 778. The figure is likely to rise once deaths in other settings are taken into ***account***.
7. New York City revises its death toll sharply upwards to more than 10,000 people. It added 3,778 people who were not tested but who are nevertheless presumed to have died from Covid-19.
8. Italy reports 578 new deaths. The number of fatalities in Italy rises by 578 on Wednesday, 24 fewer than the increase seen on Tuesday, taking the death toll to 21,645.
9. The European Union's medicine regulator estimates it could take a year for a vaccine to be available for widespread use. The European commission president, Ursula von der Leyen, has previously claimed a vaccine could be on the market "before autumn".
10. The 107th edition of the Tour de France is postponed until August. the world governing body, the UCI, says the opening stage will now start on 29 August and the finale will take place on 20 September. It was due to begin in Nice on 27 June and conclude in Paris on 19 July.
11. Oil slumps despite production cuts. US oil prices tumble to 18-year lows of $19.20 (£15.33) a barrel and the benchmark price for Brent crude drop by 5% to $28 a barrel amid gloomy forecasts for demand during the pandemic.
12. Canadian economy slides 9% in a month. Its ***statistics*** agency says the country's economy suffered a decline of nearly 9% in March - the worst figure ever recorded.
13. Three rounds of EU-UK Brexit talks are scheduled. Both sides say they remain committed to reviewing progress in June.

Updated at 2.20am BST

252972020-04-15T23:25:52Zfalsefalse2020-04-16T23:58:14ZfalseAUStheguardian.com[*https://gu.com/p/dkcn6falsetruehttps://media.guim.co.uk/da782357d992894e5644150d5a6440d559be0701/0\_327\_5568\_3341/500.jpgfalseentrueThat's*](https://gu.com/p/dkcn6falsetruehttps://media.guim.co.uk/da782357d992894e5644150d5a6440d559be0701/0_327_5568_3341/500.jpgfalseentrueThat's) it for this live blog for today - we've fired up a new one at the link below, we'll continue to bring you rolling coverage of the latest developments in the coronavirus pandemic: Global death toll passes 142,000 The total number of coronavirus deaths across the world has reached 142,735, according to Johns Hopkins University, which has tracked the spread of the virus during the pandemic. The US has the highest number of deaths, with more than 33,000, followed by Italy, which has passed the 22,000 mark, and Spain, which has recorded more than 19,000 fatalities. Across the world, the total number of coronavirus cases has reached more than 2.13 million. Trump announces guidelines to end US lockdown Donald Trump has announced guidelines for individual states to reopen on different schedules. At his White House briefing, he said: "We're opening up our country ... America wants to be open ... our experts say the curve has flattened and the peak in new cases is behind us." The president added: "We must have a working economy and we want to get it back very quickly, and that's what's going to happen." UK government minister's father died from pneumonia 'brought on by coronavirus' Greg Hands tweeted in tribute to his father, who he said died on Monday with Covid-19. The trade minister paid tribute to the "brilliant grammar school scientist" and "determined man", adding that he would be "sorely missed". Hands, the MP for Chelsea and Fulham in west London, shared the tribute after taking part in the applause for NHS workers on Thursday night, calling the moment "especially poignant". Captain Tom to 'keep on going' Captain Tom Moore, the 99-year-old war veteran pacing his garden to raise money for the NHS, says he will continue completing his laps despite passing his 100-lap target. Moore originally aimed to raise just £1,000 for NHS Charities Together, but has now raised almost £16m. He completed his final lap on Thursday but tweeted to say he planned to "keep on going". Police discover 17 bodies in US nursing home Police have found 17 bodies in one of New Jersey's largest nursing homes after an anonymous tip said a body was being stored in a shed. A total of 68 people associated with the Andover Subacute and Rehabilitation Centers have recently died, with 26 having tested positive for coronavirus. Officers found no body in the shed, but said the facility's tiny morgue was "overwhelmed", holding 17 bodies. It is unclear how many of the deaths were due to Covid-19. US business funding programme runs out of money A US small business lending programme set up to help companies affected by coronavirus has run out of money. The Small Business Administration said it was unable to accept new applications "based on available appropriations funding". It had been given the task of managing the $349bn (£280bn) programme that grants loans to businesses so that they can pay their employees. Saudi Arabia pledges $500m to support efforts to tackle coronavirus Saudi Arabia, the current G20 chair, said it has pledged $500m to support global efforts to combat the coronavirus pandemic and urged other countries and organisations to help bridge an $8bn financing gap. Riyadh said it would allocate $150m to the Coalition for Epidemic Preparedness and Innovation, $150m to the Global Alliance for Vaccines and Immunizations, and $200m to other health organisations and programmes. France death toll increases by 753 France registered 753 more deaths from coronavirus infections on Thursday, bringing the total to 17,920, the fourth highest tally in the world. But the number of people in hospital declined for a second day running. Jerome Salomon, head of France's public health authority, said the total number of people in intensive care units fell for the eighth day in a row, to 6,248 - the lowest figure since 1 April. At 17,920, the number of fatalities is up 4.4% over 24 hours, with the rate of increase decelerating again after it had increased the two previous days. Brazil's president Bolsonaro fires health minister Brazil's president, Jair Bolsonaro, has sacked his health minister, Luiz Mandetta, after a standoff between the two men over radically different views of the pandemic. Mandetta tweeted on Thursday: "I have just received notice of my dismissal from President Jair Bolsonaro. I would like to say thank you for the opportunity that was given to me, to manage our health service ... and to plan our fight against the coronavirus epidemic, this great challenge that our health system is about to face." Mandetta has defended social isolation while the far-right president insists the impact of the pandemic on Brazil's struggling economy is more important than loss of life. Putin delays Victory Day anniversary celebrations Vladimir Putin has delayed Russia's celebrations for the 75th anniversary of Victory Day due to the coronavirus outbreak. Russia's president said: "The risk connected to the epidemic, the peak of which has not passed, are still dangerously high. And that doesn't give me the right to begin the preparations for the parade and other mass events." Putin did not set a new date for the parade, which had been scheduled for 9 May, but promised it would take place this year. The White House press briefing has now ended. The "Guidelines for Opening Up America Again" can be found on the White House website here. Trump is asked about the thousands of protesters in cars and on foot who have flouted Michigan's stay-at-home orders to demand the state reopened. Democratic governor Gretchen Whitmer was the main target of armed pro-Trump protesters, with some chanting 'lock her up' on the steps of Lansing's town hall. Whitmer responded hours after the protest saying she understood the frustration but the 'sad irony' about the demonstration was that it could have further spread the virus and therefore created the need to extend Michigan's stay-at-home order. So far, 1,900 Michigan residents have died due to the coronavirus. Trump's response: Back to the White House. Trump says that states who meet the Phase 1 criteria can reopen tomorrow (Friday). Cutting away from this White House presser for a moment to the UK now: The UK government has set up a three-month advertising partnership with the newspaper industry to push its "stay at home" message to the public. On Friday, all regional and national daily news titles will run the slogan "Stay at home for the NHS, your family, your neighbours, your nation the world and life itself" as a cover wrap. Michael Gove, minister for the Cabinet Office' said: "Newspapers are the lifeblood of our communities and we need them now more than ever. "Their role as a trusted voice and their ability to reach isolated communities is especially vital at this time. Here is what that looks like on the Guardian's print edition: Trump says there are 29 states that will be able to reopen "relatively soon". He doesn't name any of them. New York and New Jersey are "obviously" not among them, he adds. Questions have begun. Trump is asked whether he heard from any governors today that they are ready to re-open. He did, Trump replies. There will be "good news" in the next few days, Trump says. Trump says he spoke to the commissioners of "every sport" yesterday, which seems far-fetched. He's talking about whether sporting venues can be re-opened - Dr Fauci has just spoken about this saying eventually it will be possible - in phase 3 - but not at the same time for everyone. Trump echoes this, but in a less measured way: Dr Anthony Fauci, the leading US expert on infectious diseases, is speaking now. No matter what phase you're in (referring to the phases of reopening detailed by Dr Birx), there are certain fundamental things that mist be done that are not like before - "If you want to call it the new normal, fine." Before the US can consider reopening, there needs to be robust testing, especially for health care workers, and indications that the number of infections is decreasing for at least 14 days. "We want every state to have a plan to protect the health and safety of its workers," Birx added - states and counties need to also surveil and monitor cases among nursing homes and other vulnerable populations, she said. Dr Birx is outlining the phases of reopening: Phase 1: Schools that are closed should remain closed, people should not be able to visit aged care facilities and some elective surgeries can resume. Non-essential travel should be avoided, people should work from home where possible. Phase 2: Non-essential travel can resume, telework is still encouraged. Schools, daycares and camps can reopen. Visits to senior living facilities prohibited. In-patient and out-patient surgeries can resume. Phase 3: Returning to new normal. Continuing with good hygiene practices, respect for space between individuals. Dr Birx says the task force will be doing "sentinel surveillance" in nursing homes, inner city clinics, and indigenous populations to find early alerts for asymptomatic and syndromic cases. As far as I'm able to understand it at the moment, sentinel surveillance means testing and other measures to ensure early detection among vulnerable populations. But it's not immediately clear: Dr Deborah Birx, Coronavirus Response Coordinator, is speaking now (so far, this morning's briefing has been fairly tame - compared to the extraordinary performances from Trump seen earlier this week). Pence spoke just before Dr Birx - this was the gist: You can watch the briefing live below: "America wants to be open and Americans want to be open," Trump says. Of course, it's hard to argue that we don't want to get back outside, back to work, and reunited with friends and families who live away from us. But a Pew research poll published today found that "Americans say their greater concern is that state governments will lift restrictions on public activity too quickly (66%) than not quickly enough (32%)." The new guidelines were released about an hour ago. They don't include a deadline, which is a relief - this means for now states are being allowed to reopen as they are ready. There is a handy thread with the guideline slides below: Trump, speaking at the White House, says the virus may return in the fall (autumn), but that the new guidelines released today will ensure America is "up and running" and able to "put it out quickly." You can get in touch with me directly on Twitter @helenrsullivan. Hello, Helen Sullivan with you now - bringing you the latest from the White House press briefing and beyond. In his White House news conference, President Trump said: "Our experts say the curve has flattened and the peak in new cases is behind us." Forty-four Guatemalans deported on a flight from the United States this week have tested positive for COVID-19, a Guatemala government official said. The flight arrived in Guatemala's capital on Monday from Brownsville, Texas carrying 76 Guatemalans. Three deportees displaying coronavirus symptoms cough and fever were taken for testing. When one of those tests came back positive, more who had been quarantined at the airport were tested and 43 more resulted positive, said the official who requested anonymity. Presidential spokesman Carlos Sandoval said the official total number of infected deportees remained at five. "We're going to check with the Health Ministry," he said. "For the moment I can only confirm the cases the (president) has said. I wouldnt know what to say, I cant even say no, but I also can't confirm it." Friday's Guardian front page. Tomorrow's Independent. Friday's Daily Mail. Friday's Daily Telegraph on the UK lockdown being extended for a further three weeks. The Financial Times leads on its interview with France's president Emmanuel Macron. The front pages of the UK's front pages have been released, starting with The Times. Mid-sized and larger businesses in the UK with a turnover of more than £45 million will be allowed to access funding through a new government scheme from Monday, according to the British Business Bank. Chancellor Rishi Sunak said companies can apply for the loans from lenders accredited by the banking group, through the Coronavirus Large Business Interruption Loan Scheme (CLBILS). Bosses with sales between £45 million and £250 million can apply for the short-term loans and financial support of up to £25 million if they have been forced to shut down operations or been impacted by the virus shutdown. Larger businesses with sales of more than £250 million can also take the support. However, if they access CLBILS they will be unable to use the Bank of England's Covid Corporate Financing Facility. A mother who gave birth nearly two weeks ago in New York while in a coma and suffering from coronavirus has finally met her baby son Walter. Yanira Soriano, 36, had difficulty breathing while having contractions when 34 weeks pregnant and tested positive for Covid-19. Doctors put Soriano in a medically-induced coma so they could place her on a ventilator. Walter was delivered through an emergency caesarean section while she was unconscious. Dr. Benjamin Schwartz, who delivered Walter, told US TB station ABC7 News: "In most instances you're awake when you deliver the baby and you can bond with the baby right away. "But because the mother was so ill, she had to be put on a ventilator and put to sleep right before the baby was born." Albania has amended its penal code on to punish anyone breaking coronavirus quarantine and self-isolation rules and infecting others with up to eight years in jail as it slowly prepares to restart sections of its economy. Critics of the tougher measure said fines were proving effective but prime minister Edi Rama defended the new penalty as necessary for successfully relaxing the lockdown. Rama said the government believed about 2,800 people would have died if lockdown rules had not been imposed. As of Thursday, 26 people have died and 518 have been infected with the coronavirus among Albania's 2.8 million people. Celebrities including Robert De Niro, Matthew McConaughey, Kevin Hart and Leonardo DiCaprio are offering prizes as part of a Covid-19 fundraiser. People who donate to the All In Challenge will be entered into a prize draw. The campaign aims to help feed vulnerable people in the US. So far $5.6m (£4.4m) has been raised. McConaughey has invited a donor to join him in his private box to watch an American Football game in Texas while actor Hart is offering a speaking role in his next film. DiCaprio and Robert De Niro are offering a walk-on role in their upcoming film Killers Of The Flower Moon. It includes a day on set and lunch with DiCaprio, De Niro and director Martin Scorsese. Musicians taking part include Drake and Meek Mill. Captain Tom Moore, the 99-year-old war veteran in the UK, has vowed to continue completing laps of his garden despite passing his 100-lap target. He originally aimed to raise just £1,000 for NHS Charities Together by completing the laps but has now raised almost £16 million. The Duke of Cambridge and Duchess of Cornwall have written to Captain Moore. Prince William has also made an undisclosed donation to the appeal, Kensington Palace said. Every day the UK government reveals the latest coronavirus death toll. However, this number is not giving us the full picture. The Guardian's ***data*** editor, Caelainn Barr, explores what this figure is missing, including information on gender, age and ethnicity. A UK government minister has disclosed his father has died in a care home from pneumonia "brought on by coronavirus" Greg Hands tweeted in tribute to his father who he said died on Monday with Covid-19. The trade minister paid tribute to the "brilliant grammar school scientist" and "determined man", adding that he will be "sorely missed". Hands, MP for Chelsea and Fulham in west London, shared the tribute after taking part in the applause for NHS workers on Thursday night, calling the moment "especially poignant". Spain's coronavirus death toll soared past 19,000 on Thursday with another 551 deaths, but questions over the counting method have raised some regional concerns the real figure is much higher. After nearly five weeks of confinement, the rise in deaths and infections has slowed over the past fortnight, with the overnight fatalities taking the toll to 19,130. But regional authorities in Madrid and Catalonia said they each had thousands more victims than the official count. Fernando Simon, the health ministry's emergencies coordinator, said: "The real number of deaths is difficult to know." The daily figure was compiled from information provided by regional authorities concerning deaths among patients who "had tested positive for coronavirus", he added. Between them, Madrid and Catalonia ***account*** for 56 percent of the national toll, but some officials say the numbers are flawed for not including all those who have died outside of hospitals. Madrid has counted 6,877 deaths but on Wednesday a top official said the true figure was likely to be more than 10,000. In Catalonia, where 3,855 people have died, the real number could be higher than 7,000, prompting the regional government to announce changes to its counting method. Saudi Arabia, the current G20 chair, said it has pledged $500 million to support global efforts to combat the coronavirus pandemic and urged other countries and organisations to help bridge an $8 billion financing gap. Riyadh said it would allocate $150 million to the Coalition for Epidemic Preparedness and Innovation, $150 million to the Global Alliance for Vaccines and Immunizations, and $200 million to other health organisations and programmes. In a statement, it called on all countries, non-governmental organisations, philanthropies and the private sector to help close a financing gap estimated at over $8 billion to combat the Covid-19 pandemic. The full story on the firing of Brazil's health minister - A US small business lending programme set up to help companies affected by coronavirus has run out of money. The Small Business Administration said it was unable to accept new applications "based on available appropriations funding." It has been given the task of managing the $349 billion (£280 billion) programme which grants loans to businesses so that they can pay their employees. The news comes as Congress continues to negotiate further funding to the programme. President Donald Trump is expected to unveil recommendations to begin easing the lockdown in the least-affected US states at a news conference at 6pm ET (2200 GMT) to "explain the guidelines for opening up America again." Meanwhile, George Soros, the billionaire philanthropist, is directing more than $130 million through his Open Society Foundations to combat the effects of the coronavirus, with $37 million aimed to help at-risk populations in New York City. Brazil's president Jair Bolsonaro has sacked his popular health minister Luiz Mandetta after a weeks-long stand-off between the two men over radically different views of the coronavirus pandemic. Mandetta announced the news on Twitter. He has defended social isolation while the far-right president insists the impact of the pandemic on Brazil's struggling economy is more important than loss of life. Poland's borders will remain closed until at least May 3, Prime Minister Mateusz Morawiecki said on Thursday. Morawiecki said Poland would start easing some coronavirus restrictions from April 20. Poles will also have to cover their noses and mouths in public until a coronavirus vaccine is found, health minister Lukasz Szumowski announced. While the reopening of parks and forests from April 20 will be welcomed by those stuck in lockdown, many restrictions look set to continue into May, when a presidential election is due. "These steps... do not mean the epidemic is over," Szumowski said. "We are going to have to learn to live with the epidemic for... a long time." In addition to reopening green spaces, Morawiecki said limits on the numbers of people in shops would be eased. He said he planned to ease the lockdown further every week or two. New York Federal Reserve Bank President, John Williams, said it may take a few years for the US economy to recover from the severe downturn caused by the coronavirus pandemic. Once the spread of the virus is contained, it may take a while for consumers to feel safe attending concerts or other large events, Williams said during a discussion organised by the Economic Club of New York. He said: "First we have to make sure we're seeing the number of cases plateau and come down, and then think about a gradual return to normal." Williams added it may take one to two years to get the economy back to "full strength." Households across the UK are now taking to their gardens, doorsteps, balconies and windows to applaud for the frontline workers fighting the coronavirus. It will be the fourth "clap for carers" event in the UK, becoming a staple for Thursday nights in lockdown. Leaders of the G7 group of major industrialised nations have agreed the rapid development of a coronavirus vaccine is crucial in dealing with the outbreak. First Secretary of State Dominic Raab deputised for the UK's prime minister Boris Johnson at the virtual summit, which also discussed the particular risk coronavirus poses for developing countries. A Downing Street spokesperson said: "They agreed that the rapid development and production of coronavirus treatments and a vaccine will be crucial to stop the spread of the virus around the world. "The First Secretary of State stressed the need for the response to be internationally coordinated. "Leaders discussed the particular risk coronavirus poses to developing nations and agreed on the need to fight coronavirus in every country. "They committed to continue to support developing countries through bilateral assistance, multinational organisations and by ensuring governments around the world have access to the medical supplies they need." Experts have suggested a vaccine for coronavirus could be 12 to 18 months away. Downing Street added: "G7 leaders also agreed on the importance of financial measures to defend the global economy against the impact of coronavirus." With Johnson recovering from the impact of coronavirus, the Downing Street spokesperson said: "All leaders expressed their best wishes for the Prime Minister's recovery and welcomed the cooperation that has already taken place between G7 countries." The G7 is made up of the US, Japan, Germany, Britain, France, Italy and Canada. Police have found 17 bodies in one of New Jersey's largest nursing homes after an anonymous tip said a body was being stored in a shed. A total of 68 people associated with the Andover Subacute and Rehabilitation centres have recently died, with 26 having tested positive for coronavirus. Police did not find a body in the shed but said the facility's tiny morgue was "overwhelmed". New Jersey has over 71,000 cases and 3,100 deaths due to the coronavirus. On Monday, police received the anonymous tip about a body being kept in a shed. Instead, they found 17 bodies kept in a morgue built to house four. Andover police chief Eric Danielson told the New York Times: "They were just overwhelmed by the amount of people who were expiring." It is unclear whether any of the 17 deaths were due to Covid-19. First Lady of the United States, Melania Trump, has phoned Carrie Symonds to wish her and her fiance Boris Johnson well. She said the US was praying for their "speedy and full recoveries" after Johnson spent a week in hospital with Covid-19. The office of the First Lady said: "Today, First Lady Melania Trump spoke with Ms Carrie Symonds of the United Kingdom. "Mrs Trump expressed well wishes for Ms Symonds and Prime Minister Johnson, and noted that the United States was praying for their speedy and full recoveries. "Mrs Trump reaffirmed that the United States stands together with the United Kingdom in the fight to defeat the coronavirus pandemic. "Mrs Trump and Ms Symonds expressed optimism that the United States and the United Kingdom would get through this difficult period and emerge stronger than before." European commission president Ursula von der Leyen said Europe owes Italy "a heartfelt apology". Italy will offer small savers a new inflation-linked bond next month to raise funds to help the economy cope with the coronavirus crisis, the country's Treasury said. Italy's budget deficit will be near 10% of gross domestic product this year, a senior government official told Reuters, as Rome increases borrowing to counter the deep recession which the virus is expected to have caused. The new "BTP Italia" bond, which pays a coupon tied to the domestic inflation rate, will have a maturity ranging from four to eight years. Retail investors will be able to buy the bond from May 18 to May 20, while the offer reserved for institutional investors will take place on May 21. Italy introduced the BTP Italia bonds at the height of the euro zone crisis to tap large private wealth at home in the face of scant foreign demand for its debt. A reminder that at 8pm UK time, there will be a nationwide applause to pay homage to NHS and key workers across the country. France registered 753 more deaths from coronavirus infections on Thursday, bringing the total to 17,920, the fourth highest tally in the world. But the number of people in hospital has declined for a second day running. Jerome Salomon, head of France's public health authority, said the total number of people in intensive care units fell for the eighth day in a row, at 6,248, a low point since April 1. At 17,920 the number of fatalities is up 4,4% over 24 hours, with the rate of increase decelerating again after it increased the two previous days Vladimir Putin has delayed celebrations for the 75th anniversary of Victory Day due to the coronavirus outbreak, rescheduling a patriotic holiday with major political significance. In remarks on Thursday evening, Putin said that "the risk connected to the epidemic, the peak of which has not passed, are still dangerously high. And that doesn't give me the right to begin the preparations for the parade and other mass events." The holiday is usually observed on May 9th with a military parade including soldiers, tanks and intercontinental ballistic missiles. The government has also recently adopted an event called the Immortal Regiment where hundreds of thousands of ordinary Russians march bearing images of relatives who died in the war. Putin did not set a new date for the parade, but promised it would take place in 2020. The Kremlin was also expected to host French President Emmanuel Macron this year in a politically significant visit that Russia hoped to portray as confirming its exit from isolation. Putin announced the decision on Thursday after veterans associations submitted a similar request to him, in what was likely a politically choreographed show to justify pushing back the holiday. The coronavirus epidemic has upended a busy political season in Russia, with the Kremlin already pushing back plans to hold a national plebiscite to endorse constitutional amendments that will allow Putin to run twice more for the presidency, potentially staying in office until 2036. Earlier, a video purporting to show thousands of Russian troops taking part in rehearsals for the country's Victory Day parade has raised questions about the Kremlin's efforts to fight the spread of coronavirus in the armed forces. The total number of coronavirus deaths across the world has reached at least 140,773, according to Johns Hopkins University, which has tracked the spread of the virus during the pandemic. The US has the highest number of deaths with more than 33,000 followed by Italy which has passed the 22,000 mark and Spain which has more than 19,000 casualties. Across the world, the total number of coronavirus cases has reached at least 2,101,164. Global coronavirus cases pass 2 million mark The total number of coronavirus cases across the world has reached at least 2,090,110, according to Johns Hopkins University, which has tracked the spread of the virus during the pandemic. The US has the highest number of cases with 640,291, followed by Spain, with 182,816. The number of cases of coronavirus registered globally passed 1.5 million on 9 April. UK government announces lockdown extension for three weeks The UK's foreign secretary, Dominic Raab, who is deputising for Boris Johnson as he recovers from Covid-19, confirmed the extension following advice from the government's scientific advisory group for emergencies (Sage). Raab said: "The government has decided that the current measures must remain in place for at least the next three weeks." He said Sage had advised that "relaxing any of the measures in place" would "undo the progress we have made" and would "risk damage to both public health and the economy". There were 861 Covid-19 deaths in UK hospitals reported on Thursday, taking the total past 13,000. 5 million more Americans sign on as unemployed More than 22 million American have lost their jobs in the last four weeks as the coronavirus pandemic has swept across the US. The US labour department announced that another 5.24 million people filed for unemployment benefits last week, making a total of 22.2 million since 14 March, when nationwide stay-at-home orders led to an unprecedented wave of layoffs across the country. The largest number of people to ask for unemployment benefits in a four-week period before the Covid-19 crisis came in 1992, when 2.7 million sought support. Australia PM says more Covid-19 measures needed Scott Morrison, Australia's prime minister, said the country had succeeding in flattening the infection curve but that a "more extensive surveillance regime" needed to be implemented if they were to forge "the road out" of lockdown. He praised the extensive testing and contact-tracing system in place and the actions from states to open testing to anyone with symptoms. But he cautioned: "We need to do even better than that ... so when we move to a less restricted environment, we can identify outbreaks very quickly and respond to them." His government has proposed a mobile app that would trace the movements of patients. At least 40% of Australians would need to download the app for it to be effective. EU chief: 'Europe owes Italy an apology' Europe owes Italy "a heartfelt apology" for not offering assistance when the country was suffering in the early stages of the coronavirus outbreak, the head of the European Union executive said. Speaking at the European parliament, commission president Ursula von der Leyen said truth was needed to overcome the pandemic, including political honesty. She said: "Too many were not there on time when Italy needed a helping hand at the very beginning. And yes, for that it is right that Europe as a whole offers a heartfelt apology." New York State lockdown extended Governor Andrew Cuomo has extended the New York state shutdown to 15 May. He also announced that starting on Friday, anyone aged two and older would be required to wear face coverings in public if they cannot socially distance. Another 606 people have died from the virus in New York, the lowest figure in 10 days, bringing the total above 12,000 in the state. IMF: Asian economies will not grow this year Economies in Asia will see zero growth this year for the first time in 60 years, the International Monetary Fund (IMF) has said. It warned that the global economy would face the "worst recession since the Great Depression" and that Asia's service sector in particular will struggle to rebound. Changyong Rhee, director of the IMF's Asia and Pacific department, warned that governments would need to take extraordinary actions as a result. Rhee said: "This is not a time for business as usual. Asian countries need to use all policy instruments in their toolkits." Singapore reports biggest jump yet in cases Singapore reported at least 728 new confirmed cases of coronavirus in the previous 24 hours, the biggest jump yet in numbers in the city-state, which had fought hard to keep its outbreak under control. The latest increase in confirmed cases is 63% more than the 447 new cases reported by the health ministry on Wednesday, and brings the total number so far in the city to 4,427. Singapore had been praised by the World Health Organization for rigorous contact tracing, quarantine and surveillance measures, which had previously mitigated the spread of Covid-19. But the disease has begun spreading rapidly within the large migrant worker community that Singapore relies on to staff many of its basic services, highlighting what rights groups say is a weak link in containment efforts. Japan declares nationwide state of emergency Japan has expanded its state of emergency to cover the entire country. Shinzo Abe, the country's prime minister, told a special meeting of medical experts called to discuss the disease: "Areas where a state of emergency should be carried out will be expanded from the seven prefectures to all prefectures." According to AFP, the declaration allows regional governors to urge people to stay indoors, but with no punitive measures or legal force the measure is weaker than strict lockdowns seen in other parts of the world. Facebook to warn users who 'like' misinformation Facebook will begin showing notifications to users who have interacted with posts that contain "harmful" coronavirus misinformation, the company announced. The new policy applies only to misinformation that Facebook considers likely to contribute to "imminent physical harm", such as false claims about "cures" or statements that physical distancing is not effective. Facebook's policy has been to remove those posts from the platform. Under the new policy, which will be rolled out in the coming weeks, users who liked, shared, commented or reacted with an emoji to such posts before they were deleted will see a message in their news feed directing them to a "myth busters" page maintained by the WHO. The death toll from Covid-19 in Serbia has reached 103, after health authorities in the country reported four more deaths in the past 24 hours, Serbian news site Telegraf reports. In a news conference on Thursday afternoon, Darija Kisic Tepavcevic, deputy director of the Serbia's public health institute, also announced 445 new confirmed cases of coronavirus, taking the total in the country to 5,318. In Croatia, meanwhile, health authorities have reported 1,791 total cases, and 35 deaths. That's it from me, Damien Gayle, for today. Thanks to all those who have been in touch with news, tips and suggestions. A senior public health scientist has described the plan to stage the Tour de France in August as a "recipe for disaster", Jeremy Whittle, the Guardian's Tour de France correspondent, reports. "The wise thing to do is cancel for this year," said Devi Sridhar, the chair of Global Public Health at the University of Edinburgh, who is also a key adviser to the Scottish government on the Covid-19 pandemic. "It's a painful decision but they have no choice." The Tour was moved this week from its original start date in late June to a new Grand Départ in Nice on 29 August, following the banning of any large public events until 11 July by the French president, Emmanuel Macron. "This is a long-term problem, a chronic problem," Sridhar told cyclingnews.com. "This virus is here to stay and will come back. Even if France gets a handle on it by August, then of course the issue is people coming in from different countries." Sridhar pointed to a series of potential risks, that might even lead to the Tour being halted if there was an outbreak within the race convoy during the race. "There's definitely a risk that the Tour de France moving around and unwittingly spreading the virus could kick-start a new lockdown." Health authorities in Poland on Thursday announced 336 new confirmed cases of coronavirus and 28 deaths, as the first health worker in the country died from Covid-19. The 46-year-old physiotherapist, a father of two, had been on intensive care in Radom, east-central Poland, after falling ill with the disease two weeks ago, local media reported. He had been working in a hospital that had become a hotspot for coronavirus, with more than 200 patients and members of staff testing positive. Poland has so far reported 7918 coronavirus infections, and 314 deaths from the virus. The latest figures come as members of Poland's governing coalition on Thursday sought opposition support for a two-year extension of the president's term because of the difficulty of holding an election next month under coronavirus restrictions, Reuters reports. Poland's ruling nationalist Law and Justice (PiS) party had advocated holding a postal ballot for the May 10 election, but late on Wednesday unexpectedly presented a bill to keep President Andrzej Duda in office for longer. As a constitutional change, it needs opposition backing to secure the necessary two-thirds approval. Prime minister Mateusz Morawiecki was also expected on Thursday to announce an easing of its coronavirus lockdown. In March, Poland closed its borders, schools and other public places and forbade people to leave their homes except for pressing reasons. It has so far recorded 7,771 coronavirus infections and 292 deaths. "Final decisions will be taken today. I think that first, starting from Monday, we can expect an opening of forests, green areas," Deputy Prime Minister Jacek Sasin told the private radio station RMF. Closer international cooperation is needed to coordinate the fight against Covid-19 with greater involvement by the United Nations, international law experts have urged, writes Owen Bowcott, the Guardian's legal correspondent. The former legal director of the World Health Organisation (WHO), Professor Gian Luca Burci, and the prominent international lawyer Professor Philippe Sands QC have called for a better alert system and more information sharing. While accepting that now, in the middle of a pandemic, is not the time to allocate blame, they questioned whether China should have sounded the alarm earlier and doubted whether there is a legal basis for President Trump unilaterally withdrawing US funding for the WHO. In a webinar organised by the British Institute of International and Comparative Law held on Thursday afternoon, Professor Burci said: There's enough evidence to suggest that China knew and should have known earlier.... The WHO acted fairly quickly and quite diligently. More developed countries should have known that a virus of this nature could spread internationally and it was [their] responsibility [to prepare]. The lessons from this crisis is to learn planning for the next one.. There should be a more consultative mechanisms where states sit together. There needs to be cooperation. There should be a blueprint for working together. There's a real place for the UN rather than [working] through a sectoral organisation. We need a politically effective forum for consultation. The number of diseases spread internationally is expanding. So this is our future and we may not have long time to prepare. Most of the diseases [like HIV or Ebola] have had an animal origin. In terms of Trump's funding withdrawal, Burci said: "There's no legal basis for a unilateral decision by the US to stop funding." He said there is a dispute resolution in article 56 of the International Health Regulations but it has never been tested. Professor Sands agreed that there is a need for improved international cooperation at a time of populist politics but any inquiry into the Covid-19 outbreak should be conducted by a panel of independent academics, he sugested, rather than the UN security council which is vulnerable to vetoes from its members such as China, the US or the UK. Taiwan, not a member of WHO, he pointed out has been a model in terms of country responses: it was testing incoming passengers from Wuhan even before China declared an outbreak on December 31st last year. Coronavirus is a wake-up call for larger threats such as climate change, Sands added. After more than a month in which he was not seen in public, Nicaragua's president has reappeared, giving a speech in which he claimed the coronavirus was "a sign from God", the Associated Press reports. In the televised address on Wednesday night, Daniel Ortega claimed that Nicaragua had suffered only one death from the coronavirus pandemic and that the country's three confirmed cases were "imported". There had been concerns about the health of the 74-year-old former guerrilla leader, but he appeared well and was not using a mask during his speech. Ortega has refused to adopt the social-distancing and lockdown measures used in other countries, and has in fact encouraged Nicaraguans to participate in mass gatherings. Nicaraguans "haven't stopped working, because if this country stops working, it dies", Ortega said. The government did extend Holy Week school vacations to two weeks; classes are scheduled to resume on 20 April. Ortega did not comment on how many tests have been carried out. Experts suspect there are many undetected cases. Britain's lockdown is to continue for at least another three weeks because experts still cannot be sure the coronavirus epidemic has peaked, the foreign secretary, Dominic Raab, has said, writes Rowena Mason, the Guardian's deputy political editor, in London. Raab, who is deputising for the prime minister while he recovers from Covid-19, said there was hope that the number of new infections was no longer rising in the community daily but there was less certainty about some hospitals and care homes. However people would have to stick with the instructions to "stay at home, protect the NHS, and save lives" until scientists and medics could be sure the outbreak was under control. "The worst thing we could do is ease up too soon. It would be the worst outcome not just for public health but the economy and the country as a whole," he said. The coronavirus outbreak in Canada's long term care homes has become so grave that one province has repeatedly asked for the military to be deployed, prime minister Justin Trudeau said Wednesday, Leyland Cecco reports from Toronto. Calling it an "unusual request", Trudeau said the officials in Quebec have sent three requests to the federal government for help. "We know this is a serious situation if Quebec is asking the federal government for help. We will do this as quickly as possible so we can send them the support they need," said Trudeau. But he also said that while the military had a number of doctors, he wasn't sure if troops were well-suited to aid in care homes. The hardest-hit province in the country, Quebec is grappling with a mounting death toll among its elderly population and a shortage of workers for retirement homes. On Wednesday, premier François Legault said an additional healthcare workers were needed, calling the situation a "national emergency". There are more than 14,000 cases recorded in the province with at least 487 deaths. Across the country, nearly half of the 1,048 deaths from Covid-19 have been in long term care home. Ontario, the country's most populous province, is also grappling with outbreaks in its care homes. On Wednesday, premier Doug Ford announced new directives to prevent care aides and nursing staff from working at multiple locations. The prime minister admitted the impact to seniors residences has been "more severe" than the government had hoped. "The conditions are getting more and more difficult." Italy registered 525 more deaths from Covid-19 on Thursday, 53 less than Wednesday, taking the death toll to 22,170, Lorenzo Tondo in Palermo reports. The number of people who are currently infected rose by 1189 in a day, 62 more than on Wednesday. Some 2,072 have recovered in the last 24 hours, bringing the total number to 40,164. The Civil Protection agency said the overall total of cases in Italy, including the deceased, the currently infected and those who have recovered, is now 168,941, up 3,786 on Thursday. Authorities said the number of intensive care beds in use continues to fall: 2,936 are currently hospitalised in intensive care units - the lowest number registered since 21 March. Italy's government is still working on a plan to enter 'phase two' of its lockdown, which is set to end on 3 May, as several regions, worried for the economic impact, are urging Rome to not extend the quarantine beyond its current deadline. As the country is struggling to pull its economy through the coronavirus crisis, European Commission president Ursula von der Leyen apologised to Italy on behalf of Europe for its failure to do more to help at the beginning of the pandemic. "It is true that no one was really ready for this. It is also true that too many were not there on time when Italy a needed a helping hand at the very beginning," she said in a speech to the European Parliament. More good news for Greece on the Covid-19 front, as research showed that when it comes to containing the deadly disease it is the best performing country in Europe, writes Helena Smith in Athens. In what has been described as ground-breaking analysis of the best and worst performing countries on the continent, Greece has outstripped all others in both dealing with the outbreak, according to The Bridge Tank. The independent economic think tank says: Thanks to early and strict containment measures, they have successfully managed to flatten the curve and slow down the spread of the virus. The contrast between Greece - which suspended public events and closed schools even before the first 100 cases were detected, and Spain - which took similar decisions at a much later stage of the epidemic - is particularly striking. Greek health authorities have confirmed 2,207 cases of coronavirus and 105 deaths to date. In the pan-European comparative analysis it was followed by the Czech Republic and Romania. The report went on: Four weeks after the first 100 COVID-19 cases were detected in each country, it took 19 days for the number of cases in Greece to double, a clear indicator that Greece has successfully 'flattened the curve'. At the other end of the spectrum, the UK is still witnessing a sharp rise in confirmed cases. This week we looked into how a country more normally associated with crisis apparently managed to avert this one. Slovakia has posted its biggest daily jump in the number of new coronavirus cases, bringing its total to nearly 1,000, the country's health ministry said on Thursday, according to Reuters. On Wednesday, Slovakia recorded 114 new cases, bringing the total to 977 since the virus was first detected in March. The jump surpassed a daily rise of 101 cases recorded on 7 April, when at least 31 cases were detected in marginalised Roma communities, prompting the state to quarantine five settlements in eastern Slovakia. Eight coronavirus patients have died so far. While neighbours in central Europe such as the Czech Republic and Poland begin to ease restrictions as the growth in cases slows or steadies, Slovak prime minister Igor Matovic has said the country will re-open only cautiously. Slovakia has has banned international passenger travel, closed schools and most shops, banned cultural, religious and sporting events and imposed 14-day quarantine for anyone returning from abroad. Europe owes Italy "a heartfelt apology" for not being there when the country was suffering the consequences of coronavirus, the head of the European Union executive has said. Speaking at the European parliament, European commission president Ursula von der Leyen said truth was needed to overcome the pandemic, including political honesty. Too many were not there on time when Italy needed a helping hand at the very beginning. And yes for that it is right that Europe as a whole offers a heartfelt apology. She went on to claim that Europe is now "the world's beating heart of solidarity," citing German deliveries of ventilators to Spain, the Czech Republic's decision to open hospitals to French coronavirus patients, as well as the Polish paramedics and Romanian doctors saving lives in Italy. The direct apology to Italy went further than von der Leyen's previous expressions of regret, where she chided member states for an "only-for-me response" during the early phase of the pandemic. At the start of the crisis, France and Germany imposed export bans on vital medical equipment, while no European country initially answered Italy's call for aid via the EU's emergency mechanism. A mid March opinion poll found that 88% of Italians felt Europe was failing to support Italy, results that rattled Brussels and other national capitals. EU leaders are meeting next Thursday, where they will again try to chart a common path out of the crisis, but they remain divided on the best economic recovery plan. MPs in Sweden have passed a new law granting the government temporary powers to quickly adopt measures aimed at curbing the spread of coronavirus, AFP reports. The new law grants the Social Democrat-led government the ability to temporarily close businesses, limit public gatherings or shut down ports and airports, as well as a number of other measures. It comes after criticism of the comparatively relaxed approach taken so far in the Scandinavian country, which had held back from strict measures and now has a rate of coronavirus deaths and infections that is far higher than its near neighbours. The government is still prohibited from adopting measures that curtail rights guaranteed by the country's constitution, meaning it would still need to go through parliament to issue the type of curfews that have been imposed elsewhere in Europe. So far the government has banned gatherings of more than 50 people and barred visits to nursing homes. On Thursday, the government also decided on a month-long extension of a ban on non-necessary travel to the country from outside the EU, in line with a joint EU decision. The new powers come into force on 18 April and last until the end of June. Sweden's public health agency on Thursday reported another 130 deaths from coronavirus, bringing the total death toll in the country to 1,333. So far the country has recorded 12,540 confirmed cases of coronavirus. Of those, 996 have been treated in intensive care. Singapore has reported 728 new confirmed cases of coronavirus detected in the past 24 hours, the biggest jump yet in numbers in the city state, which had fought hard to keep its outbreak under control. The latest increase in confirmed cases is 63% more than the 447 new cases reported by the health ministry on Wednesday, and brings the total number so far in the city to 4,427. Singapore had been praised by the World Health Organization for rigorous contact tracing, quarantine and surveillance measures, which had previously mitigated the spread of Covid-19. But the disease has begun spreading rapidly within the large migrant worker community that Singapore relies upon to staff many of its basic services, highlighting what rights groups say is a weak link in containment efforts, Reuters reports. More than 22 million American have lost their jobs in the last four weeks as the coronavirus pandemic has swept across the US, according to government figures, write Dominic Rushe and Amanda Holpuch in New York. The US labor department announced on Thursday that another 5.24 million people filed for unemployment benefits last week, making a total of 22.2 million since 14 March when nationwide stay at home orders led to an unprecedented wave of layoffs across the country. The largest number of people to ask for unemployment benefits in a four-week period before the Covid-19 crisis came in 1992 when 2.7 million sought support. The torrent of layoffs has swept across the country, and every sector of the economy, leading to backlogs and anger at state unemployment offices as people have struggled to make claims. The delays are likely to trigger further spikes in the figures in coming weeks. "It's akin to the entire country being hit by a hurricane," said Jason Reed, assistant chair of finance at the University of Notre Dame. "And we don't know when the hurricane is leaving." The death rate in "institutional households" in the Netherlands has doubled since the first part of this year, the Dutch public health authority has said, as it reported 181 more deaths from Covid-19 on Thursday. The death toll in the Netherlands is now 3,315. At 2pm on Thursday, RIVM said 1,061 more people had tested positive for coronavirus, bringing the total number of confirmed cases in the Netherlands up to 29,214. The number of patients admitted to hospital with the disease is 9,309, up 182 on a day earlier. Institutional households include care homes, mental health institutions, residential institutions for the disabled, prisons, and residential centres for asylum seekers, RIVM said in a news release. In an updated filed this afternoon, the agency said it estimates that a third of Dutch care homes now have at least one patient with coronavirus. The death rate in private households was 1.5 times higher than usual. Belgium has begun testing more than 210,000 residents and staff at nursing homes, which ***account*** for about half of the country's coronavirus-related deaths, Reuters reports. Belgium is one of only a few countries in Europe that includes all non-hospitalised people who displayed symptoms of the disease in its daily tally of Covid-19 deaths, even if they had not been confirmed as having had it. The policy, which has proven controversial, may help to explain the small country of about 11.5 million people, which has been in lockdown since mid-March, has the fifth highest coronavirus death toll in Europe, more than larger countries such as Germany and the Netherlands. On Thursday, Belgian medical authorities said the coronavirus death toll had risen to 4,857 people, of which 49% had been in care homes. Of these, only 6.5% were confirmed as having Covid-19. The vast majority were merely suspected cases. The mass testing at care homes is expected to take about three weeks. The public health agency in Sweden has reported another 130 deaths from coronavirus, fewer than the day before, bringing the total death toll in the country to 1,333. So far the country has recorded 12,540 confirmed cases of coronavirus. Of those, 996 have been treated in intensive care, the public health agency said. Stockholm remains the worst-affected region, with more than 5,000 cases. One more person has died from Covid-19 in Kenya since yesterday, and nine new cases of coronavirus have been recorded. There has been no change in the number of patients who have recovered. The PGA Tour has announced plans to resume in June, with the first four events being closed to spectators due to the coronavirus pandemic. The tour has been suspended since the Players Championship was cancelled after the opening round on 12 March, with the first three majors of the year - the Masters, US PGA and US Open postponed and the Open Championship cancelled for 2020. As a result, September's US Open and November's rescheduled Masters will form part of the PGA Tour's 2020-21 season, with 14 events remaining on the 2019-20 calendar. The UK's health department has issued the latest daily figures for coronavirus hospital deaths. There were 861, taking the running total to 13,729. Yesterday the daily figure was 761 but Prof Chris Whitty, the UK government's chief medical adviser, said in the press conference yesterday afternoon that he expected today's figure to be higher. The latest figures come as the UK government's spokesman claimed the coronavirus crisis strengthened the need for the UK to be free of EU regulation after 2020. He made that argument as he said the UK would refuse to extend the post-Brexit transition - even if the EU requested an extension. There is more information about today's figures here. For more developments from Britain, follow our UK coronavirus live blog. Facebook will begin showing notifications to users who have interacted with posts that contain "harmful" coronavirus misinformation, the company announced on Thursday, writes Julia Carrie Wong, the Guardian's tech reporter in San Francisco. The new policy applies only to misinformation that Facebook considers likely to contribute to "imminent physical harm", such as false claims about "cures" or statements that physical distancing is not effective. Facebook's policy has been to remove those posts from the platform. Under the new policy, which will be rolled out in the coming weeks, users who liked, shared, commented or reacted with an emoji to such posts before they were deleted will see a message in their news feed directing them to a "myth busters" page maintained by the World Health Organization (WHO). Announcing the move, Guy Rosen, Facebook's vice-president of integrity, said in a blogpost: We're going to start showing messages in News Feed to people who have liked, reacted or commented on harmful misinformation about COVID-19 that we have since removed. These messages will connect people to COVID-19 myths debunked by the WHO including ones we've removed from our platform for leading to imminent physical harm. We want to connect people who may have interacted with harmful misinformation about the virus with the truth from authoritative sources in case they see or hear these claims again off of Facebook. People will start seeing these messages in the coming weeks. Facebook does not take down other misinformation about Covid-19, such as conspiracy theories about the virus's origins, but instead relies on its third-party factchecking system. If a factchecker rates a claim false, Facebook then adds a notice to the post, reduces its spread, alerts anyone who shared it, and discourages users from sharing it further. Restrictions to tackle the spread of the coronavirus in Switzerland will be gradually relaxed from April 27. On Thursday, the government said hospitals would be allowed to perform all procedures, including elective surgeries, while hair salons and massage parlours will be allowed to reopen. Primary schools, shops and markets will reopen on May 11, while secondary schools, vocational schools and universities will reopen on June 8. An existing ban on meetings of more than five people is also expected to be relaxed, but details will not be announced until the end of May. Swiss president Simonetta Sommaruga told a news conference: The spread of the coronavirus was slowed, and our hospitals are not stretched to the limit." "We want to make sure there isn't a resurgence in infections, and we don't want to endanger the gains we've made so far. That's why we ask people to stick to the social distancing and hygiene measures we've put in place." The country's death toll from Covid-19 stands at 1,269, while 26,422 people have tested positive for the virus according to ***data*** from John Hopkins University. Germans have the right to hold public protests if they adhere to social distancing rules, the country's constitutional court has ruled. A group of pro-democracy activists had petitioned the court after authorities in the town of Giessen banned a protest planned this week to denounce lockdown rules that prevent public gatherings of more than two people. They said the measures breached freedom of assembly, a key tenet of the German constitution. Although two lower courts had previously sided with the local authorities, the constitutional court said a general ban on demonstrations would be unconstitutional. However, it stopped short of allowing the protest planned this week to go ahead. I'm Amy Walker, taking over the liveblog while my colleague Damien Gayle takes a break. In India, politicians from the ruling Hindu nationalist BJP party have been touting cow urine as a cure for Covid-19. In Tanzania the president has promised that taking communion in church would "burn" the virus away. In Brazil a congressman claimed a day of fasting would halt its spread. As the global pandemic has worsened, politicians, faith leaders and other authority figures from around the world have touted unscientific methods to tackle its spread. The Guardian's network of foreign correspondents have rounded up the nuttiest. Amazon has closed its six distribution centres in France, two days after a French court ruled it was not doing enough to protect workers from the coronavirus pandemic. The company is facing mounting scrutiny on both sides of the Atlantic as it tries to deal with a surge in online orders during lockdowns while keeping employees safe. On Tuesday a court in Nanterre, Paris, issued an emergency ruling requiring the company to stop selling non-essential goods for a month while it works out new safety measures. Sales of food, medicine and hygiene supplies are still allowed under the ruling. However, Amazon France said that given the "inherent complexity" of its activities, and the potential (EURO)1m (£870,000) fine for each violation of the ruling, the risk was too high. Amazon France's chief executive, Frédéric Duval, denounced the court's order on Thursday, saying the company had spent "colossal amounts" on health precautions including sanitary gels and face masks. He said the firm would appeal. The author Luis Sepúlveda, the celebrated author and former communist militant from Chile during the Pinochet regime, has died at a hospital in northern Spain, AFP reports. Best-known for his 1992 novel, "The Old Man Who Read Love Stories", Sepulveda, who was 70, was particularly successful in Europe, where he had been based since the 1980s. His works, appreciated for their simple humour and depictions of life in South America, have been translated in some 50 countries and range from novels, chronicles and novellas to children's stories. "I write because I believe in the militant force of words", he once wrote. Sepulveda was born on 4 October, 1949, at Ovalle, north of the Chilean capital Santiago. From a young age he was a political activist, first for Chile's Communist Youth, and then for the Socialists. He was arrested and jailed for treason for two and a half years in 1973 under the military regime of Augusto Pinochet. After rights group Amnesty International intervened, Sepulveda was freed and escaped, living underground for nearly a year before being recaptured and sent into exile in 1977. He never returned to live in Chile and it was only in 2017 that he regained his Chilean nationality, which had been stripped from him decades earlier. He first began showing symptoms of Covid-19 on February 25 after returning from a festival in Portugal. Health authorities in Russia reported 3,448 new confirmed cases of the coronavirus on Thursday, up from 3,388 a day earlier, bringing the overall number of cases in the country 27,938, Reuters reports. Thirty-four people died in the last 24 hours, which took the national coronavirus death toll to 232, the Russian coronavirus crisis response centre said. The latest figures came as the Kremlin said it would accept a "kind offer" by Donald Trump to ship ventilators from the US if Russia felt it needed them. Russia shipped ventilators and protective gear this month to the US after a phone call between Trump and his Russian counterpart, Vladimir Putin. Trump told Putin in a recent phone call that the US could reciprocate as it begins to produce more ventilators, Kremlin spokesman Dmitry Peskov told reporters on a conference call on Thursday. "If necessary, Russia would of course take advantage of this kind offer," Peskov said. Spain is to introduce a targeted basic income to support its least well off citizens through the economic slump to come after its coronavirus outbreak, according to the leader of junior coalition partner Podemos. In a statement posted on Twitter on Thursday morning, Pablo Iglesias, secretary general of the centre-left party, said the basic income was "a measure of social justice and also of economic efficiency". He wrote: We are very happy that in the coalition government we have finally agreed that in this country there will be a minimum vital income this May. There are hundreds of thousands of families in Spain that could not wait several months; The government is aware of its situation and will work to accelerate to the maximum all the necessary procedures so that this minimum vital income is effectively functioning in this month of May. It is a measure of social justice and also of economic efficiency: it will allow the fridge of many compatriots to be filled and it will also allow many people to maintain a minimum consumption capacity, which is essential for the economy to recover as quickly as possible when we have defeated the virus.... Everything is ready so that the teams of the vice-presidency for social rights and the ministry of inclusion, social security and migration hold new meetings, as we have had for days now to finish defining the details of this social protection system, which is called to become a new nuclear social right of our welfare state and of our democracy. This is not a victory for the coalition government, nor for Podemos; it is a victory for all the groups that for many years have worked through thick and thin to put on the table the need for a minimum income. To all of them: thank you. We hope to be in the expectations. Here's the first tweet in the thread for you to read for yourself. In a bid to keep up with the coronavirus spread, the Indian state of Kerala is set to convert thousands of its iconic houseboats into isolation wards, writes Hannah Ellis-Petersen, the Guardian's South Asia correspondent. Around 2,000 houseboats, which usually travel through the serene, palm tree-lined backwaters of Kerala, are currently being converted into isolation facilities for coronavirus patients. The two storey luxury boats are beloved by tourists and are also a popular purchase among Bollywood actors, who are known to renovate them to the highest standards of luxury. "We are happy to hand over our boats," said Kevin Rozario, general secretary of All Kerala Houseboat Owners and Operators Association. "By handing over our boats, we are joining the global fight against the virus. We see it as our duty and we will provide all help." According to the local government, the boats can be made fit for purpose by the end of the month, and then can be moved to remote locations for the safety of patients and locals. It follows on from the Indian government beginning to renovate 20,000 train carriages into medical facilities and isolation wards two weeks ago. Each train carriage holds 16 beds and a total of 320,000 patients could be cared for in the "quarantine coaches", a statement from the railways said. India currently has 12,380 confirmed coronavirus cases and 414 deaths. However, officials believe the real figure could be much higher as India has one of the lowest testing rates in the world. Japan has expanded its state of emergency to cover the entire country, AFP reports. My colleague in Tokyo, Justin McCurry, earlier reported that Shinzo Abe, the country's prime minister, was poised to announce the expansion of measures, which had already been declared in seven regions, including Tokyo. On Thursday evening, Abe told a special meeting of medical experts called to discuss the disease: Areas where a state of emergency should be carried out will be expanded from the seven prefectures to all prefectures According to AFP, the declaration allows regional governors to urge people to stay indoors, but with no punitive measures or legal force the measure is far weaker than strict lockdowns seen in other parts of the world. Despite recording its first case in mid-January, Japan has so far seen a relatively small outbreak with about 8,500 infections and 136 deaths by Thursday. Security forces enforcing the lockdown in Nigeria to curb the spread of Covid-19 have killed more people so far than the virus itself, the country's official human rights body reports. Nigeria has imposed a total lockdown in the capital Abuja and economic hub Lagos, a city of some 21 million people, and set restrictions in other regions in a bid to contain the spread of the coronavirus, with security forces, including the police and army, deployed to enforce them. In a report released late on Wednesday, the National Human Rights Commission said it had received and documented "105 complaints of incidents of human rights violations perpetuated by security forces" in 24 of Nigeria's 36 states and Abuja. Of these complaints, "there were 8 documented incidents of extrajudicial killings leading to 18 deaths", it said. According to the latest figures published on Wednesday night, 12 people in Nigeria have died of Covid-19, out of a total of 407 confirmed cases. The report added: This speaks volumes of the protocols and rules of engagement for our law enforcement as well the efficiency level and capacity of law enforcement agents to deal with civil population. It's a sheer display of impunity and reckless disregard for human life in law enforcement by security personnel. The number of new confirmed coronavirus infections in Germany has risen for a second consecutive day, as the country prepares to lift restrictions aimed at slowing the spread of the virus. The Robert Koch Institute (RKI) for infectious diseases reported 2,866 new confirmed cases on Thursday, bringing the country's total to to 130,450. The number of new cases on Wednesday was 2,486. The daily death toll also rose for a second day, by 315 to 3,569, the tally showed. On Wednesday the reported death toll was 285. The number of the coronavirus deaths in Iran was below 100 for the third consecutive day on Thursday. Health ministry spokesman Kianush Jahanpur said in a statement on state TV that 92 more people had been recorded as dying from the virus, bringing the total death toll in the country to 4,869. Iran's total number of cases of people infected with the coronavirus has reached 77,995, Jahanpur said. Dr Matshidiso Moeti, the head of the World Health Organization in Africa, has called Donald Trump's decision to cut funding for the UN health body a blow to efforts to support healthcare across Africa. Asked in a press briefing about the impact of the decision by the WHO's biggest funder to withhold cash, Moeti said it would have an impact that went beyond the WHO's ability to fund efforts to fight Covid-19. She warned efforts to fight polio, HIV and malaria in Africa were also likely to be affected. Overall, we will be needing about $300m for the next six months at least to support what countries are doing [to combat Covid-19). This has been a blow to the global WHO budget. The French military has ordered an inquiry into how the Charles de Gaulle aircraft carrier, the flagship of the naval fleet, was contaminated with Covid-19 after a third of its crew tested positive for the virus, Kim Willsher, the Guardian's Paris correspondent, reports. The cluster is especially puzzling as the nuclear-powered vessel had reportedly had no contact with the outside world since it went to sea on 15 March. Last Friday, the French defence ministry confirmed 50 sailors had coronavirus and the ship, in the Atlantic at the time, was ordered back to base in the port of Toulon on France's Mediterranean coast. It arrived on Sunday, two weeks earlier than planned. Since then 668 sailors, one third of the 1,767-strong crew have tested positive, the French defence ministry confirmed. "Today, 31 of them are in hospital, one in intensive care. We do not have the results for 30% of the tests," it said in a statement. The crew has been placed in isolation for 14 days before being allowed to rejoin their families. "Operations to disinfect the vessel and aircraft have begun," the French defence minister, Florence Parly, said adding a message of support for the confined sailors and their families. The Charles de Gaulle was docked at Brest on France's western coast between 13-15 March, where the sailors were given shore leave. This was two days before the strict confinement. Admiral Christophe Prazuck, the chief of staff of the French navy, has ordered an inquiry into the contamination of the vessel. The Charles de Gaulle, which carries Rafale fighter planes, Hawkeye surveillance and control aircraft as well as Caracal and Cougar helicopters and Aster anti-air missiles, had been on exercise since 21 January. It spent several weeks in the Mediterranean as part of Opération Chammal, the French contribution to the international anti-terrorist operation Inherent Resolve in Iraq and Syria. It then sailed to the North Sea and then the Atlantic for "operations of security and defence" to European sea routes, said the ministry. Spain recorded 5,183 new cases of the virus between Wednesday and Thursday, bringing its total number of confirmed cases to 182,816 - a rise of 2.9% on the previous 24 hours, writes Sam Jones in Madrid. Over recent days, the increase in new cases has been holding at around 3% a day, well down from a daily average of 12% at the end of March and 20% in mid-March. To date, Spain has recorded 19,130 deaths. Questions remain over Spain's official figures because of the way it tests and reports. So far, the official figures from the health ministry have been based only on deaths of people who have tested positive for the coronavirus. As the health minister, Salvado Illa, put it recently: "Anyone who's been positively diagnosed with the coronavirus and who dies is a person who's counted as a victim of the coronavirus." A lot of people are likely to have died from the virus without having been tested, meaning their deaths do not figure in the official count. This is particularly the case in care homes, where thousands of people have died untested, but showed symptoms consistent with the coronavirus. According to figures analysed by El País, at least 11,600 people have died of the virus - or displaying symptoms associated with it - in Spanish care homes. Those deaths would ***account*** for almost two-thirds of the nationwide fatalities. On Wednesday, Catalonia's regional government changed the way it counted coronavirus deaths after asking for ***data*** from funeral companies. It now puts the region's death toll - in hospitals, homes and care homes - at 7,097. However, the rise in the death toll has not been factored into Thursday's figure from the Spanish health ministry, which puts the regional death toll at 3,855. The World Health Organization Africa region is holding a live joint media briefing with the World Economic Forum. You can watch in this player on its Twitter feed. Japan's prime minister, Shinzo Abe, is poised to declare a nationwide state of emergency in an attempt to contain the coronavirus outbreak, Japanese media reports said on Thursday, writes Justin McCurry in Tokyo. Abe last week declared a month-long state of emergency in seven regions, including Tokyo, but has come under pressure to include other parts of the country amid a steady rise in Covid-19 cases. The move stops far short of the lockdowns introduced in other countries. Instead, local authorities have asked people to stay indoors and request that non-essential businesses close, but there are no penalties for those who fail to comply. The government has said people have to reduce contact with others by 70-80% to avoid an explosive growth in infections in Japan, which has so far seen a relatively small outbreak, despite recording its first case in mid-January, with about 8,500 infections and 136 deaths by Thursday. As a result, there has been a significant fall in the number of commuters on Tokyo's usually crowded public transport system and some central parts of the city are practically deserted. But experts fear the virus could spread in local neighbourhoods, where the streets appear to be much busier. Since the state of emergency emergency came into effect on 8 April, several regional governors have called for the measures to be expanded to cover their areas - warning of a growing number of infections and stretched medical facilities. The chief cabinet secretary, Yoshihide Suga, said the government would consult experts on Thursday before widening the state of emergency from seven to all 47 of Japan's prefectures. In a joint statement issued this week, emergency medical associations warned that they were "already sensing the collapse of the emergency medical system", with hospitals unable to deal with patients suffering from illnesses other than Covid-19. In addition, the mayor of Osaka, Japan's third-biggest city, this week appealed for donations of raincoats to be repurposed as protective clothing for health workers who were being forced to use bin liners due to a shortage of equipment. More than 1 million coronavirus tests will be rolled out in Africa from next week to address a gap in assessing the number of cases on the continent, the head of the African Union's health body has said. In an online briefing to journalists on Thursday, John Nkengasong, director of the Africa Centres for Disease Control, said maybe 15 million tests would be required across Africa in the next three months, the Associated Press reported. Africa has suffered in the global race to obtain testing kits and other badly needed medical equipment. While the number of virus cases across the continent was above 17,000 on Thursday, health officials have said the testing shortage means more are out there. South Africa, the most assertive African nation in testing, has carried out perhaps 80,000 tests so far, Nkengasong said. He also expressed concern for the US decision to cut funding for the World Health Organization, saying it absolutely will affect African Union member states' ability to receive support from the UN agency. Any reduction in support for African nations will be painful as the continent has some of the world's weakest health systems. Ten African nations have no ventilators at all to treat virus patients who need respiratory support, the Africa CDC chief said, but arrangements are being made to deliver some recently donated by the Jack Ma Foundation. Nkengasong did not name the 10 countries. In a development that runs contrary to the rules of science and technology, Iran's Islamic Revolutionary Guards Corps claims to have invented a device that can detect the presence of coronavirus at a distance of 100 metres, writes Patrick Wintour, the Guardian's diplomatic editor. The IRGC, subject to intense US sanctions and seen by Washington as the source of instability across the Middle East, unveiled the device earlier this week at a ceremony hosted by its commander Maj Gen Hossein Salami. The device "creates a magnetic field, and by using an embedded bipolar virus, any infected area can be detected within a 100-metre radius", according to the IRGC, which said the process takes under five seconds. Salami said: This device does not require blood transfusions and operates remotely and intelligently, i.e. it is used for mass screening and fully detects infected surfaces and people who are infected. He said it would also act as a smart disinfectant since it would know which areas need disinfecting. This is an amazing scientific phenomenon, and it has been tested in various hospitals, and it has answered more than 80% of its accuracy, and it will be a very good basis for any kind of virus. It is fair to say that the device's unveiling led to a degree of scepticism on social media, with some Iranians saying they did not know whether to laugh or cry. Separately Babak Shokri, vice-chancellor of Shahid Beheshti University of Medical Sciences claimed Iran will be able to market a coronavirus-resistant fabric within a month. This is Damien Gayle taking control of the live blog now for the next eight hours or so, with thanks to my colleague Simon Murphy for keeping things ticking over. As usual I'll be bringing you the latest coronavirus news, with a focus on Europe, the Middle East and Africa, while picking up the last updates from the evening in Asia and the first news emerging from the east coast of the Americas. If you want to get in touch with me, with any tips, suggestions or questions, or news that you would like to see us covering, please send an email to [*damien.gayle@theguardian.com*](mailto:damien.gayle@theguardian.com) or a direct message via my Twitter profile, @damiengayle. The number of confirmed cases in west Africa is steadily rising since the first case confirmed by Nigeria on 27 February. All countries in the region are affected and under lockdowns of varying degrees, with international travel suspended and movement increasingly prohibited. Ivory Coast has the highest number of confirmed cases at 654. Yet, across west Africa testing is very limited, with Ghana testing about 35,000 people so far and Nigeria only about 5,000. In Lagos, authorities have just begun the first community testing to determine the spread in the wider population, as so far tests have only been conducted on people who have recently travelled into the country or who have alerted authorities to their condition. Nigeria's government is racing to strengthen a chronically underfunded health system, with only a few hundred ICUs and ventilators for its 200 million people, according to medical unions. Nigeria spends 4% of GDP on health, which is among the lowest levels in percentage terms in Africa. Nigeria already has an oxygen crisis, with 625,000 people dying each year due to hospitals not having enough oxygen provision. In recent weeks, strikes by doctors have further highlighted the difficulties in health services, amid complaints of unpaid salaries and poor working conditions. The number of laboratories testing for Covid-19 are being quickly expanded and health centres built with help from the private sector. But there remain fears that even a moderate outbreak could overwhelm the system unless much more is done. The financial toll of the lockdowns on the poor in west Africa is already becoming clear, with videos across social media of citizens pleading for food supplies and money. Lockdowns have been widespread but help is incredibly limited. Ghana has been among the more proactive countries, yet most are struggling to provide adequate supplies to more than a fraction of the people affected. In Senegal, there are fears that more than 100,000 street children, known locally as Talibés, who beg on the streets are at a greater risk of contracting the coronavirus. Many are homeless or living in squalid, congested Islamic boarding schools. Senegalese authorities say they are trying to help by providing education centres for 1,500 children. More from the World Health Organization press briefing, as the body's European regional director warns that the continent is still in the midst of the storm of the Covid-19 pandemic, with the number of cases nearing a million. "As of today, Europe remains very much at the centre of the pandemic. And on the one hand, we have reason to be optimistic, and at the other to be still concerned," the WHO's Hans Kluge said. In the past 10 days, the number of cases reported in Europe has nearly doubled to close to 1 million, he told reporters in an online briefing. This meant about 50% of the global burden of Covid-19 was in Europe, Kluge said. The French government has unveiled a vast package of measures estimated at (EURO)110bn (£95.8bn) to help the country through the coronavirus crisis. A new budget bill announced by the prime minister, Édouard Philippe, aims to address the economic and social problems caused by the Covid-19 pandemic. It is a significant increase on the (EURO)45bn plan announced in March but the finance minister, Gérard Darmanin, said noone could be sure (EURO)110n would be enough. "The government is prepared to go further if necessary," Darmanin said. France is among Europe's worst-hit countries from the pandemic, with more than 134,000 confirmed cases and in excess of 17,000 deaths, according to figures compiled by John Hopkins University. With the loss of an estimated (EURO)43bn in tax revenues and increased costs to mitigate the crisis, the economy minister, Bruno Le Maire, has announced he expects the French economy to shrink by 8% this year. Measures in the emergency package include: Frontline hospital staff are to get bonuses of between (EURO)500 and (EURO)1,500 and up to time and a half for overtime hours until the end of the health emergency. The extra payments and bonuses will be free of tax and social charges. There will also be payments to carers in nursing and residential homes. Public officials who are working through the lockdown could be eligible for bonuses of up to (EURO)1,000, including police officers and teachers who have taken care of the children of essential workers. From mid-May, there will be additional financial support paid to low-income families: a (EURO)150 one-off payment and an extra (EURO)100 per child. Other low-income families will receive (EURO)100 per child. The budget for the "partial unemployment" scheme under which firms are encouraged to keep workers on staff during the lockdown, with the government paying a large part of their salaries, was given an extra (EURO)4bn, taking it to (EURO)24bn. About eight million French workers from an estimated 700,000 companies are believed to be on the scheme. Workers at qualifying companies who earn up to (EURO)4,607.82 net - which is four and a half times the minimum wage - are paid 84% of their net salary while not working; those on the minimum wage will receive their full salary. The scheme covers temporary staff but not interns or apprentices. A further 900,000 small French businesses, freelancers and self-employed have applied for financial help that has also been increased from (EURO)1,500 to (EURO)3,500. Small businesses and the self-employed have been allowed to suspend payments of rent, gas and electricity. The government appears to be making good on the president, Emmanuel Macron's, early pledge that no French firms would be allowed to go under during the coronavirus crisis. Le Maire said the government was also considering what financial aid should be given to the struggling national airline AirFrance-KLM and said he would announce its decision "in the coming days". Despite optimistic signs there have been declining numbers of new Covid-19 cases in some European countries, the World Health Organization's regional director for the continent said: "We remain in the midst of a storm." Hans Kluge, WHO Europe's regional director, is answering journalists' questions at a briefing. The coronavirus pandemic should act as a call for solidarity among Europe's leaders, the German finance minister, Olaf Scholz, has said, adding that he hoped the European Union would emerge from it stronger. Reuters reports: EU finance ministers agreed last week on half-a-trillion euros of support for their coronavirus-battered economies, but left open the question of how to finance the subsequent recovery in the bloc, which is headed for a steep recession. "The current challenge is a call for solidarity. That applies on a global scale, but it also applies particularly for Europe," Scholz said. His comments came in an interview with Reuters on Thursday, in which he also reiterated Germany's reluctance to commit any form of collective post-lockdown debt issuance by the bloc or its institutions. Asked how the pandemic would change the EU, Scholz said: "I hope it will be stronger, more united and more confident." The outbreak has laid bare bitter divisions within the bloc, with member states squabbling over topics including money, medical equipment and drugs, border restrictions and trade curbs. Last week's agreement did not resolve the issue of whether to use joint debt to help finance the recovery, something Italy, France and Spain pushed strongly for but which remains a red line for Germany, the Netherlands, Finland and Austria. The bloc's 27 national leaders are only committed to discussing whether "innovative financial instruments" should be applied, paving the way for further debate. MEPs and civil society groups have called on the European commission and European Council to condemn the Hungarian government's exploitation of the coronavirus crisis to erode democracy. In an open letter, 80 signatories, including Human Rights Watch and Transparency International, warned the European commission president, Ursula Gertrud von der Leyen, and the European Council president, Charles Michel, that they must not allow Hungary's nationalist prime minister, Viktor Orbán to use the pandemic as a smokescreen for anti-democratic activities The measures, in place since late March, have been criticised for the sweeping powers they hand to Orbán, to rule by decree. Another part of the bill provides penalties of up to five years in prison for those spreading misinformation during the pandemic. The letter says: "We cannot allow unscrupulous political actors to use the current climate as a pretext for dismantling democracy and undermining the rule of law. The recent actions of Viktor Orbán's government in Hungary are a flagrant attack on the cornerstones of the rule of law and the values of the union. We therefore urge you to unequivocally condemn the Hungarian government's misuse of the coronavirus crisis to erode democratic values. The European Commission and the Council must also take swift and decisive actions to address these threats to the rule of law being carried out under the guise of emergency powers." Death rates from coronavirus in Ireland and Northern Ireland appear to be stabilising but care homes continue to be badly hit. At least 10 people died in a care home in Derry over the past two weeks and eight died in a psychiatric centre in county Laois last weekend. Irish authorities also reported the death of two healthcare workers, a man in his 40s and a woman in her 50s, who worked St Luke's hospital in Kilkenny. Ireland on Wednesday recorded 38 deaths, including that of a 23-year-old, bringing the official toll to 444. There are 12,547 confirmed cases of infection. Ireland's death rate has stabilised in recent days and the number of people in intensive care has declined slightly, prompting cautious optimism. "While a number of these parameters are going in a positive direction, it is clear that we need to keep going in our efforts, on an individual level, to limit the spread of this virus," Tony Holohan, the chief medical officer, told a media briefing. Northern Ireland reported six deaths on Wednesday, bringing its total to 121 deaths in hospitals, with 2,088 cases of infection. The predicted number of deaths was less severe than originally feared, when modelling suggested 3,000 deaths, said Robin Swann, the health minister. "We cannot be certain of how this first wave will play out - no modelling can predict the future - but we can acknowledge that the unprecedented social distancing restrictions on all our lives are starting to make an impact." More from the Netherlands, where a study of blood donors has discovered that around 3% have developed antibodies against the new coronavirus, giving an indication of what percentage of the Dutch population may have already had the disease. The head of the National Institute for Health (RIVM), Jaap van Dissel, disclosed the results during a debate with parliament on Thursday. "This study shows that about 3% of Dutch people have developed antibodies against the coronavirus," Van Dissel said. "You can calculate from that, it's several hundred thousand people" in a country of 17 million. There are 28,158 confirmed coronavirus cases in the Netherlands, but only the very ill and healthcare workers are currently being tested, Reuters reports. The president of Afghanistan has asked the Taliban to declare a ceasefire in an effort to instead fight coronavirus as the number of confirmed cases reached 840, triggered by a surge of infections in Kabul. The country's president, Ashraf Ghani, has asked for a ceasefire across the country so health workers can fight the virus. "I call on the Taliban to give a positive response to the rightful demand of United Nations secretary general, regional governments, people of Afghanistan and the government to stop war and declare a ceasefire," he said. About 56 new Covid-19 cases have been recorded in the last 24 hours, a health ministry spokesman said in a press conference in Kabul. Of the new cases, 37 were confirmed in Kabul, the country's capital. The city of six million, which has so far recorded 238 confirmed cases, is under full lockdown in an attempt to contain the spread of the disease. Six new coronavirus deaths have also been reported in the same period, pushing the death toll to 30. There have been 56 recoveries so far. Of new cases, 11 have been confirmed in Herat, Afghanistan's worst affected area so far, with 321 confirmed cases. In Kandahar, the testing process is halted due to lack of test kits, local officials said. The province has had a surge in infections as thousands of Afghan migrants poured back from Pakistan in recent days. Kandahar went into full lockdown on Wednesday. A health ministry spokesman said the real number of infections is higher than what the ministry announces as many of patients decline to be hospitalised, citing "social stigma". "We're so vulnerable, because of war, migrants and also we are a poor nation but our good point is that we get united at times of crises," the spokesman said. The Foreign Office has responded to our earlier report detailing how Britons have been left stranded in Peru after missing UK repatriation flight because a military aircraft that had been sent to collect them refused to let them board. According to the Foreign Office, a dozen passengers were unable to board the flight from Cusco to the country's capital, Lima, because they failed a health screening. A Foreign Office spokesman said: "We can confirm that, unfortunately, a dozen passengers were refused access to the military flight from Cusco to Lima that was due to join up with the flight to London. The Peruvian authorities denied them boarding, following health screening. "We recognise this is deeply disappointing for these passengers and a worrying time. We will continue to do all we can to support them and other British nationals who remain in Peru." Authorities in the India state of Kashmir have issued an unusual order as part of their efforts to stop the spread of coronavirus: the felling of thousands of poplar trees. The Jammu and Kashmir administration said pollen from the millions of Russian poplar trees in the region risked causing hay fever and allergies, which could result in sneezing and coughing, which might then increase the spread of coronavirus and make people more vulnerable. The order issued by the Jammu and Kashmir government requested district administrations to carry out "lopping/felling" of the poplar trees as they "may prove fatal to the public health". "The pollen of said trees," added one local magistrate, "create influenza like infections which may create unnecessary panic among the general public". The magistrate ordered all poplar trees in the district to be cut within the week. The ruling was the result of a petition filed to the Jammu and Kashmir high court in early April, stating that poplar pollen could create "havoc for humans with respiratory diseases" and potentially aggravate COVID-19 infections. However, doctors have called this into question, stating there is little evidence that poplar pollen causes respiratory problems. Activists and conservationists, meanwhile, said the felling will have a hugely detrimental impact on the environment of Kashmir. "Eradication of exotic varieties of poplars would result in an economic and ecological disaster in Kashmir," warned Tariq Hussain Masoodi, dean of the forest faculty at Sher-e-Kashmir University of ***Agriculture*** Sciences and Technology. The Jammu and Kashmir government said they had now assembled a team of experts and would be evaluating the issue over the next two weeks. There are an estimated 10-15m poplar trees in Kashmir, and every April they shed cotton-like balls, which can be seen floating in the air. But this is not the first time they have been subject to a felling order. In 2015, following health concerns, Jammu and Kashmir high court banned the sale, purchase and planting of the trees and ordered millions felled. Poland is loosening its coronavirus lockdown as it will reopen parks and forests on Monday before eventually revising rules on the number of customers allowed in shops, a minister has indicated. The country has so far recorded 7,582 coronavirus cases with 286 deaths, according to figures compiled by Johns Hopkins University. Poland's prime minister is expected to announce on Thursday details of the government's plan for easing restrictions on public life, which were launched to curb the spread of the virus. "Final decisions will be taken today. I think that first, starting from Monday we can expect opening of forests, green areas," the state assets minister, Jacek Sasin, told private radio RMF on Thursday. Poland will also revise the rules on the number of customers allowed in shops at a time, he added, but did not say when they would come into effect. Sasin also said it is too early to talk about reopening of schools. It comes after protesters in Poland defied the coronavirus lockdown to oppose a proposal that would almost completely ban abortion. Like elsewhere, the economic reality of the coronavirus pandemic lockdown is beginning to bite in the Netherlands where the number of people filing for unemployment benefits soared by 42% in March. The country, the eurozone's fifth largest economy, paid benefits to 37,800 new unemployed in March, an increase of 11,200 from the month before. The strongest increases were among people who used to work in restaurants and bars, and among people under 25 years of age, the Dutch federal employment agency said. on Thursday. The country's government ordered all restaurants, bars, museums, sport facilities and other public places in the Netherlands to shut down on 15 March in the fight against the coronavirus pandemic. They are to remain shut until at least 28 April. To help businesses cope with the economic standstill and to prevent significant layoffs, the Dutch government has said it will cover up to 90% of the wage bill of companies who see a significant decline in sales in the coming months. More than 85,000 companies have already applied for this support. Despite the help, the number of people who lost their jobs in March jumped almost 10% from the previous month to about 283,000, ***Statistics*** Netherlands said. Nearly two dozen French sailors are being treated in hospital after a large outbreak of Covid-19 on board an aircraft carrier. Some 1,767 marines have been evacuated from the French carrier, the Charles De Gaulle, with at least 668 testing positive for coronavirus. "There are about 20 at the moment in hospital. Out of the 20, one is in the re-animation ward and in a stable case," spokesman Eric Lavault told RMC radio. On Wednesday, the French armed forces ministry said 1,767 marines - nearly all from the Charles de Gaulle carrier itself - had been evaluated and at least 668 had tested positive for the virus. The vessel set sail for the eastern Mediterranean on 21 January to support French military operations in Iraq and Syria, before deploying to the Atlantic and then the Baltic. It participated in exercises with northern European navies in the Baltic Sea before returning to Toulon two weeks earlier than planned after crew members showed signs of Covid-19 symptoms. Let's kick off with some good news to warm our hearts during these dark times. In the UK, a 99-year-old war veteran has now raised more than £12million for the NHS by walking lengths of his garden. Cap Tom Moore, who lives with his family in Bedfordshire, had originally planned to raise £1,000 with his challenge but smashed through his target after his efforts captivated the nation. The veteran, who served in the second world war after being selected for officer training in 1940 and completed postings in India and Sumatra, is walking 10 laps of the 25-metre garden a day with the help of his walking aid and hoped to reach 100 laps by his 100th birthday in April. However, he is likely to reach his target ahead of schedule today. "Our brave nurses and doctors are frontline in this case ... this time our army are in doctors and nurses uniforms and they're doing a marvellous job," Moore said earlier this week. Here's my colleague Jessica Murray's story about Tom from yesterday by which time the war veteran had already raised £9m. Morning folks, it's Simon Murphy here taking the helm of the coronavirus global live blog from the UK to steer you through events as they unfold for the next few hours. That's it from me, Helen Sullivan for today. Thanks for following along - I'm now handing the blog over to my colleague Simon Murphy, who is suitably caffeinated. But first - a poem: Profit over people, cost over care: America's broken healthcare exposed by virus In the wealthiest country in the world, the Covid-19 pandemic has exposed the core of a healthcare system that is structurally incapable of dealing with the pandemic. Federal and local governments, health insurers and employers have pledged to help Americans pay their way through this crisis, but to do so requires a dramatic overhaul of a system which has for decades prioritised cost over care. Coronavirus latest: at a glance A summary of the biggest developments in the global coronavirus outbreak: In the US meanwhile, retail sales plunged in March while industrial production in the same month suffered its steepest drop since 1946, ***data*** showed Wednesday. Other reports pointed to weak homebuilder sentiment and manufacturing conditions, while a Federal Reserve report said American economic activity "contracted sharply", AFP reports. "The economic ***data*** was nothing short of disastrous," Ann Miletti of Wells Fargo Asset Management told Bloomberg TV. "How long can you sustain the shutdown is what's on investors' minds." President Donald Trump has said that he will on Thursday announce the first plans for lifting lockdowns after the US - the worst-hit country with the most virus deaths and infections - passes the "peak on new cases". The World Health Organization has warned, however, that lifting virus-related restrictions too early could have devastating consequences, with fears of a possible second wave of infections. Asian markets fell in early trade on Thursday following overnight woes on Wall Street as more negative US economic ***data*** fuelled worries about the full impact of the coronavirus pandemic. There had already been a spate of grim economic forecasts this week, with the IMF warning of the worst global downturn in a century, and poor US economic figures released Wednesday spooked investors further. The woes on Wall Street discouraged traders in Asia, where Tokyo was down 1.2%, Hong Kong lost 0.8& and Sydney dropped 1.4%. Seoul slipped 0.6%, while Taipei shed 0.3% and Shanghai was down 0.1%. The Philippine central bank cut its benchmark interest rate by 50 basis points on Thursday ahead of a 21 May policy meeting, this year's latest reduction aiming to counter the economic impact of the coronavirus pandemic. The cut takes the rate on the bank's overnight reverse repurchase facility to 2.75% with effect from Friday. Trump wades further into China Covid-19 row as focus turns to easing lockdowns Donald Trump has again questioned China's transparency over the coronavirus outbreak, casting doubt on the origins of the virus and number of cases, while signalling the US would soon join countries across Europe in easing its lockdown. "Do you really believe those numbers in this vast country called China?" the US president said, when asked about the severity of the US death toll at a White House press briefing. "We report everything, we're reporting the cases and our reporting is good. We're reporting every death." Meanwhile the IMF said on Thursday Asia's economic growth would grind to a halt for the first time in 60 years, as the crisis takes an "unprecedented" toll on the service sector and major export destinations: Australian Prime Minister has just given a press conference in which he announced the following: Restrictions to remain in place for at least another four weeks, but easing is on the agenda The government wants increased testing - including those with no symptoms - as well as larger scale contact tracing (downloading the app) and localised lockdown ability to be put in place, before restrictions are loosened. Parliament may return next month Slides handed out to media at the conference argue that Australia has one of the highest reported detection rates globally, and estimate that approximately 92% of all symptomatic cases are being detected across the country. Australia has 6457 confirmed cases. The coronavirus death toll is 63 people. The country's Chief Medical Officer, Professor Brendan Murphy, said the growth rate in cases is "very encouraging". Trump used Wednesday's White House briefing to continue his attack on the World Health Organisation but this time also targeted the World Trade Organisation's practice of favouring developing nations over developed ones when it comes to trade terms. Trump claimed that 'as far as I'm concerned' the US is 'a developing nation, too'. Trump has threatened to shut down Congress so he could fill vacancies in his administration without Senate confirmation. No US president has ever used the authority, included in the Constitution, to adjourn both chambers of Congress. Engineers in Colombia have developed a mechanical ventilator for Covid-19 patients that could cost as little as $2,000, in one of numerous crash projects around the world aimed at helping ease a global shortage of the devices, AP reports. It's one of the latest efforts around the world to produce pared down, emergency versions of full feature ventilators, which have become more expensive as governments try to outbid each other to purchase them. According to New York governor Andrew Cuomo ventilators are currently selling for $50,000 each. Here are a few others: In Afghanistan, a female team of robotics experts announced last week they had created a Covid-19 ventilator made out of Toyota car parts that will cost $400. In Argentina, the National University of Rosario says it has come up with a ventilator that has fewer than 20 components, and has shared its design online. In Colombia, at least five universities have been working separately on their own ventilators and three of them have built prototypes that are already being tested to comply with standards set by national regulators. Ae ventilator produced by Sabana University has been tested successfully on a pig. It must still undergo further tests on animals and humans before it can go into production. The Guardian's Verna Yu has this explainer on what a wet market is - and why Wuhan's is different: At the crack of dawn every day, "wet markets" in China and across Asia come to life, with stall owners touting their wares such as fresh meat, fish, fruits and vegetables, herbs and spices in an open-air setting. The sights and sounds of the wet market form part of the rich tapestry of community life in Asia. They are where local people buy affordable food, or just go for a stroll and meet their neighbours for a chat. While "wet markets", where water is sloshed on produce to keep it cool and fresh, may be considered unsanitary by western standards, most do not trade in exotic or wild animals and should not be confused with "wildlife markets" - now the focus of vociferous calls for global bans. The now-infamous Wuhan South China seafood market, suspected to be a primary source for spreading Covid-19 in late 2019, had a wild animal section: In the six days after top Chinese officials secretly determined they likely were facing a pandemic from a new coronavirus, the city of Wuhan at the epicentre of the disease hosted a mass banquet for tens of thousands of people; millions began traveling through for Lunar New Year celebrations, AP reports. President Xi Jinping warned the public on the seventh day, 20 January 2020. But by that time, more than 3,000 people had been infected during almost a week of public silence, according to internal documents obtained by The Associated Press and expert estimates based on retrospective infection ***data***. China has now reported a total of 3,342 deaths from the virus among 82,341 cases. Foreigners working in Singapore's trade-dependent economy and living in crowded dormitories now ***account*** for half of the tiny city-state's virus cases after new infections spiked for a third day, AP reports. Its number of coronavirus infections has jumped by 1,167 since Monday. While successfully managing its first wave of infections, Singapore overlooked its vast population of foreign workers who live in dormitories that typically house up to 20 men sharing kitchens, toilets and other facilities. Tens of thousands of the workers from Bangladesh, India and other poorer Asian countries are now quarantined in their dormitories or have been moved to alternative sites to reduce crowding. The 447 new coronavirus cases raise Singapore's total to 3,699. The health ministry said in a statement late Wednesday that the significant rise in cases among foreign workers was expected partly due to ongoing tests at the dormitories. About a fifth of total cases were detected in one single dormitory. A fascinating read here from Jason Burke on how Islamic extremists hope to exploit the Covid-19 pandemic to launch new attacks, motivate followers and reinforce their credentials as alternative rulers of swaths of unstable countries across the Middle East, Asia and Africa: New Zealand's prime minister has warned there will be no "rush to normality" when restrictions are eased. Jacinda Ardern said that significant restrictions would be kept in place even if the country eases the nationwide one-month lockdown enforced to beat the spread of the coronavirus. New Zealand introduced its highest, level 4 lockdown measures in March, under which offices, schools and all non-essential services like bars, restaurants, cafes and playgrounds were shut down. A decision on whether to lift the lockdown would be made on 20 April. Ardern said if New Zealand moves to the lower level 3 of restriction, it would permit aspects of the economy to reopen in a safe way but there will be no "rush to normality". Here's our report on the results of the first general election of the coronavirus outbreak, where South Korea's ruling party has won a landslide victory in national assembly elections, in what is being seen as an endorsement of President Moon Jae-in's response to the pandemic. Moon's left-leaning Democratic party and its smaller affiliate won 180 seats in the 300-seat assembly - the biggest majority in the national assembly by any party since South Korea's transition to democracy in 1987 - according to the Yonhap news agency. The conservative opposition United Future party and its smaller sister party won 103 seats. Turnout was 66.2%, higher than any parliamentary elections held in South Korea since 1992. Some news from New Zealand now, where the coronavirus crisis has hit the world of rugby. PBS and the Associated Press report that International aid groups are now supporting the US healthcare system, in an indictment of the response to the coronavirus pandemic from one of the world's wealthiest countries. The 638,111 confirmed cases of coronavirus - a number more than three times higher than that of the next worst-affected country, Spain, which has 180,000. 30,844 Americans have lost their lives in the crisis so far. Elizabeth Warren says she would accept being Joe Biden's running mate Warren has said she would accept an offer to be running mate to the Democratic presidential candidate, Joe Biden, if the position were offered. "Yes," said the US Senator when asked on MSNBC how she would respond if Biden asked her to run for vice-president. Biden, who was Barack Obama's vice-president, has vowed to pick a woman to be his running mate and said he would name a committee to help him vet a shortlist of names soon. Several people likely to be in contention have expressed their interest. "I would be an excellent running mate," said Stacey Abrams, the former Georgia gubernatorial candidate, in an interview published by Elle on Wednesday. Governor Gretchen Whitmer of Michigan told NBC News on Wednesday that she was "fortunate" to be considered for the position. Ecuador's Galapagos Islands, a UNESCO World Heritage site, have 73 confirmed cases of the novel coronavirus, the majority on board a tourist ship, the governing council president said Wednesday. "Forty-eight positive cases have been identified" out of the 69 people on board the Flora, Norman Wray told AFP. Wray, who heads the Galapagos Government Council, added that all passengers are crew members, as the ship no longer has tourists on board. "In total, we have 73" confirmed cases and two deaths on the archipelago, Wray said. Ecuador has recorded 7,858 cases and 388 deaths since the start of the pandemic. Guayas province and its capital, port city Guayaquil, have been the hardest hit, comprising about 70 percent of the cases reported since February 29. According to Wray, there are still 1,000 tourists in the Galapagos, most of whom are Ecuadorians who decided to stay during the general lockdown, which has been extended by the national government until April 19. About 1,500 other tourists were evacuated from the islands. Confirmed cases worldwide top 2m. The latest numbers from Johns Hopkins University, which is tracking the spread of the virus, put the confirmed global total of cases at 2,063,161. The researchers say at least 136,938 people have died since the start of the outbreak. Asia's economic growth this year will grind to a halt for the first time in 60 years, the IMF said on Thursday, as the coronavirus crisis takes an "unprecedented" toll on the region's service sector and major export destinations. The US reports more than 25,000 new cases. Washington's Centers for Disease Control and Prevention has reported 605,390 cases of coronavirus - an increase of 26,385 cases from its previous count - and said the number of deaths has risen by 2,330 to 24,582. US president Donald Trump says some states may reopen before 1 May. There were governors "champing at the bit" to reopen, he said. Trump also reiterated the decision to halt funding to the World Health Organization. The head of the WHO said he regrets US President Donald Trump's decision to pull funding for the agency, but that now is the time for the world unite in its fight against the new coronavirus. South Korea's left-leaning ruling party won a landslide victory in Wednesday's general election, partial results showed, after the coronavirus pandemic turned the political tide in President Moon Jae-in's favour. Nearly 700 sailors assigned to the French aircraft carrier Charles de Gaulle's naval group have tested positive for the coronavirus, the armed forces ministry said on Wednesday. Amazon has ordered the temporary closure of all six of its French distribution centres, one day after a French court ruled it was not doing enough to protect its workers in the country amid the coronavirus pandemic. Ten Britons and a UK resident have been left stranded in Cusco, Peru, after missing a UK repatriation flight on Wednesday because a military aircraft which had been sent to collect them refused to let them board after landing and taking off twice, they say. A man who lost his mother to the coronavirus has filed a police case against the leader of Belarus, accusing President Alexander Lukashenko of failing to take adequate measures to fight the spread of the pandemic, Reuters reports. Los Angeles Mayor Eric Garcetti said Wednesday it is unlikely concerts and sporting events will resume until at least 2021, as the city continues to fight the coronavirus pandemic. New York City revises its death toll sharply upwards to more than 10,000 people. It added 3,778 people who were not tested but who are nevertheless presumed to have died from Covid-19. G20 finance ministers agree to suspend poorer countries' debt payments. The measure will be in effect from 1 May until the end of the year as they prepare for increased spending on healthcare systems. An explainer now on how WHO funding works and where it goes, as Trump announces US funding to the organisation will be put on hold. The United States' funding freeze blows a major hole in the World Health Organization's budget as it attempts to steer the fightback against the coronavirus pandemic. Washington is the biggest single contributor to the United Nations' health agency, AFP reports. Looking at the specified voluntary contributions that have been fully distributed is one way of making comparisons between the contributions of donors to the WHO. In this sector, the United States is the biggest contributor with $553.1 million, or 14.67%. China's contribution of $7.9 million amounted to 0.21% of the total. The money, which can often be highly earmarked for particular projects, is paid out throughout the year as projects and needs arise. Within the specified voluntary contributions sector in the 2018 and 2019 budget - before the coronavirus crisis - the WHO's biggest spending outlay was on polio eradication (26.51%). Next came: Increasing access to essential health and nutrition services (12.04%); Vaccine-preventable diseases (8.89%); Establishing effective coordination and operations support (6.1%) Preventing and controlling outbreaks (5.96%). In terms of regional distribution, it reached those projects via: Africa, which received $1.32 billion; The eastern Mediterranean ($1.23bn); The WHO headquarters ($591m); Southeast Asia and Europe ($223m); The western Pacific ($166m) The Americas ($24m). Germany on Wednesday unveiled plans to lift some restrictions imposed because of the coronavirus pandemic, becoming the first major European nation to take on the delicate task of reopening without triggering a new wave of infections, AFP reports. Germany was the largest of several European countries announcing tentative steps on Wednesday to reopen their economies and societies. Denmark began reopening schools for younger children after a month-long closure and Finland lifted a two-week rail and road blockade on the Helsinki region. Lithuania said it would allow smaller shops to reopen from Thursday. Yet a full-scale return to normality still appears a long way off in most other countries. Harvard scientists have warned that repeated periods of social distancing could be needed as far ahead as 2022 to avoid overwhelming hospitals. Spanish Prime Minister Pedro Sanchez, who has allowed work to restart in some factories and building sites, warned that "nothing will be the same until a vaccine is found." Belgium extended its stay-at-home order until at least 3 May and banned mass gatherings until the end of August. Australian riot police enter Villawood detention centre Australia's immigration detention centres have been largely forgotten during this crisis. But detainees remain scared. AAP has this report: Riot police have entered western Sydney's Villawood Immigration Detention Centre to stop a protest by detainees concerned about a COVID-19 outbreak in the facility. Three detainees in the centre's Blaxland compound have been holding a rooftop protest since Saturday while others remain on a hunger strike demanding COVID-19 virus testing and the release of detainees, according to the Refugee Action Coalition. "Other detainees in Blaxland have been locked in their rooms," the Refugee Action Coalition said in a statement on Thursday. The riot squad are on the scene with police working with Australian Border Force to control the situation, a NSW Police spokeswoman told AAP. Qatar Airways crews have been applauded by passengers and won praise from governments for repatriating thousands of travellers stranded by the coronavirus aviation shutdown, AFP reports. Observers say Doha is hoping that by carrying on flying when regional competitors are grounded, it will score diplomatic points in an ongoing confrontation with its neighbours. While Qatar Airways is only operating 35 percent of its normal services, it has used spare capacity to carry 17,000 people on almost 60 special charter services for countries with stranded citizens. Germany, France and Britain have all publicly directed citizens to fly home on the Gulf airline and praised Qatar on social media. Qatar Airways has also evacuated US diplomats and other nations' foreign service staff from Iraq. However, there was criticism of the airline on social media at the start of the month from travellers stuck in New Zealand that the only flight option for those not on a special repatriation flight was a $10,000 business fare. Dan Collyns reports for the Guardian: Ten Britons and a UK resident have been left stranded in Cusco, Peru, after missing a UK repatriation flight on Wednesday because a military aircraft which had been sent to collect them refused to let them board after landing and taking off twice, they say. As a result, they missed the repatriation flight which the UK embassy in Peru says is the last. Several such flights have shuttled marooned Britons back to the UK over recent weeks. Chris Ramsay, 29, who was among at least four of the Britons who had been diagnosed with Covid-19, said he felt abandoned by the British foreign office. "It's been a rollercoaster of emotions and events," said Ramsay, one of seven Britons who had been staying in the Pariwana hostel which was put under quarantine by Peruvian health authorities in March when two guests tested positive for the virus. Ramsay believes he was infected while under the lockdown. "I woke up expecting to be going home today, then was told 'no' after the military flight left, then was told maybe and they'd got it to turn around, then 'no' again when it left Cusco without us for the second time," he said. UK citizen Patricia Pacheco, 61, has been in Cusco since February with her Peruvian husband Roberto and her brother Ian Lindsay, who was diagnosed with Covid-19, and his wife Mary McCarron. Pacheco said UK officials had managed to arrange the Peruvian military flights late on Tuesday after a flight charter company abruptly refused to carry anyone who had tested positive for the virus. "We thought we were getting out now we've sunk back to the depths of despair," said Pacheco, who lives with her husband, a UK resident, in Montgomery, Wales. On Wednesday, the Twitter ***account*** of the UK embassy in Peru said: "Today one last UK Government chartered flight took back British nationals and residents from Lima to London. We've now helped over 1,200 people get back to the UK from Peru in very challenging circumstances." It added: "The vast majority of British nationals have now left Peru but we are aware that not everyone who wanted to leave was able to." Update: The Foreign Office says a dozen passengers were unable to board the military flight from Cusco to Lima because they failed a health screening. With the global economy plunged into the worst recession in a century, the Group of 20 nations on Wednesday announced a one-year debt standstill for the world's poorest nations as they struggle to deal with the coronavirus pandemic. The G20, which brings together the world's largest economies, also reiterated the pledge to deploy "all available policy tools" to deal with the health and economic crisis caused by Covid-19. The G20 finance ministers and central bankers endorsed "a time-bound suspension of debt service payments for the poorest countries," and in the communique following their virtual meeting, said, "All bilateral official creditors will participate in this initiative." Saudi Finance Minister Mohammed Al-Jadaan, who currently chairs the group, said this means "poor countries don't need to worry about repaying over the course of the next 12 months." The initiative will "provide north of $20 billion of immediate liquidity" for poor countries to use "for their health system and support their people facing Covid-19," he said in a press briefing. United Airlines Holdings Inc said on Wednesday that it has cut its flight schedule by 90% in May and expects similar cuts for June as a result of the coronavirus pandemic, and warned that travel demand that is now "essentially at zero shows no sign of improving in the near term," making job cuts likely, Reuters reports. United disclosed its outlook in a memo to employees that it publicly released. The airline said it flew fewer than 200,000 people in the first two weeks of April, a 97% drop from the more than 6 million people it flew during the same time in 2019. It expects to fly fewer people during the entire month of May than it did on a single day in May of last year, Munoz and Kirby said. "The historically severe economic impact of this crisis means even when travel demand starts to inch back, it likely will not bounce back quickly," they said. While the $5 billion that United expect to receive in government payroll support under the CARES Act means it is barred from involuntary furloughs before 30 September, the airline indicated that it expects to have to cut payroll after that. It said it will be offering new voluntary leave packages in the coming weeks and voluntary separation programs. Podcast: How did an unproven drug become Trump's 'miracle cure'? Hydroxychloroquine has been used to treat a number of diseases in the past half-century but after a French study claimed it was effective against coronavirus it has been hailed by the US president as a cure. But there is scant evidence it is effective - and it could actually be harmful. Asia's economic growth this year will grind to a halt for the first time in 60 years, as the coronavirus crisis takes an "unprecedented" toll on the region's service sector and major export destinations, the International Monetary Fund said on Thursday. Asia's economy is likely to suffer zero growth this year the IMF said in a report on the Asia-Pacific region released on Thursday. While Asia is set to fare better than other regions suffering economic contractions, the projection is worse than the 4.7% average growth rates throughout the global financial crisis, and the 1.3% increase during the Asian financial crisis in the late 1990s, the IMF said. The IMF expects a 7.6% expansion in Asian economic growth next year on the assumption that containment policies succeed, but added the outlook was highly uncertain. Unlike the global financial crisis triggered by the 2008 collapse of Lehman Brothers, the pandemic was directly hitting the region's service sector by forcing households to stay home and shops to shut down, the IMF said. The region's export powerhouses were also taking a battering from slumping demand for their goods by key trading partners such as the United States and European countries, it said. South Korea's left-leaning ruling party won a landslide victory in Wednesday's general election, partial results showed, after the coronavirus pandemic turned the political tide in President Moon Jae-in's favour. The country uses a mix of first-past-the-post seats and proportional representation, but even before all the individual constituencies were decided, Moon's Democratic party had taken 163 seats in the 300-member National Assembly, an absolute majority. Turnout was 66.2 percent, higher than any parliamentary elections held in the South since 1992. Just a few months ago scandals over power abuse and sluggish economic growth threatened the left-leaning president, with critics calling his dovish approach towards North Korea - despite Pyongyang's abandonment of its nuclear and ballistic missile test moratoriums - unrealistic. But the South's relatively quick and effective handling of the epidemic - it has also exported test kits to at least 20 countries - has been a boon for Moon ahead of the parliamentary elections, largely seen as a referendum on his performance. And his so-called "coronavirus diplomacy" - such as recent publicity on his bilateral phone calls with at least 20 state leaders regarding epidemic response - boosted Koreans' confidence in his administration, said Minseon Ku, a politics scholar at Ohio State University in the United States. The Navajo Nation has extended its weekend lockdowns preventing people from leaving their homes, except in emergencies, on the vast expanse of land that has been harder hit by the coronavirus than any other Native American reservation in the US, AP reports. The tribe first put in place the 8pm Friday to 5am Monday lockdown last weekend for the reservation that lies in parts of Arizona, New Mexico and Utah and is larger than the state of West Virginia. It came after a nightly curfew was imposed to keep people at home from dusk to dawn during the week. Navajo Nation President Jonathan Nez said Wednesday he was thankful most people are adhering to public health orders, but not everyone is complying. The number of coronavirus cases on the Navajo reservation and border towns rose to 921 on Wednesday, with 38 deaths. About 175,000 people live on the Navajo Nation, and Nez said he was working to ensure non-essential business would close as ordered. Tribal police enforced the weekend lockdown by setting up checkpoints in Navajo communities. They issued more than 100 criminal nuisance citations for violating it on Friday and Saturday, Navajo Nation police spokeswoman Christina Tsosie said. Enforcement of the lockdown over Easter weekend was the largest coordinated effort ever for the department, Navajo Police Chief Phillip Francisco said. The best way to send news tips or ask questions is on Twitter @helenrusllivan. US school administrators across America are trying to re-imagine classrooms and the prospect of reopening schools in the era of social distancing, AP reports. With the majority of schools nationwide shut down, educators are scrambling to plan for the future after a chaotic few weeks that, for many districts, included closing all schools, deciding whether to waive assessment tests and whether and how to do distance learning. Next comes the important question of when schools can safely re-open. California Governor Gavin Newsom laid out a few possible scenarios this week for reopening the states public schools to 6 million students, saying the timeline was still unclear but when students do eventually return things will look radically different. The biggest challenge for schools is how to continue physical distancing among children and adults to ensure that kids aren't going to school, getting infected and then infecting grandma and grandpa, Newsom said. That could mean requiring schools to stagger schedules, with some students arriving in the morning and the rest in the afternoon. Similar conversations are taking place at state school boards across the country. The issue is on Idahos agenda Thursday, and several other states, including Arkansas and Mississippi, are starting to have the discussion, Hull said. In US election news, MSNBC news host Rachel Maddow has asked Elizabeth Warren whether she would consider being Joe Biden's running mate if asked. She said she would: Mexican assistant health secretary Hugo López-Gatell said Wednesday there has been widespread non-compliance with orders for all non-essential businesses to close. Those firms that don't comply would be inspected, fined and possibly subject to criminal investigations for endangering the health of employees, he said. While there have been widespread reports that border assembly plants known as maquiladoras had failed to close during the pandemic, López-Gatell cited only one border state Baja California as having a high level of non-compliance. Videos of walk-outs and protests at assembly plants have circulated on social media in recent weeks. But López-Gatell said the problem was centred more in Mexico's industrial central region. In all, 18% of firms in Mexico are considered essential and are allowed to stay open. López Gatell said 50% of those that were supposed to close did so, but about 32% of the remaining companies initially failed to close. Of that one-third, about half closed after being warned, while the other half continue to operate. Mexico has 5,847 confirmed coronavirus cases and almost 450 deaths. Nicaraguan President Daniel Ortega re-appeared Wednesday after 34 days in which he was not seen in public, AP reports. Ortega made a televised address to the nation in which he said Nicaragua had suffered only one death from the coronavirus pandemic and that the country's three confirmed cases were imported. There had been concerns about the health of the 74-year-old former guerrilla leader, but he appeared well and was not using a mask during his speech. Ortega has refused to adopt the social-distancing and lock-down measures used in other countries, and has in fact encouraged Nicaraguans to participate in mass gatherings. Nicaraguans haven't stopped working, because if this country stops working, it dies, Ortega said. The government did extend Holy Week school vacations to two weeks; classes are scheduled to resume April 20. Ortega did not comment on how many tests have been carried. Experts suspect there are many undetected cases. Trump fans flames of Chinese lab coronavirus theory during daily briefing Donald Trump has fuelled a media theory that the coronavirus pandemic began when the pathogen accidentally escaped a Chinese laboratory, teasing that "more and more we're hearing the story". The US president's TV network of choice, Fox News, has reported that "multiple sources" in the American government believe initial ***transmission*** of the virus was bat-to-human in a virology lab in Wuhan. Due to weak safety protocols, an infected lab worker then went to a wet market where the virus spread. When Fox News reporter John Roberts put this to Trump at a press briefing on Wednesday, he replied: "Well, I don't want to say that John, but I will tell you more and more we're hearing the story." The president is notorious for recycling content from Fox News in his remarks or tweets, and it was unclear whether he was privy to any other information to back the claim. He added: "We'll see. When you say 'multiple sources', now there's a case where you can use the word 'sources'. But we are doing a very thorough examination of this horrible situation that happened." Trump added that he did not want to disclose any discussions he had with Chinese president Xi Jinping about the laboratory. The New York Times is reporting that a pork factory in Smithfield, South Dakota is the new centre of the coronavirus pandemic in the US. This week, the paper reports: The Smithfield plant became the nation's largest single-source coronavirus hot spot. Its employees now make up about 44 percent of the diagnoses in South Dakota, and a team of researchers from the Centers for Disease Control and Prevention has traveled there to assess how the outbreak spiraled out of control. Smithfield is the latest meat processing facility to close in the face of the coronavirus. A Japanese MP has been expelled from his party after it was revealed he had visited a club in a Tokyo red light district, two days after the prime minister, Shinzo Abe, declared a state of emergency in an attempt to contain the coronavirus outbreak. Takashi Takai, a 50-year-old lower house member for the Constitutional Democratic party of Japan, admitted he had visited Sexy Cabaret Club in Tokyo's Kabukicho district on 9 April, media reports said, despite government requests that people refrain from visiting bars, restaurants and clubs as part of efforts to reduce personal contact by 70-80%. Takai submitted a letter of resignation after media reported his visit to the club, but the party rejected it and expelled him instead, Kyodo news agency said. Under the monthlong state of emergency, residents of Tokyo and six other areas have been asked to stay home and nonessential businesses to temporarily close. Bars and restaurants are allowed to stay open until 8 pm. Tokyo's governor, Yuriko Koike, has warned that clubs and hostess bars, some of which allow intimate physical contact, could become infection clusters. Takai reportedly told party officials: "I regret acting carelessly and making people feel uncomfortable when they have been asked to refrain from going out." In a video message, the party's leader, Yukio Edano, said the MP had acted irresponsibly, adding: "We decided to expel him given the seriousness of the matter." On the subject of deaths in US nursing homes, the New York Times has this report, headlined "After Anonymous Tip, 17 Bodies Found at Nursing Home Hit by Virus." The call for body bags came late Saturday. By Monday, the police in a small New Jersey town had gotten an anonymous tip about a body being stored in a shed outside one of the state's largest nursing homes. When the police arrived, the corpse had been removed from the shed, but they discovered 17 bodies piled inside the nursing home in a small morgue intended to hold no more than four people. "They were just overwhelmed by the amount of people who were expiring," said Eric C. Danielson, the police chief in Andover, a small township in Sussex County, the state's northernmost county. The 17 were among 68 recent deaths linked to the long-term care facility, Andover Subacute and Rehabilitation Center I and II, including two nurses, officials said. Of those who died, 26 people had tested positive for the virus. In the US, federal health officials are coming under increasing pressure to start publicly tracking coronavirus infections and deaths in nursing homes amid criticism they have not been transparent about the scope of outbreaks across the country that have already claimed thousands of lives, AP reports. Experts say the lack of tracking and transparency has been a major blind spot, and that publicising outbreaks as they happen could not only alert nearby communities and anguished relatives but also help officials see where to focus testing and other safety measures. Such an action by the agencies that oversee the nations 15,000 nursing homes is seen as long overdue, coming more than a month after a nursing home in Washington state became the first Covid-19 hot spot in the US with an outbreak that ultimately killed 43 people and a near-daily drumbeat of new cases that in some cases has forced entire homes to be evacuated. Because the federal government has not been releasing a count, The Associated Press has been keeping its own running tally of nursing home outbreak deaths based on media reports and state health departments. The APs latest count of at least 4,817 deaths is up from about 450 just two weeks ago. A new decree took effect in Vietnam on Wednesday introducing fines for the dissemination of 'fake news' or rumours on social media. Local authorities have already fined hundreds of people for posting what they described as "fake news" about coronavirus, Reuters reports. But the new decree, drafted in February, supersedes one from 2013 which does not specifically cover 'fake news', new guidelines say. A fine of 10-20 million dong ($426-$853), equivalent to around three to six months' basic salary in Vietnam, will be imposed on people who use social media to share false, untruthful, distorted, or slanderous information, according to the decree. The new rules were not specifically drafted to deal with coronavirus social media comment and extend far beyond that topic, raising concern among human rights groups already heightened by a cybersecurity law that has been in effect since last year. Penalties can now be imposed on anyone sharing publications that are banned from circulation in Vietnam, state secrets, or maps which fail to show Vietnam's claims in the South China Sea, according to the decree. California is launching a $125m disaster relief fund for undocumented immigrants, the first of its kind in the nation, California governor Gavin Newsom announced Wednesday. Undocumented immigrants make up 10% of California's workforce, Newsom said, but are ineligible for unemployment insurance, pandemic unemployment assistance and federal stimulus support. The governor noted that there was an overrepresentation of the undocumented workforce in essential services, "in the healthcare sector, in the ***agriculture*** and food sector, in the manufacturing and logistics sector, and in the construction sector." "We feel a deep sense of gratitude for people that are in fear of deportation but are still addressing the essential needs of tens of millions of Californians," he said. More than 2 million undocumented immigrants live in California, making up 6% of the state's overall population. Last year, undocumented immigrants paid $2.5bn in local and state taxes, Newsom said. But still amid this crisis, many find themselves in the impossible situation of having to choose between healthcare and legal status, or continuing essential work without protections. Amazon has ordered the temporary closure of all six of its French distribution centres, one day after a French court ruled it was not doing enough to protect its workers in the country amid the coronavirus pandemic. The online giant said in a statement that "this week, we are requesting employees of our distribution centres to stay at home. In the longer term, we will evaluate the impact of that [court] decision for them and our French logistic network". Amazon's French warehouses are to be shut down for five days from Thursday to carry out a deep clean and to "take all the necessary measures to guarantee the health and safety of staff", the company said. Management said the 10,000 full- and part-time staff would continue to be paid. A tribute to the prime minister of New Zealand has gone horribly wrong, after a television presenter attempted to render Jacinda Ardern in cake form, and failed spectacularly. Laura Daniel said the common wisdom was "don't bake your heroes" but she wanted to try anyway as the coronavirus lockdown dragged on. "I'm deeply sorry Jacinda Ardern," Daniel wrote on Instagram of her masterpiece. "I truly tried my best with what I had available ... it's made from another NZ icon lolly cake." Supermarket shelves have been short of flour and baking supplies for weeks because many have taken up baking as a hobby during New Zealand's four-week lockdown, which has imposed some of the most strict restrictions anywhere in the world. The cake - which features a lurid shade of pink lipstick, wavy black liquorice hair and googly blue candy eyes - was based on a picture of the prime minister on the cover of a recent biography of Ardern, An Extraordinary Leader. The coup de grace was a set of what appeared to be real teeth. Irish police made one of their largest drug seizures of the year when a car tried to evade one of their checkpoints set up to enforce strict measures to curtail the spread of the coronavirus, Reuters reports. The police have been given new powers to enforce stay-at-home restrictions and increased the already large number of checkpoints over the Easter holiday weekend, mainly to deter trips to holiday homes. But cocaine with a street value of around (EURO)500,000 (US$545,700) was recovered when police caught up with a car that sped away from a checkpoint in Dublin's city centre in the early hours of Tuesday before colliding with a wall near the city's River Liffey, 2 km (1.2 miles) away. Three people were arrested, and divers later recovered two handguns following a search of the riverbed, police said in a statement. Police say there have been 144 incidents that started "as potential breaches of the regulations, but during the incidents other offences were disclosed". On 8 April, the first day of the increased Easter operation, police seized 20,000 smuggled cigarettes from a driver at a checkpoint in County Mayo. Two days earlier, on April 6, police found cocaine with a street value of about (EURO)51,000 after stopping a car at a checkpoint in southern Waterford. One question: are you Shakespeare? A strange story from Kashmir now: Authorities have ordered the felling of tens of thousands of poplar trees that ***account*** for nearly a third of the region's forests, over fears of a convergence of respiratory allergies and the spread of the coronavirus, Reuters reports. But doctors and scientists say the imported trees' pollen and drifting seeds are not a particularly significant allergy problem, and that widespread forest losses may be the bigger threat. Widespread felling of the trees kicked off after the Jammu and Kashmir High Court earlier this month said health threats from poplars should be examined and, if supported, female poplar trees, which produce drifting cotton-like clumps of seeds in the spring, should be felled. The court decision was the result of a public-interest petition filed by a Srinagar lawyer, stating that poplar pollen could create "havoc for humans with respiratory diseases" and potentially aggravate Covid-19 infections. Environmentalists and doctors have pointed out that male, rather than female, trees produce pollen, and said that neither the pollen nor seeds from the tree represented a more significant respiratory threat than other spring-blooming plants. The Jammu and Kashmir region has so far seen about 300 confirmed cases of the virus, and four deaths, according to the Ministry of Health and Family Welfare. Vietnam's VietJet Air and state carrier Vietnam Airlines will resume some domestic flights from Thursday after the government eased a 15-day lockdown for some parts of the Southeast Asian country. Late on Wednesday, Vietnam's government extended a two-week period of social distancing for 12 provinces in the country, including capital Hanoi and the southern business hub of Ho Chi Minh City, but lifted those measures for most rural areas. The Civil Aviation Authority of Vietnam (CAAV) had previously said that domestic flights would remain suspended to fully comply with social distancing measures. But following Wednesday's announcement, the CAAV granted permission for four domestic airlines to resume flights between key routes, including Hanoi, Ho Chi Minh City and the central city of Danang. Los Angeles Mayor Eric Garcetti said Wednesday it is unlikely concerts and sporting events will resume until at least 2021, as the city continues to fight the coronavirus pandemic. "It's difficult to imagine us getting together in the thousands anytime soon, so I think we should be prepared for that this year," he told Wolf Blitzer on The Situation Room. "Until there's either a vaccine, some sort of pharmaceutical intervention, or herd immunity, the science is the science. And public health officials have made very clear we have miles and miles to walk before we can be back in those environments." Garcetti's comments echo those of New York City mayor Bill de Blasio and California governor Gavin Newsom, both of whom said it will be a long time before gatherings of 100 or more people are commonplace again. President Donald Trump has expressed the desire to reopen the country by 1 May, but governors and city officials have increasingly put forward longer timelines. A man living France who lost his mother to the coronavirus has filed a police case against the leader of his native Belarus, accusing President Alexander Lukashenko of failing to take adequate measures to fight the spread of the pandemic, Reuters reports. Aleksander Matveyev said he had reported Lukashenko to Belarus police for investigation over the death of his mother, Lydia Matveyeva, 68, who died on 2 April in a hospital in Vitebsk, a city in northeast Belarus. "Lukashenko did not take the necessary measures in time," her son told Reuters in a video call. "And if this person who exercises power does not take those measures, he does nothing, he should be held ***accountable*** like any other citizen." Lukashenko, in power since 1994, has been one of the world leaders most publicly sceptical about the need for strong action to curb the coronavirus. The Belarus health ministry, which encourages people to reduce contact to prevent the spread of the coronavirus, says 36 people in Belarus have died of it. But Lukashenko has said all victims had other health problems. On Monday he said he believed nobody in Belarus would be killed by the virus. Matveyeva's death certificate, an image of which was sent to Reuters by her family, records her "main cause of death" as "coronavirus". Lukashenko's office and the interior ministry did not respond to a request for comment. A person who answered the phone in the hospital director's office declined to comment on Matveyeva's death. Nearly 700 sailors assigned to the French aircraft carrier Charles de Gaulle's naval group have tested positive for the coronavirus, the armed forces ministry said on Wednesday. The ministry said 1,767 mariners, nearly all from the Charles de Gaulle itself, had been tested and results showed at least 668 to be infected with the new coronavirus. Results are still not in from a third of the tests, Reuters reports. "Thirty one personnel are today in hospital," it said in a statement. "More tests are being carried out." The carrier arrived home in Toulon two weeks earlier than expected after about 40 crew members showed signs of Covid-19 symptoms. Sick crew members had been placed under strict medical observation on board the nuclear-powered carrier and a team equipped to carry out the first tests airlifted to the vessel. Crew from the Charles de Gaulle and the frigate Chevalier Paul were now in confinement within their naval base, while the pilots of the carrier's warplanes and helicopters were also in quarantine. The navy chief had ordered an investigation, the ministry said. Hello and welcome to today's live coronavirus pandemic coverage. The world has passed another sombre milestone, with more than 2 million coronavirus cases confirmed worldwide. Trump, meanwhile, held a press conference in which he expressed doubt over China's coronavirus death toll in response to reporter asking why US fatalities ***account*** for a fifth of the global total. "Do you really believe those numbers from this vast country called China? And that they have a certain number of cases and a certain number of deaths. Does anyone really believe that," Trump said. Trump doubled down on his decision to halt funding to the World Health Organization and announced that US governors will be given new guidelines on Thursday and some states may reopen before 1 May. I'll be bringing you the latest developments from around the world as they happen. A reminder that I welcome news tips, questions and comments on Twitter @helenrusllivan. Confirmed cases worldwide top 2m. The latest numbers from Johns Hopkins University, which is tracking the spread of the virus, put the confirmed global total of cases at 2,047,731. The researchers say at least 133,354 people have died since the start of the outbreak. The US reports more than 25,000 new cases. Washington's Centers for Disease Control and Prevention has reported 605,390 cases of coronavirus - an increase of 26,385 cases from its previous count - and said the number of deaths has risen by 2,330 to 24,582. US president Donald Trump says some states may reopen before 1 May. There were governors "champing at the bit" to reopen, he said. Trump also reiterated the decision to halt funding to the World Health Organization. The head of the WHO said on Wednesday he regrets US President Donald Trump's decision to pull funding for the agency, but that now is the time for the world unite in its fight against the new coronavirus. New York residents will be required to wear face coverings when they are out in public and coming in close contact with other people, Governor Andrew Cuomo said Wednesday. The order takes effect on Friday. G20 finance ministers agree to suspend poorer countries' debt payments. The measure will be in effect from 1 May until the end of the year as they prepare for increased spending on healthcare systems. The UK hospital death toll rises by 761. The Department of Health and Social Care says a total of 12,868 people have now died in hospitals around the UK. The 761 new deaths announced on Wednesday represent a fall on the equivalent figure reported yesterday; 778. The figure is likely to rise once deaths in other settings are taken into ***account***. New York City revises its death toll sharply upwards to more than 10,000 people. It added 3,778 people who were not tested but who are nevertheless presumed to have died from Covid-19. Italy reports 578 new deaths. The number of fatalities in Italy rises by 578 on Wednesday, 24 fewer than the increase seen on Tuesday, taking the death toll to 21,645. The European Union's medicine regulator estimates it could take a year for a vaccine to be available for widespread use. The European commission president, Ursula von der Leyen, has previously claimed a vaccine could be on the market "before autumn". The 107th edition of the Tour de France is postponed until August.the world governing body, the UCI, says the opening stage will now start on 29 August and the finale will take place on 20 September. It was due to begin in Nice on 27 June and conclude in Paris on 19 July. Oil slumps despite production cuts. US oil prices tumble to 18-year lows of $19.20 (£15.33) a barrel and the benchmark price for Brent crude drop by 5% to $28 a barrel amid gloomy forecasts for demand during the pandemic. Canadian economy slides 9% in a month. Its ***statistics*** agency says the country's economy suffered a decline of nearly 9% in March - the worst figure ever recorded. Three rounds of EU-UK Brexit talks are scheduled. Both sides say they remain committed to reviewing progress in June.154432falsefalseHelen Sullivan (now and earlier); Nadeem Badshah, Damien Gayle, Amy Walker, and Simon MurphyThe UK government has set up a three-month advertising partnership with the newspaper industry to push its "stay at home" message to the public.Leonardo DiCaprio is among the celebrities offering prizes at the Covid-19 fundraiser.First lady Melania Trump called Carrie Symonds on Thursday.Polish president Andrzej Duda speaking at a press conference, watched in an apartment in WarsawCentre d'hebergement de la Piniere, an elderly care home affected by the outbreak of Covid-19 in the Laval, QuebecRed Cross staff take a selfie at the Red Cross headquarters in TurinSlovakia's prime minister, Igor Matovic, speaking at a news conference in Bratislava in MarchUrsula von der Leyen, president of the European Commission, speaking in the European parliament on ThursdaySweden's prime minister, Stefan Lofven, at a news conference on the coronavirus situation, in Stockholm, earlier todayA nurse cares for a resident at a care home in Ciney, Belgium, in this picture taken earlier in AprilA view of empty Zurich city centre in Switzerland on April 7, 2020.Luis Sepulveda, pictured in 2017, who has died in a hospital in northern SpainA houseboat in the backwaters of Kerala, prior to the Covid-19 pandemic...French sailors wearing face masks aboard the aircraft carrier Charles de Gaulle as it arrived in Toulon earlier this weekA patient is carried by health staff to the intensive care unit of Gregorio Maranon Hospital in Madrid, Spain on WednesdayPeople walk in the entertainment district of Dotonbori on Wednesday. Japan's prime minister is poised to declare a nationwide state of emergencyHossein Salami, commander-in-chief of the Islamic Revolutionary Guard Corps, giving a speech in FebruaryThe nearly empty parking lot of the Mall of Georgia in Buford, Georgia, USA, 15 April 2020.The prototype for a low-cost ventilator is calibrated by engineering professors from La Sabana University.The shuttered Huanan Seafood Market in Wuhan, China being disinfected in March.Workers look out of their dorm at Westlite Dormitory, one of the two workers' dormitory gazetted as isolation areas to curb the spread of coronavirus in Singapore.A Metropolitan police officer stands guard at the entrance of Rio Coca bus terminal in Quito on 17 March 2020.Officials of the World Health Organisation are seen during a community testing in Abuja, Nigeria 15 April, 2020.Qatar Airways crew prepare to enter Sydney international airport to fly a repatriation flight back to France on 2 April 2020.Chris Ramsay in happier times trekking at the Vinicunca Rainbow Mountain in Cusco.United Airlines employees check a passenger in during the coronavirus pandemic at Denver International Airport Tuesday, 14 April 2020.Chinese workers and health officials wear protective white suits as travellers from Wuhan are processed and taken to do 14 days of quarantine, after arriving on the first trains to Beijing on April 8, 2020 in Beijing, China.South Korean election officials sort voting papers for ballot counting in the parliamentary elections at a gymnasium in Seoul on 15 April 2020.A road sign outside Bloomfield warns Navajos to stay home during their nation's 8pm to 5am curfew to slow the spread of coronavirus in New Mexico, US, 7 April 2020.School buses are seen parked at First Student Charter Bus Rental in San Francisco, California, US 7 April, 2020.A cloud rests over a housing development across the highway from a new Toyota assembly plant, in Apaseo El Grande, Guanajuato state, Mexico.A man walks by a mobile health clinic displaying a picture of Nicaragua's President Daniel Ortega and his wife Vice-President Rosario Murillo in Managua on 14 April 2020.Almost empty street is seen after the government announced the state of emergency following the coronavirus disease outbreak at Kabukicho district in Tokyo.West Virginia National Guard's Task Force members prepare to test residents at nursing home in Charleston, West Virginia, US, 6 April 2020.A view of snow covered trees and mountains after a recent snow fall in Kashmir, 31 January, 2020.A man picks up a luggage trolley at Noi Bai international airport in Hanoi, Vietnam.A young man walks a dog by a billboard reading "We will win" in Minsk, Belarus.Medical staff of the Marseille Naval Fire Battalion testing sailors of the French aircraft carrier Charles De Gaulle in Saint-Mandrier, near Toulon, France, 14 April 2020.

**Load-Date:** April 17, 2020

**End of Document**



[***Victoria records 43 new cases and nine deaths as NSW reports 10 cases - as it happened; Rio Tinto boss Jean-Sébastien Jacques bows to investor pressure over Juukan Gorge debacle and steps down, along with two other senior executives. This blog has now closedFollow today's international coronavirus live blogImpact of Covid slowdown on CO2 in the atmosphere 'not even a blip', Australian scientist saysA day in the life of Victoria's Covid contact tracersAustralian stats interactive***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:60T9-B7F1-F021-64TD-00000-00&context=1516831)

The Guardian (London)

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**Section:** AUSTRALIA NEWS; Version:26

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**Byline:** Graham Readfearn and Amy Remeikis

**Highlight:** Rio Tinto boss Jean-Sébastien Jacques bows to investor pressure over Juukan Gorge debacle and steps down, along with two other senior executives. This blog has now closedFollow today's international coronavirus live blogImpact of Covid slowdown on CO2 in the atmosphere 'not even a blip', Australian scientist saysA day in the life of Victoria's Covid contact tracersAustralian stats interactive

**Body**

block-time published-time 10.16am BST

What happened in Australia this Friday 11 September

We're closing our live coverage of coronavirus news and other major developments for the day. Thanks to Amy Remeikis, who led you through most of the day.

You can still follow developments around the world on our [*global coronavirus live blog*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m).

So here's what happened today:

* NSW deputy premier John Barilaro performed a brisk climb-down this morning, after threatening to lead the Nationals away from the state's coalition over new laws to better protect koalas. NSW Labor said Barilaro's position was now untenable.

1. Three Rio Tinto executives, including chief executive Jean-Sébastien Jacques, left the global miner over its decision to blow up 46,000-year-old rock shelters at Juukan Gorge in Western Australia.
2. Victoria saw 43 new cases of Covid-19 and 9 more deaths. Australia has seen 797 deaths from the disease, with 710 in Victoria.
3. Queensland recorded 2 new cases of the virus and New South Wales reported 10.
4. The Northern Territory government will open its borders to people from greater Sydney in a month's time. Those visitors will not need to quarantine.
5. Victorian assistant police commissioner Luke Cornelius said significant resources would be needed for planned anti-lockdown protests in Melbourne on Saturday. Protesters were "selfish" and made him feel "a bit like a dog returning to eat its own vomit".

Thanks for being with us today. We'll do it all again tomorrow. Take care.

Premier Gladys Berejiklian leaves the NSW parliamentary offices in Sydney on Friday. Photograph: Dean Lewins/AAP

block-time updated-timeUpdated at 10.24am BST

block-time published-time 9.37am BST

enltr?? Public Health Alert ?? Queensland Health has expanded its list of venues where confirmed COVID-19 cases have visited. For an extensive list of locations, times and dates, please visit: [*https://t.co/MKUDNs1f7K*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*#COVID19*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*pic.twitter.com/zjQfMP6Ujj*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Queensland Health (@qldhealthnews) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 9.17am BST

School leavers attending formals in NSW have been given some Covid-19 guidelines.

AAP reports on the guidelines for formals announced by the state's education minister, Sarah Mitchell.

So how will it be to party like it's 2020?

Avoid spontaneous crowds, have live-streams for people who can't attend, restrict guest numbers, don't mingle before and after events, and schools should stick to the 4-sq-metre rule for each attendee.

Oh, and students should bring their own pen (for signing the yearbook).

block-time updated-timeUpdated at 9.40am BST

block-time published-time 8.56am BST

Victoria's judicial inquiry into its hotel quarantine program continued today, with evidence coming from two health department employees suggesting there was ambiguity over who was in charge of the program.

AAP reports that Pam Williams and Merrin Bamert, of the Department of Health and Human Services, shared the role of commander of Operation Soteria, the taskforce that ran the program.

Both were asked who was in charge at each hotel.

Williams said the department took responsibility for their own staff and contractors, but hotel managers looked after their own staff. Security companies managed their guards.

She said:

We were working as a team. It was a difficult team to manage. This was an environment where the usual things that you do to develop a team weren't possible.

The inquiry was shown an email written by Bamert in which she said she was "not sure who you would say was in charge" of the program.

"This operation was being managed out of a range of sites with no clear operational structure," Bamert wrote in the email on 21 May.

She was replying to an email from Safer Care Victoria, an authority investigating the death of a man in hotel quarantine in April.

Williams said more than 20,000 people went through the quarantine program from 29 March until it was suspended in June.

She said:

Of those, seven people in three rooms were implicated in the spread. So in fact, 96.8% of the people who were positive in hotel quarantine did not go on to spread the virus.

About 99% of the state's second wave of Covid-19 can be traced back to returned overseas travellers who quarantined at two hotels.

Deputy chief health officer Annaliese van Diemen did not appear before the inquiry as scheduled.

She will appear next week, alongside chief health officer Brett Sutton, emergency management commissioner Andrew Crisp, the chief commissioner of Victoria police, Shane Patton, and former top cop Graham Ashton.

block-time updated-timeUpdated at 9.02am BST

block-time published-time 8.27am BST

Our Friday started with NSW deputy premier John Barilaro 's on-again off-again threat to blow up the state's Coalition over new laws to better protect koalas.

But was it really all about the marsupial non-bear?

Guardian Australia environment editor Adam Morton has this run down.

Related: [*The NSW deputy premier threatened to blow up the Coalition: was it really all about koalas?*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time updated-timeUpdated at 9.34am BST

block-time published-time 8.18am BST

"We all make mistakes..."

enltrWe all make mistakes and Rio executives have paid a price today for some made. JS and his team helped create 1000s of jobs. The Amrun mine was a shining achievement providing lots of jobs in the Cape. Never forget that Mining gives so many Indigenous Aussies a start

- Matthew Canavan (@mattjcan) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 7.58am BST

Senior Victorian police officer says he's sick of selfish anti-lockdown protesters

Victoria's assistant police commissioner Luke Cornelius says responding to anti-lockdown protests in Melbourne has him feeling "a bit like a dog returning to eat its own vomit".

In comments reported by AAP this afternoon, Cornelius said he was sick of the protests. There's another proposed for the city on Saturday - a "Melbourne Freedom Walk" - that would need significant police resources, he said.

"I feel a bit like a dog returning to eat his own vomit... I'm sick of it.

If people were less selfish and a bit more grown up, we wouldn't have to keep doing this.

Cornelius hinted that anyone claiming the walk was "exercise" that's allowed under the city's lockdown may be treated sceptically.

"Don't take us for fools," he said. "We'll have no hesitation in issuing fines."

Victoria police assistant commissioner Luke Cornelius says anti-lockdown protesters in Melbourne make him feel like a 'dog returning to eat its own vomit'. Photograph: James Ross/EPA

Police had directly warned a number of people planning to protest in the city, he said.

Cornelius urged anti-lockdown protesters to "be creative" at home in speaking out, without encouraging gatherings.

Also on Friday, Victorian premier Daniel Andrews told protesters: "All you're potentially doing is spreading the virus."

About 1,100 people had shown interest in the walk and 340 had committed to attend before Facebook took down the event's online page on Wednesday.

Victoria police chief commissioner Shane Patton has flagged the possibility of more protests at other locations at the weekend.

"Freedom" rally posters for this Sunday and every Saturday until restrictions end are circulating online.

block-time updated-timeUpdated at 8.11am BST

block-time published-time 7.38am BST

Victoria's inquiry into the state's hotel quarantine program will hear evidence from the state's chief health officer Prof Brett Sutton next week.

The inquiry has announced its witness list for next week with Sutton scheduled to appear on Wednesday. Victoria's police chief commissioner Shane Patton will appear on Thursday.

The inquiry is looking at how and why cases of Covid-19 managed to escape from the state's hotel quarantine scheme.

On Tuesday [*the inquiry released pictures*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) of "quarantined" guests going to a convenience store. A former police officer had also sent emails to the police, the inquiry heard, raising concerns about how private security firms were managing the facilities.

Victorian chief health officer Brett Sutton will appear as a witness before the state's hotel quarantine inquiry next week. Photograph: James Ross/AAP

block-time updated-timeUpdated at 7.42am BST

block-time published-time 7.18am BST

Afternoon folks. Graham Readfearn here taking over from Amy Remeikis.

If sporting events are on your list of "things to look forward to in a pandemic" then Rugby Australia boss Rob Clarke has been delighting in their news today.

He's just been speaking to the ABC about Rugby Australia's announcement that Australia will host what he described as a "mini world-cup" in November and December. It's the 2020 Rugby Championship.

Argentina, New Zealand, South Africa and Australia will play 12 matches over six weeks with five rounds in NSW and a game in Brisbane.

Rugby Australia interim Chief Executive Rob Clarke and Rugby Australia chairman Hamish McLennan at Mrs Macquarie's point on 11 September 2020. Photograph: Mark Metcalfe/Getty Images

As AAP reports, Argentina currently has Covid-19 cases in their camp and the South Africa team will need their government to relax travel restrictions.

Clarke was asked by the ABC if it was fair for sports squads to be flying in and out at a time when millions of Victorians are still facing harsh lockdowns. He said:

I think sport has a really important role to play in helping give Australians something to lack forward to. If there isn't anything greater than looking forward to a mini World Cup, with rugby, then I don't know what is. And I hope that people get behind our teams.

I understand the difficulty that people are going through, particularly in Victoria right now. But by the time this competition comes around in November, I really hope that it unifies Australia and gives them something to cheer for.

block-time updated-timeUpdated at 7.34am BST

block-time published-time 7.01am BST

I am going to hand over the blog to Graham Readfearn now for the rest of the afternoon.

I'll be back bright and early on Monday, but most likely not bushy tailed, because, well, it's Monday.

Thank you to everyone for joining me again this week. I truly appreciate it. Take some time to switch off and do nothing this weekend - whatever doing nothing or switching off looks like to you. There's a lot of information out there and sometimes, you just need to turn it off.

Again, thanks for joining us. Take care of you. Ax

block-time updated-timeUpdated at 7.05am BST

block-time published-time 6.45am BST

Penny Wong has released this statement:

Labor's thoughts are with Dr Kylie Moore-Gilbert and her family, as the second anniversary of her detention approaches.

In their words, this has been two years of "unimaginable pain" - a pain that will no doubt continue until Dr Moore-Gilbert is brought home. Until that day comes, we wish them continued strength.

Labor supports the Government's efforts to secure Dr Moore-Gilbert's release and seek regular consular access until that happens.

We reject the charges under which she is being held.

Dr Moore-Gilbert's family, friends and colleagues have worked tirelessly to ensure she is not forgotten - and Labor will continue to advocate for her safe return to them soon.

Dr Kylie Moore-Gilbert. Photograph: Department Of Foreign Affairs And Trade Handout/EPA

block-time updated-timeUpdated at 6.52am BST

block-time published-time 6.44am BST

Deputy CHO Michael Kidd is giving the national Covid update today - it includes this tidbit:

Today, leaders of the contact tracing process in Victoria and New South Wales have been meeting, along with Australia's chief scientist, Alan Finkel, to share experiences and ideas about how measures can be streamlined even further in both states.

Tackling Covid-19 requires a dynamic and comprehensive response. This has been the hallmark of the response to Covid-19, both at a national level and in each of our states and territories.

I note the improvements which have been announced by the Victorian premier in the contact tracing process in that state. I wish to commend everyone who is involved in the public health efforts in Victoria for their dedication and commitment to bringing this second wave rapidly under control.

block-time updated-timeUpdated at 6.56am BST

block-time published-time 6.27am BST

The Law Council is not overly comfortable with the extension of insolvency emergency measures from Josh Frydenberg and Christian Porter - which put a pause of any issues for companies which may be trading while insolvent:

The Law Council of Australia has raised a number of concerns over the federal government's announcement this week that it intends to extend temporary insolvency emergency measures, introduced as a result of the Covid-19 crisis, into 2021.

The joint announcement, made by the treasurer and the attorney general, proposed extending the temporary increase in the threshold at which creditors can issue a statutory demand, extending temporary bankruptcy protections, and extending the temporary relief for directors from any personal liability for trading while insolvent.

Law Council of Australia president, Pauline Wright, noted the commendable rationale for the proposed extension of these measures was to lessen the threat of actions that could unnecessarily push businesses into insolvency and external administration at a time when they continue to be impacted by health restrictions.

However, drawing on the recommendations of the Insolvency & Restructuring Committee (Committee) of the Business Law Section of the Law Council of Australia, Ms Wright urged the government to carefully review all temporary insolvency emergency measures before extending them beyond 31 December 2020 in order to avoid unintended consequences.

Delaying steps that would otherwise lead to the liquidation of unviable businesses exposes more viable businesses to becoming substantial creditors of those unviable businesses. This has the potential to spread the contagion, making the eventual insolvency wave more widespread and difficult to resolve.

The temporary emergency measures and all other relief being afforded distressed businesses during the current pandemic will eventually be removed. When that happens the insolvent entities that remain will likely be so bereft of assets or possible recoveries that external administrators - who themselves generally conduct small business enterprises - may be reluctant to take on the arduous tasks of liquidating insolvent entities.

Furthermore, extending the inevitable commencement of liquidations and bankruptcies allows even more time to pass from the date of otherwise potentially voidable transactions, thus increasing the opportunities for pre-insolvency advisors to assist in structuring of an insolvent entity's affairs to defeat the claims of creditors. Such prolongation could give rise to illegal phoenix activity.

As a result of these concerns, the Law Council considers that in order to avoid unintended negative consequences, any further extensions to the temporary insolvency emergency measures should be reviewed carefully and, if continued beyond 31 December 2020, any ongoing measures should only be formulated after extensive consultation.

block-time updated-timeUpdated at 6.58am BST

block-time published-time 6.07am BST

Victoria Health has put out its official ***data*** for the day:

The average number of cases diagnosed in the last 14 days for metropolitan Melbourne is 65.3 and regional Victoria is 4.7. The rolling daily average case number is calculated by averaging out the number of new cases over the past 14 days.

The total number of cases from an unknown source in the last 14 days is 134 for metropolitan Melbourne and seven for regional Victoria. The 14-day period for the source of acquisition ***data*** ends 48 hours earlier than the 14-day period used to calculate the new case average due to the time required to fully investigate a case and assign its mode of acquisition.

People wearing face masks exercise in Williamstown in Melbourne. Photograph: James Ross/EPA

[*In Victoria at the current time:*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

* 4,303 cases may indicate community ***transmission*** - a decrease of 3 since yesterday.

1. 1,336 cases are currently active in Victoria.
2. 140 cases of coronavirus are in hospital, including 12 in intensive care.
3. 17,661 people have recovered from the virus.
4. A total of 2,456,924 test results have been received which is an increase of 13,341 since yesterday.

Of the 1,336 current active cases in Victoria:

* 1,249 are in metropolitan Melbourne under stage 4 restrictions.

1. 74 are in regional local government areas under stage 3 restrictions.
2. Nine are either unknown or subject to further investigation.
3. Four are interstate residents.
4. Colac Otway has 33 active cases, Greater Geelong has 10 active cases, Greater Bendigo has two active cases and Ballarat has no active cases.

Of the total cases:

* 18,397 cases are from metropolitan Melbourne, while 1,195 are from regional Victoria.

1. Total cases include 9,425 men and 10,329 women.
2. Total number of healthcare workers: 3397, active cases: 223.
3. There are 665 active cases relating to aged care facilities.

A window of a closed pub in Melbourne. Photograph: James Ross/AAP

Active aged care outbreaks with the highest cumulative case numbers are as follows:

* 240 cases have been linked to BaptCare Wyndham Lodge Community in Werribee.

1. 217 cases have been linked to Epping Gardens Aged Care in Epping.
2. 210 cases have been linked to St Basil's Homes for the Aged in Fawkner.
3. 165 cases have been linked to Estia Aged Care Facility in Ardeer.
4. 139 cases have been linked to Kirkbrae Presbyterian Homes in Kilsyth.
5. 127 cases have been linked to Twin Parks Aged Care in Reservoir.
6. 127 cases have been linked to BlueCross Ruckers Hill Aged Care Facility in Northcote.
7. 124 cases have been linked to Cumberland Manor Aged Care Facility in Sunshine North.
8. 119 cases have been linked to Japara Goonawarra Aged Care Facility in Sunbury.
9. 118 cases have been linked to Estia Aged Care Facility in Heidelberg.

[*In Victoria there are currently 13 active cases in residential disability accommodation:*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

* Total resident cases: 6, total Staff cases: 7.

1. Active cases in NDIS homes: 13 (6 residents).
2. Active cases in 'transfer' homes (State regulated/funded): 0.
3. Active cases in state government delivered and funded homes: 0.

[*Non-aged care outbreaks with the highest number of active cases include:*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

* 17 active cases are currently linked to Bulla Dairy Foods in Colac.

1. 13 active cases are currently linked to Dandenong Police Station.
2. 10 active cases are currently linked to Vawdrey Australia Truck Manufacturer.
3. 10 active cases are currently linked to Peninsula Health Frankston Hospital.

[*The Department is investigating cases linked to two family clusters in Melbourne's south-east and a ward at Monash Health*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m).

Street art in Melbourne. Photograph: William West/AFP/Getty Images

block-time updated-timeUpdated at 6.25am BST

block-time published-time 5.47am BST

The Anglican Dean of Brisbane, Peter Catt, has released a statement in support of the environmental activist, Ben Pennings, and said a court-ordered injunction against him was a "sad indictment".

The injunction, sought by the miner Adani and granted by the Queensland supreme court, orders Pennings to remove social media posts and other content soliciting information about Adani's Carmichael mine.

Environmental activist Ben Pennings seen outside Brisbane supreme court in Brisbane, 11 September 2020. Photograph: Cheryl Goodenough/AAP

In a statement, Catt compared Pennings to anti-slavery and suffrage activists, who were "punished by the legal or political systems of the day".

It is a sad indictment that a local man who has been fighting for transparency has been gagged - including from engaging in personal social media activities. The irony of this is not lost on any of us who support the right of individuals to use their personal social media channels for the common good.

Despite today's setback, I join the many others who are inspired and encouraged by people like Mr Pennings who strive to keep our communities healthy and safe - and at great personal and financial expense.

His courageous example will surely motivate other Australians to join the growing movement to protect our iconic Great Barrier Reef and the underground water sources that our farmers are so reliant upon.

block-time updated-timeUpdated at 6.03am BST

block-time published-time 5.32am BST

Sure.

enltrJohn Barilaro says he told his party room he would resign last night, "but I've never seen a party room so united, unaninmously backing me, that gave me the strength to get in there and negotiate this morning."

- Lucy Cormack (@LucyCormack) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 5.10am BST

The parliamentary committee which was looking at what happened at Juukan Gorge has responded to today's Rio Tinto news:

[*The Northern Australia Committee*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) has welcomed news of the resignations of senior Rio Tinto executives in the wake of the destruction of Indigenous heritage sites at Juukan Gorge.

Committee chair, [*Warren Entsch*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m), observed that the need for high level accountability for the Juukan Gorge incident had become obvious to all interested stakeholders.

"The evidence received by the Committee has made clear that the internal culture at Rio Tinto was a significant factor in the destruction of these sites.

New leadership, new structures and new operating principles within the company are essential to preventing such catastrophes in the future.

Committee chairman Warren Entsch. Photograph: Lukas Coch/AAP

The Committee welcomed the commitment made by Rio Tinto chairman Simon Thompson, to ensuring that "the destruction of a heritage site of such exceptional archaeological and cultural significance never occurs again at a Rio Tinto operation". Entsch expressed the hope that similar commitments would be forthcoming from other mining companies.

The Committee also expressed a desire to meet at the earliest opportunity with the outgoing executives to further discuss Rio Tinto's previous evidence to the inquiry and explore the implications of the announced changes at the company.

Earlier this week, the Committee announced [*the inquiry into the destruction of the Juukan Gorge sites will continue*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m), despite having to postpone its planned visit to Western Australia because of difficulties associated with interstate travel.

Further details of the inquiry can be found on the [*Committee's website*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m).

block-time updated-timeUpdated at 5.16am BST

block-time published-time 5.09am BST

The Victorian hotel quarantine program was not bound by decisions of national cabinet, minutes of meetings held in May for the operation to manage hotel quarantine have revealed.

In meeting minutes of Operation Soteria from 10 April released to the hotel quarantine inquiry on Friday, the notes for the meeting stated:

Commonwealth makes some border decisions. Victoria makes its own decisions around detention. In some cases we have aligned with decisions made at the national level but in other cases we have varied and it has been accepted at national level that states and territories aren't bound.

The accommodation commander for the operation running hotel quarantine in the Department of Health and Human Services (DHHS), Pam Williams, said she understood the discussion related to Victoria having a much tighter policy around maritime arrivals.

Williams was asked whether the lack of a defined leader within hotel quarantine environments made the situation worse.

She said it was complicated because it was operating in a hotel, and the Department of Jobs, Precincts and Regions managed the contracts, in addition to DHHS's role. She said before she left her position and the Department of Justice took over managing hotel quarantine, she was in the process of developing clearer structures, and more skilled team leaders.

If I had the ability, as time went on to have a more skilled and capable group of people as team leaders, and I could have expected more of them [then] I would have required a management structure above them that was more conventional for [the] program, than what we had.

block-time updated-timeUpdated at 5.18am BST

block-time published-time 5.08am BST

Incredible. May we all have the confidence of a middle-aged man.

John Barilaro:

What regrets is there? Today is a win for the regions.

It's a win for farmers, it's a win for those that have been fighting the koalas habitat, our stakeholders, the forestry industry. We now get a chance to get it on the agenda, off cabinet, high on the agenda, but the conversations I had with the premier, I had a lot of confidence in where this will end up.

John Barilaro outside the NSW Parliamentary offices in Sydney, 11 September 2020. Photograph: Dean Lewins/AAP

block-time updated-timeUpdated at 5.23am BST

block-time published-time 5.08am BST

John Barilaro has taken the 'always look on the bright side of life' approach to his complete and utter capitulation in face of Gladys Berejiklian's unwavering 'no' to his demands.

People know what the koalas are and the impact it has on rural New South Wales. Any agreement with the premier was all about stability.

We never wanted to blow up the coalition, but yesterday we had to do what we had to do to bring it up on the agenda of the government and of the cabinet.

With the agreement of the premier this morning, this will be the next agenda item, high up, but it will put some transparency, because all of you will be asking what is the outcome of the step and every single cabinet minister now has to point to their session position.

So yesterday was all about policy, all about the regions and getting this to the executive.

block-time updated-timeUpdated at 5.23am BST

block-time published-time 4.48am BST

Dr Hugh Heggie, the chief health officer for the NT, explains his decision:

This is interesting times, because we have been monitoring what's happening in other places, to serve the purpose of advising travel either to those locations or from those locations.

And those geographical areas of risk, we can use them in the Territory for a response, whether it be in an urban setting or a remote community or an aged care facility.

And we have had in place the plans for those responses, and we have been scenario-testing them.

For the purposes, though, of people who are going to travel to places such as Sydney, I recognise that this has been a great impost, because there are people there who are relatives or friends, and important events have been missed.

And I reflect that yesterday was R U OK?Day, and I'd ask the community here to look out, to reach out to people around you who have missed those hugs, missed those special events.

Colourful steps seen in Darwin. Photograph: Dave Hunt/AAP

The other purpose, of course, is for people travelling from those locations to understand that they're coming here to the Territory to enjoy our space, our lifestyle, which is probably unique. It's certainly unique in the country, it might be unique in the world. But the risk here is not completely gone.

So, we can put controls in place. We use a risk matrix framework, a risk assessment, and you look at the controls. And we've had controls, like border controls, clearly as a risk. But for people who come here, the controls need to be themselves, their behaviours, so we would advise people coming here from areas of - where there's some cases, or outbreaks, but small numbers, such as Sydney, that maybe you consider not being close to people you haven't seen for a good while.

In other words, kissing and hugging. In places like pubs and bars, which are wonderful places for us to be. But also to consider maybe not going and visiting vulnerable persons immediately, because there's places such as aged care and residential disability care where people are susceptible to this virus.

There's also the reality that we may end up with a case, or cases, here. We've seen the difference in the world from the beginning of the pandemic to those who were affected, including, sadly, those whose lives were lost. And some of us may actually know someone where that is the case. We need to consider our own personal responsibility.

block-time updated-timeUpdated at 4.55am BST

block-time published-time 4.45am BST

Michael Gunner is also sick of people using the NT as a backdoor into places like Queensland, where quarantine is more expensive (you don't have to quarantine in Queensland if you come from an area which is not a declared hotspot), without spending money in the NT:

Gunner:

There is a fair bit of discussion around the cost of quarantining people here in the Northern Territory. We charge people $2,500. I can assure you it costs us a lot more than that.

It has been previously calculated $3,300, but we are recalculating that, given all quarantining now occurs at Howard Springs in the Top End, we expect the figure to be higher.

The priority for us, the reason we have Howard Springs set up, is to keep Territorians safe.

When it comes to keeping the Territory safe, any cost is worth it. We are confident that most Northern Territorians who quarantine here are coming to spend time here in the Territory.

But we do have an issue with some people who quarantine in the Northern Territory because it's the best set-up in the country, and then use us as a back door to other states, like Queensland. Territorians do not want to subsidise someone's trip to Brisbane to watch the AFL grand final.

Territorians do not want to subsidise holidays to the Gold Coast. I have raised this issue with national cabinet before, that the Territory is carrying a heavy load of quarantine, while others get the benefits.

It's not the biggest issue, but it is an issue. It is getting a bit annoying and it is costing us money. I will keep raising it in national cabinet with the prime minister. I am confident we can come to an arrangement, an agreement, that recognises the important national role the Territory is playing here.

But I also have a message to people who intend to spend 14 days at Howard Springs. If you're gonna take advantage of our awesome quarantine, then once you're out, we simply ask that you stick around for a while and enjoy the rest of the Territory, because it is pretty awesome too. I can guarantee you, the Northern Territory is a whole lot more and a whole lot better than the village at Howard Springs. It's the best place in the world.

So, please stick around and enjoy it a while before you bugger off.

block-time updated-timeUpdated at 4.51am BST

block-time published-time 4.42am BST

That is going to put more pressure on Queensland's chief health officer to reassess her advice.

The NT has some of the most vulnerable communities, in terms of the virus, in Australia. If they say it is OK to have people from greater Sydney, it is hard to see how Queensland can keep saying it's not.

block-time updated-timeUpdated at 4.45am BST

block-time published-time 4.41am BST

Michael Gunner:

I know this decision will be welcomed by some and condemned by others.

That happens with every decision we make. For those who are concerned by this, I would just say, look at our record.

Every decision on every day for the last six months has been about protecting Territorians, putting them first, and that will never change.

Every time we make a decision, I get people calling me and emailing me, saying I've stuffed it all up, that it will end in disaster, that I will kill people. People have the right to think that, if they want.

But I would just say, I have been told that a million times so far, and it hasn't happened yet. Our hot spots policy is nation-leading, and it is working. It is keeping the Territory the safest place in Australia, while also keeping the Territory open for business.

block-time updated-timeUpdated at 4.44am BST

block-time published-time 4.40am BST

NT to open borders to greater Sydney in one month's time

NT chief minister Michael Gunner is announcing changes to his jurisdiction's declaration of greater Sydney as a hotspot, following new advice from his chief medical officer:

This is for the following reasons: first, there is now a sustained downward trend of new cases in Sydney over time, including seven straight days of 10 or fewer new cases. Second, the contact tracing and containment system in New South Wales is superb. They are catching and containing the virus very quickly.

It is not spreading.

Third, the level of testing being done, and the links of almost all new cases to known clusters, gives a high degree of confidence that there are no known outbreaks occurring.

For these reasons, the Northern Territory will plan to remove the hot spot status declaration for greater Sydney in 28 days' time.

From Friday, 9 October, arrivals from greater Sydney will not need to undertake 14 are days of supervised quarantine. We are deliberately waiting another four weeks - two full replication cycles - so we can keep seeing the trend go down.

Northern Territory chief minister Michael Gunner. Photograph: Aaron Bunch/AAP

A four-week buffer gives Sydney more time to keep beating the virus, and gives us the time and flexibility we need to change our plan, if necessary.

This is the same cautious approach we took with our borders the first time around, and it worked. When we were told to open the borders straightaway, we said no.

And when things got worse in Victoria and Sydney, we kept them closed. We cannot predict the future, but we can plan for it.

So, if something happens, if things change, if the trend goes back up in Sydney, we will not hesitate to keep their hot spot status in place for as long as we need to.

But if they continue to make the progress they are making - as we expect they will - we can welcome Sydneysiders back to the Territory next month.

block-time updated-timeUpdated at 4.58am BST

block-time published-time 4.31am BST

Alex Hawke has announced Australia has extended an additional $130m in support to Papua New Guinea, to help our Pacific neighbour deal with the pandemic. It's a loan - and comes on top of the $300m Australia recently loaned PNG for the same thing.

Hawke told the ABC:

The Australian government has decided to extend our support to PNG following a direct request from the PNG Government, in response to the deteriorating budget situation because of Covid and the economic impacts of Covid on the region. Obviously, PNG has worked very hard with international institutions, like the IMF, the World Bank, and they've got a program in place, which we have great confidence in. And in response, the Australian government has agreed to the request from PNG to loan money to them, to support that effort, to get their finances under control in this critical time.

A nurse from Warangoi clinic in East New Britain province of Papua New Guinea. Photograph: Kalo Fainu/The Guardian

This comes as Julie Bishop admitted Australia's foreign aid cuts were "regrettable" Bishop was foreign minister while many of the cuts were implemented.

block-time updated-timeUpdated at 4.42am BST

block-time published-time 4.22am BST

The Victorian department of health and human services struggled to get security guards to follow its advice of precautions on how to avoid contracting Covid-19 while working in hotel quarantine.

The accommodation commander for the operation running hotel quarantine in the Department of Health and Human Services (DHHS), Pam Williams, told the inquiry that security guards wanted much more protection than the advice suggested.

The security guards wanted as many barriers as they could, between them and what they perceived as this invisible threat.

They really wanted to wear gloves, they wanted to wear things, even though the advice was, keep your distance, wash your hands, only use a mask when you're within 1.5 metres.

Staff inside the Stamford Hotel in Melbourne. Photograph: Darrian Traynor/Getty Images

Williams said she approached the behavioural insights unit in DHHS to get an idea on how to get the message across to the security guards and companies, but said it was complicated by the fact that at the time the advice was changing as more became known about how the virus transmits.

block-time updated-timeUpdated at 4.28am BST

block-time published-time 4.12am BST

I don't think they will go back to day grand finals after this, but AAP has an update on the AFL grand final:

This year's AFL grand final will be the first to be held at night.

On Friday, the AFL confirmed the 2020 decider, to be held at the Gabba on Saturday, October 24, will begin at 6.30pm local time - 7.30pm AEDT.

AFL general manager of clubs and broadcasting Travis Auld said the start time accommodated broadcasters and pre-match entertainment, while also factoring in daylight savings times for fans around the country.

With shorter quarters this year, Auld expected the grand final to be wrapped up and the 2020 premier to be crowned just before 10pm AEDT.

The MCG in Melbourne. Photograph: Speed Media/REX/Shutterstock

"Historically a really special part of grand final day is the build-up and anticipation, and we want to ensure we can share the electricity and atmosphere of the night with as many people as possible around the country," he said.

"A night grand final is sure to be a fantastic spectacle for both the fans in stadium and the millions watching around the country and overseas."

The AFL grand final has traditionally been held at 2.30pm Melbourne time.

block-time updated-timeUpdated at 4.30am BST

block-time published-time 4.06am BST

What Annika said.

This started yesterday, and shows no signs of slowing down, but it doesn't make it right.

enltrI have been contacted by seven people now asking if this fake text is true. I can't believe I need to say this but... A military general is not being parachuted in to lead Victoria out of lockdown. No need to man the barricades As you were [*https://t.co/kgLcXKibDZ*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Annika Smethurst (@annikasmethurst) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 3.56am BST

While we are still on border closures, the federal border remains closed.

ABS has an update on arrivals:

Overseas arrivals and departures ***statistics*** are international travel movements of persons arriving in, and departing from Australia with a focus on short term trips (less than 1 year). It is the number of international border crossings rather than the number of people.

For all Short-term Visitor Arrivals (STVA) and Short-term Resident Returns (STRR) series, the trend estimates have been suspended from February 2020 and the seasonally adjusted estimates have been suspended from April 2020 due to the impact of the Covid-19 pandemic on international travel.

July 2020 original estimates for short-term trips:

* Overseas visitor arrivals to Australia decreased 34.6% since the previous month to 3,530 trips.Australian resident returns from overseas decreased 34.7% since the previous month to 10,280 trips.

Passengers prepare to board a Virgin Australia flight bound for Darwin at Brisbane Airport. Photograph: Dave Hunt/AAP

block-time updated-timeUpdated at 4.04am BST

block-time published-time 3.30am BST

And again, the comments from Dr Jeannette Young about exemptions for economic reasons was part of a wider statement on exemptions which includes personal reasons.

And everyone has to go into quarantine regardless of the reason for the exemption.

Queensland Chief Health Officer Dr Jeanette Young. Photograph: Bradley Kanaris/Getty Images

block-time updated-timeUpdated at 3.52am BST

block-time published-time 3.29am BST

Liberal MP Andrew Laming has proposed a new idea to take the hard edges off the state border restrictions: the nursecort (or, nurse escort).

Under the plan, when circumstances like that of Sarah Caisip, [*a Canberra woman who was denied permission to attend her father's funeral in Brisbane*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m), arise again, family members excluded by the Queensland border could pay for a nurse to escort them to the funeral, checking that they are wearing PPE and are socially distanced. Then it would be back into quarantine or across the border.

He told Guardian Australia:

"It would make the insufferable refusals a little less insufferable. Every family would say yes to it."

Laming believes the politicisation of chief health officer advice has been exposed in two states this week: Brett Sutton did not advise a curfew in Victoria, and Jeannette Young cited revenue for Queensland as a reason major events (movie filming, the AFL) were given exemptions.

Laming said he was not criticising Young, who had been honest, but complained that some decisions like denying Caisip showed decisions are being made to "hold the line" against funerals rather than considering the individual circumstances.

block-time updated-timeUpdated at 3.35am BST

block-time published-time 3.28am BST

Malcolm Turnbull is no longer prime minister of the government and Barnaby Joyce is no longer leader of the Nationals.

enltrfrank admission from [*@Barnaby\_Joyce*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) : "There were a lot of times that Turnbull couldn't stand the sight of me but we still managed to get a lot done." [*#auspol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Deborah Snow (@DeborahSnow) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

So that story didn't end particularly well

block-time published-time 3.25am BST

The joint statement from Gladys Berejiklian and John Barilaro is very, very telling:

Following a meeting this morning between the Premier and Deputy Premier, the NSW Liberal & Nationals Coalition remains in place.

This includes a commitment to supporting Cabinet conventions and processes.

The matter will be dealt with at an upcoming Cabinet meeting.

block-time published-time 3.06am BST

It is worth noting that Victoria is being criticised for not having its CHO set up its health response, while Queensland is being criticised for having its CHO set up its health response.

block-time published-time 3.00am BST

Daniel Andrews is asked about not being able to pinpoint who came up with the curfew decision:

There are cabinet records of all decisions. I don't agree with the way you have characterised it. Anyone who finds fault with that measure, well, they can... They can find fault with me... Every decision ultimately is something that I'm ***accountable*** for as the head of the government. Let me be really clear with you - the curfew position at the moment will not be changing. Because it is working. It is working. And if you don't limit movement, you won't limit the number of cases. And what everyone wants to get up and stay open simply won't happen. This is - always happy to have a debate. But, ultimately, our policy will not change.

Q: We heard yesterday that Prof Sutton disagreed with the decision to not have him in charge of the overall pandemic response. Why not put him in charge now? Or at any stage?

Andrews:

I think it is really important to understand that the state controller is a multiagency coordination function. Dr Sutton has got enough to get on with, providing detailed expert epidemiological and public health advice.

That is where his focus is and needs to be. The role of the state controller is a broader role. If you ask someone to provide expert advice in their primary field, as well as coordination of many things that are well away from medicine and science and public health, I don't think that's the best use of the best skills.

The arrangements we have in place are working well. There will always be debates and discussions about whether they could be otherwise. I don't have the luxury of having those debates.

It makes sense. They are working. Regional Victorians are about to see the first dividend, the first significant reword for the amazing effort we are putting in.

block-time updated-timeUpdated at 3.09am BST

block-time published-time 2.57am BST

On Tim Wilson taking the curfew issue to the Human Rights Commission, Daniel Andrews says:

This is not about human rights. It is about human life. That is my answer to Mr Wilson. And what he chooses to do with his team is a matter for him. Police need rules they can enforce.

This strategy only works if we limit movement. The traffic ***data*** I've given you today makes it very, very clear that the curfew does limit movement.

If we want our police to be spending all their time having to move people on from Macca's car parks, where there are pop-up social gatherings that are not lawful - I'm going to have police wasting their time doing that. There are very few legal reasons to leave your home.

The curfew doesn't change that. It simply means police have an easier job. Given the year that Victoria police has had, and the sterling work they're doing, we ought to do everything we can to make their job just a little bit easier.

A general view of the Arts centre spire and the deserted arts centre precinct during curfew on September 10, 2020 in Melbourne, Australia. Photograph: Asanka Ratnayake/Getty Images

block-time updated-timeUpdated at 3.14am BST

block-time published-time 2.56am BST

What about locking down the areas of Melbourne where there are issues, but easing restrictions in other areas? (which is how Melbourne started this lockdown).

Daniel Andrews:

I have seen suggestions that, for instance, we should lock up the north and west of Melbourne ,where we have the greatest concentration of cases.

As hard as the lockdowns are, they are not a total lockdown there... There are still people who are going to work. Unless we are going to say to entire communities literally no one can leave their home, for any reason, or no one can leave the postcode for any reason whatsoever, you could still see movement.

That poses in the view of the scientists, the experts, and I think commonsense tells you, you know, you lock done half-a-dozen postcodes. Well, there are nurses who live there and work elsewhere.

There are doctors, teachers, there are ambos, there are supermarket workers, the list goes on and on. So, the judgment is that that that sort of segmentation won't work. The border won't be hard enough. You won't be able to limit movement.

block-time updated-timeUpdated at 2.58am BST

block-time published-time 2.52am BST

Will Victoria be divided into zones?

Daniel Andrews:

This is an academic exercise.

I'm not asking regional Victorians to wait three months or two months.

We might be able to take these steps as early as next week.

Given that it was such a short timeframe, where we were confident we can reach these triggers, the notion of dividing up regional Victoria for, what, one week, people would barely be familiar with the rules before we took them off and said, "All of regional Victoria can open."

That's - I don't think that is a bad thing. The notion of regional Victoria moving together as one is what we want. Not in six weeks' time, but as early as next week.

That is why I'm so proud of every single regional Victorian for doing the amazing job they have done.

I can understand there is a notion of, "We have had no cases. Why do we have the rules?"... Whether it be Apollo Bay and wastewater testing finding traces or Echuca, finding a case, no cases that we know of - that's the key point here.

This thing is silent. Rapid and some people can have it and the symptoms are so mile they don't register. That is the challenge.

I'm confident regional Victoria can move and take steps as one as early as next week.

That is exactly the strategy working. It is something every regional Victorian should be proud of.

If I might finally make the point that we will have more to say next week about some changes and some - even further measures to make sure that that Melbourne regional Victoria border is as hard as it can be.

Because one thing - consistent feedback from regional Victorians, whilst they love to have tourism, for instance, and lots of movement, they jealously guard the low virus status across regional Victoria and they want that protected.

That's exactly what we will do.

block-time updated-timeUpdated at 3.01am BST

block-time published-time 2.50am BST

Will the mystery case in Echuca change how Daniel Andrews and the government looks at lifting restrictions in regional Victoria as a whole?

Andrews:

We with look at that at the appropriate time. I don't want something occurring on the one side of the state to impact rules on the other side of the state.

And as I've said a few times, if we had - if we'd forecast that it would take eight to 10 weeks, something like that, six to eight weeks, a longer period of time, to see regional Victoria take those steps forward, then we would have divided regional Victoria up. That is not, in fact, the case.

We are on track at 4.7.

We are on track.

Let's deal with that Echuca issue and be in no doubt there is a significant amount of work going on to understand that and whether there is any more virus in that community. And we are poised to be able to take not just one but potentially two steps as early as next week.

That's - that is a very different thing than saying to regional Victoria you will have to wait six to eight weeks. That isn't what we're asking.

I think the plan is working well. Let's get to the bottom of that Echuca matter. Hopefully next week we can have good new for regional Victoria. That is the best way to thank them, congratulate them for everything they have done. That's to take the safe and steady steps and to find the Covid normal.

block-time updated-timeUpdated at 3.01am BST

block-time published-time 2.48am BST

Marise Payne and Linda Reynolds have released a statement on the transfer of prisoners from US detention to Afganistan. It is a very, very sensitive issue for Australia, given Hekmatullah murdered three Australian soldiers inside their base in 2012:

Afghan Army deserter Hekmatullah, who murdered three off-duty Australian soldiers in 2012 in a cold-blooded crime of betrayal, is being transferred to a detention facility in Qatar by the Government of Afghanistan.

We understand Hekmatullah will be held in detention in Qatar with five other highly sensitive prisoners. These six prisoners were convicted of killing Coalition soldiers, or civilian humanitarian workers, in a series of insider attacks. The Government of Qatar has undertaken to the Government of Afghanistan and to the United States to keep these detainees confined and isolated.

Australia has steadfastly maintained that Hekmatullah must not be released. We have communicated our position repeatedly and consistently and at the highest level to the Government of Afghanistan, which is solely responsible for his custody, and to the United States.

In February 2020, the United States and the Taliban agreed to a number of steps, including the release of Afghan Government and Taliban prisoners, as goodwill pre-conditions that oblige the Taliban to enter into intra-Afghan negotiations with the Government of Afghanistan.

Australia has worked hard with the United States, the Government of Afghanistan and other nations, including the British and French Governments, since February 2020 to keep Hekmatullah in detention, and to keep these six sensitive prisoners separate from the wider goodwill agreement. That agreement has already seen the release of some 5,000 Taliban-associated prisoners and detainees.

Australia is not the only country that objects to the release of this most dangerous group of prisoners. Other countries, including France, have joined calls for dangerous criminals not to be released.

Australia is not a party to the intra-Afghan negotiations, nor the US-Taliban discussions. We are not standing in the way of peace talks. We fully support an Afghan-owned and led peace process, and all genuine steps taken towards a just, durable, and resilient peace arrangement. We recognise that there is no military solution to violence in Afghanistan. A negotiated political peace settlement is the only way to find a genuine conclusion to conflict, external militant interference, and terrorism. Australia appreciates that the Afghan Government, in making the decision to move the prisoners to Qatar, is doing its best to recognise and respect the concerns of the countries that want to see justice served.

The transfer of these last six sensitive prisoners, including Hekmatullah, from Afghanistan to a detention facility in Qatar, is a measure decided by the Government of Afghanistan and the United States as a means of facilitating the start of the Intra-Afghan Negotiations, scheduled to begin on 12 September, while keeping the prisoners detained.

The Australian Government's long-standing position is that Hekmatullah should serve a full custodial sentence for the crimes for which he was convicted by an Afghan court, and that he should not be released as part of a prisoner amnesty. Australia has communicated this position clearly to the Afghan Government and has not provided any authorisation for Hekmatullah's release as part of any arrangement with the Afghan Government. We will continue to advocate our position robustly, wherever he is being held. Justice and peace are not incompatible. Both have a place in peace arrangements.

A just outcome for the prisoner Hekmatullah remains a sensitive issue. The Australian Government once more extends its condolences to the families, loved ones and friends of our three fallen Australian soldiers.

block-time published-time 2.43am BST

And from the Labor leader herself:

enltrOn behalf of NSW Labor and millions of people across our state who are disgusted by what we have seen, I will move a Motion of No Confidence in the Berejiklian Government in Parliament next week.

- Jodi McKay (@JodiMcKayMP) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 2.39am BST

What will Christmas look like in Victoria?

Daniel Andrews:

I won't be a normal Christmas. We want it to be - we don't want it to be a lockdown Christmas.

We want it to be a Christmas that can be as close to normal as possible, a Covid-normal Christmas.

That means it will look different in lots of different ways. But the aim is to take these safe and steady steps and find that Covid-normal and have a Christmas that's much closer to last Christmas than otherwise it would be.

It's going to look different in lots of different ways. We have got a clear plan, the regional experience shows that it is working, it will continue to work in Melbourne, as these numbers come down.

It is five weeks ago, 725 cases. Today we have got in the low 40s.

Now, we have to keep that trend going.

And the key point there is get tested and get tested as soon as you have any symptoms.

And all of us keep following the rule, as challenging as they are. They are working.

That will get us a Christmas that is not a normal Christmas, but a Covid-normal Christmas.

Many of these recalls will seem a long time ago, because we will have moved to a very different set of rules by then.

block-time updated-timeUpdated at 3.02am BST

block-time published-time 2.36am BST

Deputy CHO Professor Allen Cheng is asked how things are looking in regional Victoria:

We have been looking at this closely. As the Premier mentioned, the average over the last 14 days is 4.7. The unknown cases in 14 days is seven.

Of the ones that have been diagnosed yesterday, so there was one in Geelong that was a contact of a known case, one in Bendigo, that was part of another - a family cluster, four cases in Colac, which, again, was part of a cluster.

So, all those are known cases, and - sorry, known origins and not unknown source. There was one in Echuca yesterday that we're looking into a bit more closely.

So, a case was reported from Echuca yesterday. We haven't had any cases from - for quite some time. There's a special team, committee, that's been stood up to look at the details of that more closely. There is ongoing testing. That hasn't been confirmed completely as yet.

And there's a going to be some more thinking about that to see if that is an unknown source.

What that means for people in Echuca is that if you do have any symptoms, please go down to the Echuca regional health centre - I think it is in Mitchell Street - and please get tested while we're still trying to work this out.

I understand we have been - also been talking to our colleagues in Albury, local health district in New South Wales to stand up testing on that side of the border.

block-time updated-timeUpdated at 2.39am BST

block-time published-time 2.34am BST

The vote will be moved on Tuesday.

enltrLabor leader Jodi McKay says John Barilaro must be sacked for continuously disrupting the government. "This is not a victory for Gladys Berejiklian because she should have dealt with this issue earlier."

- James O'Doherty (@jmodoh) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 2.31am BST

NSW Labor to move no confidence motion against Berejiklian governement

Back in NSW, the Labor leader is addressing the media:

enltrJohn Barilaro has taken the Government to the brink, then capitulated. He has been humiliated. His behaviour is completely unacceptable in a time of pandemic and economic crisis. His position as NSW Deputy Premier is untenable. [*pic.twitter.com/aPK73iIlM0*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Jodi McKay (@JodiMcKayMP) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 2.29am BST

On religious rites and celebrations, Daniel Andrews says:

In relation to sacraments at the end of a person's life, I know and understand the government - the government knows and understands how critical important that is for people of faith and their families.

There was a little bit of confusion about this.

Under the care and compassion grounds, it is completely permissible for you to have a minister come - a priest - whomever it might be, rabbi - to come to you and administer the end-of-life sacraments.

There will be always some finer details in relation to the way individual hospitals have got their own rules in place. Those rules are there for the best of purposes. They're there to try and protect staff and fellow patients.

But in the broadest of terms, last rites and similar sacraments are, in fact, allowed. And we obviously apologise if there's been any confusion about that matter.

I have, in a broader sense, I have been in contact with the archbishop this morning. I wanted to make a point and send a message to people of faith - all faiths right across our state. I know 2020 has been a very difficult year.

The notion of being able to connect, to share that important part of your life to be part of that network in a very tangible, physical sense, to be in the same pace together, celebrating those things that you hold dear, the things that are core values for you. That not being an option, that not being a feature of 2020 for so many months is a really significant issue.

And I want to thank all of those multi-faith leaders who have engaged with us so, so well on so many different issues. We know there are Jewish high holidays coming up.

We are working closely with the community to make sure those celebrations - the important occasions - are as close to normal as they can be.

The key point here, though, is this virus doesn't discriminate. You have got to be as cautious as you can be.

We have to try and put in place sensible rules, compassionate rules, but it can't quite be normal. It's got to be Covid normal, as safe as possible.

block-time updated-timeUpdated at 2.40am BST

block-time published-time 2.28am BST

The Victorian health minister, Jenny Mikakos, is at the press conference urging Victorians to keep going to the doctor and emergency departments when sick:

It's important that whilst we remain vigilant against coronavirus, that we don't neglect our other health needs.

My health services are reporting that there are declining and concerning attend dances at our emergency departments, and this does suggest that people are putting off seeking urgent and important medical care that could make that critical difference to their life.

Our emergency departments, for example, are reporting significant declines in presentations at a time of the year where typically they are at their busiest.

The month of August is typically a very, very busy month for our emergency departments.

They're usually in the peak of the flu season. Flu numbers are thankfully significantly down this year, compared to the last three years, they're down about 80% compared to the last three years' average.

But it's clear that people are deferring important medical care for very serious conditions.

For example, presentations to our EDs for heart attacks are down 18%, compared to this time last year. For strokes, they're down 24%, compared to this time last year.

And also people are deferring important cancer screening which has meant that we are seeing about a 30% reduction in reports for the five most common cancers - rectal, prostate, breast, melanoma and lung cancer.

This is concerning because deferred care can lead to worse health outcomes. It can lead to longer hospitalisation stay, it can lead to tragedy. So, we are urging Victorians today to continue to visit their GP, to take their regular medication, and if they have any lumps or bumps or symptoms that they are concerned about, please do not defer seeking medical care. That may well mean turning up to an emergency department, or calling 000 if you have symptoms of concern. It is important that you continue to seek that medical care. It may, in fact, save your life.

block-time updated-timeUpdated at 2.40am BST

block-time published-time 2.21am BST

On contact tracing, Daniel Andrews says:

I just wanted to take you through the latest snapshot in relation to contact tracing.

This will be on the website but I thought it was important to read some of these out.

For the week to 8 September, the percentage of new positive cases contacted within 24 hours - 100%.

The percentage of new positive cases interviewed within 24 hours, 92.3%.

As we've always said, there will be a small number of people that we just can't find within that 24 period.

That is where doorknock, coming in, repeated phone call, old-fashioned leg work, to make sure we can ultimately get to those people, but the metric - performance is 92.3%.

Percentage of known contacts notified within 48 hours, 98.3%.

And, again, there will be that very small number of people who you can't find, just because numbers are incorrect, addresses may be incorrect, all of those quite understandable reasons.

If you look at ***data*** for the week to 1 September, again, positive cases being contacted within 24 hours, 100%. Percentage of new cases being interviewed within 24 hours, 91. 9%. And the personal of known contacts contacted within 48 hours, 98.4%.

So, that is a testament to the work that a very large team is doing and in some of those - some of those measures, just - one week to the next, there is even off a very high base, there is still some improvement.

We will continue to try and drive those numbers right the way up to 100% in each of those categories. That is challenges, of course, for the reasons I've mentioned.

But it is a testament to a very big team that are working very hard to make sure that we have the best public health response and recent outbreak responses

block-time updated-timeUpdated at 2.22am BST

block-time published-time 2.17am BST

Daniel Andrews addresses the curfew, again, ahead of questions:

You will receive some latest information in relation to traffic movement as it relates to the hours when the curfew is on. What I can say is there is an immediate - there was an immediate and pronounced and sustained drop in road use in all metropolitan local government areas between the hours of 7 and midnight again, between midnight and 6:00am.

Some - not quite as big a reduction in some of the outer suburbs, but our ***data*** analytics team pretty well convinced that that relates to key workers moving within those - within those suburbs and not just - I shouldn't say key workers, those who have a permit and are allowed to be at work.

What it shows you is quite massive - quite a massive drop in the amount of movement that we have seen right across Melbourne while ever the curfew has been on, and what's clear, if you can limit movement, you will limit the spread of this virus.

If you can limit movement, then you will see less people doing the wrong thing. It is a much more easily enforced by Victoria police.

What's more, you get the case number reductions with thereafter. That is what we want.

That is what we're working towards. That makes opening up possible and it means that it happens much, much sooner. I think Victoria police will be out today to talk about those matters and I will leave it to them.

block-time updated-timeUpdated at 2.24am BST

block-time published-time 2.13am BST

Cleaners who were recruited to do infection cleaning in the Rydes on Swanston quarantine hotel were kept in the dark over the fact the hotel was used for Covid-positive travellers.

Speaking at the Victorian hotel quarantine inquiry on Friday, IKON Services Australia general manager Michael Girgis said his company cleaned over 1,000 rooms during the hotel quarantine, including dozens at the Rydges.

He said when IKON went to clean the Rydges in May and June, he was aware some of the rooms had been used by people who had been infected with Covid-19 but he said he wasn't aware it could have been an issue in common areas, and this would have been useful information for the safety of staff when putting on personal protective equipment (PPE).

"Normally the hotels would give us a room within the vicinity, so we didn't want to walk too far, obviously, once we've put on all the gear. So it was always somewhere within the vicinity," he says.

Girgis said his company was brought in to do a deep clean of the hotel in early June, and he was not informed all hotel guests were moved out for the clean.

On 13 June, an independent inspection of the hotel recommended the hotel be cleaned again before reopening, but Girgis said he was not asked to return to clean again before the hotel opened up again for returned travellers at the end of June.

Girgis said routinely after an infection cleaning done by his company, the organisation that hired IKON would hire another contractor to do a swab test of the room to ensure no infections but he said as far as he was aware no swab testing of the rooms in hotel quarantine were done after they were cleaned.

block-time published-time 2.12am BST

Just dipping across to NSW for a moment - there have been 10 new cases diagnosed in the last 24 hours.

Six are in hotel quarantine, four are linked to known clusters.

block-time updated-timeUpdated at 2.14am BST

block-time published-time 2.12am BST

Regional Victoria 'poised' for restrictions to be lifted

There are 74 active cases in regional Victoria.

Colac - four new case

Greater Geelong - one new case

Greater Bendigo - one new

Daniel Andrews:

The rolling average 28 August to 10 September Metro is 65. 3. Regional Victoria is 4.7. So, regional Victoria is poised to take at least a step and potentially two steps. We will have more to say about that next week as we get closer to that 14 day marker.

block-time updated-timeUpdated at 2.25am BST

block-time published-time 2.10am BST

Daniel Andrews press conference

Daniel Andrews is giving the daily update. He said there were 13,341 tests in the last 24 hours:

I am sad to say there are now 710 Victorian whose have passed away because of this global pandemic. That is an increase of nine since yesterday's report.

One female in her 50s, one female in her 70s, three males in their 80s, and four females in their 90s. Seven of those nine deaths are connected to outbreaks in aged care.

We of course send our sympathies and condolences to each of those nine families.

There are 140 Victorians in hospital, 12 are in intensive care, and eight of those 12 are on a ventilator.

block-time published-time 2.04am BST

The National Native Title Council has released a statement on Rio Tinto

enltrStatement from [*@NNTCAust*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) welcoming the dismissal of [*@RioTinto*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) three executives, CEO Jean-Sebastien Jacques, Iron Ore boss Chris Salisbury and corporate affairs boss Simone Niven, under whose leadership the 46,000-year-old [*#JuukanGorge*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) caves were destroyed. [*pic.twitter.com/t5sweRR9vY*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Human Rights Law Centre (@rightsagenda) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 2.00am BST

It is almost like there is no consistency on any of these issues

enltrToday Tim Wilson invokes the Human Right's Commission as part of his campaign to undermine the state government's public health response to the pandemic. Only days ago he ignored the Commission when he voted for a blanket ban on people in immigration detention having phones.

- Andrew Giles MP (@andrewjgiles) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 1.34am BST

We are expecting Daniel Andrews to step up in about half an hour for his daily press conference.

This is his 71st in a row for those playing at home.

block-time published-time 1.24am BST

Greg Hunt mentioned the Victorian human rights charter in his comments yesterday, while questioning the need for the Melbourne curfew. Tim Wilson has picked it up:

enltrLiberal MP Tim Wilson has asked the Australian Human Rights Commission to examine whether Victoria's arbitrary curfews were a violation of people's "rights and freedoms", given they were not based on health advice. [*#auspol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*https://t.co/AR78HFGWBD*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Greg Brown (@gregbrown\_TheOz) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 1.19am BST

Ben Pennings has responded to the Queensland supreme court granting an injunction, sought by miner Adani, restraining him from soliciting leaks from the company and its contractors

Adani claims their legal strategy is not about inflicting hardship on me. Despite this successful injunction, Adani is still [*undertaking court action*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) that could bankrupt my family. I shouldn't have to sell our suburban family home to make a multi-billionaire even richer. So long as Adani threatens my family and the environment we all share I will do everything lawfully in my powers to stop them.

The urgent need to stop new thermal coal mines is much bigger than any one individual. The global movement to stop Adani's coal mine will not be deterred by the cold-hearted bullying tactics of a billionaire's mining company targeting one individual. The Australian public will continue to oppose Adani's destructive climate wrecking mine."

block-time updated-timeUpdated at 1.29am BST

block-time published-time 1.17am BST

It's almost like they didn't actually have a plan

enltrHearing joint statement could be in doubt. Barilaro apparently telling MPs Gladys has assured compromises. Govt sources saying only committed to discussions. Parties seem to be fracturing again. It's very messy.

- Alex Hart (@alexhart7) [*September 11, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 1.14am BST

By the way, John Barilaro couldn't even get Gladys Berejiklian to agree to discus the koala protection legislation at the next cabinet meeting.

He got a "sorry, not sorry, it's not on the agenda" response.

He got nada. No concessions. Not even input into when the issue that caused the tantrum could be discussed.

It's almost like his Oma didn't make him read The Art of War at least once a year.

block-time updated-timeUpdated at 1.29am BST

block-time published-time 1.10am BST

Barnaby Joyce [*was in the Daily Telegraph this morning where he was lamenting not being able to kill kangaroos, snakes or frogs with impunity.*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

He has a little bit of egg on his face, given the (inevitable) conclusion of the Nats rolling over, but to be honest, he is probably used to that, and now just uses it to make an omelette like that was always his intention.

Anyway, his musings this morning have not aged well:

The NSW Nationals are making a stand and putting their people ahead of others' views on koalas. Others predominantly from far away with little skin in the game apart from virtuous grandstanding.

At the core of Nationals' philosophy is the primacy of the individual over the state. For an individual to have rights they must have the ownership of property unfettered by imposed arbitrary caveats of the state.

You can't shoot roos without a permit as they hop across your crops in their hundreds. You can't shoot a snake in your yard, you have to get it "removed". You can't build a dam or fix a road if a certain frog is present.

All these "you can'ts" means I am not the free person that I once was in my country. It means I have the state looking over my shoulder and breathing down my neck.

We are sick of picking up the tab of another person's latest guilt trip or hobby horse.

If koalas are so important that you believe taking the listed tree species from 10 to 123 then offer a price and buy them. Then pay the rates, public indemnity insurance, weed control and keep out the rabbits, pigs, goats, deer, wild dogs and other ferals.

Good on the state Nats for saying enough is enough.

block-time updated-timeUpdated at 1.15am BST

block-time published-time 1.03am BST

So in the last hour:

NSW leader Nationals leader John Barilaro has completely backed down from his threat to withdraw Nationals support for government policy

Rio Tinto executives have stepped down in the wake of the Juukan Gorge destruction scandal and shareholder anger

Melbourne Covid case numbers have dropped below 50 (although nine deaths are tragic).

The Queensland premier has stood by not intervening in decisions made by her chief health officer.

block-time updated-timeUpdated at 1.31am BST

block-time published-time 12.54am BST

Barilaro leadership 'untenable'

Nationals leader John Barilaro has backed off his threat to pull the Nationals out of the Coalition, and instead agreed to a compromise offered by the the premier, Gladys Berejiklian, agreeing to further talks over the state's new koala protections at cabinet on 6 October.

The Nationals had earlier agree to push for early talks in September, and compromises on the policy but Brejiklian has insisted on the normal processes. No compromises have been offered on the policy at this stage, but are possible during the talks.

Sources said Barilaro's leadership was now untenable.

"He has broken the marriage and there is no ability to repair the relationship" a government source said.

"The premier is the hardest working in the country and he's done this."

block-time updated-timeUpdated at 1.31am BST

block-time published-time 12.48am BST

And for those wondering on exemptions that are not AFL or Tom Hanks related in regards to Queensland:

enltr [*@AnnastaciaMP*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) told the economic and governance committee there has been: - 229 exemptions for specialist workers, health workers and for compassionate cases. - 170,000 border zone resident exemptions - 31,000 freight exemptions [*#qldpol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*#auspol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- @MartySilk (@MartySilkHack)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 12.45am BST

The Queensland supreme court has granted an injunction, sought by miner Adani, restraining an environmental activist from soliciting leaks from the company and its contractors.

Ben Pennings, a spokesman for the group Galilee Blockade, has been ordered to remove material posted online, including a "Dob in Adani" page that sought details about work on the Carmichael coalmine.

The court has also ordered Pennings to remove social media posts by 22 September.

Last week, it emerged Adani had twice [*unsuccessfully sought to conduct announced searches*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) at Pennings's family home.

block-time published-time 12.43am BST

Rio Tinto chief executive steps down

Goodness, it is all happening.

As Ben Butler reports:

Rio Tinto boss Jean-Sébastien Jacques has bowed to investor pressure over the Juukan Gorge debacle and is leaving the company.

Also going are head of iron ore, Chris Salisbury, and head of corporate affairs Simone Niven.

Rio Tinto chairman Simon Thompson :

"What happened at Juukan was wrong and we are determined to ensure that the destruction of a heritage site of such exceptional archaeological and cultural significance never occurs again at a Rio Tinto operation.

"We are also determined to regain the trust of the Puutu Kunti Kurrama and Pinikura people and other traditional owners.

"We have listened to our stakeholders' concerns that a lack of individual accountability undermines the group's ability to rebuild that trust and to move forward to implement the changes identified in the board review." We'll have a full news story soon.

block-time updated-timeUpdated at 12.46am BST

block-time published-time 12.40am BST

A joint statement is coming out, but Gladys Berejiklian has not blinked and John Barilaro has backed down.

He lost. And now has to fight for his own leadership.

The Nationals will stay where they are until the next election, and support government policies.

block-time published-time 12.38am BST

Annastacia Palaszczuk gets emotional as she addresses the last question, which was on Mathias Cormann's comments this morning that he did not understand how someone could be "so cold, so cold hearted" to not allow an exemption:

I say to Mathias, I say, these are difficult decisions and they're heartbreaking. I'm human just like everyone else. These issues hurt me deeply. They hurt me deeply because during this pandemic I have lost loved ones as well. I know exactly what people are going through.

Yesterday, Scott Morrison got emotional talking about the loss of her father on Sydney radio 2GB

block-time published-time 12.36am BST

NSW Nationals 'roll over' - reports

This has just come out as the Queensland press conference was going on

enltr [*#BREAKING*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) : NSW Deputy Premier John Barilaro has "rolled over" in a meeting with Premier Gladys Berejiklian - agreeing that the NSW Nationals will stay in a coalition with the Liberal Party. [*#9News*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*pic.twitter.com/Qz8eau4Nqt*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Nine News Queensland (@9NewsQueensland) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time updated-timeUpdated at 12.38am BST

block-time published-time 12.34am BST

Asked about the exemptions again, Annastacia Palaszczuk says:

I feel these issues very personally. Just like everyone else does. That's why we've put in place this specialist care unit. We have more than - we have 80 people in this exemptions unit looking at these issues.

And these people are human beings as well. They're having to go through all the details, and make really difficult and tough decisions.

But this is happening in other states as well. It's happening around the world. It's not nice.

Who wouldn't be touched? Honestly, who wouldn't?

Who wouldn't be touched by these cases? They are heartbreaking.

We're in a global pandemic and my job is to keep Queenslanders safe. That's my job. My job is to keep 5 million Queenslanders safe.

I just have to do my job to the best of my ability.

block-time updated-timeUpdated at 12.39am BST

block-time published-time 12.33am BST

What is Queensland doing with the hotspot definition the federal government wants?

Annastacia Palaszczuk:

What I said very clearly is that I support a national cabinet doing some further work. But I reserve the state's right to see how it goes and see some detail. We haven't seen any details. There may be two states that give it a trial and see how it goes. But if you have a look federal court case, the federal court case said that hot spots don't necessarily work. There's been a federal court case on this as well.

block-time updated-timeUpdated at 12.39am BST

block-time published-time 12.32am BST

Why is the ACT still a hotspot, given there have been no cases in the territory for more than two months?

That's the advice of the chief health officer. What I said, I made it many times at these press conferences and I'll say it again.

As a nation, if we can focus on getting Victoria and New South Wales under control, then you can set a date for the whole country to open up.

I have been absolutely consistent here on this. Absolutely consistent. But the parameter is two incubation periods, 28 days... That's the chief health officer's advice.

Pushed on why, given there are no cases, she says:

From memory, someone came through Canberra into Queensland with the virus. That's my memory.

block-time updated-timeUpdated at 12.41am BST

block-time published-time 12.31am BST

Annastacia Palaszczuk says she does not believe the national cabinet has fractured:

I think national cabinet has a role to play. I do think that national cabinet works in the best interests of the nation.

She is asked if she stands by her comments that she was "bullied" by Scott Morrison:

Yes. I said that very clearly yesterday. I'm not commenting any more today.

These are - these are very, very heartbreaking issues. And as I said to the prime minister, I don't make these decisions. I was very clear. I do not make these decisions. The chief health officer does.

block-time updated-timeUpdated at 12.32am BST

block-time published-time 12.29am BST

'It is absolutely tragic' - Palaszczuk addresses border heartbreak

Annastacia Palaszczuk says she referred the decision to the CHO, as is required under the act, but she understands the heartbreak:

It is absolutely heartbreaking.

Everyone, anyone who would've seen those images is heart broken. Everyone is human. You know. We're in a global pandemic at the moment. It is tough on everyone.

And let me make it very clear, I don't make those decisions. I said to the Prime Minister... I said... No. I said to the Prime Minister, I would refer it to the chief health officer and I did that.

It's her decision. Under the act, it's her decision.

You've got to have someone - you've got to take the clinical advice here. We're dealing with a health pandemic. It is absolutely tragic.

It is heartbreaking. Families are not together at the moment.

There are people at Heathrow waiting to come back home. There's people all around the world waiting to come back home.

There's people who can't see babies and loved ones in Victoria. There's people who can't go and see people in Western Australia.

It's absolutely heartbreaking and gut-wrenching.

block-time updated-timeUpdated at 12.33am BST

block-time published-time 12.27am BST

Dr Sonya Bennett is asked about the case of Mark Keans, a terminally ill father, whose family is attempting to visit, but will need to pay more than $15,000 in quarantine costs:

So my understanding is that there's very active discussion with both the family and Mark and that's ongoing, trying to find, you know, a solution that is, will support both Mark and his family in moving forward.

I think - I mean, I just like to say, I think we all recognise these are difficult situations. Every one of us. And there are reasons the restrictions are in place. And I think we've all seen the good outcome of that.

But in every situation with Mark Keans and others, the department works closely with applying for exemptions and the patient to find a solution to support what they would like. But at the same time recognising we need to continue to mitigate any risk of ***transmission***.

block-time updated-timeUpdated at 12.29am BST

block-time published-time 12.23am BST

Dr Sonya Bennett, the deputy chief health officer, is taking the health questions today instead.

block-time published-time 12.23am BST

Queensland's chief health officer, Dr Jeanette Young, is not at the press conference - she is on, what the deputy premier calls "a well earned weekend off" - no word whether that was pre-arranged or not.

block-time updated-timeUpdated at 12.29am BST

block-time published-time 12.22am BST

Queensland has had two new cases of Covid in the last 24 hours.

Both people are in quarantine.

block-time published-time 12.21am BST

John Barilaro has entered his meeting with Gladys Berejiklian

block-time published-time 12.20am BST

And yet

enltrNationals "holding firm". Meeting underway with premier on Level 20 of 52 Martin Place [*#nswpol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Linda Silmalis (@LindaSilmalis) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 12.19am BST

There has been no official announcement as yet

enltrThe deadline for the future of the Coalition Government has been reached. I understand Nationals leader John Barilaro will remain Deputy Premier for now with the Koala issue to go to Cabinet in early October. [*@2GB873*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Clinton Maynard (@ClintMaynard2GB) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 12.17am BST

Peter Dutton was on the Nine network again this morning, continuing his attack on Queensland's border closures (he was one of the first federal MPs to criticise the policy, and has not relented) but his comment here has raised some eyebrows, given his role as home affairs minister and the blanket policy there:

We all want to make sure that everybody's health is taken care of but at the moment this indiscriminate application of the border restrictions is really having a very negative impact on people's mental health and it is really devastating families, as we have seen in the interviews this morning and there is no consistency.

If you are Tom Hanks from California\*, you are OK. If you are Tom Hanks from Chermside or Castle Hill, sorry, you are not coming in, even to your brother's funeral or your dying daughter. It is just unacceptable.

And, I think the consequences are very far reaching and the premier needs to fix the problem. It is a problem of her making and it needs to be fixed sooner than later.

In 2018, Peter Dutton warned against compassion for refugees and asylum seekers who had attempted to reach Australia by boat:

It's essential that people realise that the hard-won success of the last few years could be undone overnight by a single act of compassion in bringing 20 people from Manus to Australia.

\*Again, Tom Hanks is in quarantine. And anyone who meets the exemptions can apply for entry to Queensland. They have to quarantine as well.

block-time updated-timeUpdated at 12.19am BST

block-time published-time 12.11am BST

There are reports a compromise has emerged that could stave off a damaging split within the NSW coalition with the premier, Gladys Berejiklian, agreeing to further talks over the state's new koala protections.

The premier has offered to put the new koala state environment protection policy at the top of the agenda at the next cabinet meeting in two weeks' time, in a bid to try and address the Nationals' concerns about the policy.

The move could stave off for now the dissolution of the Coalition, which the National party leader, J ohn Barilaro, had threatened to end by moving his 13 Nationals to the crossbenches and abstaining from voting.

Berejiklian said if he insisted on this position she would go to the governor and swear-in a new ministry this morning.

Earlier this morning senior Liberals indicated they were open to further talks and changes to the koala policy.

"You don't always get policies right, there might be some challenges with this one," NSW treasurer Dominic Perrottet said.

Planning minister Rob Stokes also left the door open to compromise but said the Nationals had misrepresented the policy.

"My colleague in the NSW government said farmers can't build a feed shed or a driveway on their property without a koala study. This is not the case," he wrote in the [*Sydney Morning Herald*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m).

"You can erect farm sheds, pour driveways, clear fence lines and engage in any routine ***agricultural*** practice that has occurred for generations without the need for development consent or a koala study."

Stokes said koala protection "should not be about dividing our community between the city and the bush, between urban dwellers and country folk".

"Protecting the koala is protecting our shared identity as Australians," he wrote.

But the damaging split could have further implications for both the Nationals and the Liberals.

Barilaro's leadership now seems untenable. But there could also be ramifications for Berejiklian who has ambitious members of her own cabinet.

block-time updated-timeUpdated at 12.26am BST

block-time published-time 12.10am BST

The Nationals want to keep their ministries, apparently, but negotiate a compromise over the changes which have sparked all of this.

The 9 o'clock deadline has come and passed.

Gladys Berejiklian was in NO MOOD to negotiate yesterday, following John Barilaro's announcement he was effectively withdrawing the Nationals (all but one, who has not agreed) from the Coalition and basically told him the party was in or out, but wasn't getting a slice of each way.

No one really knows how this will end.

block-time updated-timeUpdated at 12.13am BST

block-time published-time 12.01am BST

It's 9am.

No word as yet.

block-time published-time 12.00am BST

The budget lockup details are out:

The Morrison Government will hand down the 2020-21 Budget on Tuesday 6 October 2020.

As with the recent sittings of Parliament, this year's lock-up arrangements will need to be adapted to ensure they are compliant with health restrictions imposed as a result of COVID-19.

Arrangements for giving embargoed access to the Budget material have been arrived at in consultation with the Presiding Officers, the Commonwealth Chief Medical Officer, the ACT Chief Health Officer, the Department of Parliamentary Services and the Press Gallery Committee.

To ensure the security and integrity of the Budget, and the health and safety of participants, the usual arrangements for the lock-up have been significantly modified by Treasury.

Numbers of organisations and individuals that will be able to attend the lockup has been necessarily reduced, meaning not all organisations and individuals who have had embargoed access to the Budget in the past will have access this year.

The media will be given embargoed access to Budget material in the Press Gallery at Parliament House, and will be limited to those Press Gallery pass holders for whom the Press Gallery is a place of work.

There will also be limited arrangements in the capital cities of Adelaide, Brisbane, Melbourne, Perth and Sydney. In light of significant complexities posed by the pandemic, including location of attendees and maintaining COVID-safe room capacities, Treasury will make arrangements with media organisations directly.

Due to the heightened health risks and restrictions, smaller than usual stakeholder lock-ups will be held in Sydney and Canberra. With all COVID-19 mitigations and controls in place, these secure events will be strictly limited. Treasury will make arrangements with stakeholders directly.

The Treasury will implement the strictest physical and digital security protocols to ensure information security and the health and safety of attendees.

Strict security and embargo conditions will apply in every location to ensure that Budget information is not to broadcast, published or made publicly available prior to its official release at 7.30 pm.

All attendees will be required to execute a Deed of Confidentiality. In the event of a Breach of the deed, all legal options available to the Commonwealth will be pursued and the organisation and/or individual involved risks not being able to participate in any future Treasury lockup.

As in previous years, Budget documents will be available via [*www.budget.gov.au*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) from 7.30 pm on Tuesday 6 October.

block-time updated-timeUpdated at 12.01am BST

block-time published-time 11.59pm BST

Unsurprisingly, the federal Labor party president, and former federal Queensland MP, Wayne Swan, defended the Queensland Labor government while talking to the Nine Network this morning about the same issue:

We're in the midst of a one in-100-year event and tough decisions are taken but if the prime minister was really serious, he wouldn't have turned it into a media event.

He would have simply got the head of his department to talk directly to the health officer who takes the decisions because consider the alternative. Do they really want the premier to be making the health decisions? I don't think so."

block-time updated-timeUpdated at 12.02am BST

block-time published-time 11.57pm BST

The Queensland opposition leader, Deb Frecklington, was on the Seven Network this morning, talking about the woman who was unable to go to her father's funeral yesterday (she was given an exemption to attend a private viewing instead).

Frecklington:

What would I done is I would let Sarah go to her father's funeral, I would have let her hug her mum, I would have let her hug her mum, I would have let her hug her little sister, Isabel. When I spoke to Sarah, because Sarah was reaching out to anyone that would listen, Sarah hadn't even heard back from the premier's office. This is so unacceptable. What we need is, yes, we need strong border controls but we need strong border controls but we need compassion in this decision-making. It is not good enough for the premier to say it's an authority's decision.

block-time updated-timeUpdated at 12.02am BST

block-time published-time 11.53pm BST

The NSW premier appears quite unbothered this morning.

enltrDon't worry. The Premier is fuelling up again this morning [*#cheds*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*https://t.co/LCsOECnumR*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*pic.twitter.com/10p1N0qqku*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Charlotte Goodlet (@cgoodlet) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 11.46pm BST

So it's going well then

enltrNSW Nationals crisis meeting underway in Parliament House with MPs not present joining via Zoom. One Nat just gave me their private mobile number "in case we're all sacked" [*#nswpol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Linda Silmalis (@LindaSilmalis)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 11.37pm BST

Victoria records 43 new cases and nine deaths

We will get additional details, like test numbers, very soon.

enltr [*#COVID19VicData*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) for 11 September, 2020. Yesterday there were 43 new cases reported. Sadly, 9 lives were lost and our thoughts are with those affected. More information will be available later today. [*pic.twitter.com/Y5dxX1ixEK*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- VicGovDHHS (@VicGovDHHS)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time updated-timeUpdated at 11.56pm BST

block-time published-time 11.35pm BST

It is just one week short of a year since this photo was taken - which was the last time Gladys Berejiklian's colleagues tested her leadership over legislation. When the Ched debate happened, Tanya Davies, Matthew Mason-Cox and Lou Amato had announced they were calling a spill motion over the state's abortion laws.

Berejiklian stared them down as well. There was no spill motion. But what there was, was a debate over whether she was carrying Saladas (as reported in the Tele) or Cheds for breakfast.

I was on the winning side of history - they were confirmed as Cheds.

But as Angus Livingston, the journalist who kicked off Chedgate just tweeted - it is once again Chedtempter and we should have known something like this was coming.

enltrbig day in NSW politics and you know what that means - the Cheds are back [*pic.twitter.com/rjdUatDGgV*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Angus Livingston (@anguslivingston) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time updated-timeUpdated at 11.42pm BST

block-time published-time 11.27pm BST

Still don't see how you can have members in cabinet shaping and agreeing to government policy, which members, en masse, don't support in the vote.

enltrIt's understood if Nats Ministers decide to stay in Govt and only send backbenchers "effectively" to crossbench, they will still lose Cabinet spots due to Lib/Nat ratios changing. Nats discussed this as a possible way forward last night. [*#nswpol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*@7news*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Alex Hart (@alexhart7) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 11.25pm BST

And this is the crux of it

enltrNationals Chris Gulaptis admits the Nats have "blindly followed the Liberals" on policies on [*@RNBreakfast*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m). Nats have worked out they have more leverage by speaking out but will they make it official, give up the extra $$$ and power of ministry to go to the cross bench?

- Gabrielle Chan (@gabriellechan)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

block-time published-time 11.19pm BST

We all await the outcome of the NSW's Coalition's Koala Crisis.

The deadline is in less than an hour.

block-time published-time 11.17pm BST

John Barilaro continued in his chat with Ben Fordham, who says it sounds like Gladys Berejiklian has called his bluff and he has blinked:

Really, is that how you read it, Ben? How about we do it on media, just on social media, what people are saying about the Nats standing tall," Barilaro replies.

We obviously have very different feeds.

block-time published-time 11.13pm BST

John Barilaro on 2GB:

They say a week is a long time. Guess what? An hour is a long time in politics and I will trust my party room to come to a decision, and I as the leader will take back to the premier.

What that looks like at this stage, I don't know what it looks like. And I am prepared to continue to accept that what we are doing is the right thing on behalf of regional and rural communities.

The support, the outcry that we have received overnight - unbelievable. And I am not here to bring down the government, I'm not here to destroy the Coalition. We have been a bloody good government and it is not the Liberals have been a good government, we've been a good government, including the Nationals and I [don't] think we really get the respect, or the acknowledgement of our role in this government, since 2011.

It was National party seats that were won which got us government in 2011. It was National party seats that were won in the last election, including my own seat, holding it at 2% at the start, today I hold it with almost 12%."

block-time updated-timeUpdated at 11.24pm BST

block-time published-time 11.07pm BST

John Barilaro:

This isn't about a koala protection bill, what we are fighting for is the protection of farmers, the protection of community, the protection of the regions and if that is not fighting for, I don't know what is.

Will he back away from his threat:

This isn't John Barilaro steering his party to a position, this was driven from my own members... and that is why the partyroom had made those decisions yesterday. I am the leader, I take responsibility, I lead the team, the party room. The premier has given us her view, we'll have to respond in due course. I won't be saying much about that until I have the party room meeting at 8 o'clock. I respect my party room too much.

block-time updated-timeUpdated at 11.12pm BST

block-time published-time 10.59pm BST

John Barilaro says he doesn't believe the Nationals get the respect they deserve in NSW.

I don't think really we get the, we get the respect, or the acknowledgement of our role in this government. Since 2011. It was national seats that were won, that got us government in 2011."

block-time updated-timeUpdated at 11.12pm BST

block-time published-time 10.56pm BST

NSW Nationals to meet at 8am to discuss Berejiklian ultimatum

John Barilaro was [*on Sydney radio 2GB this morning, defending his position.*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

The Nationals leader did not sleep well - but because he cares.

Barilaro says he will take whatever his party room meeting decides to Gladys Berejiklian at 9am, but believes he is right.

block-time updated-timeUpdated at 11.12pm BST

block-time published-time 10.51pm BST

And we get a question on sports rorts!

(but not an answer)

That's after this story from Paul Karp brought the issue back on the agenda. Scott Morrison has avoided the questions from Paul in two press conferences

enltrSome [*#sportsrorts*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) answers from PM's...spokesperson. denying that Morrison considered marginal/target status of seats and leaving open possibility a fourth round of sports grants will be funded to fix up aggrieved clubs. [*#auspol*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) [*https://t.co/hpqLyZzA3D*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Paul Karp (@Paul\_Karp)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

Q: The Auditor-General's office told a Senate committee an advisor in your office drafted talking points to make the pitch for more money to target more seats. Did you ever see that document and doesn't that document's existence prove it was politically motivated?

Bridget McKenzie: I have made a 6,000 word submission to that Senate inquiry. I stand by every word in that submission. There's 640 odd community clubs getting people active in our communities as a result.

block-time published-time 10.49pm BST

But given we are in the middle of a pandemic, and NSW, under Gladys Berejiklian (Ruby Princess aside - and yes, I know it is a pretty big aside) has handled it pretty well, how does NSW trust the Nationals when they are trying to blow up the government, in the middle of a health crisis?

Bridget McKenzie:

Well, I don't see it like that, at all. I see it as a level of frustration by the deputy premier and his parliamentary colleagues having tried to reach an appropriate outcome inside the tent. They obviously feel this is their only course of action. I hope the premier and the deputy premier can actually work this out.

Australia is best served when the Liberal and the National party are presenting a stable and successful coalition government. But at the end of the day, these are two very separate independent parties with separate constituencies and values and sometimes that requires having to have very tough conversations. So I hope they can find a compromise that doesn't mean regional New South Wales and rural farmers who have also had a very tough period, I might add, with drought and bushfires, aren't paying the cost to satisfy Green votes in Sydney.

(The only course of action is, apparently, keeping all their own positions and power and titles, but doing whatever they want outside of the government.)

block-time updated-timeUpdated at 10.51pm BST

block-time published-time 10.42pm BST

Bridget McKenzie on why John Barilaro is right:

My understanding of this policy decision is that in November, a piece of legislation and changes were put to the government, that were going to actually severely restrict farmers' right to develop their properties and indeed, have severe impacts on the values of their properties and what they could do on that going forward. My understanding be is the New South Wales Nationals have been working within the government to address those challenges, which is their job, and it's been rebuffed.

(The restrictions is not being able to cut down trees which koalas use for habitat.)

But McKenzie stands behind Barilaro.

I think it's important to get a positive outcome for the constituents in rural and regional New South Wales.

I'm confident, having not spoken to the deputy premier, I'm confident that that is what his whole team is trying to achieve.

The fact they haven't been able to arrive at a negotiated outcome says more about Liberal ministers's inability to see the needs and interests of regional New South Wales as important to something their government can do.

I think you can protect the habitat of koalas and ensure that iconic species who has had a tough summer in New South Wales after the bushfire can have habitat protection without destroying the productive capacity and value.

You can walk and chew gum at the same time, but not if you're going to have a city-centric operation towards policy development. That's what it looks like.

block-time updated-timeUpdated at 10.51pm BST

block-time published-time 10.37pm BST

Bridget McKenzie, the former deputy leader of the federal Nationals and a Victorian senator, is on ABC News Breakfast explaining John Barilaro's move yesterday, as "the New South Wales Nationals are doing exactly what they were sent to Macquarie Street to do."

And that's to stand up for their constituents. I mean, I don't think it's surprising that city-centric policy decisions being made in the main by the Liberal and the Labor party are being challenged by the Nationals, whether it's in Macquarie Street, in Canberra, or in Spring Street... It's not about koalas.

(Narrator: It is about koalas.)

block-time updated-timeUpdated at 10.52pm BST

block-time published-time 10.34pm BST

I am sure we will hear a lot more about that today though, so stay tuned.

block-time published-time 10.34pm BST

And for the record, because this line has taken hold as well, Tom Hanks is also in quarantine. He was allowed entry into the state, but is in quarantine for two weeks.

Same with the AFL executives. They are in quarantine and paying for the hotel.

You can get an exemption to go to Queensland if you meet any of the exemptions. That includes personal and work reasons. But everyone has to quarantine. I'm not saying it's right, I'm not saying I agree with it either way - I'm just saying the blanket rule applies and this idea that Hanks and Hollywood and sporting elites are laughing it up on Gold Coast beaches while "normal" people have to quarantine is not right.

Here is what Dr Jeannette Young said on that yesterday:

I will always give an exemption to someone who needs to come into the state because of a family reason and I have done that regularly and that will continue to happen under that new team.

So I have had many, many exemptions from people who are wanting to come up to support their grandchildren who are having children and they haven't got parents here and they need to support them because they have got to go into hospital and look after other children.

So there are lots and lots and lots of exemption requests to support family, to support close friends, and they are always granted, but they are granted with a need for quarantine. No different to all of these other exemptions.

block-time updated-timeUpdated at 10.52pm BST

block-time published-time 10.29pm BST

There is a lot on social media featuring one quote from Queensland's chief health officer, Dr Jeannette Young, yesterday, as she spoke about exemptions. It was in response to a question on why movie stars and sports stars were allowed entry into Queensland:

enltrJeannette Young says she gives an exemption for film stars b/c they bring money into the state & aid the economy. Sorry, but the CHO should primarily be concerned with medical grounds. [*pic.twitter.com/GFMsxesUyJ*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

- Rohanct (@RohanCT) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m)

She did say it - but it was part of a much longer statement, where she also spoke about people entering the state for personal reasons, including funerals:

Anyone can come into [*Queensland*](https://www.theguardian.com/world/live/2020/sep/11/coronavirus-live-news-fauci-says-us-needs-to-hunker-down-this-winter-global-cases-near-28m) who has got a reason to come in that meets one of our requirements.

So, anyone can come to Queensland if they wish to see a dying relative or, indeed, a dying close friend.

Then the next part of that exemption is what they need to do when they come - and that is the same.

I have given exemptions to people in the sporting industry for a whole range of codes because it is important that we start that work, but they all go into quarantine.

I have given exemptions for people in entertainment and film because that is bringing a lot of money into this state and, can I say, we need every single dollar in our state.

We need to make sure that our economy is going ahead as much as it can, as long as it is safe.

So my first - the first thing the - thing I do before I make a decision about anything is: it safe to the Queensland population?

If it is safe, I look at how it can be done and whether that is the AFL, the NRL, whether it is swimming, tennis - all of the sports - cricket recently because we are coming know that season. Whether it is any of those, whether it is entertainment industry, film industry, whether it is ***agricultural***, whether it is are sources and mining, construction.

Anything that will benefit our community because I actually believe that the economy has an enormous role in determining health and the health outcomes for Queenslanders, but before I agree to anything it is whether it is safe.

Have your opinions by all means - everyone does - but have the context as well.

block-time published-time 10.24pm BST

Good morning

In just a few short hours we will find which way John Barilaro will go after Gladys Berejiklian issued her Coalition partner an ultimatum - in, or out?

Barilaro effectively pulled the Nationals out of the coalition in NSW yesterday, over environmental laws designed to protect koalas. Apparently the ability to kill koalas is one of the hills Barilaro is prepared to die on. He declared the Nationals would sit on the crossbench, abstain from government bills, except for those related to regional NSW, and break away from joint-party room and leadership meetings.

Which is cool, but he also wants to retain all the Nationals cabinet positions.

Berejiklian has said yeah-nah.

The NSW premier has given the Nationals until 9am to either get back in the tent, or accept they'll be on the crossbench with all that entails - including giving up their ministries.

That would plunge Berejiklian into a hung parliament, but she's not blinking.

Barilaro was on Sky last night talking compromise.

This won't be about backing down. I can hit a pause button for a second. At some point in the next two or three weeks, we have to confront the issue about the koala habitats. We have tried our hardest, what gives me confidence, but I'm not going to blow up the government. I'm not going to walk away from our ministerial responsibilities. When we're at the table, the regions win.

We'll keep you up to date on that. We'll also keep you up to date on all the Covid news, which includes the border wars.

The Queensland border closure has been an ongoing flashpoint, but the closure to the ACT, which has not had a case for two months, has been a particular sore point.

That all came to ahead when Sarah Caisip, a Queensland woman, who moved to the ACT for work, was unable to attend her father's funeral, because of quarantine restrictions.

Scott Morrison made an emotional plea to allow the woman to attend the funeral. In the end, Sarah was allowed a private viewing of her father, which she was escorted to, by police, and attended wearing full PPE gear.

The state's chief health officer, Dr Jeannette Young, said she was sorry, but she was trying to stay two weeks ahead and funerals often included vulnerable people, so there was a blanket rule.

In the Queensland parliament, Annastacia Palaszczuk said the decision was not for her to make, but for her CHO, and accused the prime minister of attempting to "bully" her.

Morrison said it was time for premiers to start showing compassion. He had a chat to Sky last night too:

I've seen the images of when she went to see her dad and there've been some shocking days during the course of this pandemic. And today was, today just hurt. And it wasn't. It's not just about Sarah's case as, because there are others. You've just been talking about one on your program now. You know, we've got to find, if if these things have got to be up, if that's the view, they gotta find a better way. Those who have decided these measures are necessary, that they've got to find a better way to deal with with the heart here. I mean, I've dealt with many premiers on many, many different issues all the time. I've dealt with the Queensland premier on other issues. Sadly, today, I didn't have the influence that I would hope to have. But Sarah doesn't get today back.

The incident has inflamed tensions over the border closure. The Queensland election is in about 50 days, so it is not going to get any easier.

We'll bring you all the day's events, as they play out. You have Amy Remeikis with you for most of the day. And all of the coffee.

Ready?

block-time updated-timeUpdated at 10.31pm BST

16055 2020-09-11T05:30:00Z true 2020-09-10T21:32:38Z false false 2020-09-11T13:39:26Z false AUS theguardian.com [*https://gu.com/p/enpcn*](https://gu.com/p/enpcn) false true [*https://media.guim.co.uk/2b3e5fc836dcbce98acfe41c48384d48c3dd56a5/0\_106\_5461\_3277/500.jpg*](https://media.guim.co.uk/2b3e5fc836dcbce98acfe41c48384d48c3dd56a5/0_106_5461_3277/500.jpg) false en true We're closing our live coverage of coronavirus news and other major developments for the day. Thanks to Amy Remeikis, who led you through most of the day. You can still follow developments around the world on our global coronavirus live blog. So here's what happened today: NSW deputy premier John Barilaro performed a brisk climb-down this morning, after threatening to lead the Nationals away from the state's coalition over new laws to better protect koalas. NSW Labor said Barilaro's position was now untenable. Three Rio Tinto executives, including chief executive Jean-Sébastien Jacques, left the global miner over its decision to blow up 46,000-year-old rock shelters at Juukan Gorge in Western Australia. Victoria saw 43 new cases of Covid-19 and 9 more deaths. Australia has seen 797 deaths from the disease, with 710 in Victoria. Queensland recorded 2 new cases of the virus and New South Wales reported 10. The Northern Territory government will open its borders to people from greater Sydney in a month's time. Those visitors will not need to quarantine. Victorian assistant police commissioner Luke Cornelius said significant resources would be needed for planned anti-lockdown protests in Melbourne on Saturday. Protesters were "selfish" and made him feel "a bit like a dog returning to eat its own vomit". Thanks for being with us today. We'll do it all again tomorrow. Take care. School leavers attending formals in NSW have been given some Covid-19 guidelines. AAP reports on the guidelines for formals announced by the state's education minister, Sarah Mitchell. So how will it be to party like it's 2020? Avoid spontaneous crowds, have live-streams for people who can't attend, restrict guest numbers, don't mingle before and after events, and schools should stick to the 4-sq-metre rule for each attendee. Oh, and students should bring their own pen (for signing the yearbook). Victoria's judicial inquiry into its hotel quarantine program continued today, with evidence coming from two health department employees suggesting there was ambiguity over who was in charge of the program. AAP reports that Pam Williams and Merrin Bamert, of the Department of Health and Human Services, shared the role of commander of Operation Soteria, the taskforce that ran the program. Both were asked who was in charge at each hotel. Williams said the department took responsibility for their own staff and contractors, but hotel managers looked after their own staff. Security companies managed their guards. She said: We were working as a team. It was a difficult team to manage. This was an environment where the usual things that you do to develop a team weren't possible. The inquiry was shown an email written by Bamert in which she said she was "not sure who you would say was in charge" of the program. "This operation was being managed out of a range of sites with no clear operational structure," Bamert wrote in the email on 21 May. She was replying to an email from Safer Care Victoria, an authority investigating the death of a man in hotel quarantine in April. Williams said more than 20,000 people went through the quarantine program from 29 March until it was suspended in June. She said: Of those, seven people in three rooms were implicated in the spread. So in fact, 96.8% of the people who were positive in hotel quarantine did not go on to spread the virus. About 99% of the state's second wave of Covid-19 can be traced back to returned overseas travellers who quarantined at two hotels. Deputy chief health officer Annaliese van Diemen did not appear before the inquiry as scheduled. She will appear next week, alongside chief health officer Brett Sutton, emergency management commissioner Andrew Crisp, the chief commissioner of Victoria police, Shane Patton, and former top cop Graham Ashton. Our Friday started with NSW deputy premier John Barilaro's on-again off-again threat to blow up the state's Coalition over new laws to better protect koalas. But was it really all about the marsupial non-bear? Guardian Australia environment editor Adam Morton has this run down. "We all make mistakes..." Victoria's assistant police commissioner Luke Cornelius says responding to anti-lockdown protests in Melbourne has him feeling "a bit like a dog returning to eat its own vomit". In comments reported by AAP this afternoon, Cornelius said he was sick of the protests. There's another proposed for the city on Saturday - a "Melbourne Freedom Walk" - that would need significant police resources, he said. "I feel a bit like a dog returning to eat his own vomit... I'm sick of it. If people were less selfish and a bit more grown up, we wouldn't have to keep doing this. Cornelius hinted that anyone claiming the walk was "exercise" that's allowed under the city's lockdown may be treated sceptically. "Don't take us for fools," he said. "We'll have no hesitation in issuing fines." Police had directly warned a number of people planning to protest in the city, he said. Cornelius urged anti-lockdown protesters to "be creative" at home in speaking out, without encouraging gatherings. Also on Friday, Victorian premier Daniel Andrews told protesters: "All you're potentially doing is spreading the virus." About 1,100 people had shown interest in the walk and 340 had committed to attend before Facebook took down the event's online page on Wednesday. Victoria police chief commissioner Shane Patton has flagged the possibility of more protests at other locations at the weekend. "Freedom" rally posters for this Sunday and every Saturday until restrictions end are circulating online. Victoria's inquiry into the state's hotel quarantine program will hear evidence from the state's chief health officer Prof Brett Sutton next week. The inquiry has announced its witness list for next week with Sutton scheduled to appear on Wednesday. Victoria's police chief commissioner Shane Patton will appear on Thursday. The inquiry is looking at how and why cases of Covid-19 managed to escape from the state's hotel quarantine scheme. On Tuesday the inquiry released pictures of "quarantined" guests going to a convenience store. A former police officer had also sent emails to the police, the inquiry heard, raising concerns about how private security firms were managing the facilities. Afternoon folks. Graham Readfearn here taking over from Amy Remeikis. If sporting events are on your list of "things to look forward to in a pandemic" then Rugby Australia boss Rob Clarke has been delighting in their news today. He's just been speaking to the ABC about Rugby Australia's announcement that Australia will host what he described as a "mini world-cup" in November and December. It's the 2020 Rugby Championship. Argentina, New Zealand, South Africa and Australia will play 12 matches over six weeks with five rounds in NSW and a game in Brisbane. As AAP reports, Argentina currently has Covid-19 cases in their camp and the South Africa team will need their government to relax travel restrictions. Clarke was asked by the ABC if it was fair for sports squads to be flying in and out at a time when millions of Victorians are still facing harsh lockdowns. He said: I think sport has a really important role to play in helping give Australians something to lack forward to. If there isn't anything greater than looking forward to a mini World Cup, with rugby, then I don't know what is. And I hope that people get behind our teams. I understand the difficulty that people are going through, particularly in Victoria right now. But by the time this competition comes around in November, I really hope that it unifies Australia and gives them something to cheer for. I am going to hand over the blog to Graham Readfearn now for the rest of the afternoon. I'll be back bright and early on Monday, but most likely not bushy tailed, because, well, it's Monday. Thank you to everyone for joining me again this week. I truly appreciate it. Take some time to switch off and do nothing this weekend - whatever doing nothing or switching off looks like to you. There's a lot of information out there and sometimes, you just need to turn it off. Again, thanks for joining us. Take care of you. Ax Penny Wong has released this statement: Labor's thoughts are with Dr Kylie Moore-Gilbert and her family, as the second anniversary of her detention approaches. In their words, this has been two years of "unimaginable pain" - a pain that will no doubt continue until Dr Moore-Gilbert is brought home. Until that day comes, we wish them continued strength. Labor supports the Government's efforts to secure Dr Moore-Gilbert's release and seek regular consular access until that happens. We reject the charges under which she is being held. Dr Moore-Gilbert's family, friends and colleagues have worked tirelessly to ensure she is not forgotten - and Labor will continue to advocate for her safe return to them soon. Deputy CHO Michael Kidd is giving the national Covid update today - it includes this tidbit: Today, leaders of the contact tracing process in Victoria and New South Wales have been meeting, along with Australia's chief scientist, Alan Finkel, to share experiences and ideas about how measures can be streamlined even further in both states. Tackling Covid-19 requires a dynamic and comprehensive response. This has been the hallmark of the response to Covid-19, both at a national level and in each of our states and territories. I note the improvements which have been announced by the Victorian premier in the contact tracing process in that state. I wish to commend everyone who is involved in the public health efforts in Victoria for their dedication and commitment to bringing this second wave rapidly under control. The Law Council is not overly comfortable with the extension of insolvency emergency measures from Josh Frydenberg and Christian Porter - which put a pause of any issues for companies which may be trading while insolvent: The Law Council of Australia has raised a number of concerns over the federal government's announcement this week that it intends to extend temporary insolvency emergency measures, introduced as a result of the Covid-19 crisis, into 2021. The joint announcement, made by the treasurer and the attorney general, proposed extending the temporary increase in the threshold at which creditors can issue a statutory demand, extending temporary bankruptcy protections, and extending the temporary relief for directors from any personal liability for trading while insolvent. Law Council of Australia president, Pauline Wright, noted the commendable rationale for the proposed extension of these measures was to lessen the threat of actions that could unnecessarily push businesses into insolvency and external administration at a time when they continue to be impacted by health restrictions. However, drawing on the recommendations of the Insolvency & Restructuring Committee (Committee) of the Business Law Section of the Law Council of Australia, Ms Wright urged the government to carefully review all temporary insolvency emergency measures before extending them beyond 31 December 2020 in order to avoid unintended consequences. Delaying steps that would otherwise lead to the liquidation of unviable businesses exposes more viable businesses to becoming substantial creditors of those unviable businesses. This has the potential to spread the contagion, making the eventual insolvency wave more widespread and difficult to resolve. The temporary emergency measures and all other relief being afforded distressed businesses during the current pandemic will eventually be removed. When that happens the insolvent entities that remain will likely be so bereft of assets or possible recoveries that external administrators - who themselves generally conduct small business enterprises - may be reluctant to take on the arduous tasks of liquidating insolvent entities. Furthermore, extending the inevitable commencement of liquidations and bankruptcies allows even more time to pass from the date of otherwise potentially voidable transactions, thus increasing the opportunities for pre-insolvency advisors to assist in structuring of an insolvent entity's affairs to defeat the claims of creditors. Such prolongation could give rise to illegal phoenix activity. As a result of these concerns, the Law Council considers that in order to avoid unintended negative consequences, any further extensions to the temporary insolvency emergency measures should be reviewed carefully and, if continued beyond 31 December 2020, any ongoing measures should only be formulated after extensive consultation. Victoria Health has put out its official ***data*** for the day: The average number of cases diagnosed in the last 14 days for metropolitan Melbourne is 65.3 and regional Victoria is 4.7. The rolling daily average case number is calculated by averaging out the number of new cases over the past 14 days. The total number of cases from an unknown source in the last 14 days is 134 for metropolitan Melbourne and seven for regional Victoria. The 14-day period for the source of acquisition ***data*** ends 48 hours earlier than the 14-day period used to calculate the new case average due to the time required to fully investigate a case and assign its mode of acquisition. In Victoria at the current time: 4,303 cases may indicate community ***transmission*** - a decrease of 3 since yesterday. 1,336 cases are currently active in Victoria. 140 cases of coronavirus are in hospital, including 12 in intensive care. 17,661 people have recovered from the virus. A total of 2,456,924 test results have been received which is an increase of 13,341 since yesterday. Of the 1,336 current active cases in Victoria: 1,249 are in metropolitan Melbourne under stage 4 restrictions. 74 are in regional local government areas under stage 3 restrictions. Nine are either unknown or subject to further investigation. Four are interstate residents. Colac Otway has 33 active cases, Greater Geelong has 10 active cases, Greater Bendigo has two active cases and Ballarat has no active cases. Of the total cases: 18,397 cases are from metropolitan Melbourne, while 1,195 are from regional Victoria. Total cases include 9,425 men and 10,329 women. Total number of healthcare workers: 3397, active cases: 223. There are 665 active cases relating to aged care facilities. Active aged care outbreaks with the highest cumulative case numbers are as follows: 240 cases have been linked to BaptCare Wyndham Lodge Community in Werribee. 217 cases have been linked to Epping Gardens Aged Care in Epping. 210 cases have been linked to St Basil's Homes for the Aged in Fawkner. 165 cases have been linked to Estia Aged Care Facility in Ardeer. 139 cases have been linked to Kirkbrae Presbyterian Homes in Kilsyth. 127 cases have been linked to Twin Parks Aged Care in Reservoir. 127 cases have been linked to BlueCross Ruckers Hill Aged Care Facility in Northcote. 124 cases have been linked to Cumberland Manor Aged Care Facility in Sunshine North. 119 cases have been linked to Japara Goonawarra Aged Care Facility in Sunbury. 118 cases have been linked to Estia Aged Care Facility in Heidelberg. In Victoria there are currently 13 active cases in residential disability accommodation: Total resident cases: 6, total Staff cases: 7. Active cases in NDIS homes: 13 (6 residents). Active cases in 'transfer' homes (State regulated/funded): 0. Active cases in state government delivered and funded homes: 0. Non-aged care outbreaks with the highest number of active cases include: 17 active cases are currently linked to Bulla Dairy Foods in Colac. 13 active cases are currently linked to Dandenong Police Station. 10 active cases are currently linked to Vawdrey Australia Truck Manufacturer. 10 active cases are currently linked to Peninsula Health Frankston Hospital. The Department is investigating cases linked to two family clusters in Melbourne's south-east and a ward at Monash Health. The Anglican Dean of Brisbane, Peter Catt, has released a statement in support of the environmental activist, Ben Pennings, and said a court-ordered injunction against him was a "sad indictment". The injunction, sought by the miner Adani and granted by the Queensland supreme court, orders Pennings to remove social media posts and other content soliciting information about Adani's Carmichael mine. In a statement, Catt compared Pennings to anti-slavery and suffrage activists, who were "punished by the legal or political systems of the day". It is a sad indictment that a local man who has been fighting for transparency has been gagged - including from engaging in personal social media activities. The irony of this is not lost on any of us who support the right of individuals to use their personal social media channels for the common good. Despite today's setback, I join the many others who are inspired and encouraged by people like Mr Pennings who strive to keep our communities healthy and safe - and at great personal and financial expense. His courageous example will surely motivate other Australians to join the growing movement to protect our iconic Great Barrier Reef and the underground water sources that our farmers are so reliant upon. Sure. The parliamentary committee which was looking at what happened at Juukan Gorge has responded to today's Rio Tinto news: The Northern Australia Committee has welcomed news of the resignations of senior Rio Tinto executives in the wake of the destruction of Indigenous heritage sites at Juukan Gorge. Committee chair, Warren Entsch, observed that the need for high level accountability for the Juukan Gorge incident had become obvious to all interested stakeholders. "The evidence received by the Committee has made clear that the internal culture at Rio Tinto was a significant factor in the destruction of these sites. New leadership, new structures and new operating principles within the company are essential to preventing such catastrophes in the future. The Committee welcomed the commitment made by Rio Tinto chairman Simon Thompson, to ensuring that "the destruction of a heritage site of such exceptional archaeological and cultural significance never occurs again at a Rio Tinto operation". Entsch expressed the hope that similar commitments would be forthcoming from other mining companies. The Committee also expressed a desire to meet at the earliest opportunity with the outgoing executives to further discuss Rio Tinto's previous evidence to the inquiry and explore the implications of the announced changes at the company. Earlier this week, the Committee announced the inquiry into the destruction of the Juukan Gorge sites will continue, despite having to postpone its planned visit to Western Australia because of difficulties associated with interstate travel. Further details of the inquiry can be found on the Committee's website. The Victorian hotel quarantine program was not bound by decisions of national cabinet, minutes of meetings held in May for the operation to manage hotel quarantine have revealed. In meeting minutes of Operation Soteria from 10 April released to the hotel quarantine inquiry on Friday, the notes for the meeting stated: Commonwealth makes some border decisions. Victoria makes its own decisions around detention. In some cases we have aligned with decisions made at the national level but in other cases we have varied and it has been accepted at national level that states and territories aren't bound. The accommodation commander for the operation running hotel quarantine in the Department of Health and Human Services (DHHS), Pam Williams, said she understood the discussion related to Victoria having a much tighter policy around maritime arrivals. Williams was asked whether the lack of a defined leader within hotel quarantine environments made the situation worse. She said it was complicated because it was operating in a hotel, and the Department of Jobs, Precincts and Regions managed the contracts, in addition to DHHS's role. She said before she left her position and the Department of Justice took over managing hotel quarantine, she was in the process of developing clearer structures, and more skilled team leaders. If I had the ability, as time went on to have a more skilled and capable group of people as team leaders, and I could have expected more of them [then] I would have required a management structure above them that was more conventional for [the] program, than what we had. Incredible. May we all have the confidence of a middle-aged man. John Barilaro: What regrets is there? Today is a win for the regions. It's a win for farmers, it's a win for those that have been fighting the koalas habitat, our stakeholders, the forestry industry. We now get a chance to get it on the agenda, off cabinet, high on the agenda, but the conversations I had with the premier, I had a lot of confidence in where this will end up. John Barilaro has taken the 'always look on the bright side of life' approach to his complete and utter capitulation in face of Gladys Berejiklian's unwavering 'no' to his demands. People know what the koalas are and the impact it has on rural New South Wales. Any agreement with the premier was all about stability. We never wanted to blow up the coalition, but yesterday we had to do what we had to do to bring it up on the agenda of the government and of the cabinet. With the agreement of the premier this morning, this will be the next agenda item, high up, but it will put some transparency, because all of you will be asking what is the outcome of the step and every single cabinet minister now has to point to their session position. So yesterday was all about policy, all about the regions and getting this to the executive. Dr Hugh Heggie, the chief health officer for the NT, explains his decision: This is interesting times, because we have been monitoring what's happening in other places, to serve the purpose of advising travel either to those locations or from those locations. And those geographical areas of risk, we can use them in the Territory for a response, whether it be in an urban setting or a remote community or an aged care facility. And we have had in place the plans for those responses, and we have been scenario-testing them. For the purposes, though, of people who are going to travel to places such as Sydney, I recognise that this has been a great impost, because there are people there who are relatives or friends, and important events have been missed. And I reflect that yesterday was R U OK?Day, and I'd ask the community here to look out, to reach out to people around you who have missed those hugs, missed those special events. The other purpose, of course, is for people travelling from those locations to understand that they're coming here to the Territory to enjoy our space, our lifestyle, which is probably unique. It's certainly unique in the country, it might be unique in the world. But the risk here is not completely gone. So, we can put controls in place. We use a risk matrix framework, a risk assessment, and you look at the controls. And we've had controls, like border controls, clearly as a risk. But for people who come here, the controls need to be themselves, their behaviours, so we would advise people coming here from areas of - where there's some cases, or outbreaks, but small numbers, such as Sydney, that maybe you consider not being close to people you haven't seen for a good while. In other words, kissing and hugging. In places like pubs and bars, which are wonderful places for us to be. But also to consider maybe not going and visiting vulnerable persons immediately, because there's places such as aged care and residential disability care where people are susceptible to this virus. There's also the reality that we may end up with a case, or cases, here. We've seen the difference in the world from the beginning of the pandemic to those who were affected, including, sadly, those whose lives were lost. And some of us may actually know someone where that is the case. We need to consider our own personal responsibility. Michael Gunner is also sick of people using the NT as a backdoor into places like Queensland, where quarantine is more expensive (you don't have to quarantine in Queensland if you come from an area which is not a declared hotspot), without spending money in the NT: Gunner: There is a fair bit of discussion around the cost of quarantining people here in the Northern Territory. We charge people $2,500. I can assure you it costs us a lot more than that. It has been previously calculated $3,300, but we are recalculating that, given all quarantining now occurs at Howard Springs in the Top End, we expect the figure to be higher. The priority for us, the reason we have Howard Springs set up, is to keep Territorians safe. When it comes to keeping the Territory safe, any cost is worth it. We are confident that most Northern Territorians who quarantine here are coming to spend time here in the Territory. But we do have an issue with some people who quarantine in the Northern Territory because it's the best set-up in the country, and then use us as a back door to other states, like Queensland. Territorians do not want to subsidise someone's trip to Brisbane to watch the AFL grand final. Territorians do not want to subsidise holidays to the Gold Coast. I have raised this issue with national cabinet before, that the Territory is carrying a heavy load of quarantine, while others get the benefits. It's not the biggest issue, but it is an issue. It is getting a bit annoying and it is costing us money. I will keep raising it in national cabinet with the prime minister. I am confident we can come to an arrangement, an agreement, that recognises the important national role the Territory is playing here. But I also have a message to people who intend to spend 14 days at Howard Springs. If you're gonna take advantage of our awesome quarantine, then once you're out, we simply ask that you stick around for a while and enjoy the rest of the Territory, because it is pretty awesome too. I can guarantee you, the Northern Territory is a whole lot more and a whole lot better than the village at Howard Springs. It's the best place in the world. So, please stick around and enjoy it a while before you bugger off. That is going to put more pressure on Queensland's chief health officer to reassess her advice. The NT has some of the most vulnerable communities, in terms of the virus, in Australia. If they say it is OK to have people from greater Sydney, it is hard to see how Queensland can keep saying it's not. Michael Gunner: I know this decision will be welcomed by some and condemned by others. That happens with every decision we make. For those who are concerned by this, I would just say, look at our record. Every decision on every day for the last six months has been about protecting Territorians, putting them first, and that will never change. Every time we make a decision, I get people calling me and emailing me, saying I've stuffed it all up, that it will end in disaster, that I will kill people. People have the right to think that, if they want. But I would just say, I have been told that a million times so far, and it hasn't happened yet. Our hot spots policy is nation-leading, and it is working. It is keeping the Territory the safest place in Australia, while also keeping the Territory open for business. NT chief minister Michael Gunner is announcing changes to his jurisdiction's declaration of greater Sydney as a hotspot, following new advice from his chief medical officer: This is for the following reasons: first, there is now a sustained downward trend of new cases in Sydney over time, including seven straight days of 10 or fewer new cases. Second, the contact tracing and containment system in New South Wales is superb. They are catching and containing the virus very quickly. It is not spreading. Third, the level of testing being done, and the links of almost all new cases to known clusters, gives a high degree of confidence that there are no known outbreaks occurring. For these reasons, the Northern Territory will plan to remove the hot spot status declaration for greater Sydney in 28 days' time. From Friday, 9 October, arrivals from greater Sydney will not need to undertake 14 are days of supervised quarantine. We are deliberately waiting another four weeks - two full replication cycles - so we can keep seeing the trend go down. A four-week buffer gives Sydney more time to keep beating the virus, and gives us the time and flexibility we need to change our plan, if necessary. This is the same cautious approach we took with our borders the first time around, and it worked. When we were told to open the borders straightaway, we said no. And when things got worse in Victoria and Sydney, we kept them closed. We cannot predict the future, but we can plan for it. So, if something happens, if things change, if the trend goes back up in Sydney, we will not hesitate to keep their hot spot status in place for as long as we need to. But if they continue to make the progress they are making - as we expect they will - we can welcome Sydneysiders back to the Territory next month. Alex Hawke has announced Australia has extended an additional $130m in support to Papua New Guinea, to help our Pacific neighbour deal with the pandemic. It's a loan - and comes on top of the $300m Australia recently loaned PNG for the same thing. Hawke told the ABC: The Australian government has decided to extend our support to PNG following a direct request from the PNG Government, in response to the deteriorating budget situation because of Covid and the economic impacts of Covid on the region. Obviously, PNG has worked very hard with international institutions, like the IMF, the World Bank, and they've got a program in place, which we have great confidence in. And in response, the Australian government has agreed to the request from PNG to loan money to them, to support that effort, to get their finances under control in this critical time. This comes as Julie Bishop admitted Australia's foreign aid cuts were "regrettable" Bishop was foreign minister while many of the cuts were implemented. The Victorian department of health and human services struggled to get security guards to follow its advice of precautions on how to avoid contracting Covid-19 while working in hotel quarantine. The accommodation commander for the operation running hotel quarantine in the Department of Health and Human Services (DHHS), Pam Williams, told the inquiry that security guards wanted much more protection than the advice suggested. The security guards wanted as many barriers as they could, between them and what they perceived as this invisible threat. They really wanted to wear gloves, they wanted to wear things, even though the advice was, keep your distance, wash your hands, only use a mask when you're within 1.5 metres. Williams said she approached the behavioural insights unit in DHHS to get an idea on how to get the message across to the security guards and companies, but said it was complicated by the fact that at the time the advice was changing as more became known about how the virus transmits. I don't think they will go back to day grand finals after this, but AAP has an update on the AFL grand final: This year's AFL grand final will be the first to be held at night. On Friday, the AFL confirmed the 2020 decider, to be held at the Gabba on Saturday, October 24, will begin at 6.30pm local time - 7.30pm AEDT. AFL general manager of clubs and broadcasting Travis Auld said the start time accommodated broadcasters and pre-match entertainment, while also factoring in daylight savings times for fans around the country. With shorter quarters this year, Auld expected the grand final to be wrapped up and the 2020 premier to be crowned just before 10pm AEDT. "Historically a really special part of grand final day is the build-up and anticipation, and we want to ensure we can share the electricity and atmosphere of the night with as many people as possible around the country," he said. "A night grand final is sure to be a fantastic spectacle for both the fans in stadium and the millions watching around the country and overseas." The AFL grand final has traditionally been held at 2.30pm Melbourne time. What Annika said. This started yesterday, and shows no signs of slowing down, but it doesn't make it right. While we are still on border closures, the federal border remains closed. ABS has an update on arrivals: Overseas arrivals and departures ***statistics*** are international travel movements of persons arriving in, and departing from Australia with a focus on short term trips (less than 1 year). It is the number of international border crossings rather than the number of people. For all Short-term Visitor Arrivals (STVA) and Short-term Resident Returns (STRR) series, the trend estimates have been suspended from February 2020 and the seasonally adjusted estimates have been suspended from April 2020 due to the impact of the Covid-19 pandemic on international travel. July 2020 original estimates for short-term trips: Overseas visitor arrivals to Australia decreased 34.6% since the previous month to 3,530 trips. Australian resident returns from overseas decreased 34.7% since the previous month to 10,280 trips. And again, the comments from Dr Jeannette Young about exemptions for economic reasons was part of a wider statement on exemptions which includes personal reasons. And everyone has to go into quarantine regardless of the reason for the exemption. Liberal MP Andrew Laming has proposed a new idea to take the hard edges off the state border restrictions: the nursecort (or, nurse escort). Under the plan, when circumstances like that of Sarah Caisip, a Canberra woman who was denied permission to attend her father's funeral in Brisbane, arise again, family members excluded by the Queensland border could pay for a nurse to escort them to the funeral, checking that they are wearing PPE and are socially distanced. Then it would be back into quarantine or across the border. He told Guardian Australia: "It would make the insufferable refusals a little less insufferable. Every family would say yes to it." Laming believes the politicisation of chief health officer advice has been exposed in two states this week: Brett Sutton did not advise a curfew in Victoria, and Jeannette Young cited revenue for Queensland as a reason major events (movie filming, the AFL) were given exemptions. Laming said he was not criticising Young, who had been honest, but complained that some decisions like denying Caisip showed decisions are being made to "hold the line" against funerals rather than considering the individual circumstances. Malcolm Turnbull is no longer prime minister of the government and Barnaby Joyce is no longer leader of the Nationals. So that story didn't end particularly well The joint statement from Gladys Berejiklian and John Barilaro is very, very telling: Following a meeting this morning between the Premier and Deputy Premier, the NSW Liberal & Nationals Coalition remains in place. This includes a commitment to supporting Cabinet conventions and processes. The matter will be dealt with at an upcoming Cabinet meeting. It is worth noting that Victoria is being criticised for not having its CHO set up its health response, while Queensland is being criticised for having its CHO set up its health response. Daniel Andrews is asked about not being able to pinpoint who came up with the curfew decision: There are cabinet records of all decisions. I don't agree with the way you have characterised it. Anyone who finds fault with that measure, well, they can... They can find fault with me... Every decision ultimately is something that I'm ***accountable*** for as the head of the government. Let me be really clear with you - the curfew position at the moment will not be changing. Because it is working. It is working. And if you don't limit movement, you won't limit the number of cases. And what everyone wants to get up and stay open simply won't happen. This is - always happy to have a debate. But, ultimately, our policy will not change. Q: We heard yesterday that Prof Sutton disagreed with the decision to not have him in charge of the overall pandemic response. Why not put him in charge now? Or at any stage? Andrews: I think it is really important to understand that the state controller is a multiagency coordination function. Dr Sutton has got enough to get on with, providing detailed expert epidemiological and public health advice. That is where his focus is and needs to be. The role of the state controller is a broader role. If you ask someone to provide expert advice in their primary field, as well as coordination of many things that are well away from medicine and science and public health, I don't think that's the best use of the best skills. The arrangements we have in place are working well. There will always be debates and discussions about whether they could be otherwise. I don't have the luxury of having those debates. It makes sense. They are working. Regional Victorians are about to see the first dividend, the first significant reword for the amazing effort we are putting in. On Tim Wilson taking the curfew issue to the Human Rights Commission, Daniel Andrews says: This is not about human rights. It is about human life. That is my answer to Mr Wilson. And what he chooses to do with his team is a matter for him. Police need rules they can enforce. This strategy only works if we limit movement. The traffic ***data*** I've given you today makes it very, very clear that the curfew does limit movement. If we want our police to be spending all their time having to move people on from Macca's car parks, where there are pop-up social gatherings that are not lawful - I'm going to have police wasting their time doing that. There are very few legal reasons to leave your home. The curfew doesn't change that. It simply means police have an easier job. Given the year that Victoria police has had, and the sterling work they're doing, we ought to do everything we can to make their job just a little bit easier. What about locking down the areas of Melbourne where there are issues, but easing restrictions in other areas? (which is how Melbourne started this lockdown). Daniel Andrews: I have seen suggestions that, for instance, we should lock up the north and west of Melbourne ,where we have the greatest concentration of cases. As hard as the lockdowns are, they are not a total lockdown there... There are still people who are going to work. Unless we are going to say to entire communities literally no one can leave their home, for any reason, or no one can leave the postcode for any reason whatsoever, you could still see movement. That poses in the view of the scientists, the experts, and I think commonsense tells you, you know, you lock done half-a-dozen postcodes. Well, there are nurses who live there and work elsewhere. There are doctors, teachers, there are ambos, there are supermarket workers, the list goes on and on. So, the judgment is that that that sort of segmentation won't work. The border won't be hard enough. You won't be able to limit movement. Will Victoria be divided into zones? Daniel Andrews: This is an academic exercise. I'm not asking regional Victorians to wait three months or two months. We might be able to take these steps as early as next week. Given that it was such a short timeframe, where we were confident we can reach these triggers, the notion of dividing up regional Victoria for, what, one week, people would barely be familiar with the rules before we took them off and said, "All of regional Victoria can open." That's - I don't think that is a bad thing. The notion of regional Victoria moving together as one is what we want. Not in six weeks' time, but as early as next week. That is why I'm so proud of every single regional Victorian for doing the amazing job they have done. I can understand there is a notion of, "We have had no cases. Why do we have the rules?"... Whether it be Apollo Bay and wastewater testing finding traces or Echuca, finding a case, no cases that we know of - that's the key point here. This thing is silent. Rapid and some people can have it and the symptoms are so mile they don't register. That is the challenge. I'm confident regional Victoria can move and take steps as one as early as next week. That is exactly the strategy working. It is something every regional Victorian should be proud of. If I might finally make the point that we will have more to say next week about some changes and some - even further measures to make sure that that Melbourne regional Victoria border is as hard as it can be. Because one thing - consistent feedback from regional Victorians, whilst they love to have tourism, for instance, and lots of movement, they jealously guard the low virus status across regional Victoria and they want that protected. That's exactly what we will do. Will the mystery case in Echuca change how Daniel Andrews and the government looks at lifting restrictions in regional Victoria as a whole? Andrews: We with look at that at the appropriate time. I don't want something occurring on the one side of the state to impact rules on the other side of the state. And as I've said a few times, if we had - if we'd forecast that it would take eight to 10 weeks, something like that, six to eight weeks, a longer period of time, to see regional Victoria take those steps forward, then we would have divided regional Victoria up. That is not, in fact, the case. We are on track at 4.7. We are on track. Let's deal with that Echuca issue and be in no doubt there is a significant amount of work going on to understand that and whether there is any more virus in that community. And we are poised to be able to take not just one but potentially two steps as early as next week. That's - that is a very different thing than saying to regional Victoria you will have to wait six to eight weeks. That isn't what we're asking. I think the plan is working well. Let's get to the bottom of that Echuca matter. Hopefully next week we can have good new for regional Victoria. That is the best way to thank them, congratulate them for everything they have done. That's to take the safe and steady steps and to find the Covid normal. Marise Payne and Linda Reynolds have released a statement on the transfer of prisoners from US detention to Afganistan. It is a very, very sensitive issue for Australia, given Hekmatullah murdered three Australian soldiers inside their base in 2012: Afghan Army deserter Hekmatullah, who murdered three off-duty Australian soldiers in 2012 in a cold-blooded crime of betrayal, is being transferred to a detention facility in Qatar by the Government of Afghanistan. We understand Hekmatullah will be held in detention in Qatar with five other highly sensitive prisoners. These six prisoners were convicted of killing Coalition soldiers, or civilian humanitarian workers, in a series of insider attacks. The Government of Qatar has undertaken to the Government of Afghanistan and to the United States to keep these detainees confined and isolated. Australia has steadfastly maintained that Hekmatullah must not be released. We have communicated our position repeatedly and consistently and at the highest level to the Government of Afghanistan, which is solely responsible for his custody, and to the United States. In February 2020, the United States and the Taliban agreed to a number of steps, including the release of Afghan Government and Taliban prisoners, as goodwill pre-conditions that oblige the Taliban to enter into intra-Afghan negotiations with the Government of Afghanistan. Australia has worked hard with the United States, the Government of Afghanistan and other nations, including the British and French Governments, since February 2020 to keep Hekmatullah in detention, and to keep these six sensitive prisoners separate from the wider goodwill agreement. That agreement has already seen the release of some 5,000 Taliban-associated prisoners and detainees. Australia is not the only country that objects to the release of this most dangerous group of prisoners. Other countries, including France, have joined calls for dangerous criminals not to be released. Australia is not a party to the intra-Afghan negotiations, nor the US-Taliban discussions. We are not standing in the way of peace talks. We fully support an Afghan-owned and led peace process, and all genuine steps taken towards a just, durable, and resilient peace arrangement. We recognise that there is no military solution to violence in Afghanistan. A negotiated political peace settlement is the only way to find a genuine conclusion to conflict, external militant interference, and terrorism. Australia appreciates that the Afghan Government, in making the decision to move the prisoners to Qatar, is doing its best to recognise and respect the concerns of the countries that want to see justice served. The transfer of these last six sensitive prisoners, including Hekmatullah, from Afghanistan to a detention facility in Qatar, is a measure decided by the Government of Afghanistan and the United States as a means of facilitating the start of the Intra-Afghan Negotiations, scheduled to begin on 12 September, while keeping the prisoners detained. The Australian Government's long-standing position is that Hekmatullah should serve a full custodial sentence for the crimes for which he was convicted by an Afghan court, and that he should not be released as part of a prisoner amnesty. Australia has communicated this position clearly to the Afghan Government and has not provided any authorisation for Hekmatullah's release as part of any arrangement with the Afghan Government. We will continue to advocate our position robustly, wherever he is being held. Justice and peace are not incompatible. Both have a place in peace arrangements. A just outcome for the prisoner Hekmatullah remains a sensitive issue. The Australian Government once more extends its condolences to the families, loved ones and friends of our three fallen Australian soldiers. And from the Labor leader herself: What will Christmas look like in Victoria? Daniel Andrews: I won't be a normal Christmas. We want it to be - we don't want it to be a lockdown Christmas. We want it to be a Christmas that can be as close to normal as possible, a Covid-normal Christmas. That means it will look different in lots of different ways. But the aim is to take these safe and steady steps and find that Covid-normal and have a Christmas that's much closer to last Christmas than otherwise it would be. It's going to look different in lots of different ways. We have got a clear plan, the regional experience shows that it is working, it will continue to work in Melbourne, as these numbers come down. It is five weeks ago, 725 cases. Today we have got in the low 40s. Now, we have to keep that trend going. And the key point there is get tested and get tested as soon as you have any symptoms. And all of us keep following the rule, as challenging as they are. They are working. That will get us a Christmas that is not a normal Christmas, but a Covid-normal Christmas. Many of these recalls will seem a long time ago, because we will have moved to a very different set of rules by then. Deputy CHO Professor Allen Cheng is asked how things are looking in regional Victoria: We have been looking at this closely. As the Premier mentioned, the average over the last 14 days is 4.7. The unknown cases in 14 days is seven. Of the ones that have been diagnosed yesterday, so there was one in Geelong that was a contact of a known case, one in Bendigo, that was part of another - a family cluster, four cases in Colac, which, again, was part of a cluster. So, all those are known cases, and - sorry, known origins and not unknown source. There was one in Echuca yesterday that we're looking into a bit more closely. So, a case was reported from Echuca yesterday. We haven't had any cases from - for quite some time. There's a special team, committee, that's been stood up to look at the details of that more closely. There is ongoing testing. That hasn't been confirmed completely as yet. And there's a going to be some more thinking about that to see if that is an unknown source. What that means for people in Echuca is that if you do have any symptoms, please go down to the Echuca regional health centre - I think it is in Mitchell Street - and please get tested while we're still trying to work this out. I understand we have been - also been talking to our colleagues in Albury, local health district in New South Wales to stand up testing on that side of the border. The vote will be moved on Tuesday. Back in NSW, the Labor leader is addressing the media: On religious rites and celebrations, Daniel Andrews says: In relation to sacraments at the end of a person's life, I know and understand the government - the government knows and understands how critical important that is for people of faith and their families. There was a little bit of confusion about this. Under the care and compassion grounds, it is completely permissible for you to have a minister come - a priest - whomever it might be, rabbi - to come to you and administer the end-of-life sacraments. There will be always some finer details in relation to the way individual hospitals have got their own rules in place. Those rules are there for the best of purposes. They're there to try and protect staff and fellow patients. But in the broadest of terms, last rites and similar sacraments are, in fact, allowed. And we obviously apologise if there's been any confusion about that matter. I have, in a broader sense, I have been in contact with the archbishop this morning. I wanted to make a point and send a message to people of faith - all faiths right across our state. I know 2020 has been a very difficult year. The notion of being able to connect, to share that important part of your life to be part of that network in a very tangible, physical sense, to be in the same pace together, celebrating those things that you hold dear, the things that are core values for you. That not being an option, that not being a feature of 2020 for so many months is a really significant issue. And I want to thank all of those multi-faith leaders who have engaged with us so, so well on so many different issues. We know there are Jewish high holidays coming up. We are working closely with the community to make sure those celebrations - the important occasions - are as close to normal as they can be. The key point here, though, is this virus doesn't discriminate. You have got to be as cautious as you can be. We have to try and put in place sensible rules, compassionate rules, but it can't quite be normal. It's got to be Covid normal, as safe as possible. The Victorian health minister, Jenny Mikakos, is at the press conference urging Victorians to keep going to the doctor and emergency departments when sick: It's important that whilst we remain vigilant against coronavirus, that we don't neglect our other health needs. My health services are reporting that there are declining and concerning attend dances at our emergency departments, and this does suggest that people are putting off seeking urgent and important medical care that could make that critical difference to their life. Our emergency departments, for example, are reporting significant declines in presentations at a time of the year where typically they are at their busiest. The month of August is typically a very, very busy month for our emergency departments. They're usually in the peak of the flu season. Flu numbers are thankfully significantly down this year, compared to the last three years, they're down about 80% compared to the last three years' average. But it's clear that people are deferring important medical care for very serious conditions. For example, presentations to our EDs for heart attacks are down 18%, compared to this time last year. For strokes, they're down 24%, compared to this time last year. And also people are deferring important cancer screening which has meant that we are seeing about a 30% reduction in reports for the five most common cancers - rectal, prostate, breast, melanoma and lung cancer. This is concerning because deferred care can lead to worse health outcomes. It can lead to longer hospitalisation stay, it can lead to tragedy. So, we are urging Victorians today to continue to visit their GP, to take their regular medication, and if they have any lumps or bumps or symptoms that they are concerned about, please do not defer seeking medical care. That may well mean turning up to an emergency department, or calling 000 if you have symptoms of concern. It is important that you continue to seek that medical care. It may, in fact, save your life. On contact tracing, Daniel Andrews says: I just wanted to take you through the latest snapshot in relation to contact tracing. This will be on the website but I thought it was important to read some of these out. For the week to 8 September, the percentage of new positive cases contacted within 24 hours - 100%. The percentage of new positive cases interviewed within 24 hours, 92.3%. As we've always said, there will be a small number of people that we just can't find within that 24 period. That is where doorknock, coming in, repeated phone call, old-fashioned leg work, to make sure we can ultimately get to those people, but the metric - performance is 92.3%. Percentage of known contacts notified within 48 hours, 98.3%. And, again, there will be that very small number of people who you can't find, just because numbers are incorrect, addresses may be incorrect, all of those quite understandable reasons. If you look at ***data*** for the week to 1 September, again, positive cases being contacted within 24 hours, 100%. Percentage of new cases being interviewed within 24 hours, 91. 9%. And the personal of known contacts contacted within 48 hours, 98.4%. So, that is a testament to the work that a very large team is doing and in some of those - some of those measures, just - one week to the next, there is even off a very high base, there is still some improvement. We will continue to try and drive those numbers right the way up to 100% in each of those categories. That is challenges, of course, for the reasons I've mentioned. But it is a testament to a very big team that are working very hard to make sure that we have the best public health response and recent outbreak responses Daniel Andrews addresses the curfew, again, ahead of questions: You will receive some latest information in relation to traffic movement as it relates to the hours when the curfew is on. What I can say is there is an immediate - there was an immediate and pronounced and sustained drop in road use in all metropolitan local government areas between the hours of 7 and midnight again, between midnight and 6:00am. Some - not quite as big a reduction in some of the outer suburbs, but our ***data*** analytics team pretty well convinced that that relates to key workers moving within those - within those suburbs and not just - I shouldn't say key workers, those who have a permit and are allowed to be at work. What it shows you is quite massive - quite a massive drop in the amount of movement that we have seen right across Melbourne while ever the curfew has been on, and what's clear, if you can limit movement, you will limit the spread of this virus. If you can limit movement, then you will see less people doing the wrong thing. It is a much more easily enforced by Victoria police. What's more, you get the case number reductions with thereafter. That is what we want. That is what we're working towards. That makes opening up possible and it means that it happens much, much sooner. I think Victoria police will be out today to talk about those matters and I will leave it to them. Cleaners who were recruited to do infection cleaning in the Rydes on Swanston quarantine hotel were kept in the dark over the fact the hotel was used for Covid-positive travellers. Speaking at the Victorian hotel quarantine inquiry on Friday, IKON Services Australia general manager Michael Girgis said his company cleaned over 1,000 rooms during the hotel quarantine, including dozens at the Rydges. He said when IKON went to clean the Rydges in May and June, he was aware some of the rooms had been used by people who had been infected with Covid-19 but he said he wasn't aware it could have been an issue in common areas, and this would have been useful information for the safety of staff when putting on personal protective equipment (PPE). "Normally the hotels would give us a room within the vicinity, so we didn't want to walk too far, obviously, once we've put on all the gear. So it was always somewhere within the vicinity," he says. Girgis said his company was brought in to do a deep clean of the hotel in early June, and he was not informed all hotel guests were moved out for the clean. On 13 June, an independent inspection of the hotel recommended the hotel be cleaned again before reopening, but Girgis said he was not asked to return to clean again before the hotel opened up again for returned travellers at the end of June. Girgis said routinely after an infection cleaning done by his company, the organisation that hired IKON would hire another contractor to do a swab test of the room to ensure no infections but he said as far as he was aware no swab testing of the rooms in hotel quarantine were done after they were cleaned. Just dipping across to NSW for a moment - there have been 10 new cases diagnosed in the last 24 hours. Six are in hotel quarantine, four are linked to known clusters. There are 74 active cases in regional Victoria. Colac - four new case Greater Geelong - one new case Greater Bendigo - one new Daniel Andrews: The rolling average 28 August to 10 September Metro is 65. 3. Regional Victoria is 4.7. So, regional Victoria is poised to take at least a step and potentially two steps. We will have more to say about that next week as we get closer to that 14 day marker. Daniel Andrews is giving the daily update. He said there were 13,341 tests in the last 24 hours: I am sad to say there are now 710 Victorian whose have passed away because of this global pandemic. That is an increase of nine since yesterday's report. One female in her 50s, one female in her 70s, three males in their 80s, and four females in their 90s. Seven of those nine deaths are connected to outbreaks in aged care. We of course send our sympathies and condolences to each of those nine families. There are 140 Victorians in hospital, 12 are in intensive care, and eight of those 12 are on a ventilator. The National Native Title Council has released a statement on Rio Tinto It is almost like there is no consistency on any of these issues We are expecting Daniel Andrews to step up in about half an hour for his daily press conference. This is his 71st in a row for those playing at home. Greg Hunt mentioned the Victorian human rights charter in his comments yesterday, while questioning the need for the Melbourne curfew. Tim Wilson has picked it up: Ben Pennings has responded to the Queensland supreme court granting an injunction, sought by miner Adani, restraining him from soliciting leaks from the company and its contractors Adani claims their legal strategy is not about inflicting hardship on me. Despite this successful injunction, Adani is still undertaking court action that could bankrupt my family. I shouldn't have to sell our suburban family home to make a multi-billionaire even richer. So long as Adani threatens my family and the environment we all share I will do everything lawfully in my powers to stop them. The urgent need to stop new thermal coal mines is much bigger than any one individual. The global movement to stop Adani's coal mine will not be deterred by the cold-hearted bullying tactics of a billionaire's mining company targeting one individual. The Australian public will continue to oppose Adani's destructive climate wrecking mine." It's almost like they didn't actually have a plan By the way, John Barilaro couldn't even get Gladys Berejiklian to agree to discus the koala protection legislation at the next cabinet meeting. He got a "sorry, not sorry, it's not on the agenda" response. He got nada. No concessions. Not even input into when the issue that caused the tantrum could be discussed. It's almost like his Oma didn't make him read The Art of War at least once a year. Barnaby Joyce was in the Daily Telegraph this morning where he was lamenting not being able to kill kangaroos, snakes or frogs with impunity. He has a little bit of egg on his face, given the (inevitable) conclusion of the Nats rolling over, but to be honest, he is probably used to that, and now just uses it to make an omelette like that was always his intention. Anyway, his musings this morning have not aged well: The NSW Nationals are making a stand and putting their people ahead of others' views on koalas. Others predominantly from far away with little skin in the game apart from virtuous grandstanding. At the core of Nationals' philosophy is the primacy of the individual over the state. For an individual to have rights they must have the ownership of property unfettered by imposed arbitrary caveats of the state. You can't shoot roos without a permit as they hop across your crops in their hundreds. You can't shoot a snake in your yard, you have to get it "removed". You can't build a dam or fix a road if a certain frog is present. All these "you can'ts" means I am not the free person that I once was in my country. It means I have the state looking over my shoulder and breathing down my neck. We are sick of picking up the tab of another person's latest guilt trip or hobby horse. If koalas are so important that you believe taking the listed tree species from 10 to 123 then offer a price and buy them. Then pay the rates, public indemnity insurance, weed control and keep out the rabbits, pigs, goats, deer, wild dogs and other ferals. Good on the state Nats for saying enough is enough. So in the last hour: NSW leader Nationals leader John Barilaro has completely backed down from his threat to withdraw Nationals support for government policy Rio Tinto executives have stepped down in the wake of the Juukan Gorge destruction scandal and shareholder anger Melbourne Covid case numbers have dropped below 50 (although nine deaths are tragic). The Queensland premier has stood by not intervening in decisions made by her chief health officer. Nationals leader John Barilaro has backed off his threat to pull the Nationals out of the Coalition, and instead agreed to a compromise offered by the the premier, Gladys Berejiklian, agreeing to further talks over the state's new koala protections at cabinet on 6 October. The Nationals had earlier agree to push for early talks in September, and compromises on the policy but Brejiklian has insisted on the normal processes. No compromises have been offered on the policy at this stage, but are possible during the talks. Sources said Barilaro's leadership was now untenable. "He has broken the marriage and there is no ability to repair the relationship" a government source said. "The premier is the hardest working in the country and he's done this." And for those wondering on exemptions that are not AFL or Tom Hanks related in regards to Queensland: The Queensland supreme court has granted an injunction, sought by miner Adani, restraining an environmental activist from soliciting leaks from the company and its contractors. Ben Pennings, a spokesman for the group Galilee Blockade, has been ordered to remove material posted online, including a "Dob in Adani" page that sought details about work on the Carmichael coalmine. The court has also ordered Pennings to remove social media posts by 22 September. Last week, it emerged Adani had twice unsuccessfully sought to conduct announced searches at Pennings's family home. Goodness, it is all happening. As Ben Butler reports: Rio Tinto boss Jean-Sébastien Jacques has bowed to investor pressure over the Juukan Gorge debacle and is leaving the company. Also going are head of iron ore, Chris Salisbury, and head of corporate affairs Simone Niven. Rio Tinto chairman Simon Thompson: "What happened at Juukan was wrong and we are determined to ensure that the destruction of a heritage site of such exceptional archaeological and cultural significance never occurs again at a Rio Tinto operation. "We are also determined to regain the trust of the Puutu Kunti Kurrama and Pinikura people and other traditional owners. "We have listened to our stakeholders' concerns that a lack of individual accountability undermines the group's ability to rebuild that trust and to move forward to implement the changes identified in the board review." We'll have a full news story soon. A joint statement is coming out, but Gladys Berejiklian has not blinked and John Barilaro has backed down. He lost. And now has to fight for his own leadership. The Nationals will stay where they are until the next election, and support government policies. Annastacia Palaszczuk gets emotional as she addresses the last question, which was on Mathias Cormann's comments this morning that he did not understand how someone could be "so cold, so cold hearted" to not allow an exemption: I say to Mathias, I say, these are difficult decisions and they're heartbreaking. I'm human just like everyone else. These issues hurt me deeply. They hurt me deeply because during this pandemic I have lost loved ones as well. I know exactly what people are going through. Yesterday, Scott Morrison got emotional talking about the loss of her father on Sydney radio 2GB This has just come out as the Queensland press conference was going on Asked about the exemptions again, Annastacia Palaszczuk says: I feel these issues very personally. Just like everyone else does. That's why we've put in place this specialist care unit. We have more than - we have 80 people in this exemptions unit looking at these issues. And these people are human beings as well. They're having to go through all the details, and make really difficult and tough decisions. But this is happening in other states as well. It's happening around the world. It's not nice. Who wouldn't be touched? Honestly, who wouldn't? Who wouldn't be touched by these cases? They are heartbreaking. We're in a global pandemic and my job is to keep Queenslanders safe. That's my job. My job is to keep 5 million Queenslanders safe. I just have to do my job to the best of my ability. What is Queensland doing with the hotspot definition the federal government wants? Annastacia Palaszczuk: What I said very clearly is that I support a national cabinet doing some further work. But I reserve the state's right to see how it goes and see some detail. We haven't seen any details. There may be two states that give it a trial and see how it goes. But if you have a look federal court case, the federal court case said that hot spots don't necessarily work. There's been a federal court case on this as well. Why is the ACT still a hotspot, given there have been no cases in the territory for more than two months? That's the advice of the chief health officer. What I said, I made it many times at these press conferences and I'll say it again. As a nation, if we can focus on getting Victoria and New South Wales under control, then you can set a date for the whole country to open up. I have been absolutely consistent here on this. Absolutely consistent. But the parameter is two incubation periods, 28 days... That's the chief health officer's advice. Pushed on why, given there are no cases, she says: From memory, someone came through Canberra into Queensland with the virus. That's my memory. Annastacia Palaszczuk says she does not believe the national cabinet has fractured: I think national cabinet has a role to play. I do think that national cabinet works in the best interests of the nation. She is asked if she stands by her comments that she was "bullied" by Scott Morrison: Yes. I said that very clearly yesterday. I'm not commenting any more today. These are - these are very, very heartbreaking issues. And as I said to the prime minister, I don't make these decisions. I was very clear. I do not make these decisions. The chief health officer does. Annastacia Palaszczuk says she referred the decision to the CHO, as is required under the act, but she understands the heartbreak: It is absolutely heartbreaking. Everyone, anyone who would've seen those images is heart broken. Everyone is human. You know. We're in a global pandemic at the moment. It is tough on everyone. And let me make it very clear, I don't make those decisions. I said to the Prime Minister... I said... No. I said to the Prime Minister, I would refer it to the chief health officer and I did that. It's her decision. Under the act, it's her decision. You've got to have someone - you've got to take the clinical advice here. We're dealing with a health pandemic. It is absolutely tragic. It is heartbreaking. Families are not together at the moment. There are people at Heathrow waiting to come back home. There's people all around the world waiting to come back home. There's people who can't see babies and loved ones in Victoria. There's people who can't go and see people in Western Australia. It's absolutely heartbreaking and gut-wrenching. Dr Sonya Bennett is asked about the case of Mark Keans, a terminally ill father, whose family is attempting to visit, but will need to pay more than $15,000 in quarantine costs: So my understanding is that there's very active discussion with both the family and Mark and that's ongoing, trying to find, you know, a solution that is, will support both Mark and his family in moving forward. I think - I mean, I just like to say, I think we all recognise these are difficult situations. Every one of us. And there are reasons the restrictions are in place. And I think we've all seen the good outcome of that. But in every situation with Mark Keans and others, the department works closely with applying for exemptions and the patient to find a solution to support what they would like. But at the same time recognising we need to continue to mitigate any risk of ***transmission***. Dr Sonya Bennett, the deputy chief health officer, is taking the health questions today instead. Queensland's chief health officer, Dr Jeanette Young, is not at the press conference - she is on, what the deputy premier calls "a well earned weekend off" - no word whether that was pre-arranged or not. Queensland has had two new cases of Covid in the last 24 hours. Both people are in quarantine. John Barilaro has entered his meeting with Gladys Berejiklian And yet There has been no official announcement as yet Peter Dutton was on the Nine network again this morning, continuing his attack on Queensland's border closures (he was one of the first federal MPs to criticise the policy, and has not relented) but his comment here has raised some eyebrows, given his role as home affairs minister and the blanket policy there: We all want to make sure that everybody's health is taken care of but at the moment this indiscriminate application of the border restrictions is really having a very negative impact on people's mental health and it is really devastating families, as we have seen in the interviews this morning and there is no consistency. If you are Tom Hanks from California\*, you are OK. If you are Tom Hanks from Chermside or Castle Hill, sorry, you are not coming in, even to your brother's funeral or your dying daughter. It is just unacceptable. And, I think the consequences are very far reaching and the premier needs to fix the problem. It is a problem of her making and it needs to be fixed sooner than later. In 2018, Peter Dutton warned against compassion for refugees and asylum seekers who had attempted to reach Australia by boat: It's essential that people realise that the hard-won success of the last few years could be undone overnight by a single act of compassion in bringing 20 people from Manus to Australia. \*Again, Tom Hanks is in quarantine. And anyone who meets the exemptions can apply for entry to Queensland. They have to quarantine as well. There are reports a compromise has emerged that could stave off a damaging split within the NSW coalition with the premier, Gladys Berejiklian, agreeing to further talks over the state's new koala protections. The premier has offered to put the new koala state environment protection policy at the top of the agenda at the next cabinet meeting in two weeks' time, in a bid to try and address the Nationals' concerns about the policy. The move could stave off for now the dissolution of the Coalition, which the National party leader, John Barilaro, had threatened to end by moving his 13 Nationals to the crossbenches and abstaining from voting. Berejiklian said if he insisted on this position she would go to the governor and swear-in a new ministry this morning. Earlier this morning senior Liberals indicated they were open to further talks and changes to the koala policy. "You don't always get policies right, there might be some challenges with this one," NSW treasurer Dominic Perrottet said. Planning minister Rob Stokes also left the door open to compromise but said the Nationals had misrepresented the policy. "My colleague in the NSW government said farmers can't build a feed shed or a driveway on their property without a koala study. This is not the case," he wrote in the Sydney Morning Herald. "You can erect farm sheds, pour driveways, clear fence lines and engage in any routine ***agricultural*** practice that has occurred for generations without the need for development consent or a koala study." Stokes said koala protection "should not be about dividing our community between the city and the bush, between urban dwellers and country folk". "Protecting the koala is protecting our shared identity as Australians," he wrote. But the damaging split could have further implications for both the Nationals and the Liberals. Barilaro's leadership now seems untenable. But there could also be ramifications for Berejiklian who has ambitious members of her own cabinet. The Nationals want to keep their ministries, apparently, but negotiate a compromise over the changes which have sparked all of this. The 9 o'clock deadline has come and passed. Gladys Berejiklian was in NO MOOD to negotiate yesterday, following John Barilaro's announcement he was effectively withdrawing the Nationals (all but one, who has not agreed) from the Coalition and basically told him the party was in or out, but wasn't getting a slice of each way. No one really knows how this will end. It's 9am. No word as yet. The budget lockup details are out: The Morrison Government will hand down the 2020-21 Budget on Tuesday 6 October 2020. As with the recent sittings of Parliament, this year's lock-up arrangements will need to be adapted to ensure they are compliant with health restrictions imposed as a result of COVID-19. Arrangements for giving embargoed access to the Budget material have been arrived at in consultation with the Presiding Officers, the Commonwealth Chief Medical Officer, the ACT Chief Health Officer, the Department of Parliamentary Services and the Press Gallery Committee. To ensure the security and integrity of the Budget, and the health and safety of participants, the usual arrangements for the lock-up have been significantly modified by Treasury. Numbers of organisations and individuals that will be able to attend the lockup has been necessarily reduced, meaning not all organisations and individuals who have had embargoed access to the Budget in the past will have access this year. The media will be given embargoed access to Budget material in the Press Gallery at Parliament House, and will be limited to those Press Gallery pass holders for whom the Press Gallery is a place of work. There will also be limited arrangements in the capital cities of Adelaide, Brisbane, Melbourne, Perth and Sydney. In light of significant complexities posed by the pandemic, including location of attendees and maintaining COVID-safe room capacities, Treasury will make arrangements with media organisations directly. Due to the heightened health risks and restrictions, smaller than usual stakeholder lock-ups will be held in Sydney and Canberra. With all COVID-19 mitigations and controls in place, these secure events will be strictly limited. Treasury will make arrangements with stakeholders directly. The Treasury will implement the strictest physical and digital security protocols to ensure information security and the health and safety of attendees. Strict security and embargo conditions will apply in every location to ensure that Budget information is not to broadcast, published or made publicly available prior to its official release at 7.30 pm. All attendees will be required to execute a Deed of Confidentiality. In the event of a Breach of the deed, all legal options available to the Commonwealth will be pursued and the organisation and/or individual involved risks not being able to participate in any future Treasury lockup. As in previous years, Budget documents will be available via [*www.budget.gov.au*](http://www.budget.gov.au) from 7.30 pm on Tuesday 6 October. Unsurprisingly, the federal Labor party president, and former federal Queensland MP, Wayne Swan, defended the Queensland Labor government while talking to the Nine Network this morning about the same issue: We're in the midst of a one in-100-year event and tough decisions are taken but if the prime minister was really serious, he wouldn't have turned it into a media event. He would have simply got the head of his department to talk directly to the health officer who takes the decisions because consider the alternative. Do they really want the premier to be making the health decisions? I don't think so." The Queensland opposition leader, Deb Frecklington, was on the Seven Network this morning, talking about the woman who was unable to go to her father's funeral yesterday (she was given an exemption to attend a private viewing instead). Frecklington: What would I done is I would let Sarah go to her father's funeral, I would have let her hug her mum, I would have let her hug her mum, I would have let her hug her little sister, Isabel. When I spoke to Sarah, because Sarah was reaching out to anyone that would listen, Sarah hadn't even heard back from the premier's office. This is so unacceptable. What we need is, yes, we need strong border controls but we need strong border controls but we need compassion in this decision-making. It is not good enough for the premier to say it's an authority's decision. The NSW premier appears quite unbothered this morning. So it's going well then We will get additional details, like test numbers, very soon. It is just one week short of a year since this photo was taken - which was the last time Gladys Berejiklian's colleagues tested her leadership over legislation. When the Ched debate happened, Tanya Davies, Matthew Mason-Cox and Lou Amato had announced they were calling a spill motion over the state's abortion laws. Berejiklian stared them down as well. There was no spill motion. But what there was, was a debate over whether she was carrying Saladas (as reported in the Tele) or Cheds for breakfast. I was on the winning side of history - they were confirmed as Cheds. But as Angus Livingston, the journalist who kicked off Chedgate just tweeted - it is once again Chedtempter and we should have known something like this was coming. Still don't see how you can have members in cabinet shaping and agreeing to government policy, which members, en masse, don't support in the vote. And this is the crux of it We all await the outcome of the NSW's Coalition's Koala Crisis. The deadline is in less than an hour. John Barilaro continued in his chat with Ben Fordham, who says it sounds like Gladys Berejiklian has called his bluff and he has blinked: Really, is that how you read it, Ben? How about we do it on media, just on social media, what people are saying about the Nats standing tall," Barilaro replies. We obviously have very different feeds. John Barilaro on 2GB: They say a week is a long time. Guess what? An hour is a long time in politics and I will trust my party room to come to a decision, and I as the leader will take back to the premier. What that looks like at this stage, I don't know what it looks like. And I am prepared to continue to accept that what we are doing is the right thing on behalf of regional and rural communities. The support, the outcry that we have received overnight - unbelievable. And I am not here to bring down the government, I'm not here to destroy the Coalition. We have been a bloody good government and it is not the Liberals have been a good government, we've been a good government, including the Nationals and I [don't] think we really get the respect, or the acknowledgement of our role in this government, since 2011. It was National party seats that were won which got us government in 2011. It was National party seats that were won in the last election, including my own seat, holding it at 2% at the start, today I hold it with almost 12%." John Barilaro: This isn't about a koala protection bill, what we are fighting for is the protection of farmers, the protection of community, the protection of the regions and if that is not fighting for, I don't know what is. Will he back away from his threat: This isn't John Barilaro steering his party to a position, this was driven from my own members... and that is why the partyroom had made those decisions yesterday. I am the leader, I take responsibility, I lead the team, the party room. The premier has given us her view, we'll have to respond in due course. I won't be saying much about that until I have the party room meeting at 8 o'clock. I respect my party room too much. John Barilaro says he doesn't believe the Nationals get the respect they deserve in NSW. I don't think really we get the, we get the respect, or the acknowledgement of our role in this government. Since 2011. It was national seats that were won, that got us government in 2011." John Barilaro was on Sydney radio 2GB this morning, defending his position. The Nationals leader did not sleep well - but because he cares. Barilaro says he will take whatever his party room meeting decides to Gladys Berejiklian at 9am, but believes he is right. And we get a question on sports rorts! (but not an answer) That's after this story from Paul Karp brought the issue back on the agenda. Scott Morrison has avoided the questions from Paul in two press conferences Q: The Auditor-General's office told a Senate committee an advisor in your office drafted talking points to make the pitch for more money to target more seats. Did you ever see that document and doesn't that document's existence prove it was politically motivated? Bridget McKenzie: I have made a 6,000 word submission to that Senate inquiry. I stand by every word in that submission. There's 640 odd community clubs getting people active in our communities as a result. But given we are in the middle of a pandemic, and NSW, under Gladys Berejiklian (Ruby Princess aside - and yes, I know it is a pretty big aside) has handled it pretty well, how does NSW trust the Nationals when they are trying to blow up the government, in the middle of a health crisis? Bridget McKenzie: Well, I don't see it like that, at all. I see it as a level of frustration by the deputy premier and his parliamentary colleagues having tried to reach an appropriate outcome inside the tent. They obviously feel this is their only course of action. I hope the premier and the deputy premier can actually work this out. Australia is best served when the Liberal and the National party are presenting a stable and successful coalition government. But at the end of the day, these are two very separate independent parties with separate constituencies and values and sometimes that requires having to have very tough conversations. So I hope they can find a compromise that doesn't mean regional New South Wales and rural farmers who have also had a very tough period, I might add, with drought and bushfires, aren't paying the cost to satisfy Green votes in Sydney. (The only course of action is, apparently, keeping all their own positions and power and titles, but doing whatever they want outside of the government.) Bridget McKenzie on why John Barilaro is right: My understanding of this policy decision is that in November, a piece of legislation and changes were put to the government, that were going to actually severely restrict farmers' right to develop their properties and indeed, have severe impacts on the values of their properties and what they could do on that going forward. My understanding be is the New South Wales Nationals have been working within the government to address those challenges, which is their job, and it's been rebuffed. (The restrictions is not being able to cut down trees which koalas use for habitat.) But McKenzie stands behind Barilaro. I think it's important to get a positive outcome for the constituents in rural and regional New South Wales. I'm confident, having not spoken to the deputy premier, I'm confident that that is what his whole team is trying to achieve. The fact they haven't been able to arrive at a negotiated outcome says more about Liberal ministers's inability to see the needs and interests of regional New South Wales as important to something their government can do. I think you can protect the habitat of koalas and ensure that iconic species who has had a tough summer in New South Wales after the bushfire can have habitat protection without destroying the productive capacity and value. You can walk and chew gum at the same time, but not if you're going to have a city-centric operation towards policy development. That's what it looks like. Bridget McKenzie, the former deputy leader of the federal Nationals and a Victorian senator, is on ABC News Breakfast explaining John Barilaro's move yesterday, as "the New South Wales Nationals are doing exactly what they were sent to Macquarie Street to do." And that's to stand up for their constituents. I mean, I don't think it's surprising that city-centric policy decisions being made in the main by the Liberal and the Labor party are being challenged by the Nationals, whether it's in Macquarie Street, in Canberra, or in Spring Street... It's not about koalas. (Narrator: It is about koalas.) I am sure we will hear a lot more about that today though, so stay tuned. And for the record, because this line has taken hold as well, Tom Hanks is also in quarantine. He was allowed entry into the state, but is in quarantine for two weeks. Same with the AFL executives. They are in quarantine and paying for the hotel. You can get an exemption to go to Queensland if you meet any of the exemptions. That includes personal and work reasons. But everyone has to quarantine. I'm not saying it's right, I'm not saying I agree with it either way - I'm just saying the blanket rule applies and this idea that Hanks and Hollywood and sporting elites are laughing it up on Gold Coast beaches while "normal" people have to quarantine is not right. Here is what Dr Jeannette Young said on that yesterday: I will always give an exemption to someone who needs to come into the state because of a family reason and I have done that regularly and that will continue to happen under that new team. So I have had many, many exemptions from people who are wanting to come up to support their grandchildren who are having children and they haven't got parents here and they need to support them because they have got to go into hospital and look after other children. So there are lots and lots and lots of exemption requests to support family, to support close friends, and they are always granted, but they are granted with a need for quarantine. No different to all of these other exemptions. There is a lot on social media featuring one quote from Queensland's chief health officer, Dr Jeannette Young, yesterday, as she spoke about exemptions. It was in response to a question on why movie stars and sports stars were allowed entry into Queensland: She did say it - but it was part of a much longer statement, where she also spoke about people entering the state for personal reasons, including funerals: Anyone can come into Queensland who has got a reason to come in that meets one of our requirements. So, anyone can come to Queensland if they wish to see a dying relative or, indeed, a dying close friend. Then the next part of that exemption is what they need to do when they come - and that is the same. I have given exemptions to people in the sporting industry for a whole range of codes because it is important that we start that work, but they all go into quarantine. I have given exemptions for people in entertainment and film because that is bringing a lot of money into this state and, can I say, we need every single dollar in our state. We need to make sure that our economy is going ahead as much as it can, as long as it is safe. So my first - the first thing the - thing I do before I make a decision about anything is: it safe to the Queensland population? If it is safe, I look at how it can be done and whether that is the AFL, the NRL, whether it is swimming, tennis - all of the sports - cricket recently because we are coming know that season. Whether it is any of those, whether it is entertainment industry, film industry, whether it is ***agricultural***, whether it is are sources and mining, construction. Anything that will benefit our community because I actually believe that the economy has an enormous role in determining health and the health outcomes for Queenslanders, but before I agree to anything it is whether it is safe. Have your opinions by all means - everyone does - but have the context as well. In just a few short hours we will find which way John Barilaro will go after Gladys Berejiklian issued her Coalition partner an ultimatum - in, or out? Barilaro effectively pulled the Nationals out of the coalition in NSW yesterday, over environmental laws designed to protect koalas. Apparently the ability to kill koalas is one of the hills Barilaro is prepared to die on. He declared the Nationals would sit on the crossbench, abstain from government bills, except for those related to regional NSW, and break away from joint-party room and leadership meetings. Which is cool, but he also wants to retain all the Nationals cabinet positions. Berejiklian has said yeah-nah. The NSW premier has given the Nationals until 9am to either get back in the tent, or accept they'll be on the crossbench with all that entails - including giving up their ministries. That would plunge Berejiklian into a hung parliament, but she's not blinking. Barilaro was on Sky last night talking compromise. This won't be about backing down. I can hit a pause button for a second. At some point in the next two or three weeks, we have to confront the issue about the koala habitats. We have tried our hardest, what gives me confidence, but I'm not going to blow up the government. I'm not going to walk away from our ministerial responsibilities. When we're at the table, the regions win. We'll keep you up to date on that. We'll also keep you up to date on all the Covid news, which includes the border wars. The Queensland border closure has been an ongoing flashpoint, but the closure to the ACT, which has not had a case for two months, has been a particular sore point. That all came to ahead when Sarah Caisip, a Queensland woman, who moved to the ACT for work, was unable to attend her father's funeral, because of quarantine restrictions. Scott Morrison made an emotional plea to allow the woman to attend the funeral. In the end, Sarah was allowed a private viewing of her father, which she was escorted to, by police, and attended wearing full PPE gear. The state's chief health officer, Dr Jeannette Young, said she was sorry, but she was trying to stay two weeks ahead and funerals often included vulnerable people, so there was a blanket rule. In the Queensland parliament, Annastacia Palaszczuk said the decision was not for her to make, but for her CHO, and accused the prime minister of attempting to "bully" her. Morrison said it was time for premiers to start showing compassion. He had a chat to Sky last night too: I've seen the images of when she went to see her dad and there've been some shocking days during the course of this pandemic. And today was, today just hurt. And it wasn't. It's not just about Sarah's case as, because there are others. You've just been talking about one on your program now. You know, we've got to find, if if these things have got to be up, if that's the view, they gotta find a better way. Those who have decided these measures are necessary, that they've got to find a better way to deal with with the heart here. I mean, I've dealt with many premiers on many, many different issues all the time. I've dealt with the Queensland premier on other issues. Sadly, today, I didn't have the influence that I would hope to have. But Sarah doesn't get today back. The incident has inflamed tensions over the border closure. The Queensland election is in about 50 days, so it is not going to get any easier. We'll bring you all the day's events, as they play out. You have Amy Remeikis with you for most of the day. And all of the coffee. Ready? 94095 false false Graham Readfearn

and Amy Remeikis The Victorian premier, Daniel Andrews, holding his coronavirus press update. Premier Gladys Berejiklian leaves the NSW parliamentary offices in Sydney on Friday. Victoria police assistant commissioner Luke Cornelius says anti-lockdown protesters in Melbourne make him feel like a 'dog returning to eat its own vomit'. Victorian chief health officer Brett Sutton will appear as a witness before the state's hotel quarantine inquiry next week. Rugby Australia interim Chief Executive Rob Clarke and Rugby Australia chairman Hamish McLennan at Mrs Macquarie's point on 11 September 2020. Dr Kylie Moore-Gilbert. People wearing face masks exercise in Williamstown in Melbourne. A window of a closed pub in Melbourne. Street art in Melbourne. Environmental activist Ben Pennings seen outside Brisbane supreme court in Brisbane, 11 September 2020. Committee chairman Warren Entsch. John Barilaro outside the NSW Parliamentary offices in Sydney, 11 September 2020. Colourful steps seen in Darwin. Northern Territory chief minister Michael Gunner. A nurse from Warangoi clinic in East New Britain province of Papua New Guinea. Staff inside the Stamford Hotel in Melbourne. The MCG in Melbourne. Passengers prepare to board a Virgin Australia flight bound for Darwin at Brisbane Airport. Queensland Chief Health Officer Dr Jeanette Young. A general view of the Arts centre spire and the deserted arts centre precinct during curfew on September 10, 2020 in Melbourne, Australia.

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Here's a roundup on the rapidly changing travel restrictions around the world.

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block-time published-time 2.27pm GMT

Three [*Leicester City*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) players have shown symptoms of coronavirus and been placed in self-isolation, manager Brendan Rodgers has said.

Related: [*Leicester City trio in self-isolation after showing coronavirus symptoms*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 2.25pm GMT

UK cases rise from 456 to 590

A total of 590 people have tested positive for coronavirus in the UK as of 9am on Thursday, up from 456 at the same point on Wednesday, the Department of Health said.

enltrUPDATE on coronavirus ( [*#COVID19*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) ) testing in the UK: As of 9am 12 March 2020, a total of 29,764 people have been tested: 29,174 negative 590 positive 8 patients who tested positive for coronavirus have sadly died. The digital dashboard will be updated later today.   [*pic.twitter.com/6hPeNlUU7f*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Department of Health and Social Care (@DHSCgovuk) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 2.26pm GMT

block-time published-time 2.24pm GMT

The Conservative MP Andrew Bridgen has confirmed that he is self-isolating after having lunch last week with the health minister Nadine Dorries who was tested positive for the virus earlier this week.

block-time published-time 2.19pm GMT

Two more deaths in England

NHS England has confirmed two more patients have died from coronavirus, taking the UK death toll to 10 (including two patients who have died overseas). Both patients were in London and had underlying health problems.

A spokesperson for Imperial College Healthcare NHS trust said:

We can confirm that, sadly, an 89-year-old patient who was very unwell with underlying health conditions has passed away at Charing Cross Hospital.

The patient had tested positive for coronavirus. Our thoughts and condolences are with the patient's family.

Tony Chambers, interim chief executive at Barking, Havering and Redbridge University hospitals NHS trust, said:

We can confirm that a patient, who was in her sixties, and who tested positive for Covid-19 has sadly died at Queen's hospital. She had been very unwell with significant other health conditions.

Our thoughts and condolences are with the patient's family at what is undoubtedly a very distressing time.

We ask that the family's privacy is respected.

block-time updated-timeUpdated at 2.26pm GMT

block-time published-time 2.16pm GMT

Martin Hibberd, professor of emerging infectious disease at the London School of Hygiene & Tropical Medicine, says the UK response has not been adequate to contain the virus.

He writes:

The UK response has clearly not been sufficient, as numbers are continuing to climb and we are at risk of following the trajectory of other European countries.

If the aim is simply to delay the peak of the outbreak till the summer, then perhaps the UK response is enough. However, WHO is challenging the world to do more and we know from China that aggressive curtailment policies can work to reduce numbers.

But following China, as Italy is moving towards, is not an easy path for many reasons. I would advocate for the UK to follow a more nuanced approach, such as that being adopted by Singapore; which appears to be effective to at least contain numbers of Covid-19 cases.

In this approach, extensive contact-tracing and Sars-CoV-2 testing is able to rapidly identify new cases and fully isolate them. When put together with other social distancing measures (that do not include 'lock down' of areas - even the schools are open), some confidence is gained that the pandemic can be more controllable and shops can remain open.

To do this, the UK would need to rapidly increase its testing facilities and target to test every possible case, together with other social distancing tools to make this work. They could start by testing everyone in parliament to understand the nature of any cases there.

block-time updated-timeUpdated at 2.26pm GMT

block-time published-time 2.14pm GMT

The Czech Republic will close its borders to travellers coming from Germany and Austria and also ban the entry of foreigners coming from other risky countries to contain the outbreak, the prime minister, Andrej Babis, has said.

Reuters reports:

Citizens will also be barred from travelling to those areas. Among other measures, the government banned public events of more than 30 people and closures of places such as sport centres or spa services. Restaurants must close by 8pm.

block-time updated-timeUpdated at 2.27pm GMT

block-time published-time 2.11pm GMT

Positive cases in Scotland increase from 36 to 60

The number of positive Covid-19 cases in Scotland has increased by 24 from 36 to 60 in the last day.

The latest UK total is expected to be announced soon.

enltrUpdate on [*#coronavirus*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) testing As of 2pm today, 2892 Scottish tests have concluded: 2832 confirmed negative 60 positive Read our latest update ??   [*https://t.co/kZjGNz2EDe*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)Health advice ??   [*https://t.co/l7rqArB6Qu*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)Guidance for travel ??   [*https://t.co/5DPKW9lGae*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)   [*#COVID?19*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)   [*pic.twitter.com/6b88yNvBzq*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Scottish Government (@scotgov) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 2.06pm GMT

A second member of staff at Aintree University hospital in Liverpool has tested positive for coronavirus (Covid-19), the hospital said.

A spokesman said:

They were identified, informed and advised as part of contact tracing related to an existing case. The member of staff concerned has been asked to self-isolate at home. This tried and tested method is to ensure we are able to minimise any risk to them, our patients and the wider public.

block-time updated-timeUpdated at 2.28pm GMT

block-time published-time 2.02pm GMT

Trading on Wall Street suspended

Trading has been suspended on Wall Street triggering another monster selloff in Europe.

The FTSE 100 has plunged 9%, shedding 546 points to just 5,330.37 - levels not seen since 2012.

European stock markets have crated by 10% - which would be the worse day ever for the Stoxx 600 index of EU companies.

Related: [*Wall Street plunges again as Trump's EU travel ban sends shares crashing - business live*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 2.28pm GMT

block-time published-time 1.58pm GMT

Norway and Lithuania have become the latest countries to shut down nurseries, schools and universities, AP reports.

The Norwegian government says employees at work must be at least one metre apart and gatherings of more than 50 people have been banned. Norway's royal palace said all official arrangements till early April will either be cancelled or postponed.

Lithuania suspended gatherings of more than 100 people and closed museums, cinemas and sports clubs. In the capital of Vilnius, the lockdown is due to last for five weeks.

block-time updated-timeUpdated at 2.29pm GMT

block-time published-time 1.55pm GMT

enltrTold it will be around 72 hours before any results. They will try and call me ASAP if it's a positive result - may take longer if it's negative. Bit on the back about samples may not be tested once they reach lab if criteria not met seems worrying giving screening before. [*pic.twitter.com/RSL4KYJ1ZY*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Mike Tinmouth (@michaeltinmouth) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Mike Tinmouth, a digital marketing consultant from South London has finally been tested for coronavirus more than a week after first reporting a fever to NHS 111 following a trip to Thailand and Singapore.

Speaking to the Guardian before his test he said that government plans to increase the testing regime from 1,500 tests a day to 10,000 was "too little too late".

He said:

I was told you need to be tested, but I just wasn't getting a response from 111. I was told there were severe delays to even book in for a test. I was flabbergasted. I woke up with a fever on Wednesday last week. I was first told that because I didn't have a severe cough it was probably just flu. I was told I didn't even need to self isolated

When I developed a cough I was told I'd been given the wrong information and that I should be tested and that someone would call me back. That's when the real frustration started.

I went from being sick over the last few days to being angry, and frustrated.

He pointed out that he was due to speak at a care home conference this week and has tried to avoid contact with his husband who teaches in a London school.

It is not knowing whether I have coronavirus or just something else that has kept me and everyone around me in suspended animation. And that's really unacceptable. Every thing that is being done at the moment feels like a front for what's actually happening and that doesn't fill me with any confidence.

block-time published-time 1.28pm GMT

Cobra meeting gets underway Foreign Secretary Dominic Raab arrives in Downing Street, London, ahead of a meeting of the government's emergency committee Cobra Photograph: Stefan Rousseau/PA

UK Ministers, officials, medical officers and the chief of the defence staff have arrived for the latest emergency Cobra meeting.

The meeting is expected to confirm that the UK has officially moved from the contain to the delay phase as set out in a plan for tackling Covid-19.

Chief Medical Officer for England Chris Whitty (right) and Chief Scientific Adviser Sir Patrick Vallance arrive in Downing Street for the Cobra meeting Photograph: Stefan Rousseau/PA

block-time published-time 1.20pm GMT

The streets in Denmark were this morning almost empty during the rush hour as the Danes followed the the danish Prime Minister's recommendation for people to stay home, writes reader Ralf Kauffmann.

The Danish Parliament passed new emergency laws that include giving the authorities power to access people's homes without a court order in case of suspected Coronavirus cases.

The Health authorities have been given power to ration essential medicines at pharmacies, and supermarkets can be ordered to ration food to counter hoarding. The danish parliament is expected to close after it has finished passing the new emergency laws. Hospitals have canceled all no emergency operations.

All non essential public workers have been sent home for two weeks on full pay. And religious services and sports events have been cancelled.

A view of empty shelves at a supermarket in Copenhagen as people began stockpiling food just hours after the Danish government introduced measures to contain the spread of the coronavirus Photograph: Nikolaj Skydsgaard/Reuters

block-time published-time 1.08pm GMT

What exactly happens once someone is infected with this new virus? The Guardian's Science Weekly podcast explains.

Related: [*Covid-19: what happens once someone is infected? Science Weekly Extra*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 1.05pm GMT

The US vice-president, Mike Pence, has defended the Trump administration's restrictions on travel from 26 European nations, saying the centre of the pandemic has shifted from Asia to Europe, Reuters reports.

In a round of television interviews, Pence said thousands more cases of Covid-19 were expected in the United States, and that clamping down on travel from Europe was just part of the government's strategy to fight the outbreak.

Speaking to NBC's Today, he said: "We know there will be more infections in the days ahead. We're trying to hold that number down as much as possible."

And he told CNN: "We've recognixed... that the epicentre of the coronavirus has shifted from China and South Korea to Europe."

He added that Trump made the decision to impose the travel ban "on the spot" after a briefing from health experts in the Oval Office.

block-time updated-timeUpdated at 1.16pm GMT

block-time published-time 1.00pm GMT

Spain's health ministry has said the number of confirmed cases in the country has risen to 2,968, and that 84 people have died.

The new figures came as the two houses of the country's parliament suspended all activities for a fortnight and Spain's equality minister, Irene Montero, became the latest MP to be diagnosed with the virus.

All cabinet members are being checked for the virus after Montero, whose partner is the Podemos leader and deputy prime minister, Pablo Iglesias, tested positive. King Felipe and Queen Letizia are also being tested after the queen participated in a joint event with Montero last Friday.

All schools, nurseries and universities in the Madrid region have been shut until 23 March, and all gatherings of more than 1,000 people banned. Catalonia, Galicia, Murcia and the Basque country are also planning to shut down their educational institutions to try to halt the spread of the virus.

block-time updated-timeUpdated at 1.17pm GMT

block-time published-time 12.35pm GMT

Death toll in Spain increases from 47 to 84

The death toll from coronavirus in Spain has risen from 47 to 84 in the last day, according to Reuters, citing the country's health ministry.

block-time updated-timeUpdated at 1.17pm GMT

block-time published-time 12.19pm GMT

How will pupils who have free school meals be fed if schools in England close for a long period?

Vic Goddard, the headteacher of Passmores Academy secondary school, who featured in Channel 4's Educating Essex documentary series, has a plan:

enltrAwaiting an answer as to whether we can issue a supermarket voucher to families of FSM children up to the value of the funding we receive for them in the case of school closure. It is not a perfect solution but is a way of ensuring those families receive it [*@educationgovuk*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Vic Goddard (@vicgoddard) [*March 11, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

The Guardian reported on the [*issue earlier this week*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

block-time updated-timeUpdated at 1.18pm GMT

block-time published-time 12.17pm GMT

A shutdown of schools and universities in Malta has been announced by the prime minister, Robert Abela.

He also banned mass gatherings. "The government will not tolerate people going on with mass events. Now is not the time for such attitudes," he said according to [*Times Malta.*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 12.21pm GMT

block-time published-time 12.12pm GMT

Summary

Here's a summary of another busy day on the coronavirus front.

* Ireland's taoiseach, Leo Varadkar, has announced the closure of all schools, colleges and childcare facilities from tomorrow. "I know that some of this is coming as a real shock... but we're doing it for each other," he said.

1. Europeans have been reacting with alarm to Donald Trump's move to ban travel from 26 European countries in the Schengen zone. Dacian Ciolos, a former prime minister of Romania who now leads the Renew group, accused Trump of trying find a scapegoat for his own failures to act.
2. The US travel ban prompted more heavy losses on the financial markets. The FTSE 100 was still down over 5%, having briefly hit its lowest level since 2012 this morning.
3. India has barred the entry of all foreign tourists for one month starting tomorrow in a bid to contain the coronavirus. The ban on foreign visitors includes foreign nationals of Indian origin.
4. Actors Tom Hanks and Rita Wilson have announced that they have both tested positive for Covid-19 while filming in Australia.
5. A nursing home in Basingstoke has become the first care home for older people to be hit by the virus. Oakridge House been closed to visitors after a person tested positive. A paramedic in Hertfordshire has also tested positive.
6. The chief medical officers from England, Wales, Scotland and Northern have instructed doctors to change the way they work to deal with "very abnormal emergency situation". A letter to doctors waned: "Clinicians may need to depart, possibly significantly, from established procedures in order to care for patients in the highly challenging time-bound circumstances of the peak of an epidemic."
7. Every member of the Spanish cabinet is being tested for coronavirus after the country's equality minister, Irene Montero, became the latest politician to test positive for the virus. Spanish football matches have also been suspended for two weeks.
8. The total number of coronavirus cases worldwide now stands at 126,258, according to figures from Johns Hopkins University. There have been 4,638 deaths.
9. Mainland China reported 15 new infections, eight of which are in Hubei. There have been 11 new deaths, 10 of which were in Hubei.
10. The NBA has suspended play indefinitely after after a Utah Jazz player preliminarily tested positive for Covid-19.

block-time updated-timeUpdated at 12.16pm GMT

block-time published-time 11.51am GMT

Italy's government has ordered all shops, bars and restaurants across the country to close after the country's death toll from the coronavirus outbreak rose by 31% in the space of 24 hours to a total of 827.

As governments across Europe cancelled events, shut schools and imposed travel bans and the World Health Organization [*formally declared a pandemic*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place), the Italian prime minister, Giuseppe Conte, said all stores would close nationwide bar those selling "basic necessities", such as pharmacies and supermarkets.

"Industries can stay open, but with strict measures in place, as well as essential services such as banks. Transport will be guaranteed," Conte said on Wednesday night, warning Italy's population of over 60 million not to "rush to the supermarkets" as shelves would be restocked as normal.

Related: [*Italy's government orders all shops, bars and restaurants to close*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 11.43am GMT

Ireland closes schools and universities

Ireland's taoiseach, Leo Varadkar, has announced the closure of all schools, colleges and childcare facilities from tomorrow as part of a partial lockdown that will apply from 6pm tonight until 29 March.

All indoor gatherings of 100 people or more and outdoor gatherings of 500 or more will be cancelled.

Public transport will still run and shops will remain open. He said:

I know that some of this is coming as a real shock. And it's going to involve big changes in the way we live our lives. And I know that I'm asking people to make enormous sacrifices. But we're doing it for each other.

Staff should work from home where possible with meetings online if possible.

Varadkar said he was acting on new medical advice the government had received following a meeting of the national emergency team last night.

"The virus is all over the world, it will continue to spread but it can be slowed," he said in an address outside Blair House in Washington before a breakfast meeting with the US vice president Mike Pence.

"Acting together as one nation we can save many lives our economy will suffer but in time it will bounce back," he warned.

block-time updated-timeUpdated at 1.37pm GMT

block-time published-time 11.40am GMT

McLaren have [*withdrawn from the Australian Grand Prix,*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) scheduled for this Sunday, after a member of their team staff tested positive for coronavirus. The news throws increasing doubt on the race going ahead.

A statement from the team said:

The team member was tested and self-isolated as soon as they started to show symptoms and will now be treated by local healthcare authorities.

The team has prepared for this eventuality and has ongoing support in place for its employee, who will now enter a period of quarantine. The team is cooperating with the relevant local authorities to assist their investigations and analysis.

Earlier on Wednesday, the world champion Lewis Hamilton admitted he was "shocked" that the race was planned to go ahead at all amid the ongoing outbreak.

When asked why he thought it was going ahead, Hamilton pointedly noted: "Cash is king. I can't add much more to it. I don't feel like I should shy away from my opinion."

Related: [*Australian GP under threat as McLaren pull out after positive coronavirus test*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 11.44am GMT

block-time published-time 11.38am GMT

The European Space Agency has announced that it will delay the launch of its joint Exomars mission with Roscosmos from this summer to late 2022.

The ExoMars rover, named Rosalind Franklin, includes a drill to access the sub-surface of Mars as well as a miniature life-search laboratory kept within an ultra-clean zone.

Various software and hardware components, including parachutes designed to ensure a soft landing, needed further work, according to the two agencies. Efforts to overcome these engineering problems were said to have been hampered by travel restrictions due to the coronavirus outbreak.

The Earth-Mars journey is only attempted when the planets are favourably aligned, meaning the next opportunity for the robotic mission won't occur until 2022.

The Roscosmos director general, Dmitry Rogozin, said:

We have made a difficult but well-weighed decision to postpone the launch to 2022. It is driven primarily by the need to maximise the robustness of all ExoMars systems as well as force majeure circumstances related to exacerbation of the epidemiological situation in Europe which left our experts practically no possibility to proceed with travels to partner industries.

I am confident that the steps that we and our European colleagues are taking to ensure mission success will be justified and will unquestionably bring solely positive results for the mission implementation.

block-time updated-timeUpdated at 11.46am GMT

block-time published-time 11.31am GMT

India bans tourists

India has barred the entry of all foreign tourists for one month starting tomorrow in a bid to contain the coronavirus.

The ban on foreign visitors includes foreign nationals of Indian origin. Only diplomats, officials and members of international organisations such as the UN are exempt.

All travellers arriving from, or having visited, Italy, Iran, China, south Korea, France, Spain and Germany after 5 February will be quarantined for 14 days.

The move to heighten restrictions came as the number of infected persons rose to 73.

Last week, India suspended visas to nationals from China, South Korea, Italy, Iran, and Japan but set no restriction on travellers from other countries such as Germany and France which have hundreds of confirmed cases.

Indians who were planning holidays abroad or planning to meet children studying overseas will have to cancel their plans. The government has told Indians to avoid all non-essential travel abroad.

Most badly hit will be the Indian diaspora who ***account*** for some 50% of the 10 million tourists who visit India every year, mostly to meet family and attend weddings. Many are classified as persons of Indian origin, who can enter India without a visa, but they too are banned under the latest rule.

The health ministry clearly feels that an escalation in preventive measures is necessary given that India's population density of some 420 people per square kilometre - compared with China's 146 people per square kilometre will make it easier for the virus to spread at great speed.

block-time updated-timeUpdated at 11.34am GMT

block-time published-time 11.21am GMT

Spain's La Liga suspended

All football matches in Spain's top division, La Liga, have been suspended for two weeks over fears of the spread of the coronavirus, the league's organising body said in a statement on Thursday.

The league's statement said the decision came after Real Madrid put its squad into quarantine, and that it had notified the clubs, the Spanish soccer federation (RFEF) and the national sports ministry of the postponements.

esltrNota informativa. LaLiga acuerda la suspensión de la competición. ?? [*https://t.co/RLVBEU6IUB*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)   [*pic.twitter.com/zd6IPA1Ukv*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- LaLiga (@LaLiga) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Related: [*Real Madrid players in quarantine and La Liga suspended due to coronavirus*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 11.22am GMT

block-time published-time 11.19am GMT

The US vice president, Mike Pence, who is charge to the US response to coronavirus, has been defending Trump's European travel ban.

enltr"This is much more lethal than the seasonal flu, correct?" [*@SavannahGuthrie*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) asks   [*@Mike\_Pence*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) about the coronavirus "It is." -Pence   [*pic.twitter.com/sTgOO06hV0*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- TODAY (@TODAYshow) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 11.16am GMT

Denmark 's prime minister, Mette Frederiksen, has announced that the closure of all nurseries, schools and universities for two weeks.

The [*Local reports her*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) saying:

This will have huge consequences, but the alternative would be far worse.

Under normal circumstances, a government would not present such far-reaching measures without having all the solutions ready for the many Danes concerned, but we are in an extraordinary situation.

There are 615 confirmed coronavirus cases in Denmark.

block-time published-time 11.14am GMT

The UK government is funding a new international push to challenge dangerous fake news about coronavirus, which is engaging social media influencers to help combat misinformation. The £0.5m from the [*Department for International Development (DfID)*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) will challenge misinformation in south-east Asia and   [*Africa*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place), which it says is then spreading worldwide, and direct people to the right advice to help stop the spread of the virus.

DfID says false claims and conspiracy theories have spread rapidly on social media, touting dangerous "cures" like drinking bleach or rubbing mustard and garlic into your skin. As well as posing a serious risk to health they can speed up the spread of the virus, by stopping people taking simple practical, preventative steps like washing their hands, it says.

The cash will go to the Humanitarian-to-Humanitarian (hlH) Network, which has extensive experience addressing the spread of misinformation during epidemics, for example following [*the 2015 Ebola outbreak*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

hlH will work with social media influencers - vloggers and bloggers - in the relevant regions to help spread accurate health information and reach younger online audiences that are more susceptible to fake news. It will also work with partners to create verified content.

block-time updated-timeUpdated at 11.35am GMT

block-time published-time 10.59am GMT

[*Tennis*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) is expected to shut down on Thursday for up to 10 weeks. The French Open in May and Wimbledon in June are thought to be safe at the moment, but the Guardian understands several other big tournaments are almost certain to be cancelled, including the Miami Open, which is due to start on 25 March.

Related: [*Tennis expects 10 weeks of tournament cancellations due to coronavirus*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 10.54am GMT

In Paris the show goes on, as smaller concert halls find creative ways to get round France's ban on gatherings of more than 1,000 people.

While Madonna cancelled the last dates of her tour in Paris, the US rock band Nada Surf got round the ban by playing the same Paris concert twice in one evening. La Cigale concert hall, where the band performed, is among several smaller venues to have resorted to asking bands to play one set starting at 7 or 7.30pm and another at 9 or 9.30pm, with no opening act. The concert hall, which has a capacity of 1,500, asked ticket holders who could come to the early show to make every effort to do so, so that as many people as possible could be sure to see one of the performances. The veteran Irish singer Van Morrison also played two shows in Paris's Olympia concert hall, which has a capacity of 1,900, on Tuesday evening to get around the crowd limit, and other venues holding fewer than 2,000 spectators are taking similar steps.

It is unclear, however, how long the strategy will continue to work as the French president, Emmanuel Macron, is expected to announce stricter containment measures when he addresses the nation on Thursday evening.

block-time updated-timeUpdated at 11.11am GMT

block-time published-time 10.49am GMT

The home affairs committee is to launch a short inquiry into the Home Office's preparations for and response to Covid-19.

Covid-19 has already affected the work of the Home Office and its associated bodies. As part of the "contain" phase of the plan, Border Force has assisted in the repatriation of British nationals and their dependents from affected areas overseas, while the Home Office has provided support to foreign nationals in the UK who were unable to return home.

The committee is seeking written evidence on how police and fire and rescue service plans are being designed, as well as what trade-offs will have to be made by police if a significant number of officers are unable to work at any given time.

The committee will look at whether UK Border Force is sufficiently equipped to deliver any additional functions required of it during a period of heightened vigilance, and with reduced staffing.

The chair of the committee, Yvette Cooper, said: "It's very important that all of our public services are prepared for coronavirus. We need to know what preparations the Home Office is and should be making and what practical consequence there will be for police and border force as coronavirus continues to spread."

A hearing is currently scheduled for next Wednesday.

block-time updated-timeUpdated at 11.12am GMT

block-time published-time 10.47am GMT

Iran has asked for $5bn loan from International Monetary Fund emergency fund in a bid to fight the growing threat of coronavirus in its country.

The request has been made by the Iranian Central Bank to the IMF managing director, Kristalina Georgieva.

The move was revealed in a tweet by the Iranian foreign minister, Javad Zarif, who urged the IMF to do the right thing and be on the right side of history by providing the cash.

Zarif said that Georgieva had said the IMF funds would be available to help the fight against coronavirus through a new rapid financial instrument.

He added the Iranian central bank had asked for access to the $50bn fund immediately.

Iran, partly due to sanctions, says it has been short of medicines, protective equipment for nurses and doctors including gloves and masks.

Iran's official ***statistics*** show that 9,000 Iranians have been infected with the virus and 354 have died, making it the third worst affected country in the world. The virus has crippled the already weakened Iranian economy, and led to many of its borders being closed, so disrupting trade.

Zarif's wording implied he knew the request may find resistance from the US, which is running a policy of maximum economic pressure on Iran over its refusal to renegotiate the Iran nuclear deal signed in 2015.

block-time updated-timeUpdated at 11.13am GMT

block-time published-time 10.45am GMT

Lighting ceremony of the Olympic flame for Tokyo 2020 Olympics in Olympia, Greece Photograph: Costas Baltas/Reuters

Bizarre scenes are unfolding in Greece 's ancient Olympia where the flame lighting ceremony for the Tokyo 2020 games is currently under way.

The elaborate ceremony that is the usual backdrop to the traditional torch lighting event has been scaled back to the point that only 100 accredited guests are attending it, thanks to coronavirus.

Delegates, including the country's outgoing president Prokopis Pavlopoulos, have been listening to speeches sitting some distance apart from one another. Addressing the crowd Thomas Bach, the president of the international Olympic Committee, felt fit to mention the virus in a speech otherwise eulogising the Olympics' universalism. A dress rehearsal on Wednesday was similarly closed to the public to comply with Greek government restrictions to prevent the spread of Covid-19.

The site of the birth of the Olympic games, the stadium at ancient Olympia can seat as many as 3,000 people, the number who attend the ceremony in more normal times.

Lit by a high priestess in the 7 thcentury BC Temple of Hera, on an otherwise radiant day replete with birdsong, the flame will begin its week-long rally through Greece before being handed over to Japan's Olympic committee in Athens next week to start its journey to Tokyo - even if question marks remain over whether the 2020 games will take place at all.

block-time updated-timeUpdated at 11.14am GMT

block-time published-time 10.39am GMT

To clarify Trump's European travel ban, here's a list of the 26 Schengen countries from where people will not be allowed to fly to US for 30 days:

Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and Switzerland.

The European countries that are not part of the Schengen zone, and whose citizens are therefore exempt from Trump's ban are: Albania, Andora, Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Ireland, Kosovo, North Macedonia, Moldova, Monaco, Montenegro, Romania, Russia, San Marino, Serbia, Turkey, Ukraine, The United Kingdom and Vatican City.

Note that the ban applies to where people are flying from, not an individual's nationality, so a Brit flying from a Schengen country will still be covered by the ban.

block-time updated-timeUpdated at 11.06am GMT

block-time published-time 10.31am GMT

Spanish cabinet to be tested after minister tests positive

Every member of the Spanish cabinet is being tested for the coronavirus after the country's equality minister, Irene Montero, became the latest politician to test positive for the virus.

Her partner, the deputy prime minister and Podemos leader Pablo Iglesias, is in precautionary quarantine, the government said in a statement.

The government also announced that the prime minister, Pedro Sánchez, will be using videoconferencing for all his meetings and press conferences once today's cabinet meeting is over.

News of Montero's diagnosis comes days after Javier Ortega Smith, the general secretary of the far-right Vox party, was diagnosed with the virus. Vox also apologised for holding a 9,000-person rally in Madrid on Sunday as cases of the virus rose. Ana Pastor, the former speaker of the congress of deputies, tested positive for the virus on Wednesday.

Spain has now confirmed 2,277 cases of the virus, making it the second most affected country in Europe and the fifth in the world after China, South Korea, Iran and Italy. So far, 55 people have died from the virus in the country.

Iglesias tweeted that his partner and their three young children were doing well, and thanked Spain's health workers for their efforts, calling them "our country's greatest pride".

esltrTodo mi reconocimiento a los profesionales de la sanidad pública: ellas y ellos son el mayor orgullo de nuestro país

- Pablo Iglesias ?? (@PabloIglesias) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 10.59am GMT

block-time published-time 10.27am GMT

The chief medical officers from England, Wales, Scotland and Northern have instructed doctors to change the way they work to deal with "very abnormal emergency situation".

In a letter they warned that the expected epidemic will be a "challenge" and exacerbate staff shortages in the NHS.

It says doctors will be required to temporarily work in "clinical areas outside their usual practice for the benefit of patients and the population as a whole".

It adds: "Clinicians may need to depart, possibly significantly, from established procedures in order to care for patients in the highly challenging time-bound circumstances of the peak of an epidemic."

enltrAs COVID-19 puts pressure on services doctors will have to work differently for their patients. The UK CMOs, medical director NHS, Royal Colleges and GMC are clear that in emergencies doctors must be supported to work in new and unfamiliar ways. This letter is for all doctors. [*pic.twitter.com/jDVvZR0iLs*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Professor Chris Whitty (@CMO\_England) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 10.09am GMT

Leo Varadkar greets Congressman Dan Kildee of Michigan with an elbow bump at the National Building Museum in Washington Photograph: Niall Carson/PA

Ireland 's caretaker taoiseach, Leo Varadkar, is due to meet Donald Trump in the Oval Office this morning, the first meeting with an EU leader since the president's travel ban announcement.

Varadkar was in the US ahead of the ban, which does not include flights from Ireland as it is not one of the Schengen zone countries Trump has targeted.

Varadkar's two-day visit is the shortest undertaken for an Irish premier in recent memory and he was forced to cancel some engagements yesterday to deal with the Coronavirus crisis at home.

The US has also curtailed the traditional Irish American festivities with this afternoon's shamrock ceremony in the White House usually headed by the US president and taoiseach of the day cancelled.

It is understood that Varadkar's breakfast meeting with the vice-president, Mike Pence, this morning is also going ahead. Earlier it was announced that New York's St Patrick's day parade has been cancelled.

block-time updated-timeUpdated at 10.11am GMT

block-time published-time 10.06am GMT

Austria has reported its first coronavirus death.

A 69-year-old man has died in Vienna after contracting the virus, city authorities said on Thursday, Reuters reports.

Austria has confirmed 302 cases so far, and four people have recovered.

block-time published-time 10.03am GMT

UK paramedic tests positive

A paramedic with the East of England ambulance service has tested positive for coronavirus.

An NHS spokesman said:

The chief medical officer today confirmed a further case of Covid-19 who is a resident of Hertfordshire and a paramedic with the East of England ambulance service (EEAST).

There are well-established procedures that are being followed in a case such as this and the NHS and Public Health England are taking all necessary steps to manage the situation.

Hertfordshire is the worst hit council area in the UK with 18 confirmed cases.

block-time updated-timeUpdated at 10.12am GMT

block-time published-time 9.57am GMT

Related: [*UK does not need to copy US ban on flights from EU, says Sunak*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 9.49am GMT

Trump's travel ban has prompted another plunge in the markets.

Wild trading in London has driven the [*FTSE*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) 100 as low as 5,482 points, down over 6% today.

Every single company on the blue-chip index, and on the smaller FTSE 250 index, is down.

Cineworld has slumped 30% after it warned it could breach its banking covenants if cinemas are forced to close (see earlier post).

Wall Street is heading for another slump too - trading in futures contracts have been suspended 'limit down', after falling 5%.

Related: [*Stock markets tumble as Trump's Europe travel ban shocks investors - business live*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 9.44am GMT

A man in Rome has come up with an extreme way of enforcing social distancing.

itltrIo, i Romani, li adorooooooo [*pic.twitter.com/5YaFaI1wb2*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Anna (@Annalagavo) [*March 11, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 9.40am GMT

There is a "big question mark" over whether large-scale events such as football matches should go ahead as Scotland 's first minister, Nicola Sturgeon, has warned.

Sturgeon warned it is highly likely "significant numbers" of people will get the virus, with 36 cases confirmed in Scotland so far and the first case of community ***transmission*** north of the border reported on Wednesday.

She said that while cancelling mass gatherings did not have a significant impact on reducing the spread of the virus, such events tie up resources that could be used elsewhere.

She told ITV's Good Morning Britain:

Mass gatherings, football matches for example, they need to be policed, they need to have emergency medical ambulance cover.

We are going into a period where our emergency services, our NHS in particular, will be under significant challenge and significant pressure, we may see all of our workforces affected by high absentee rates because of sickness so there's a wider issue here about whether cancelling those kind of events is the right thing to do to reduce pressure on our front-line emergency workers.

From a wider resilience point of view, then I think there is a big question mark over whether large-scale events like that, whether it is sensible to allow them to proceed at the moment.

We're looking very carefully right now at whether large-scale events, whether it would be right and sensible given the situation we are facing right now to allow them to go ahead.

block-time updated-timeUpdated at 9.49am GMT

block-time published-time 9.36am GMT

Here's video of [*Paris Saint-Germain*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) players celebrating their Champions League win over Borussia Dortmund with thousands of their fans who had been locked out of match in an effort to slow the spread of the new coronavirus.

block-time published-time 9.31am GMT

Paul Hunter, professor in medicine at the University of East Anglia, points out that the science does not support Trump's European travel ban.

In comments circulated by the Science Media Centre, he said:

It is uncertain what the US intends to achieve with the recently announced travel ban to the Schengen area of Europe. Many of us have been pointing out since the Covid-19 epidemic began that travel bans have a poor record on preventing the spread of epidemic diseases. At best travel bans only delay the spread of an epidemic by a short while.

The paper published on the 6th March in Science by Chinazzi and colleagues from the US, China and Italy provided further evidence of this opinion and showed that the travel ban in China only delayed the spread internally by 3 to 5 days. Chinazzi also showed that international travel bans are only modestly effective at controlling international spread for a while.

Introducing an international travel ban at a time when the US is now one of the countries with the most rapidly accelerating internal ***transmission*** rates will do little if anything to reduce the burden of infection within the US.

block-time updated-timeUpdated at 9.51am GMT

block-time published-time 9.21am GMT

The Financial Times reports a suspected coronavirus cases in a camp for internally displaced people in northern Iraq.

enltrFirst suspected coronavirus case documented in a camp for internally displaced people, in N Iraq Prospect of the virus spreading through overcrowded camps - with health services in some being cut - is a nightmare. Iraq still has over 1m displaced people (not all in camps). [*pic.twitter.com/NLgp49M6cP*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Chloe Cornish (@ChloeNCornish) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 9.15am GMT

First case in a UK care home for older people

A nursing and residential home in Basingstoke in Hampshire has closed to visitors after a person tested positive for Covid-19.

[*Oakridge house*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) cares for up to 91 people who have a range of needs including diabetes and dementia.

Hampshire county council could not confirm whether the person who has tested positive for the virus was a resident or staff member, [*the BBC reports*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

The council said it was working closely with Public Health England to minimise the risk of the virus spreading further.

So far there have been 13 confirmed cases of the virus in Hampshire, making it one of the worst hit areas in the UK.

block-time updated-timeUpdated at 9.55am GMT

block-time published-time 9.00am GMT

In Brussels, EU politicians and diplomats suggested that Trump was seeking to find a scapegoat for his own failures over management of the coronavirus.

Dacian Ciolos, a former prime minister of Romania who now leads the Renew group in the European parliament within which MEPs from Emmanuel Macron's party sit, tweeted:

enltrViruses know no borders or nationalities. Nationalism & blame games are no antidote. This is a global crisis, which requires global solidarity, [*@realDonaldTrump*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place). Containment measures are needed, but not arbitrary ones. Europe will be your partner, but not your scapegoat.   [*#COVID19*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)   [*https://t.co/ZMLLFnsKq4*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Dacian Ciolos (@CiolosDacian) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 8.56am GMT

Staff who work in the UK parliament are demanding guidance on how to deal with thousands of visitors and potential security threats during the coronavirus crisis.

It comes amid growing disquiet among 650 MPs and more than 3,000 support staff over how to keep parliament functioning without shutting out the public they are meant to serve.

At least three Whitehall departments - HM Revenue and Customs, the Department of Health and the Cabinet Office - are testing out systems which would allow thousands of staff to work from home for several months at a time.

A letter from Prospect union, GMB and PCS unions to the Speaker, Lindsay Hoyle, has asked for "clear guidance" on how parliamentary staff including tourists guides and security guards can minimise the risk of infection.

Ken Gall, chair of the joint union committee across parliament, wrote that there were many unanswered questions from parliament's 3,000 staff which must be addressed urgently. In a leaked email to the Speaker circulated to other members of the House of Commons Commission, he wrote:

We believe that all staff are entitled to clear guidance from their employer during what is an almost unprecedented situation.

Is parliament intending to allow visits to continue? If so, what measures are you taking to assure and protect those staff who will be in close proximity to those visitors? Is it possible to get some bespoke advice from health professionals specifically for security staff/visitor assistants/catering?

What realistic steps can you take to minimise the risk of infection for those whose role means they cannot work from home? For example, are there measures that could be taken to reduce the potential contact with visitors for security guards that do not compromise the security of the house?

Will you confirm that any staff who are advised to stay at home as a precaution, as a result of infection, to care for someone else (such as children in the event of school closure), or as a result of some or all services being suspended or cancelled will not suffer financially?

Max Freedman, the chair of Unite's parliamentary branch, which represents MPs' staff, told the Guardian that his members should be allowed to work from home.

"MPs may wish to carry on as normal, but House of Commons authorities must explain why they aren't allowing staff to work remotely - something that can be done with minimum disruption - to stop further spread within a large and mobile workplace. MPs should also allow staff to work remotely particularly if they are at increased risk," he said.

At least three government departments have told some staff to work remotely on Friday in preparation for asking thousands of civil servants to stay away from central London offices if the disease spreads dramatically, Whitehall sources have confirmed.

As Number 10 begins preparations for allowing most civil servants to work from home, some staff at the Department of Health and Social Care and the Cabinet Office have been told to stay away but continue to work, sources said. Parts of HMRC are preparing to close on Monday and Tuesday, sources said.

Dave Penman, the head of the FDA union, which represents the most senior civil servants in Whitehall, said his members are seeking a delicate balance between public access and staff safety.

He said:

Every day, people travel from all over the world to visit parliament, not just the parliamentarians and their staff. Whilst the desire to keep parliament open to the public is understandable, there needs to be a recognition that it is also a workplace, for thousands of people who could be vulnerable to the virus or have friends and relatives who are vulnerable.

block-time updated-timeUpdated at 9.21am GMT

block-time published-time 8.42am GMT

The giant German contracting firm Bilfinger, which works for a number of water utilities companies in the UK, has sent a draconian memo to staff banning them from travel to China, South Korea, Italy and Iran.

The memo, leaked to the Guardian, also orders any staff member displaying flu-like symptoms to inform their supervisors and contact a doctor.

It also bans meetings of more than 50 people and recommends video calls instead. "Smaller face-to-face meetings should continue to be held when absolutely necessary for effective business performance," it says.

It informs staff that two of the company's employees have tested positive for Covid-19.

block-time updated-timeUpdated at 9.22am GMT

block-time published-time 8.25am GMT

European politicians reacted with astonishment to Trump's decision to bar entry to the US to travellers from the 26-nation Schengen zone, highlighting its apparently political nature and warning above all of the move's economic impact.

Charles Michel, the president of the European council, [*said the EU27*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) would "assess the situation" but stressed that economic disruption "must be avoided". Europe was "taking all necessary measures to contain the spread of the Covid-19 virus, limit he number of affected people and support research," he added.

enltrFollowing the travel ban [*@realDonaldTrump*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) announced, we will assess the situation today. Economic disruption must be avoided.   [*#Europe*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) is taking all necessary measures to contain the spread of the   [*#COVID19*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) virus, limit the number of affected people and support research.

- Charles Michel (@eucopresident) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Alexander Stubb, the former Finnish foreign minister, tweeted that while any attempt to contain the coronavirus outbreak was welcome, Trump's decision to exclude the UK from a European travel ban was "nothing short of irresponsible"

enltrAny attempt to contain the [*#CoronaOutbreak*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) is welcome, but the decision of   [*@realDonaldTrump*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) to exclude the UK from a European travel ban is nothing short of irresponsible. Viruses do not recognise borders. Decisions should be based on facts, not politics.

- Alexander Stubb (@alexstubb) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Stubb noted that viruses "do not recognise borders" and said decisions about dealing with the coronavirus outbreak, which has infected more than 126,000 people and killed more than 4,600, "should be based on facts, not politics".

block-time published-time 8.20am GMT

Iceland now has 90 confirmed Covid-19 cases, which in a county of only 364,000 people, could represent the highest percentage infection rate in the world, reader Louise Todd points out.

[*Reykjavik's Grapevine*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) has the latest:

Of these 90 individuals, four of them contracted it due to a so-called "third-degree infection"; contracting the virus from someone who contracted the virus from someone else, who brought the disease in from abroad.

35 of these infections can be directly traced back to northern Italy; 29 from Austria; four from Switzerland and one from an unnamed Asian country. The rest have been infected from individuals from this group, some of whom [*did not abide home quarantine orders*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

Update: Reader, Diego Sánchez Santaya, points out that San Marino has more than 60 cases in a population of 30,000, which represents an infection rate 10 times higher than Iceland's.

block-time updated-timeUpdated at 9.25am GMT

block-time published-time 8.07am GMT

The governor of Tokyo has likened the idea of preventing Japanese citizens from enjoying the forthcoming cherry blossom season to "taking hugs away from Italians", but advised people to abandon the time-honoured custom of getting together in groups to eat and drink beneath the sakura trees this spring due to the coronavirus outbreak.

Yuriko Koike, who on Thursday dismissed the idea of [*cancelling this summer's Olympics*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) as "unthinkable," told reporters after a meeting with the prime minister, Shinzo Abe: "We discussed what to do with hanami (the Japanese word for flower-viewing).

"It is in the open-air, and the metropolitan government wants people to admire the flowers, but we would like to ask people to refrain from, for example, spreading out blue tarps and enjoying fun parties at Ueno park like every other year," she added, referring to a large park in central Tokyo popular with hanami revellers.

Referring to measures introduced in Italy in an attempt to check the spread of the virus, Koike conceded that many would find it hard to forego the annual rite. "I think taking hanami away from the Japanese is like taking away hugs from Italians," she said.

Japan's meteorological agency expects the capital's cherry blossoms to begin blooming from mid-March and to be at their best during the final week of the month.

block-time published-time 8.02am GMT

News sites in France have reacted with alarm to the prospect of the US putting Europe into quarantine.

Le Monde says the decision will worsen the economic situation for airlines and cause a drop in the stock markets showing that the west "is incapable of a responding as one to the coronavirus pandemic".

France24 said the halting of all flights from Europe to the US was a "complete catastrophe" for the air companies. It added that Donald Trump was living up to his "America first" mantra in locking down the US but said he was ignoring the scale of the crisis at home while criticising the European Union for not being able to control the virus.

"He can shut off the country but that will change nothing," said the TV station's American correspondent.

There is widespread astonishment at the decision to exclude the UK from the travel ban. On French social media it is being pointed out that Brexit does not stop Covid-19.

block-time updated-timeUpdated at 8.40am GMT

block-time published-time 7.55am GMT

Liverpool manager's Jurgen Klopp appeared to be furious with fans last night as they reached out for hi-fives at Anfield last night before his team's exit from the Champion's League.

enltrKlopp: "Put your hands away you FU\*\*ING idiots!" ???? [*pic.twitter.com/odeQfg3Dvq*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Football Hub (@FootbalIhub) [*March 11, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 7.43am GMT

The UK chancellor, Rishi Sunak, acknowledged the impact of coronavirus on the government after health ministers Nadine Dorries and one of her staff tested positive.

Her fellow health minister, Edward Argar - and an unnamed Cabinet minister have also been forced to self-isolate.

Sunak told BBC Breakfast:

"This has obviously now impacted Parliament and government, and we are dealing with it, like all other businesses are going to have to start dealing with it.

"For the various people that have been impacted by this, obviously that work is going on with Public Health England who are going through that process - as they do in all cases around the country - and they are exceptionally good at it, and it's a very thorough and rigorous process."

Sunak said the government would take the "right steps at the right time" but played down the prospect of a US-style travel ban.

In response to Trump's announcement of a ban on travel from continental Europe, he said:

"We haven't believed that that's the right thing to do, the evidence here doesn't support that. What we are trying to do is contain the virus while recognising that it is now likely that it will spread more significantly."

block-time updated-timeUpdated at 7.46am GMT

block-time published-time 7.39am GMT

The social media trail of Tom Hanks and Rita Wilson reveal they came into contact with quite a few people before diagnosing as positive for Covid-19.

Related: [*Tom Hanks and Rita Wilson's travels: selfies, shows and beachside strolls before coronavirus diagnosis*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 7.34am GMT

This is Matthew Weaver taking over the blog in London where the UK government is poised to move from the contain to the delay phase in its plan to tackle coronavirus. Please let me know if you have any news or tips you think I should be including in our coverage, either at [*matthew.weaver@theguardian.com*](mailto:matthew.weaver@theguardian.com) or via Twitter on @matthew\_weaver

PA has a useful guide on what to expect after Boris Johnson approves the move to the delay phase at a Cobra meeting at 1.15pm.

The delay phase will see a mixture of the same advice given out, such as encouraging the washing of hands regularly, while also introducing social restriction measures to slow the spread of the virus. How will it help deal with the outbreak?

The end goal of the delay phase is to slow the rate of coronavirus being contracted and allow the NHS to clear the annual winter pressure it faces. It would also provide a buffer to allow a possible vaccine to be developed, although this would not come into use for at least another year. The government's planning document explained:

"The benefits are that if the peak of the outbreak can be delayed until the warmer months, we can reduce significantly the risk of overlapping with seasonal flu and other challenges, societal or medical, that the colder months bring.

"The delay phase also buys time for the testing of drugs and initial development of vaccines and/or improved therapies or tests to help reduce the impact of the disease."

What do they mean by social restrictions?

According to the government's published action plan, the restrictions being considered would have "social costs". These are thought to include urging employees to work from home where possible and even shutting down schools and cancelling events where masses of people will gather. Is it the same as what is happening in Italy and China?

The severity of the interventions have differed on a country by country basis. China and Italy have put full scale lock downs in place, with court action and fines threatened for people breaking imposed curfews. Wuhan, the Chinese city of 11 million people, which was at the centre of the initial outbreak, temporarily shut down its public transport network. And in countries such as France and Spain, large public gatherings have been banned in a bid to prevent widespread contamination.

Are sporting events at risk?

Football matches in the European countries, including Paris Saint-Germain's Champions League tie against Borussia Dortmund on Wednesday, have been played behind closed doors as a result of bans on gatherings of 1,000 people or more.

But there is doubt about whether the UK would follow suit after the deputy chief medical officer suggested scientific research did not back up the decision to outlaw public events.

Dr Jenny Harries, in a video exchange with the PM on Wednesday, said: "In general, those sorts of events and big gatherings are not seen to be something which is going to have a big effect, so we don't want to disrupt people's lives."

Why is the UK not doing the same as Italy?

Johnson suggested the decisions had come about because "politicians and governments around the world are under a lot of pressure to be seen to act, so they may do things that are not necessarily dictated by the science".

Why has it taken so long to move from the contain phase to delay?

Ministers have regularly stated that implementing tough social clampdowns too early can prove counterproductive as the public could tire of the restrictions, but it appears the PM and his advisers feel the time is right to escalate delay preparations.

Current advice, including washing hands and catching coughs and sneezes with tissues before binning them will continue during the delay period, as will trying to find and isolate coronavirus cases at an early stage.

block-time updated-timeUpdated at 8.53am GMT

block-time published-time 7.24am GMT

That's it from me, Helen Sullivan. I'm handing over to my colleague Matthew Weaver now for the latest.

block-time published-time 7.23am GMT

Summary

If you're just joining us, hello and welcome to what has been a very busy few hours in coronavirus news worldwide.

* US President Donald Trump introduced a total travel ban from Europe, excluding the UK, for 30 days. The ban does not extend to trade. The move failed to stem heavy losses on financial markets

1. Actors Tom Hanks and Rita Wilson have announced that they have both tested positive for Covid-19 while filming in Australia.
2. The Saint Patrick's Day parade in New York City has been canceled this year for the first time in more than 250 years, New York Governor Andrew Cuomo said on Wednesday night.
3. The total number of coronavirus cases worldwide now stands at 126,258, according to figures from Johns Hopkins University. There have been 4,638 deaths.
4. Mainland China reported 15 new infections, eight of which are in Hubei. There have been 11 new deaths, ten of which were in Hubei.
5. The NBA has suspended play indefinitely after after a player on the Utah Jazz preliminarily tested positive for Covid-19.
6. Japan must prepare itself for the possibility that the Olympic Games, scheduled to start in Tokyo on 24 July, might have to be cancelled, according to a senior MP.
7. Two more Formula One team members have been tested for the coronavirus at the Australian Grand Prix in Melbourne. Lewis Hamilton is "shocked" the event has not been cancelled.
8. The Australian stock market gave the thumbs down to the Morrison government's stimulus package and Trump's travel ban, closing down 7.36%.
9. French Polynesia hasannounced the first case of Covid-19 in Tahiti, the first confirmed case of the coronavirus across the Pacific Islands.

Here's the very fresh [*Coronavirus: At a glance*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

block-time published-time 7.07am GMT

First fatality in Greece as ferry passengers quarantined

Greece reported its first fatality from a coronavirus infection on Thursday, a 66-year-old man who had returned from a religious pilgrimage to Israel and Egypt at the end of February.

A Greek flag flutters behind the entrance of a closed school in Kalyvia suburb south of Athens, 11 March 2020. Greek government on 10 March announced that all schools in the country will remain closed for the next two weeks, in an attempt to stop the wild spread of coronavirus. Photograph: Yannis Kolesidis/EPA

The deceased had underlying health issues, the health ministry said in a statement. There were 99 confirmed cases of coronavirus in Greece by late Wednesday.

Separately, passengers on board a ferry boat were quarantined as a precaution after a crew member said he felt unwell, a health ministry spokesman said. The crew member disembarked for further health checks. The Athens News Agency reported there were 341 passengers and 77 crew on board the ferry which was currently docked at port on the island of Limnos.

block-time published-time 7.00am GMT

Lewis Hamilton of Great Britain and Mercedes GP talks in the Drivers Press Conference during previews ahead of the F1 Grand Prix of Australia at Melbourne Grand Prix Circuit on March 12, 2020 in Melbourne, Australia. Photograph: Dan Istitene - Formula 1/Formula 1 via Getty Images

Here's the latest on Formula 1 coronavirus news:

Amid fears that the coronavirus is already spreading in the Formula One paddock at the Australian Grand Prix, the world champion Lewis Hamilton has admitted he is "shocked" the race is going ahead.

Up to eight team members have now been tested for the coronavirus and placed into self-isolation as further doubt is cast over the running of the race on Sunday. Hamilton delivered a withering assessment of why he believed the meeting was taking place, commenting that "cash is king".

Related: [*'Cash is king': Lewis Hamilton shocked at Australian GP green light during Covid-19 outbreak*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 6.58am GMT

With European markets opening shortly, here is a brief look at what the reaction to Trump's measures - as well as the Australian government's stimulus package - have been in Australia.

Panic selling drove Australian shares down 7.36% on Thursday after the market gave the thumbs down to a government stimulus package before being electrified by a sweeping ban on European travel imposed by US president Donald Trump.

More than 25% of the market's value, or more than $520bn (US$335bn), has been wiped from the value of Australian shares since 21 February, when coronavirus chaos began to grip the market.

The steep fall - the second of more than 7% this week and the worst single day plunge since the global financial crisis - once again battered airlines, travel agents and mining stocks, but no sector of the economy was immune to the punishment.

Related: [*Australian shares fall 7.36% on Morrison's coronavirus stimulus and Trump's travel ban*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 7.25am GMT

block-time published-time 6.52am GMT

Preventing Japanese from gathering to enjoy cherry blossom season because of coronavirus would be like "taking hugs away from Italians," the governor of Tokyo said on Thursday.

Yuriko Koike however urged people to refrain from traditional "hanami" parties where friends and family gather under cherry blossom trees for food and drink, AFP reports.

A woman wearing a face mask, amid fears over the spread of the Covid-19 novel coronavirus, takes pictures beneath cherry blossom trees at Ueno park in Tokyo on March 12, 2020. Photograph: Philip Fong/AFP via Getty Images

After a meeting with Japanese Prime Minister Shinzo Abe, Koike said: "We discussed what to do with hanami. It is open-air. The metropolitan government wants people to admire the flowers."

"I think taking hanami away from the Japanese is like taking away hugs from Italians," she said.

"But we would like to ask people to refrain from, for example, spreading blue tarps and enjoying fun parties at Ueno Park like every year," she added, referring to a large central Tokyo park popular with revellers.

Meteorologists expect cherry blossoms to begin blooming around March 17 in Tokyo.

Japan has urged people to refrain from traditional "hanami" parties, where friends and family gather under cherry blossom trees for food and drink, over coronavirus fears. Photograph: Bloomberg/Bloomberg via Getty Images

block-time updated-timeUpdated at 6.52am GMT

block-time published-time 6.47am GMT

More on actors Tom Hanks and Rita Wilson, who announced today that they have [*tested positive for coronavirus while in Australia*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place). The Guardian can confirm that the couple is now in isolation in a hospital on Queensland's Gold Coast.

Tom Hanks and Rita Wilson arrive for the 92nd annual Academy Awards ceremony at the Dolby Theatre in Hollywood, California, USA, 09 February 2020. Photograph: David Swanson/EPA

Here's everything we know so far:

Related: [*Tom Hanks and wife Rita Wilson test positive for coronavirus at hospital in Australia*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 6.42am GMT

Philippine President Rodrigo Duterte will be tested for the new coronavirus Thursday after he meets with Cabinet officials who were exposed to infected people and have now self-quarantined, officials said Thursday.

A disinfection worker sprays anti-septic solution against Covid-19 aboard a firetruck along a street on March 11, 2020 in Manila, Philippines. Photograph: Ezra Acayan/Getty Images

Duterte has no symptoms of Covid-19 but wanted to make sure he is healthy and could continue to engage with the public.

Philippine health officials have reported 49 cases of infections and two people, a Chinese and a Filipino, have died. Duterte on Monday declared a state of public health emergency when the number of people infected with coronavirus rose to 33 from just 3 cases last week.

block-time published-time 6.37am GMT

Lewis Hamilton of Great Britain and Mercedes GP talks in the Drivers Press Conference during previews ahead of the F1 Grand Prix of Australia at Melbourne Grand Prix Circuit on March 12, 2020 in Melbourne, Australia. Photograph: Dan Istitene - Formula 1/Formula 1 via Getty Images

Meanwhile in Formula One news from Australia, Reigning F1 world champion Lewis Hamilton says:

"I am really very surprised that we are here. For me it is shocking that we are all sitting in this room (press conference)."

More F1 team members were tested for the coronavirus at the Australian Grand Prix in Melbourne earlier today, as further doubt was cast on the running of this weekend's race. No results have yet been made available.

Two members of the Haas team and one from McLaren, who were identified with fever symptoms on Wednesday, underwent tests for the coronavirus before going into self-isolation.

We'll have more on this shortly.

block-time updated-timeUpdated at 6.38am GMT

block-time published-time 6.32am GMT

As Europe wakes up, we're seeing more reaction to Donald Trump's travel ban announced late on Wednesday from the Oval Office.

The ban, in case you're just joining us is on foreign citizens entering the US if they have been in Europe in recent weeks.

The 30-day curbs, starting Friday, exclude Britain, Ireland and other countries outside the European Schengen passport-free travel area.

European Council president Charles Michael tweeted a few minutes ago:

enltrFollowing the travel ban [*@realDonaldTrump*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) announced, we will assess the situation today. Economic disruption must be avoided.   [*#Europe*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) is taking all necessary measures to contain the spread of the   [*#COVID19*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) virus, limit the number of affected people and support research.

- Charles Michel (@eucopresident) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 6.22am GMT

China is focusing on restarting factories and businesses hit by strict containment policies which prevented millions of people from travelling and returning to work after extended China Lunar New Year holidays.

Factory activity plunged to its worst level on record in February, and while more businesses have reopened in recent weeks as containment measures are eased, analysts do not expect activity to return to normal levels until April.

In this Tuesday, March 10, 2020, photo released by Xinhua News Agency, Chinese President Xi Jinping waves to residents who are quarantined at home as he pays a visit to a community in Wuhan in central China's Hubei province. Photograph: Ju Peng/AP

Airlines were hit particularly hard during the last several weeks, with Chinese airlines reporting a total loss of 20.96 billion yuan in February. The total number of airline passengers last month fell 84.5% year-on-year in comparison to the same time last year, China's aviation regulator said Thursday. The Hubei government on Wednesday said Wuhan will allow some key industries to resume work.

block-time updated-timeUpdated at 6.23am GMT

block-time published-time 6.20am GMT

Australian supermarket chain Woolworths has announced further restrictions on certain goods amid wide-spread panic buying in the wake of the coronavirus outbreak.

Empty shelves in an Australian supermarket after panic buying due to the coronavirus. Photograph: Barcroft Media/Barcroft Media via Getty Images

On Thursday the company announced it would begin rationing tissues, hand sanitiser, paper towels and rice. It also announced a further restriction on the sale of toilet paper. The company had [*previously introduced*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) a four-pack per person limit on toilet paper after shelves were left bare by shoppers fearing being caught without a domestic essential.

The new limits are:

* Tissues - two pack limit per shop

1. Paper towel, serviettes and wipes - one pack limit per shop
2. Toilet paper - one pack limit per shop
3. Hand sanitiser - two unit limit per shop
4. Bulk rice (2kg+) - one pack limit per shop

block-time published-time 6.16am GMT

China had eight new coronavirus infections in Hubei province as of the end of Wednesday, the first time the epicentre of the pandemic recorded a daily tally in single-digits, as more businesses reopened with local authorities cautiously easing strict containment measures.

Medical staff treat a patient infected by the Covid-19 coronavirus at Red Cross Hospital in Wuhan in China's central Hubei province on March 11, 2020. Photograph: AFP via Getty Images

As the spread of the virus continues to slow, Hubei province announced on Thursday a further loosening of travel restrictions and will also allow some industries to resume production in two of its cities and two counties.

Hubei's economy, driven by manufacturing and trade, including a sizable auto sector in the provincial capital Wuhan, had been virtually shuttered. Wuhan reported all of the new cases on Wednesday, the National Health Commission said on Thursday. Outside of Hubei, mainland China had seven new cases, including six cases imported from abroad. Overall, the 15 new confirmed cases in mainland China on Wednesday was a drop from 24 cases a day earlier. That brings the total number of confirmed cases recorded in mainland China to 80,793. As of Tuesday, 62,793 people have recovered and been discharged from hospital, or nearly 80% of the overall infections. As of the end of Wednesday, the death toll in mainland China had reached 3,169, up by 11 from the previous day. Hubei ***accounted*** for 10 of the new deaths, including seven in Wuhan.

block-time published-time 6.09am GMT

A dramatic attempt by Donald Trump to limit the spread of coronavirus by [*banning travel to the US from most of Europe*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) for 30 days has failed to stem heavy losses on financial markets and prompted one top economist to warn that a global recession was now "highly probable".

In a sombre primetime address from the Oval Office on Wednesday evening, the US president boasted that the travel ban and series of other measures designed to cushion the economic blow of the outbreak amounted to " [*the most aggressive and comprehensive effort to confront a foreign virus in history*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) ".

But Asian stock markets and Wall Street futures trading plunged deep into the red even as Trump laid out his plans, with investors betting that the $250bn package would not be enough to reverse the creeping shutdown of the world's largest economy.

Related: [*Coronavirus: global recession fears intensify as Trump's Europe ban fails to reassure*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 6.05am GMT

Here's the latest on Tom Hanks and Rita Wilson who, in case you are just joining us, have confirmed that they have tested positive for coronavirus while in Australia to film the Baz Luhrmann production Elvis.

Actors Tom Hanks and Rita Wilson have tested positive for Coronavirus while in Australia. Photograph: Dimitrios Kambouris/WireImage

Australia's Channel Nine presenters David Campbell and Belinda Russell are being tested for coronavirus because they interviewed Rita Wilson at the network's Sydney studios on Monday.

Campbell, Russell and a number of unnamed Nine staff who came into contact with the visiting singer and producer have gone into self-isolation and are being tested.

Campbell told 2GB Wilson did not shake hands when she came to Nine on Monday.

"She came into the Today Extra studios on Monday and she was delightful and really nice and she didn't have any symptoms of anything," Campbell said.

"She was cautious. She actually made a joke coming into the studios, saying we shouldn't shake hands, we should bump elbows. So we bumped elbows."

block-time published-time 5.58am GMT

Late on Wednesday evening, US President Donald Trump announced in an address from the Oval Office that he was introducing a travel ban from Europe - not including the UK or non-Schengen Travel Area states - to the US.

US President Donald Trump announced on March 11, 2020 the United States would ban all travel from Europe for 30 days starting to stop the spread of the coronavirus outbreak. "To keep new cases from entering our shores, we will be suspending all travel from Europe to the United States for the next 30 days. The new rules will go into effect Friday at midnight," Trump said in an address to the nation. Photograph: Doug Mills/AFP via Getty Images

The United States did not coordinate on the sweeping restriction aimed at curbing the spread of the coronavirus with European officials before Trump announced it, a European diplomat told Reuters.

The ban on foreign citizens entering the country if they have been in Europe in recent weeks will heap more pressure on airlines already reeling from the coronavirus pandemic, analysts said, hitting European carriers the hardest. The 30-day curbs from Friday, which exclude Britain, Ireland and other countries outside the European Schengen passport-free travel area, are similar to those that went into effect targeting China on 1 February. Combined with a fresh U.S. State Department advisory asking citizens to reconsider the need to travel globally, the move could create chaos at dozens of airports across Europe as passengers attempt a last-minute rush to fly to the United States before the ban takes effect. As well as slashing arrivals, the move is set to decimate spending by European tourists in the United States. There were 5.8 million arrivals from the biggest markets of Germany, France, Italy and Spain in 2018, according to U.S. ***data***, which said they spent nearly $22 billion combined.

block-time updated-timeUpdated at 6.02am GMT

block-time published-time 5.43am GMT

The dollar slid on Thursday, after President Donald Trump disappointed markets with a coronavirus plan light on details, Reuters reports. The greenback dropped 1% to 103.32 yen, fell as much as 0.6% to $1.1333 against the euro and lost 0.6% to the safe-haven Swiss franc, while stocks plunged. Trump announced on Wednesday a ban on travellers from 26 European countries entering the United States for a month.

A currency exchange broker prepares a transaction in January, 2020. Photograph: Ashraf Shazly/AFP via Getty Images

He unveiled economic steps to counter the virus but his address from the Oval Office was light on medical measures beyond assurances that "the virus has no chance against us". "The market was looking for more," said Moh Siong Sim, currency strategist at the Bank of Singapore. "A travel ban is part of the solution, but the more important parts are still missing. They are really the public health measures: Paid sick leave, free testing, free treatment," he said. Futures markets reacted swiftly. They are now pricing in the US Federal Reserve moving the lower end of its benchmark funding band to zero when it meets next week, if not before. "The deflationary shock that we had assumed would trigger a US entry into the zero-yield world is turning out to be a combo of trade war, oil price war and Covid-19 virus," J.P. Morgan's long-term strategists Jan Loeys and Shiny Kundu said in a note. "(There are) close to even odds now of an official US recession this year."

block-time published-time 5.35am GMT

In Australia, the ASX has closed down 7.36%, in a blow to the country's share market representing more than AU$100bn ($US65bn) in losses.

block-time published-time 5.33am GMT

The United States did not coordinate on a sweeping restriction on European travel aimed at curbing the spread of the coronavirus with European officials before U.S. President Donald Trump announced it late on Wednesday, a European diplomat told Reuters.

European Union leaders participate in a videoconference call with European Council President Charles Michel at the European Council building in Brussels, Tuesday, March 10, 2020. Photograph: Stéphanie Lecocq/AP

Trump, in a televised address, said his government had been in frequent contact with U.S. allies on the 30-day restriction, but European Union officials were not notified about the decision ahead of time, said the diplomat, who was not authorized to speak publicly. "There was no heads-up, no coordination as the president claimed," the diplomat said. No comment was immediately available on the decision from the EU delegation in Washington. Trump's order curbing travel from Europe to the United States, except from Britain, beginning on Friday, could complicate already strained trade ties between Brussels and Washington. EU Trade Commissioner Phil Hogan canceled a scheduled visit to Washington for next week earlier on Wednesday. After sowing confusion by suggesting that \*trade and cargo\* from Europe would also be banned, Trump later clarified that \*trade will in no way be affected\* by the restriction. In fact, the travel curbs will sharply curtail trade in services.

block-time published-time 5.29am GMT

Thailand reported 11 new coronavirus cases on Thursday, bringing the total number of cases in the Southeast Asian country to 70, health officials said.

A sign saying "Wuhan Keeps Fighting" outside of Wat Pho, one of Thailand's most popular tourist attractions, on March 11, 2020 in Bangkok, Thailand. Photograph: Lauren DeCicca/Getty Images

All of the new patients had socialised and shared drinks, health officials said, adding that a tourist from Hong Kong had been the source of the infection. "The Hong Kong tourist came alone and already went back. The 11 infected are all Thai," said Sopon Iamsirithawon, director-general of the Communicable Diseases Department. It was the biggest jump in cases for weeks in Thailand, which was one of the first countries outside China to report infections of the new COVID-19 virus that has since swept much of the world.

block-time published-time 5.21am GMT

Rural Australian pharmacists are struggling to source essential medications due to overwhelming demand on wholesalers amid the coronavirus crisis, the Guardian's Felicity Nelson reports.

The spread of Covid-19 has not yet caused a national shortage of medications and experts say there is no need whatsoever to panic buy.

But the flood of orders from pharmacies has led to temporary shortages in some rural areas. At least three major drug wholesalers have written to pharmacists warning of unprecedented demands for stock and apologising for supply chain challenges, according to documents seen by [*The Medical Republic*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) and shared with Guardian Australia.

Related: [*'Massive shortages': rural pharmacies low on essential medications amid coronavirus crisis*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 5.16am GMT

On Today's episode of Science Weekly Extra: what happens once someone is infected with the new coronavirus?

Following our first [*Covid-19*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) episode   [*last week*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place), we received an incredible response, with so many interesting new areas to explore. One of those was what exactly happens once someone is infected with this new virus. As   [*Nicola Davis*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) find outs, whilst scientists are still racing to figure the exact details out, insights can be gleaned from other viral infections like influenza.

Related: [*Covid-19: what happens once someone is infected? Science Weekly Extra*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 5.15am GMT

Australia has extended its existing travel ban for China, Iran, South Korea and Italy, and is reviewing whether to extend a travel ban to Europe.

AAP has meanwhile reported that the Australian Capital Territory has confirmed its first case of Covid-19.

The man aged in his 30s was tested for Covid-19 at the Weston Creek Walk-in Centre clinic on Wednesday, with the positive result confirmed on Thursday.

He's being treated at Canberra Hospital and precautions are being taken to ensure the safety of staff and the broader community.

On Thursday the national security committee of cabinet met and decided to extend the existing ban on travel from China, Iran, South Korea and Italy by one week.

Under the rules of the travel ban:

* Foreign nationals are not allowed to enter Australia for 14 days from the time they left the affected country;

1. Australian citizens and permanent residents are able to enter Australia but are required to self-isolate at home for 14 days from the day they left the affected country.

block-time published-time 5.05am GMT

A skywriter writes Wash Hands over Sydney's CBD, 12 March 2020. Photograph: Jessica Hromas/The Guardian

In Sydney, Australia, somebody has used skywriting to remind the city's people to "Wash hands".

enltrIn the sky over Sydney's Inner West right now. [*pic.twitter.com/KMdEaB9TTR*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Stilgherrian (@stilgherrian) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 5.00am GMT

With less than half an hour of trade left to go on the Australian market, it looks likely to finish the day down between 5% and 6%. But it's hard to be sure because the market is extremely volatile today. It was about 2% down in early trade before sliding a percentage point as Australian prime minister Scott Morrison and treasurer Josh Frydenberg announced details of a $17.6bn stimulus package. President Donald Trump's announcement that most travel from Europe to the US would be banned sent the market into panic selling mode, with the benchmark ASX200 index diving to be as much as 7% down for the day. It has recovered slightly since then. At about 3.45pm it was down 5.4%.

block-time published-time 4.54am GMT

Trump speech caused confusion among US air travellers

A quiet confusion hung overhead at San Francisco Airport's international terminal on Wednesday night, as travellers canceled flights and sought to make sense of Donald Trump's sudden coronavirus-related travel ban.

Ticket counters were nearly empty in the international terminal at San Francisco International Airport on 6 March, 2020 in San Francisco, California. Photograph: Justin Sullivan/Getty Images

Many of the travellers who planned on flying to Europe that evening had no guarantee that they would be able to return back to the United States once their trips had concluded, forcing some to make last-minute calls on dream vacations.

Tulio Mello, 51, was preparing to board his flight to Istanbul when his friend called and told him not to get on the plane. "They had started announcing group one," he said.

Turkey is not one of the countries included in the travel ban, but a mixture of misinformation, panic and precaution dominated the decisions made at San Francisco's airport. A number of passengers on Mello's Turkish Airlines flight left with him, waiting by the airline's counter for their luggage, some on hold with customer service.

"There are just so many differentials that can happen," he said. "I think there is one case (of coronavirus) in Turkey, but imagine in five days they find 400 people and then they say you have to stay 14 days in quarantine. It just wouldn't be great to go for five days and then end up stuck for 30 days."

block-time updated-timeUpdated at 5.11am GMT

block-time published-time 4.48am GMT

For those who want to read Donald Trump's speech in full, [*you can find it here.*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) He did not pull any punches on who he blamed for the outbreak of the virus in the US:

And taking early intense action, we have seen dramatically fewer cases of the virus in the United States than are now present in Europe. The European Union failed to take the same precautions and restrict travel from China and other hotspots. As a result, a large number of new clusters in the United States were seeded by travellers from [*Europe*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

As we know, the travel ban from Europe only includes countries in the Schengen Area that have officially abolished all passport and all other types of border controls. The countries in the Schengen Area are: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and Switzerland.

The restrictions do not apply to American residents or to travel from the UK. Most immediate family members of US citizens are exempt.

They will begin at 11.59pm on Friday.

It's unclear at the moment how the US would ***account*** for travellers who travel from Europe to the US, via London, given the UK is exempt.

You can read our explainer of what we do know, below.

Related: [*Trump's EU travel suspension explained: who is affected and will it help?*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 4.31am GMT

First confirmed case in the Pacific Islands

French Polynesia has announced the first case of Covid-19 in Tahiti, the first confirmed case of the coronavirus across the Pacific Islands.

President Edouard Fritch, said that French Polynesian politician Maina Sage had been confirmed with the virus after returning from Paris on 7 March. Sage is resting at home in self-isolation in Papeete.

French Polynesia, which comprises more than 100 islands, the largest of which is Tahiti, is a French overseas collectivity. Sage is French Polynesia's representative in the French National Assembly.

During her time in Paris, Sage served on a National Assembly commission with France's culture minister Franck Riester, who has also been confined in France after contracting Covid-19.

Announcing the first confirmed case of the coronavirus in Tahiti, President Fritch reassured people about government plans for monitoring, testing and isolation. He stated, however: "I invite the population to avoid travel outside the country."

Related: [*Pacific Islands hit by first coronavirus case after French Polynesian MP infected on Paris trip*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 4.28am GMT

In Australia, more from Queensland premier Annastacia Palaszczuk on Tom Hanks and Rita Wilson's positive coronavirus diagnosis :

While Hanks had regularly posed for photos with fans at Coolangatta Beach on the Gold Coast and a cafe near Mount Warning on the New South Wales far north coast, the premier said she did not believe a selfie would constitute close contact.

"Tom has been having a wonderful time on the Gold Coast and we are so lucky to have Tom in Queensland," she said.

"But what it is, is people who have come in very close contact with him in recent days [our] experts will now work very closely with him with Baz [Luhrmann] and all the cast the crew and then they will isolate those people who have been in that close proximity.

"From what the chief health officer has told me it's over 15 minutes of being in very close contact, so a selfie wouldn't count as that."

She said Hanks and Wilson would receive "the best treatment in our hospital".

"I'm very confident with the physicians that we have that will be treating Tom and his wife and like I said we wish them all the very best for a speedy recovery," she said.

"I know the thoughts of Queenslanders and all Australians are with Tom and Rita during this time."

enltrAnnastacia Palaszczuk just said: "Any people who have come into close contact with Tom Hanks will need to self-isolate" Every day we get closer to this [*pic.twitter.com/3UhrIvlSoS*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Naaman Zhou (@naamanzhou) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Hanks and Wilson's son, Chet Hanks, posted on Instagram that he just spoke to his parents, who are both "fine, they're not even that sick. They're not that worried about it, they're not tripping. but they're going through the necessary health precautions obviously."

"Yeah, it's true my parents got coronavirus. Crazy," he says.

block-time published-time 4.17am GMT

Reactions to Donald Trump's speech earlier include this, from David Litt, who wrote speeches for Obama: "As a former presidential speechwriter, my careful rhetorical analysis is that he's gonna get us all killed."

enltrAs a former presidential speechwriter, my careful rhetorical analysis is that he's gonna get us all killed.

- David Litt (@davidlitt) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Donald Trump's [*first Oval Office address*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) - that almost sacred altar for US presidents on prime time television - came in January 2019 amid a partial government shutdown and asserted that only a border wall can keep out dangerous illegal immigrants.

[*His second such address*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) on Wednesday night was again couched in terms around the need to resist a foreign invasion that is someone else's fault. The problem is that the coronavirus is already inside America and spreading.

And the message was delivered by a 73-year-old man with a sniffing habit who did not seem to be a glowing picture of health nor entirely at ease reading from a TelePrompter. His bold assertion last week - "I like this stuff. I really get it ... Maybe I have a natural ability" - seemed even more incredible than before.

Related: [*'He's gonna get us all killed': sense of unease after Trump coronavirus speech*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time updated-timeUpdated at 4.36am GMT

block-time published-time 4.13am GMT

Actors Tom Hanks and Rita Wilson have tested positive for Coronavirus while in Australia. Photograph: Carlo Allegri/Getty Images

The latest on Tom Hanks and Rita Wilson, who are in Australia and have confirmed they have tested positive for coronavirus:

The premier of Queensland, Annastacia Palaszczuk, said on Thursday that health officials would conduct contact tracing to determine who had been in close contact with Tom Hanks and Rita Wilson.

"People who have come in close contact with Tom Hanks and Rita Wilson will now need to self isolate and quarantine," she said.

Related: [*Tom Hanks and wife Rita Wilson test positive for coronavirus at hospital in Australia*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 4.05am GMT

Shortly before health minister Greg Hunt's announcement that the question of travel from Europe had been referred to the Health Protection Principal Committee, Australia's foreign minister Marise Payne - who is in Washington DC to meet with US officials - said there were no immediate plans to expand Australia's current travel restrictions to other countries such as the US or regions like Europe, but that these restrictions were continually being re-assessed.

Minister for Foreign Affairs Marise Payne. Photograph: Mick Tsikas/AAP

"I think the important thing about our response is that we have acted early in our decisions around travel restrictions that we've needed to impose - always focused on protecting the health and safety of Australians. We are constantly reviewing our travel restrictions." Payne said government-issued travel bans were becoming almost "self-fulfilling" with people unwilling to travel as the global Covid-19 pandemic took hold. "To an extent these are about to become self-fulfilling in some ways, given the restriction and the constraints on airlines around the world. That is having an impact, most certainly, on people's ability to travel. "If you're travelling at the moment you will see that we have very subdued airports, that we have a much lower level of activity. So I think it is, in fact, in some ways, addressing itself."

block-time published-time 4.00am GMT

In Australia, Victorian health minister Jenny Mikakos says there have been 5,200 negative tests in Victoria.

There are 27 confirmed cases in the state.

There are 12 screening clinics across the state, says Mikakos. "We are already seeing increased demand of people presenting for testing," she says. The state's call centre has received over 21,000 calls.

block-time published-time 3.55am GMT

Australian Health Minister Greg Hunt is speaking now.

"In Australia we have 128 cases," he says.

The Prime Minister and the national security committee have met and decided to refer the question of travel from Europe to the Australian Health Protection Principal Committee (composed of chief medical officers), following Trump's announcement.

block-time updated-timeUpdated at 3.57am GMT

block-time published-time 3.52am GMT

Now for the latest reactions to Australian Prime Minister Scott Morrison's coronavirus stimulus package, which economists say will do its bit to boost confidence - but, they add, further cash maybe needed:

Related: [*'Rudd mark II': what experts say about Australian government's $17.6bn stimulus package*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

"The decision not to pump much cash, relatively speaking, into the wallets of ordinary Australians is the biggest gamble in the Morrison government's stimulus package," writes the Guardian's senior business reporter Ben Butler. So will it pay off?

Related: [*Should Morrison's coronavirus stimulus package be giving cash to ordinary Australians?*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Guardian Australia political editor Katharine Murphy writes, "Regions and communities that are severely impacted by the coronavirus will be given access to taxpayer support through a new $1bn fund - but it is unclear how the fund will operate, because the practicalities will be worked through with the states."

Related: [*Coronavirus: uncertainty over $1bn relief fund for Australian tourism, education and* ***agriculture***](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 3.40am GMT

In the US, CNN has more now on the US coronavirus travel ban for Europe announced by President Donald Trump earlier today.

The ban exempts all countries NOT in the Schengen Area travel zone, acting Secretary of the Department of Homeland Security Chad Wolf explained the ban in a statement issued on Twitter.

We'll have a fuller story explaining the ban and its implications - including whether Europeans could skirt the ban by traveling through the UK and other countries - shortly.

enltrThe Trump administration explains that the "Europe" ban Trump announced does not only exempt the UK but exempts all countries not in the Schengen Area travel zone, such as Ireland, Croatia, Romania, Ukraine, Serbia and more. [*https://t.co/FenAEji8Fz*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Daniel Dale (@ddale8) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 3.33am GMT

Summary: Hanks, Wilson, Trump, the NBA, F1 and St. Patrick's Day

There has been no lack of major Covid-19 news today, as the virus affects Hollywood actors, major sporting events and prompts Donald Trump to place a travel ban on all flights from Europe.

* US President Donald Trump introduced a total travel ban from Europe, excluding the UK, for 30 days. The ban does not extend to trade.

1. Actors Tom Hanks and Rita Wilson have announced that they have both tested positive for Covid-19 while filming in Australia.
2. The St. Patrick's Day parade in New York City has been canceled this year for the first time since 1762, New York Governor Andrew Cuomo said on Wednesday night.
3. In Hong Kong, an 80-year-old man has denied he was "patient zero" for the Diamond Princess cruise ship outbreak.
4. The total number of coronavirus cases worldwide now stands at 126,135, according to figures from Johns Hopkins University.
5. Mainland China reported 15 new infections, eight of which are in Hubei. There have been 11 new deaths, ten of which were in Hubei.
6. Australia's ASX200 was down over 7% following Trump's Europe travel ban.
7. The NBA has suspended play indefinitel y after after a player on the Utah Jazz preliminarily tested positive for Covid-19.
8. Two more Formula One team members have been tested for the coronavirus at the Australian Grand Prix in Melbourne. The event has not been cancelled.
9. Juventus defender Daniele Rugani has tested positive for coronavirus, the Serie A club said on Wednesday.
10. The Australian stock market gave the thumbs down to the Morrison government's stimulus package and Trump's travel ban.

block-time published-time 3.27am GMT

Actors Rita Wilson and Tom Hanks have tested positive for Coronavirus while in Australia. Photograph: Dia Dipasupil/FilmMagic

Rita Wilson, the actor and singer, has posted a similar statement to the one made by her husband Tom Hanks earlier today on her Instagram stories.

Hanks and Wilson, both currently in Australia, have both confirmed that they have contracted the coronavirus.

Rita Wilson post to Instagram stories about being infected with coronavirus, along with husband Tom Hanks. Photograph: Instagram

"Hello, folks. Tom and I are down here in Australia. We felt a bit tired, like we had colds, and some body aches. I had some chills that came and went. Slight fevers too," she wrote. "To play things right, as is needed in the world right now we were both tested for the coronavirus, and were found to be positive. "Well, now. What to do next? The medical officials have protocols that must be followed. We Hanks' will be tested, observed and isolated for as long as public health and safety requires. Not much more to it than a one-day-at-a-time approach, no? "We'll keep the world posted and updated. Keep us in your prayers!"

block-time published-time 3.11am GMT

The Australian Academy of Science has made a helpful explainer answering your coronavirus questions, including whether or not to stockpile toilet paper.

block-time published-time 3.05am GMT

In Hong Kong, an 80-year-old man has denied he was "patient zero" for the Diamond Princess cruise ship outbreak.

Buses carrying the Hong Kong passengers from the quarantined Diamond Princess cruise ship leave a port in Yokohama, near Tokyo, Friday, Feb. 21, 2020. Photograph: Eugene Hoshiko/AP

The Hong Kong man, who gave his surname as Wu, told the South China Morning Post that he had been unfairly identified as the source of the Covid-19 outbreak which infected more than 700 and killed eight.

Wu was the first confirmed case from the cruise ship's 3,700 passengers, diagnosed after he returned home to Hong Kong. The diagnosis prompted the eventual quarantining of the thousands still on the ship, and in subsequent reports Wu has been reported as the index case.

However Wu told the Post reports that he had begun coughing before he boarded were wrong, and that it started several days into the trip. He was diagnosed after returning disembarking in Hong Kong with about 130 other passengers.

Wu was traveling with his wife and daughters, none of whom became sick, the report said, and their journey from Hong Kong to Tokyo involved interaction with multiple groups of people.

Health official said that while Wu was the first identified patient from the cruise, there were at least two people who developed symptoms before he did.

"The timing doesn't support that he was the first case, as his symptoms' onset was January 23," said Professor David Hui Shu-cheong, a respiratory medicine expert from Chinese University, who added there were many uncertainties about the case.

"I think it is very likely the Hong Kong man got infected from others such as on the bus because there were two confirmed cases on the cruise who developed symptoms before him and his family tested negative."

Wu, who was hospitalised with the disease, told the Post he was recovering and in good health.

"Because of me, my family had to suffer from quarantine. I don't want to bring more trouble to them," he said. "But I cannot accept people calling me the source."

block-time published-time 3.01am GMT

Here's the latest on Tom Hanks and Rita Wilson, who have confirmed they have tested positive for coronavirus while in Australia.

The Guardian understands that early on Thursday morning cast and crew attached to the film received an email instructing them to stay away from set after a member of the production tested positive for the virus.

In the lead up to shooting, normal practice would involve lead actors to have close contact with wardrobe and hair and makeup departments for screen tests and sound tests. These often involve close physical contact with potentially dozens of crew.

In a statement the US production company behind the film, Warner Bros, said it was "taking precautions" to protect its employees.

Hanks and Wilson, who is a singer as well as an actor, had been travelling to different locations in Australia and had posted photos from Sydney and Brisbane on Instagram.

Related: [*Tom Hanks coronavirus: actor and wife Rita Wilson test positive in Australia*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Wilson performed at the famous Sydney Opera House over the weekend and had appeared on the Nine breakfast morning show Today earlier in the week.

Famously approachable, Hanks had regularly posed for photos with fans at Coolangatta Beach on the Gold Coast and a cafe near Mount Warning on the New South Wales far north coast.

block-time published-time 2.54am GMT

New York St. Patrick's Day Parade postponed for first time since 1762 In this Saturday, March 16, 2019, photo, bagpipers and others march up Fifth Avenue during the St. Patrick's Day Parade in New York. The New York City St. Patrick's Day Parade has been postponed for the first time in its 258-year history because of coronavirus concerns, Gov. Andrew Cuomo announced Wednesday, March 11, 2020. Photograph: Mary Altaffer/AP

In the US, the St. Patrick's Day parade in New York City has been canceled this year, New York Governor Andrew Cuomo said on Wednesday night. The parade is one of the most high-profile - and oldest - US public events to be felled by the global coronavirus pandemic. Organisers plan to hold the event at a later date, Cuomo said in a statement. The parade is usually held on 17 March, attracting millions of spectators who line up along Manhattan's Fifth Avenue to celebrate the patron saint of Ireland. The tradition dates back to 1762, organisers say.

block-time updated-timeUpdated at 3.16am GMT

block-time published-time 2.50am GMT

In Australia, the federal opposition has said the country should immediately close schools and cancel mass events, arguing the "public health emergency" requires urgent, even "draconion" action.

Labor shadow cabinet minister Bill Shorten said Australia needed to implement social distancing "not in weeks and months but in days".

A view of the Willoughby Girls High School in Sydney, Australia, 09 March 2020. Willoughby Girls High School has been closed after a 12-year-old year seven pupil was confirmed as having coronavirus. Photograph: Bianca de Marchi/EPA

"The only way to make sure this pandemic is not worse than it otherwise could be is to have more drastic social distancing measures," he told Sky News.

Related: [*Coronavirus Australia: Labor calls for mass events to be cancelled and schools closed*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 2.47am GMT

In New Zealand, the ministry of health said there had been no new cases of coronavirus for the fifth consecutive day in a row.

The two people who had been hospitalised for the virus were now recovering at home.

Yesterday around the country 100 tests for the virus took place around the country, the ministry of heath's Ashley Bloomfield said. Daily monitoring of those in self-isolation was "usually a phone call" he said. Around 9000 people are currently in self-isolation in New Zealand, and the director said there had been no reports of non-compliance. "We're operating in an environment where it's high trust," Bloomfield said, though his ministry were conducting research into how to "force" people into self-isolation if they needed too.

block-time published-time 2.40am GMT

In Australia, travel agencies and airlines are among Australian stocks smashed by Donald Trump's decision to close US borders to travel from Europe.

A view of digital market boards at the Australian Stock Exchange (ASX) in Sydney, Australia, 10 March 2020. Photograph: Joel Carrett/EPA

Flight Centre stock tumbled almost 18% by 1.30pm on Thursday afternoon while online rival Webjet was down 14.6%. Shares in Australia's flag carrier, Qantas, were down 10.4%. All three stocks have been consistently sold down since the market first began its coronavirus slide on 21 February. The stockmarket sell-off, which began as Australian prime minister Scott Morrison unveiled a stimulus package with little in it for ordinary workers, has gripped the entire market. Just two stocks recorded small rises - contractor Cimic Group, formerly known as Leighton Holdings, and medical imaging software group Pro Medicus, which bounced back after a savaging on Wednesday.

block-time published-time 2.33am GMT

Back to US president Donald Trump's remarks earlier.

The White House has clarified one of the key details about Trump's measures. The president said that trade and cargo from Europe would be banned along with passengers. But the administration later said that the president misspoke and that trade would continue between the US and Europe. Trump himself also clarified this point via Twitter:

enltrHoping to get the payroll tax cut approved by both Republicans and Democrats, and please remember, very important for all countries & businesses to know that trade will in no way be affected by the 30-day restriction on travel from Europe. The restriction stops people not goods.

- Donald J. Trump (@realDonaldTrump) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 2.30am GMT

Global infections over 126,000

The total number of coronavirus cases worldwide now stands at 126,135, according to figures from [*Johns Hopkins University*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

These are the highest infection figures globally:

* China: 80,932

1. Italy: 12,462
2. Iran: 9,000
3. South Korea: 7,755
4. France: 2,284
5. Spain: 2,277
6. Germany: 1,966
7. US: 1,311
8. Switzerland: 652
9. Japan: 639

block-time updated-timeUpdated at 2.30am GMT

block-time published-time 2.25am GMT

Two more F1 team members tested for coronavirus

Two more [*Formula One*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) team members have been tested for the coronavirus at the Australian Grand Prix in Melbourne, taking the total having undergone checks for the infection to five.

The race weekend begins in earnest with the first free practice session on Friday afternoon, with no indication that racing will be cancelled.

Related: [*Two more Haas team members tested for Covid-19 on eve of Australian Grand Prix*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

The words "Stop F1" are seen over the Sydney sky on March 11, 2020. Five Formula One team staff members have been tested for the new coronavirus, officials said, casting a shadow over the opening race of the year. Photograph: David Gray/AFP via Getty Images

block-time published-time 2.20am GMT

In the Philippines, staff at the Asian Development Bank's (ADB) headquarters in Manila are working from home after a visitor to the bank tested positive for Covid-19.

"The Bank's Manila headquarters facility will be closed from 12 March to undertake cleaning and disinfecting. Bank operations will continue. ADB Management will make a decision in coming days on when to reopen the Bank premises," the bank said in a statement.

block-time published-time 2.17am GMT

Japan's Prime Minister Shinzo Abe attends an upper house plenary session at parliament in Tokyo on March 11, 2020. Photograph: Kazuhiro Nogi/AFP via Getty Images

Japan's prime minister, Shinzo Abe, marked his 3,000th day in office battling the coronavirus's effects on the world's third-biggest economy and speculation that this summer's Tokyo Olympics could be cancelled or postponed.

Abe, who became the longest-serving leader last November - after two separate periods in office - this week announced 1tn yen (US$9.6 bn) in emergency funds for businesses hit by the coronavirus outbreak. The package includes 500 billion yen in zero-interest loans for small and medium-sized firms who suffer cash shortages due to dramatic declines in sales.

Japan's health and welfare ministry on Thursday said it had confirmed a further 50 cases of the virus, bringing the country's total to 620. Fifteen people have died from Covid-19 in Japan. The ministry's figures do not include almost 700 cases and six deaths among passengers and crew on the Diamond Princess cruise ship, which was quarantined in Yokohama for more than two weeks.

block-time published-time 2.15am GMT

South Korea has reported 114 new cases of the coronavirus, as well as six more deaths, bringing the country's total number of infections to 7,869, the Korea Centres for Disease Control and Prevention (KCDC) said on Thursday.

People walk in front of a TV screen showing a live broadcast of U.S. President Donald Trump's speech at the Seoul Railway Station in Seoul, South Korea, Thursday, March 12, 2020. Photograph: Ahn Young-joon/AP

The new cases, detected on Wednesday and reported Thursday morning, marked the lowest number of daily infections in more than two weeks. Sixty-six people have died from the illness in South Korea, where more than 60% of confirmed cases have been linked to a branch of the Shincheonji religious sect in Daegu, a city of 2.5 million people in the country's south-east. Of the new cases reported on Thursday, 73 were in Daegu and eight were in nearby North Gyeongsang province, the KCDC said.

block-time published-time 2.10am GMT

In Australia, Triple J host Avani Dias is reporting that a person who attended a Melbourne music festival with a crowd of 12,000 has tested positive for coronavirus.

enltrThe ABC understands a person who attended the Golden Plains music festival, west of Melbourne, on the weekend has tested positive for Covid-19. 12,000 people went to the event and the headliners the [*@PIXIES*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) have postponed the rest of their Australian tour.

- Avani Dias (@AvaniDias) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 2.09am GMT

ASX200 down over 7% following Trump's Europe travel ban

The Australian sharemarket is continuing to fall following US president Donald Trump's announcement he was banning travel from Europe (except the UK). At around 1pm on Thursday the benchmark ASX200 was down more than 7%.

block-time published-time 2.07am GMT

Actor Rita Wilson's recent Instagram posts before she and husband Tom Hanks announced that they have been infected with coronavirus show her in front of the Sydney Opera House.

She also performed songs from her new album at the Sydney Opera House on 7 March.

She also appeared on Australia's Today Show on 9 March.

Two hours ago she posted a video of her performance on the show.

block-time published-time 2.04am GMT

Here are the main takeaways from US president Donald Trump's address earlier today, in which he announced a travel ban on flights from Europe - not including the UK - to the US for 30 days.

block-time published-time 1.55am GMT

Here is everything we know about Tom Hanks and Rita Wilson's coronavirus diagnosis so far:

Related: [*Tom Hanks coronavirus: actor and wife Rita Wilson test positive in Australia*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 1.52am GMT

NBA suspends play indefinitely after Utah Jazz player tests positive

In the US, the NBA announced that it will suspend the season after Wednesday night's games until further notice, as it deals with the coronavirus pandemic.

The announcement came after a player on the Utah Jazz preliminarily tested positive for covid-19 ahead of a game between that team and the Oklahoma City Thunder. The game was called off moments before tip-off, and the player had not been in the arena.

The league said it would use the hiatus to determine next steps amid the pandemic.

enltrNBA To Suspend Season Following Tonight's Games [*pic.twitter.com/2PTx2fkLlW*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- NBA (@NBA) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 1.44am GMT

In Australia, production on the Baz Luhrmann film actors Tom Hanks and Rita Wilson are in the country to film had been set to begin on Monday.

In the film, Elvis, slated for 2021, Hanks is set to play Colonel Tom Parker, Elvis Presley's manager.

In a statement the US production company behind the film, Warner Bros, said it was "taking precautions" to protect its employees.

In this file photo US actor Tom Hanks and wife Rita Wilson arrive for the 77th annual Golden Globe Awards on January 5, 2020, at The Beverly Hilton hotel in Beverly Hills, California. Photograph: Valérie Macon/AFP via Getty Images

"The health and safety of our company members is always our top priority, and we are taking precautions to protect everyone who works on our productions around the world," the company said in a statement [*provided to the New York Times*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place).

block-time published-time 1.35am GMT

A few reactions now as the world learns that Tom Hanks and his wife Rita Wilson have tested positive for coronavirus in Australia:

enltrProtect Tom & Rita at all costs [*https://t.co/7U1Qhjc5tO*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- This FLU Shall Pass? (@questlove) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

enltrme being told I could get infected with a serious disease: "alright fine I'll wash my hands or whatever" me being told Tom Hanks got infected with a series disease: "Get me a fucking test tube, a flask, and a Bunsen burner because we solving this TONIGHT"

- Mike Drucker (@MikeDrucker) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

enltrTom Hanks who was in Bondi four days ago has tested positive for coronavirus in a Gold Coast hospital. He also found a lost sock there, hope it wasn't returned

- Patrick Keneally (@patrickkeneally) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 1.31am GMT

The Australian market has fallen further after US president Donald Trump announced the country would close its borders to Europe, excluding the UK. After dropping throughout the morning as the Australian government announced a stimulus package, the benchmark ASX200 index took an additional tumble at lunchtime on Thursday to be down about 3.9% for the day.

block-time published-time 1.28am GMT

The news that Tom Hanks has tested positive for coronavirus in Australia now brings into focus where the actor and his wife, Rita Wilson, who has also tested positive have been spending their last few days.

Hanks' most recent Tweet before the announcement that he had the virus today was on March 8th, from Bondi Beach in Sydney:

enltrKids sock, washed ashore. Lost ashore. Bondi Beach. New South Wales. Hanx. [*pic.twitter.com/wI2c08UNm6*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Tom Hanks (@tomhanks) [*March 7, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 1.24am GMT

A little more on Tom Hanks confirming he and his wife Rita Wilson have tested positive for coronavirus in Australia:

Hanks posted a photograph from a Gold Coast hospital. Hanks and Wilson are in Australia filming Baz Luhrmann's untitled Elvis Presley film.

block-time updated-timeUpdated at 1.25am GMT

block-time published-time 1.21am GMT

Tom Hanks and wife Rita Wilson test positive for coronavirus in Australia

Tom Hanks and his wife Rita Wilson have coronavirus. He wrote in a post on Instagram:

"Hello, folks. Rita and I are down here in Australia. We felt a bit tired, like we had colds, and some body aches. Rita had some chills that came and went. Slight fevers too. To play things right, as is needed in the world right now, we were tested for the Coronavirus, and were found to be positive."

block-time published-time 1.15am GMT

Asian stock markets fell sharply as Donald Trump addressed the US from the Oval office. The ASX200 in Sydney, which had edged back up after a rough start to the day, dropped around 1% to 2.5%. The Nikkei is Tokyo made a similar move to 2.54% down for the day. US futures dropped from -0.2% to -1.2%.

enltrSo US futures went from -0.2% to -1.2% during the speech. [*#USfutures*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)   [*#Markets*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Evan Lucas (@EvanLucas\_INV) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

enltrFutures tumbling during this speech [*pic.twitter.com/BdCZer369M*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Joe Weisenthal (@TheStalwart) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

The travel ban from Europe also very bad news for European airlines. The Atlantic route is the most profitable in the world. Good news for British Airways though that UK exempted.

block-time published-time 1.13am GMT

Just to recap the main point from that address by US President Donald Trump, he has introduced a total travel ban from Europe, excluding the UK, for 30 days.

block-time updated-timeUpdated at 1.15am GMT

block-time published-time 1.11am GMT

US president Donald Trump: "Our future remains brighter than anyone can imagine. Acting with compassion and love we will heal the sick," he says.

CNN says "In a generation we have not heard an announcement as serious as this from a US president."

block-time published-time 1.10am GMT

Trump plans to have the Small Business Administration provide economic loans in affected states and territories for small businesses. Asking congress to increase funding for this programme by US$50bn.

"I will never hesitate to take any of the necessary steps to protect the health safety and wellbeing of the American people," Trump says of the European travel restrictions.

"No nation is more prepared or resilient than the United States."

block-time published-time 1.08am GMT

US President Donald Trump says, "If you are sick or not feeling well, stay home.

To ensure that Americans will not suffer financial hardship he will soon be taking "unprecedented measures" for financial relief for workers who cannot work due to illness.

block-time published-time 1.07am GMT

Donald Trump says Americans should avoid "non-essential travel to crowded areas"

block-time published-time 1.06am GMT

Trump is addressing the nation from the Oval Office.

"Testing capabilities are expanding rapidly. Day by day we are moving very very quickly... the risk for ordinary Americans is very very low... the elderly population must be very very careful."

block-time published-time 1.05am GMT

US president Donald Trump says the travel restrictions will not apply to the United Kingdom.

block-time published-time 1.04am GMT

Donald Trump announces suspension of all travel from Europe to the US for 30 days

In the US, Donald Trump says, "To keep new cases from entering our shores we will be suspending all travel from Europe to the US for the next 30 days."

There are currently 1276 cases in the US, according to Johns Hopkins University

block-time updated-timeUpdated at 1.07am GMT

block-time published-time 1.03am GMT

President Donald Trump listens during a meeting with banking industry executives about the coronavirus, at the White House, Wednesday, March 11, 2020, in Washington. Photograph: Evan Vucci/AP

US President Donald Trump is speaking now from the Oval Office in Washington, as the country's coronavirus cases near 1,300. He appears to be reading a prepared statement.

"We will ultimately and expeditiously defeat this virus," he says.

block-time updated-timeUpdated at 1.07am GMT

block-time published-time 12.53am GMT

Latest China cases

We getting the latest figures from China now, with Reuters reporting that there are 15 new infections in mainland China, eight of which are in Hubei. There have been 11 new deaths, ten of which were in Hubei.

China's total number of cases is 80,793 as of the end of March 11.

block-time published-time 12.47am GMT

Donald Trump is expected to [*deliver a speech*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) in fifteen minutes' time, at 9pm EST.

A view of the White House March 11, 2020, in Washington, DC. Photograph: Brendan Smialowski/AFP via Getty Images

He'll be speaking from the Oval Office, as the US reckons with the spread of coronavirus and the White House grapples with the severity of the situation.

After days of downplaying the threat, Trump announced he would be delivering a prime-time address to the nation at 9pm ET on the federal response to what the World Health Organization has now declared a global pandemic.

Trump's speech comes on a tumultuous day as cases in the US topped 1,000 and the [*number of deaths rose to 37*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place), while   [*fluctuations in the financial markets*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) continued and Washington strained to respond. Testifying on Capitol Hill on Wednesday, Dr Anthony Fauci, the director of the National Institute of Allergy and Infectious Diseases, warned that the outbreak in the US is going to get worse.

"I can say we will see more cases, and things will get worse than they are right now," Fauci told the House Oversight and Reform Committee. He said it is "10 times more lethal than the seasonal flu".

Related: [*Coronavirus response: Trump set to deliver speech tonight on global pandemic*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 12.43am GMT

The University of Tasmania, in Australia, has warned staff and students that a woman who tested positive to coronavirus visited the library of their Sandy Bay campus on Monday, 9 March.

In a statement, vice-chancellor Professor Rufus Black said:

A woman in her 30s has tested positive for coronavirus in Tasmania. She is currently in a stable condition in the Royal Hobart Hospital.

It is Tasmania's third confirmed case of coronavirus. The other two cases remain in medical care and are stable. This latest case is not related to either of the previous cases and is not due to local ***transmission*** in Tasmania.

The woman travelled to Australia from South America via New Zealand and arrived in Hobart on Sunday 8 March from Sydney aboard Jetstar flight JQ727 which landed about 10.20pm."

The woman also informed PHS that she visited UTAS' Sandy Bay Campus on Monday 9 March. She was at the Morris Miller library between 9.30am to 5.30pm.

While the risk to any other member of the public who was at these venues at the same time is very low, anyone who was at these venues at the above times who is feeling unwell in the 14 days after they were there should contact the Public Health Hotline on 1800 671 738.

block-time updated-timeUpdated at 12.43am GMT

block-time published-time 12.40am GMT

The Australian stock market has given the thumbs down to the Morrison government's stimulus package. Shares, which were already down about 2% when Australian prime minister Scott Morrison and treasurer Josh Frydenberg began talking at around 10.35am, fell as the politicians spoke. Within 10.50am the benchmark ASX200 was down 3%. After some choppy trade, it was off by 2.9% at 11.30am. The package relies heavily on money for business, which gets around three quarters of the stimulus, and while there is cash for people on benefits the amount is less than that handed out by the Rudd government during the global financial crisis and there is nothing for workers without families.

block-time published-time 12.38am GMT

There is another sea of red on stock market boards in Asia Pacific on Thursday morning. The Nikkei in Japan has dropped 2.3% and the Kospi in Seoul is off 1.2%. As we've seen already, the Australian market has fallen almost 3% despite the announcement of a federal government emergency stimulus package. Comparisons being made with the massive household giveaway by the Kevin Rudd government in 2009.

enltrThe Rudd Mark II package from the Morrison government is sound policy. The Rudd GFC measures are and will be the blueprint for economic management for decades to come.

- Stephen Koukoulas (@TheKouk) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Focus will now be on what Trump has to say later today but another Fed rate cut, which everyone is already expecting, might not be enough as Eleanor Creagh from Saxa Capital Markets in Sydney suggests here:

enltrCutting rates does not ease hit to sentiment. To boost confidence, public health policy needs to lead the charge along with fiscal policy measures to ease uncertainties surrounding job security and support businesses to prevent layoffs [*https://t.co/c9AermhzgL*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- Eleanor Creagh (@Eleanor\_Creagh) [*March 11, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 12.32am GMT

The Pixies, currently touring in Australia, are postponing their remaining performances, the Guardian's Steph Harmon reports:

enltrPixies, currently touring Australia, are postponing their remaining dates due to coronavirus. [*pic.twitter.com/FxWbrknbLS*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

- steph harmon (@stephharmon) [*March 12, 2020*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

Here is the mandatory #washyourlyrics, Pixies edition:

#Washyourlyrics, Pixies edition. Photograph: Wash your lyrics

block-time published-time 12.24am GMT

To wrap up that presser from Australian prime minister Scott Morrison, here is the country's stimulus package at a glance. All figures are in AUD.

* The package is worth $18bn in this financial year and $22bn over the 15 months it will run.

1. The instant asset threshold is increased from $30,000 to $150,000.
2. The Boosting Cash Flow for Employers measure will provide up to $25,000 back to small and medium-sized businesses, with a minimum payment of $2,000 for eligible businesses.
3. Eligible employers can apply for a wage subsidy of 50% of the apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020.
4. Households that receive a government payment will receive a $750 from March 31.
5. A $1bn 'Coronavirus fund' will be established.

block-time published-time 12.14am GMT

Back to Australia now, where Prime Minister Morrison is speaking with the treasurer, Josh Frydenberg, about the government's stimulus package response to the economic impact of coronavirus on the country, which started the year with a significant blow from the bushfires:

Question: Will this starve off a recession? Is that the job?

Scott Morrison:

The job is what I outlined when I stood here with the Treasurer just 10 minutes ago. And that is to ensure that we keep Australians in jobs, that we keep businesses in business, and that we ensure the Australian economy is in a position to bounce back strongly on the other side.

That is the task. That's what we've designed this package to do. If more is required, more will be done and we'll watch that closely, like you do with any plan, and you get the best information and you continue to make good decisions.

I think we've made some very good decisions here and this boost, as I said, 1.2% of GDP, particularly in the initial phase, and even stronger than that, actually, this year, as you look at - it was $11 billion going out the door effectively by 30 June - that's when it's needed. This is very front-end-loaded.

block-time published-time 12.11am GMT

Moving away from the Australian news for a moment and over to football, where the [*Juventus*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) defender Daniele Rugani has tested positive for coronavirus, the Serie A club said on Wednesday.

"The footballer, Daniele Rugani, has tested positive for coronavirus-Covid-19 and is currently asymptomatic," Juve said in a statement. "Juventus Football Club is currently activating all the isolation procedures required by law, including those who have had contact with him."

Rugani has made seven appearances for Juventus this season but was an unused substitute for Juventus on Sunday in their [*behind-closed-doors victory against Internazionale*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place). Rugani was also seen training with the first team on Tuesday.

Related: [*Juventus defender Daniele Rugani tests positive for coronavirus*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 12.10am GMT

Here are the main measures involved in the Australian stimulus package response to the coronavirus from our story earlier today:

Australian businesses will receive an assistance package worth at least $8.7bn in response to the coronavirus outbreak, as the government seeks to urgently stimulate the economy and stave off a looming recession.

Cash payments for businesses, wage subsidies for apprentices and a massive expansion of the instant asset write-off aimed at encouraging the sale of cars, utes, tools and industrial equipment will form the centrepiece of the business boost that will kick in as early as Friday.

The business package, to be announced on Thursday, will also be accompanied by assistance for households, with direct cash payments for households to form part of the overall economic stimulus plan, expected to be worth more than $15bn.

A major focus of the business package, which aims to "keep business in business and Australians in jobs", will be a tax-free cashflow boost for employers worth up to $25,000.

Related: [*Coronavirus: Coalition unveils $8.7bn for businesses in major stimulus package*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place)

block-time published-time 12.04am GMT

More on that AU$750 payment. In short, 6.5 million Australians will be getting a cheque for $750. Treasurer Josh Frydenberg says:

Now it's not for us to tell those Australians how to spend their money but what we do know from experience is that they will spend that money and that money will encourage economic activity and the more economic activity that we see through the June quarter, in particular, will be important, because in the June quarter, just as we've seen in the March quarter, the spread of the coronavirus has had an impact across the economy.

It's disrupted end-to-end supply chains. It's obviously impacted on the tourism sector, on the international education sector and more broadly.

block-time published-time 11.59pm GMT

Australian Prime Minister Scott Morrison is answering questions from the media now.

Question: Will this package be enough to save the nation?

Morrison:

We have worked carefully to make sure that we have got a proportionate response here to meet the challenge.

Now, this is, as I said, 1.2% of GDP. To give you some comparison, when the initial stimulus was done for the GFC many years ago, those payments equated to some 0.88% of GDP in that package which was, as you know, supported by the [*Coalition*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place), and that used similar measures - payments through the payment system.

For the Australian economy to continue to move forward, says Morrison, "businesses need to continue to go forward and do what they do each day." Money is going to the people who "are most likely to churn that into the economy quite quickly."

block-time published-time 11.53pm GMT

The $17.6bn stimulus package revealed by the Australian government this morning has failed to stem losses on the stock exchange, with shares continuing to fall as prime minister Scott Morrison and treasurer Josh Frydenberg detailed the measures. A market that had fallen by 2% before Morrison began speaking at about 10.35am fell further to be off by almost 3% by 10.50.

block-time published-time 11.53pm GMT

Businesses will benefit most from Australia's stimulus package.

Australian treasurer Josh Frydenberg, who just spoke, said:

The package is worth $17.6 billion, $11 billion of which will go out the door before June 30.

As the Prime Minister said, this is on top of the recent health package we announced of $2.4 billion in measures.

Importantly, $3 out of every $4 spent will go to backing business and keeping Australians in a job.

block-time published-time 11.50pm GMT

Australian Prime Minister Scott Morrison on stimulus package

It's all about jobs, says Australian Prime Minister Scott Morrison.

"Jobs provide people with choice, jobs are just so important" on how Australia deals with the "difficult months" ahead, he adds.

"It is a health crisis, but it is a health crisis with very significant economic impacts."

All up, over the next two financial years, the stimulus package will cost AU$22bn.

The stimulus package is worth just under AU$18bn.

The measures include:

* $750 across the full gambit of those who receive all sorts of benefit payments.

1. The waiting period will be waived for what is currently called the 'sickness allowance' (On March 20, it becomes the JobSeeker payment) for casuals who have to self-isolate.
2. Businesses with over $50m in turnover will be eligible for a payment of $25,000.

block-time updated-timeUpdated at 12.53am GMT

block-time published-time 11.43pm GMT

Australian prime minister Scott Morrison is speaking now, addressing the economic impact of the coronavirus outbreak in the country, as well as the government's planned stimulus measures.

The ASX is down 2.4% since opening this morning.

block-time updated-timeUpdated at 11.44pm GMT

block-time published-time 11.40pm GMT

A empty classroom is seen at University of Sao Paulo School of Geography after classes where suspended when a student was confirmed with new coronavirus in Sao Paulo, Brazil, March 11, 2020. Photograph: Amanda Perobelli/Reuters

In Brazil, where there are now 69 confirmed coronavirus cases, the Folha de S.Paulo newspaper site has [*reported*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) adding one in Northeastern state of Bahia and 16 at the Albert Einstein hospital in São Paulo to the 52 released by the Health Ministry earlier.

Dominic Phillips reports that Brazil expects more growth in locally transmitted cases, according to a health official speaking on Wednesday.

"From now on the number of cases of local ***transmission*** will increase," João dos Reis, executive secretary at Brazil's health ministry told the country's [*Senate*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) Wednesday. "People will contract the disease without us being able to establish the origin of the virus."

The government will buy 20 million surgical masks and four million hospital masks, he said, according to the Agência Senado agency. He also said the government will hire 5,000 new doctors and create a thousand more beds in intensive care units, he said.

block-time published-time 11.33pm GMT

Man rescued from collapsed China hotel after 69 hours

In China, more on the rescues from the collapsed virus quarantine hotel in Quanzhou, southeastern [*China*](https://www.theguardian.com/travel/2020/feb/28/which-countries-have-coronavirus-travel-restrictions-in-place) in which at least 20 other people died. A man was pulled out alive after being trapped for 69 hours under the rubble, the official Xinhua News Agency said.

Rescuers search for survivors in the rubble of a collapsed hotel on March 10, 2020 in Quanzhou, Fujian Province of China. Photograph: China News Service/China News Service via Getty Images

The man was sent to hospital immediately after being rescued late on Tuesday afternoon. Another nine people are missing from the collapse on Saturday.

A 10-year-old boy and his mother had been rescued around midnight Monday after being trapped for 52 hours. The condition of all three survivors remains unknown.

The hotel in the city of Quanzhou had been a quarantine site for people exposed to the new coronavirus. Rescuers at the scene of the collapse had protective gear and disinfectant to minimize exposure to the virus. The building had reportedly been modified illegally before the collapse.

block-time updated-timeUpdated at 12.54am GMT

block-time published-time 11.30pm GMT

The Australian stock market has followed overseas exchanges downwards, shedding 1.8% as the country waited for the government to reveal details of a stimulus package. Overnight, Australian time, US markets fell by between 5% and 6%, while the London exchange's benchmark FTSE index dropped a more modest 1.4%. Ten minutes after the start of trade on the ASX the benchmark ASX200 index was down 1.8%, led by mining stocks, which were down an average of about 2.5%. Prime minister Scott Morrison is to announce details of his stimulus package shortly. He is expected to address the media any minute now.

block-time published-time 11.29pm GMT

We're expecting Donald Trump to speak in an hour and a half's time, at 9pm Eastern Time, or for our Australian readers, 12pm AEST.

block-time updated-timeUpdated at 11.34pm GMT

block-time published-time 11.23pm GMT

Summary

Hello and welcome to today's coronavirus liveblog. The WHO has declared the coronavirus a "pandemic", something they had been careful not to do until now. What does that mean for you and for the global economy? We'll have the latest throughout the day.

Here are the biggest developments from the last few hours:

* The World Health Organization has declared a coronavirus pandemic, as it expressed concern "about alarming levels of inaction". The WHO director-general Dr Tedros Adhanom Ghebreyesus, said the number of cases outside China has increased 13-fold in the past two weeks and there are now 118,000 cases in 114 countries and 4,291 people have lost their lives.

1. Italians are facing up to yet more stringent measures designed to combat the outbreak. The country's prime minister, Giuseppe Conte, has now said shops - barring supermarkets, food stores and chemists - will be shut down, while companies must close all their departments that are not essential to production.
2. A third UK government minister is in isolation. In addition to the unnamed cabinet minister, the junior health minister Ed Argar is also self-isolating after having dinner with Nadine Dorries on Thursday night, the Guardian understands.
3. The number of UK cases rose by 87 in 24 hours to 460. Including Scotland's first community ***transmission***. The number of UK citizens who have died rose to 1o.
4. The UK chancellor, Rishi Sunak, has announced a £30bn package to try ease the impact of coronavirus and promised the NHS "whatever it needs" to tackle the crisis, as the Bank of England cut interest rates.
5. Brexit talks due to take place in London next week have been thrown into doubt because of coronavirus. Michael Gove told MPs that fresh concerns about the safety of the talks had been raised by EU officials.
6. Iran announced a record increase in cases to 9,000 as the country's death toll from the virus increased to 354. Friday prayers have been cancelled for a third week in a row.
7. The death toll from the coronavirus in Italy rose from 631 to 827 in a day. At the same time, the total number of confirmed Covid-19 cases in the country rose by more than 2,000, from 10,149 on Tuesday to 12,462 today.
8. India and Kuwait have effectively banned foreign visitors. Guatemala has banned Europeans from entry, despite the central American country being yet to record a case.
9. States of emergency have been declared in Michigan and Massachusetts, as the number of Covid-19 cases in the US passed 1000. Three security officers have tested positive at California's San Jose airport.
10. China has reported only 24 new cases and 22 new deaths nationally, including a record low of 13 cases in Wuhan. Lockdowns have been partially lifted in the Hubei province, and key industries will be allowed to resume in Wuhan.

**Load-Date:** March 12, 2020

**End of Document**



[***Coronavirus update April 25: Police will enforce rules***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YDG-3JN1-F0JC-M42D-00000-00&context=1516831)

Dorset Echo

March 17, 2020 Tuesday

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**Length:** 112288 words

**Byline:** [*Alex Cutler*](http://Alex Cutler)

**Body**

10:41am

Burberry said it has donated more than 100,000 pieces of PPE while it has also transformed its Yorkshire trench coat factory to produce protective equipment for hospital staff.

The fashion giant said it has donated PPE, including masks the company has sourced, to help the global health emergency.

It also said it has transformed its Castleford factory to manufacture non-surgical gowns and supply them to the NHS.

It added that it will maintain its base pay for employees who have been unable to work due to closures.

Senior bosses announced they will take a 20% pay cut from April to June.

Meanwhile, rival fashion brand Mulberry said it has switched its handbag factory in Somerset to making 8,000 gowns for NHS workers in Bristol.

9:47am

❗ Local Businesses ❗

Struggling to set up to work from home? Need help with video-conferencing? Our #Digital Advisors can help! Mostly retired IT professionals, these volunteers are manning the Digital Hotline Mon-Fri 10am-12pm on 01305 221000 #DorsetTogether #CouncilsCan pic.twitter.com/wEI7p1SMAR

- Dorset Council UK (@DorsetCouncilUK) April 25, 2020

9:16am

More day-trippers have been heading to Dorset despite police warnings - and have been turned back. See our latest story here

7:16am

The public has been urged to stay at home during the UK's fifth weekend under lockdown, as temperatures are expected to remain high.

Forecasters have predicted warm conditions for most of the country over the weekend, prompting concerns about the "danger" that people may defy the restrictions on movement which began on March 23.

Those concerns come as the Daily Express reported that Priti Patel has not ruled out granting police additional powers to enforce lockdown measures, with the Home Secretary on Saturday expected to condemn those ignoring the ban on travel.

7:16am

The Government is facing calls for greater transparency over the scientific advice given to ministers on the coronavirus outbreak.

Downing Street angrily dismissed claims the advice could be politicised following the disclosure Boris Johnson's top aide Dominic Cummings had been attending meetings of a key scientific group.

Opposition parties, however, said political advisers had no business attending the Scientific Advisory Group for Emergencies (Sage) and called for its deliberations to be opened to wider scrutiny.

The row came as the coronavirus lockdown was entering its fifth weekend with fears that the expected warm weather for much of the country may see people ignoring social distancing rules.

More than 19,000 people have now died in hospital after testing positive for coronavirus in the UK, with many more deaths expected in care homes.

Meanwhile, it emerged that talks have been taking place between ministers and the Premier League on re-starting the football season once the Government decides the conditions for easing the lockdown have been met.

The controversy over Sage - which will advise ministers on the lifting of the restrictions - came after The Guardian reported that Mr Cummings and Ben Warner, a ***data*** scientist who worked with him on the Vote Leave campaign in the Brexit referendum, had been present at Sage meetings.

Downing Street denied they were members of the group and said they were simply seeking to better understand the science involved and how it could inform government decision-making.

"Sage provides independent scientific advice to the government. Political advisers have no role in this," a No 10 spokesman said.

"The scientists on Sage are among the most eminent in their fields. It is factually wrong and damaging to sensible public debate to imply their advice is affected by government advisers listening to discussions.

"Public confidence in the media has collapsed during this emergency partly because of ludicrous stories such as this."

However, shadow health secretary Jonathan Ashworth said the disclosure raised "significant questions" about the credibility of Government decision-making.

"Dominic Cummings has no place on the Government's scientific advisory group on the coronavirus," he said.

7:12am

Good morning,

More than 100 fines have been given to people making non-essential journeys and flouting lockdown rules - with visitors to the county ***accounting*** for over half.

Read the full story here

11:19pm

Screening passengers arriving at UK airports for coronavirus symptoms will be kept "under review", the Transport Secretary has said.

Grant Shapps hinted that the measure could be introduced when Britain moves into the next phase of the crisis, where tracking and tracing cases will be central.

His comments follow reports that Heathrow Airport's chief executive, John Holland-Kaye, is urging ministers to introduce mass screening at airports.

Mr Shapps told the daily Downing Street press conference: "As we come out of any of this and into the next phase at a future point, we will continue to keep the excellent medical and scientific advice we receive under review to say whether those procedures at airports should change."

However, he said countries including the US which locked down flights early on "have not necessarily weathered the storm of the coronavirus any better".

"Although it must be part of the plan going forward, I think it is probably more useful during the phase of test, track and trace that the Health Secretary was talking about yesterday."

England's deputy chief medical officer Dr Jenny Harries said quarantining people returning from abroad becomes "less effective" once the prevalence of the disease balances across the world.

"What may well become an opportunity is when our rates are very tightly controlled and individuals are coming into the country.

"Even then it may not be quite as simple."

9:46pm

#Coronavirus. Anyone can get it. Anyone can spread it.

❌Do NOT meet up with anyone outside your household

✔️Only go out for ESSENTIALS such as food or medicine, or to exercise, but ALWAYS keep 2 metres apart from others

Visit [*https://t.co/29Yv0fMV7K*](https://t.co/29Yv0fMV7K) for more information. pic.twitter.com/CCZ0g6voro

- DorsetCountyHospital (@DCHFT) April 24, 2020

9:01pm

The Government's Covid-19 testing website was overwhelmed as it opened to new bookings today, with home testing kits running out in the first two minutes of the site going live.

Up to 10 million key workers and their households in England are now eligible for coronavirus tests if they have symptoms as the Government races to hit its 100,000-a-day testing target by next Thursday.

Under the expansion, NHS and social care staff, police officers, teachers, social workers, undertakers, journalists and those who work in supermarkets and food production are among those now eligible.

People can register on the gov.uk website for an appointment at a drive-through centre or can request a home test kit, which ran out almost immediately after opening to bookings at 6am.

It came as the Department of Health announced a total of 19,506 patients had died in hospital after testing positive for coronavirus in the UK as of 5pm on Thursday, up by 768 from 18,738 the day before.

Number 10 said the Government is trusting that those applying for tests are key workers, with no eligibility checks in place for online bookings.

Health Secretary Matt Hancock, when asked whether he thought the Government would meet the target of 100,000 tests a day by next Thursday, said: "I do, yes, but nothing's guaranteed in life."

Under the scheme, test results from the drive-through sites will be sent out by text within 48 hours, and within 72 hours of collection of the home delivery tests.

By mid-morning on Friday, the gov.uk website said it was not accepting any more applications.

It said: "Coronavirus test: applications closed. You can't currently register for a Covid-19 test. Please check back here later."

8:20pm

The coronavirus pandemic has been "deep and difficult" - and "mistakes will have been made", the former head of the British Army has said.

But General Lord Richard Dannatt, who served as chief of the general staff from 2006 to 2009, said the UK's leaders were "doing their best" amid the "uncharted waters" of the Covid-19 crisis.

He also hailed the work of the armed forces and frontline NHS workers to support the country through the effects of the disease outbreak.

Speaking to the PA news agency, he said he was "not going to offer any criticism of our leaders" who were "doing their best in difficult circumstances".

"It's not my job to give marks out of 10 for the Government," he said.

"But what I will say is that we're in a situation that nobody had envisaged.

"It's a more deep and difficult situation than I think anybody could have contemplated.

"I think good people are trying to do their best. Mistakes will have been made, things could have been done differently.

"But I think we've got to give as much credit as we can find in our hearts to our leaders who are doing their best in uncharted waters and in very difficult circumstances.

"And if the military is able to play any role in helping them, then I think we're privileged and happy to do so."

As chairman of the National Emergencies Trust (NET), General Lord Dannatt said he has "never been busier".

Set up in the wake of the Grenfell Tower fire and Manchester Arena bombing, the NET has raised £50 million to help support people struggling during the pandemic, Lord General Dannatt said.

With Chancellor Rishi Sunak providing an additional £20 million, the funds will be distributed through the Community Foundation Network to small charities and community groups across the country.

General Lord Dannatt said it was appropriate to draw analogies between the coronavirus crisis and wartime.

"I think the idea of us all pulling together, working together, to get through a difficult period of time, I think that analogy of war is very reasonable," he said.

"To win a war you've got to have a campaign. To win that campaign, you've got to be successful in a whole lot of battles.

"And that's exactly what the Government is trying to do, it's trying to frame a campaign that will see us all through this."

He added: "So it's a big team effort to see us through a commonly held dark and difficult period."

7:53pm

The number of people who have died in Dorset hospitals after testing positive for coronavirus has risen. See our story here

3:07pm

The World Health Organisation (WHO) has announced a multibillion-pound "call to action" for a global response to the Covid-19 pandemic.

WHO director general Dr Tedros Adhanom Ghebreyesus said the Access to Covid Tools (ACT) Accelerator programme would call on international experts and governments to unite and speed up access to safe, affordable and universally available vaccines and therapeutics.

The programme - and its 7.5 billion euro (£6.5 billion) fundraising effort - will be officially launched on May 4.

Dr Ghebreyesus said: "Past experience has taught us that even when tools are available, they have been not been equally available to all - but we cannot allow that to happen.

"Today, the WHO is proud to be uniting with many partners to launch the Access to Covid Tools Accelerator.

"This is a landmark collaboration to accelerate the development, production and equitable distribution of vaccines, diagnostics, and therapeutics for Covid-19."

Dr Ghebreyesus said the programme was designed to harness the "power of several organisations" around the world to "work with speed and scale".

3:05pm

British Airways is increasing the frequency of its cargo flights from China to import more supplies for UK healthcare workers.

The airline announced that from next month it will operate 21 flights per week from Shanghai or Beijing to London, up from the current level of 13.

These flights from Shanghai and Beijing will be able to carry up to 770 tonnes of cargo for the NHS each week, including personal protective equipment (PPE) and ventilators. They will also carry private cargo.

British Airways is operating the flights in partnership with its sister company, IAG Cargo, and the Government.

Its first cargo-only flight from China to London during the coronavirus pandemic was on April 9.

Last week it began carrying cargo in the cabin - as well as the hold - for the first time.

The British embassy in China is working with the Department of Health to procure medical equipment from China and deliver it to NHS hospitals.

Foreign Secretary Dominic Raab said: "These flights will help us deliver essential equipment to the NHS and for others who are working on the front line.

"Coronavirus is a global challenge and we are focused on working with our international partners to stop the spread of the virus and save lives."

1:39pm

Celebrity supporters of the Prince's Trust have joined forces to urge young people to seek help during the coronavirus pandemic.

Hollywood actor Sir Ben Kingsley, James Bond star Naomie Harris and musician Nile Rodgers are some of the famous names who appear in a video calling on those who may need support or advice to contact the Trust.

Recorded in their own homes due to the coronavirus lockdown, the celebrities each speak a phrase of the message.

The video begins with Game of Thrones actress Natalie Dormer, who highlights the importance of seeking support "now more than ever before", while Line of Duty and The Irishman actor Stephen Graham closes the film by urging young people to start something "right now" with the youth charity.

Top Boy star Ashley Walters, a recent Trust ambassador who hosted a drama workshop at the organisation's new South London Centre in his home borough of Southwark, encourages young people to "share what's on our minds".

The message begins: "Now, more than ever before, it's important that we remain open. That we share what's on our minds and talk about how we are feeling.

"That's why the Prince's Trust is still open to give you the help, skills, and confidence you need to keep your life on track.

"Whether it's advice about employment, financial issues, mental health, or just a chat about your wellbeing, they're ready to listen and support young people like you, on the phone or via online live chat."

Others who appear in the video include the actors David Oyelowo, Anna Friel and Damian Lewis, TV presenters Holly Willoughby and Phillip Schofield and, from the world of sport, Harry Redknapp, Nicola Adams and Tom Daley.

The Trust is offering grants, through the Prince's Trust and NatWest Enterprise Relief Fund, to young entrepreneurs who may be struggling to keep their businesses afloat.

And the organisation has said it is continuing to support young people by providing advice, guidance and resources to help with finances, wellbeing and professional skills.

Jonathan Townsend, UK chief executive of the Prince's Trust, said: "At times of crisis and when young people need us more than ever, it is truly humbling to see so many come together to send inspiring messages of support.

"The Prince's Trust is always here to help young people across the UK. We provide the support, skills and advice to help them to build better futures for themselves, and ultimately for us all."

1:39pm

Metropolitan Police officers are arresting an average of 100 people a day for domestic violence offences during the Covid-19 lockdown, the force has revealed.

Commander Sue Williams said charges and cautions were up 24% from March 9, when people with coronavirus symptoms were asked to self-isolate, compared to last year.

She said domestic incidents, which can include family rows not recorded as crimes, were up 3% year on year and 9% between March 9 and April 19, although offences were up just 2% in the Covid-19 period.

There have been two domestic-related murders recorded in London as police continue to warn of an increased risk of abuse during the coronavirus lockdown.

"We are seeing a rise, there's no doubt about that, and we welcome that because we will take positive action against any perpetrators," Ms Williams said.

"We are arresting about 100 people a day for domestic offences, which I think is pretty amazing, even given all the challenges we have in London."

11:59am

Many workers will be starting to feel the pain of pay cuts imposed during the coronavirus pandemic as they open their monthly wage slips.

The stifling effect of Covid-19 on the economy has led to many companies slashing employees' wages, as well as furloughing staff.

As people are often paid on the last Friday of the month, many employees will now be starting to see the effects of salary reductions on their bank balance.

Some will be wondering whether they can make their shrunken salaries last a whole month.

Recent research from Kantar found 31% of people say their household incomes have been impacted by the pandemic, and a further 30% are expecting to see an impact.

Many financial firms are offering temporary payment freezes on loans for people whose income has been impacted by Covid-19.

But interest may still build up over the payment holiday period, so people will need to carefully weigh up their options.

If people think they will have payment problems, they should contact their lender as soon as possible so the firm can work with them to find a solution.

Martyn James, a consumer rights expert at Resolver.co.uk, said: "For millions of people, just getting paid was the main focus. But now money is starting to arrive it may be considerably less than many expected or anticipated.

"The important thing is not to panic. You can negotiate rent, mortgage and credit holidays which should significantly reduce your outgoings. There's also a range of payments lurking on your ***accounts*** that you'll find you don't want or need that you can cancel and save.

"If your cash situation is dire, then free debt charity StepChange can help you consolidate your debts and negotiate with the people you owe. Don't pay for debt services when there is free help out there."

Sarah Coles, a personal finance analyst at Hargreaves Lansdown, said: "People could be in for a nasty surprise if today's payday brings far less cash than they were expecting.

"It can be tempting to bury your head in the sand and try to borrow your way through it, but this is just going to build more problems later, so you need to tackle this head-on."

11:32am

A senior police leader has called for judges and magistrates to jail people who deliberately cough or spit at officers after being left "gobsmacked" by "lenient" sentences.

John Apter, national chairman of the Police Federation of England and Wales, said he is aware of dozens of attacks in which coronavirus has been "weaponised" in recent weeks.

He welcomed prison terms for offenders including 39-year-old Charlene Merrifield, who was this week sentenced to 21 weeks after coughing at police as she was being arrested in Hebburn, near Newcastle.

But he said: "We still see inconsistencies around the country, and I scratch my head sometimes when I see some sentences being given out which are so lenient I'm gobsmacked by them."

He added: "When they walk free from court, given the sort of people we are talking about, metaphorically they are sticking two fingers up at the wider judicial system and to society and they are walking away with a smile on their face and nothing more than a slap on the wrist."

His comments came after Trevor Dangerfield, 39, was spared jail for coughing in a police officer's face and saying he wanted to infect his family with Covid-19 in St Leonards, East Sussex, last Friday.

Dangerfield pleaded guilty to assaulting an emergency worker at Brighton Magistrates' Court and was sentenced to 18 weeks' imprisonment suspended for a year, ordered to pay £100 compensation and a victim surcharge of £156.

Mr Apter, whose organisation represents 120,000 officers up to chief inspector rank, said the case has been referred back to Sussex Police for a review of whether the case can be appealed and called for more challenges from forces and prosecutors to "unjust" sentences.

He said: "There are certainly more people being sentenced to prison for spitting and coughing than before but what we are also seeing is what I would class as perverse decisions, where individuals who have wilfully threatened officers with this virus and coughed and spat in their faces then walked away with a suspended sentence or even less.

"In these extreme times when people are weaponising a deadly and destructive virus, then not to send people to prison who are found guilty of that should be the exception not the norm.

"These are violent offenders and, to do what they do, they are wicked, violent offenders, they should spend time in prison."

Mr Apter said one police officer he had spoken to felt the "haze" of a suspect's cough on his face as he threatened to infect him and his family with coronavirus.

He said: "This is an experienced police officer - he said 'I was scared'."

The director of public prosecutions (DPP) Max Hill has warned that using Covid-19 as a threat against emergency workers would be treated as a crime that could lead to up to two years in prison.

And new proposed sentencing guidelines outlined how spitting or coughing will be considered as aggravating factors when criminals are convicted of common assault offences.

Mr Apter added: "My message to the courts, to the judges and magistrates is please support your emergency services. The sentencing guidance and the offences are there. Please use the powers that you have been given.

"These individuals who spit and cough at police officers to transmit a deadly virus should be dealt with far more harshly than they have been.

"A message needs to be sent. These are not the sort of individuals who should escape some time behind bars."

11:28am

Under "no circumstance" should disinfectants be injected or consumed, the company which makes Dettol has warned, following comments made by Donald Trump.

The US president is facing a backlash after suggesting it would be "interesting to check" whether a disinfectant injection could help combat coronavirus.

During his latest press conference, Mr Trump said researchers were looking at the effects of disinfectants on Covid-19.

Wondering aloud if they could be injected into people, he added the virus "does a tremendous number on the lungs, so it would be interesting to check that".

But hours later, disinfectant manufacturer RB, the company behind the Dettol and Lysol brands, urged people not to try the method.

The company issued a statement saying: "Due to recent speculation and social media activity, RB has been asked whether internal administration of disinfectants may be appropriate for investigation or use as a treatment for coronavirus.

"As a global leader in health and hygiene products, we must be clear that under no circumstance should our disinfectant products be administered into the human body (through injection, ingestion or any other route)."

It added that all its products should only be used as intended and according to usage guidelines.

In response to the Mr Trump's comments, William Bryan of the Department of Homeland Security science and technology unit said health officials were not considering such treatment.

10:29am

Easing the UK's lockdown depends on the speed at which the number of new cases of Covid-19 falls and that is as yet "unknown", Health Secretary Matt Hancock has said.

The number of new cases is being tracked through hospital admissions, a new testing study in the community announced on Wednesday, and ***data*** that will be gathered from people coming forward for tests under an expansion of the testing programme, Mr Hancock said.

But he suggested there is no prospect of easing the lockdown yet, and that coronavirus cases need to drop substantially before the next phase of isolating infected people and their contacts can be truly effective.

Through a process of mass testing and by isolating infected people and their contacts, ministers hope that future localised outbreaks of corornavirus can be kept under control.

10:28am

A children's nurse has died after testing positive for Covid-19, her hospital trust has confirmed.

Katy Davis, who had an underlying health condition and had been unwell for a period of time before being admitted to hospital, died on Tuesday at Southampton General Hospital.

A University Hospital Southampton (UHS) spokesman said that the 38-year-old tested positive for the coronavirus on admission to hospital.

Paula Head, chief executive at UHS, said: "I want to pay tribute to Katy who sadly passed away on Tuesday.

"Katy has been described by her colleagues where she worked in child health as a nurse people would aspire to be like, and that nursing was more than just a job to her.

"On behalf of everyone here at UHS, including our patients and the communities we serve, I would like to offer our sincere condolences to her family."

9:57am

Company directors are calling for changes to the coronavirus loan scheme, saying many businesses are reluctant to engage in the current system.

The Institute of Directors said the scheme should be improved and widened in scope to make finance more easily available to small and medium-sized firms (SMEs).

Almost half of 900 SME business leaders surveyed said the current loan system is not suitable for their organisation.

A further 25% feel they are not eligible for the loans, and around 14% have directly engaged with the system - including 2% that have had their application rejected.

The business leaders polled said application procedures are complex, such as needing to provide detailed forecasts, with lengthy processing times, often taking weeks rather than days.

Those surveyed said they are more likely to reduce operational costs or make redundancies first, rather than take on external finance if they have to improve their financial situation, said the IoD.

The business group called for an extension to the Government-backed guarantee to 100% for small businesses, and said ministers should consider extending the loan repayment period.

More lenders should also be accredited, said the IoD.

9:09am

Boris Johnson is "on the mend in a big way" but his return to work from his coronavirus convalescence is a matter for the doctors, the Health Secretary has said.

Matt Hancock described the Prime Minister on Friday as being in an "ebullient" state while recovering at his Chequers country retreat, where he is said not to be undertaking official work.

Downing Street sources were dismissing reports that Mr Johnson was preparing to return to No 10 as early as Monday, saying a decision was yet to be made.

But there were indications that he was preparing to resume duties with him holding an audience with the Queen and talking to Donald Trump, who described Mr Johnson as "ready to go".

Mr Hancock insisted the PM "has to be better" before returning to Downing Street and refused to get into the "precise timing" of his recovery.

"I spoke to him yesterday, he's cheerful, and he's ebullient and he's definitely on the mend in a big way. When exactly he comes back is a matter for him and his doctors," he told BBC Radio 4's Today programme.

9:04am

Retail sales reported the sharpest fall on record last month as clothing sales plunged by a third, according to new figures.

The Office for National ***Statistics*** (ONS) said total sales volumes dived 5.1% as many stores shut their doors in the face of the coronavirus.

It added that clothing store sales saw a particularly sharp fall when compared with February, moving 34.8% lower.

Meanwhile, food stores reported their strongest growth on record in March, as sales jumped 10.4% with shoppers stocking up on essential groceries.

Supermarkets saw sales volumes increase by 10.3% while alcohol-focused stores saw a 31.4% surge in volumes.

Meanwhile, the ONS said the total value of online food sales in March was more than double the same month last year, rising by 101%.

8:05am

The chief executive of a hospital trust has criticised a company for "outrageous profiteering" by raising the price of a single item of PPE from £2 to £16.50.

Nick Hulme, of the East Suffolk and North Essex NHS Foundation Trust, wrote on Twitter: "Just had a company contact me to offer coveralls at £16.50 each.

"Two months ago they were selling them for £2.00 each. Outrageous profiteering."

Ipswich MP Tom Hunt wrote in reply: "Very depressing that any business would act in such a disgraceful fashion during a national emergency."

7:38am

The Government is being urged to give formal backing to a minute's silence next week to remember all health, care and other key workers who have lost their lives to coronavirus.

Unison, the Royal College of Nursing and the Royal College of Midwives, who between them represent more than a million NHS and public service workers including porters, refuse collectors and care staff, launched a campaign earlier this week for the nation to take a moment to honour frontline staff who have died during the Covid-19 crisis.

Unison general secretary Dave Prentis has written to Foreign Secretary Dominic Raab urging the Government to back the tribute, at 11am next Tuesday, April 28, which is International Workers' Memorial Day.

In his letter, Mr Prentis said the deaths of "selfless" health and social care workers on the frontline are a "national tragedy".

He said: "Health and social care workers on the front line across the country are losing their lives to coronavirus.

"This is a tragedy for their families, friends, colleagues and for the nation.

"We would like the Government to endorse this tribute formally and publicly.

"This is in order that our entire country can take a moment to honour the selfless workers who have been taken from us too soon in protecting our citizens and caring for others."

Unison is also asking employers, people at work and those on lockdown at home to pay their respects by joining the silence.

Earlier the week, Culture Secretary Oliver Dowden said he regarded proposals for a time of national reflection to be a "very good idea" and that his department was "looking into it".

He told BBC Breakfast on Monday: "Actually, as Culture Secretary, I have responsibility for ceremonials and things like minute-silences, and we are actively looking into that and think it is a good idea."

More than 80 frontline NHS workers are confirmed to have died during the coronavirus pandemic.

7:25am

The number of confirmed coronavirus cases in Dorset has increased by 21.

There were also four coronavirus-related hospital deaths confirmed yesterday.

Read more here

7:11am

Thousands of runners across the UK are being urged not to lose heart ahead of Sunday, the day the now-postponed London Marathon was scheduled to take place.

A campaign set up by the marathon organisers is encouraging participants to harness their frustrations into different fundraising activities and stay physically active despite the disappointment.

The 26.2-mile race - which would have marked the event's 40th anniversary - was due to be held on April 26 but has been postponed until October 4 this year due to the coronavirus pandemic.

Every year for the past 13 years, the marathon has set a world record for an annual one-day fundraiser, with £66.4 million raised in 2019 and more than £1 billion raised since the first race in 1981.

Martin Yelling, one of the marathon's official coaches, says it is natural for runners to be "a bit disappointed and deflated".

"They were going to raise a lot of money for really important charities and have a really amazing day, so it's quite natural to feel a bit deflated," he said.

"But it's absolutely the right decision given the context of where we are."

Mr Yelling works with a number of top athletes and professional runners on how to plan their own training for major events.

He says that Sunday's #twopointsixchallenge is a great opportunity for people who may have lost some motivation with their training to refocus themselves - and is planning to do it with his own family at the weekend.

People can choose to do any sort of activity they like including running or walking 2.6 miles, 2.6km or just exercising for 26 minutes and use the hashtag #twopointsixchallenge to share their efforts.

6:42am

Good morning,

Dorset Council is incurring additional costs of £13m per month as it supports Dorset's residents, communities and businesses through the ongoing COVID-19 crisis.

Read the full story here

9:03pm

Kate Garraway has paid tribute to the NHS and thanked them, as her husband, Derek Draper, remains critically ill in intensive care battling coronavirus.

Draper, 52, a former lobbyist and political adviser, has been in hospital since the end of March.

Following Thursday night's Clap For Carers, TV presenter Garraway posted a message on Instagram in which she said "where there is life there is hope".

Alongside a video, she wrote: "Another emotional #clapthecarers & never has it been more needed. If this pandemic #lockdown is dragging on for us, imagine what it is like for them. Shift after endlessly long shift, bravely going to work, to battle the virus and give our loved ones a chance.

"None of those keeping my Derek alive have ever made me feel it's a chore, they want to win this as much as I want them to, but it must be so hard. He is still critically ill in intensive care, but where there is life there is hope.

"Thank you #nhs from the bottom of my heart. Thank you too for all your wonderful messages and advice of how to get through this".

The Good Morning Britain presenter said she was "gathering the things that have helped me" and would be posting them on clubgarraway.com, her wellbeing website, for free.

She ended her message writing: "I know I am not alone in struggling. We are all facing challenges, whether we have a sick loved one or not, so let's stand together & I hope something on there helps YOU - even if it's just to share!! Lots of love Kate xxx #hope #love".

Garraway and Draper married in 2005 and have a daughter and a son.

8:50pm

GPs have been left frustrated by long journeys to get tested for coronavirus, it has been reported.

Doctors have taken to social media to express their frustration at having to travel miles to access tests, with some saying they had to travel for an hour to get to one.

British Medical Association (BMA) GP committee chairman Dr Richard Vautrey told GPonline that in parts of the country, staff had to travel "quite a distance" to their nearest Covid-19 test centre.

One GP on social media said the nearest testing available for a staff member was 25 miles away, while one carer could not get tested 100 miles away because of lack of transport.

Twitter user NHS GP added: "Staff member has a high temperature. The only testing available is 25 miles away. Luckily she has a car.

"Carer last week had to get to Stansted Airport, 100 miles away. She couldn't get there. No transport."

The BMA is encouraging doctors to report issues around accessing Covid-19 testing.

The Government has said that 50 drive-through testing sites will be ready by the end of the month.

8:39pm

A second wave of Covid-19 is not inevitable, a health minister has suggested.

Lord Bethell's comments came as he faced calls for an easing of the lockdown given the "devastating" impact of the restrictions on the economy.

He was pressed during a virtual Lords online session by Tory former work and pensions minister Baroness Buscombe, who said: "Will the minister and his colleagues now accept that we must expect a second wave of the virus but we don't know when?"

As such, she argued it was "crucially important" to "take a balanced, proportionate and frankly brave decision... to ease the lockdown as soon as it is possible, to allow the economically active to return to work whilst retaining sensible social distancing".

She said: "The situation is now having a devastating effect on our economy and our ability to afford our NHS, our welfare system, education system and other public services into the future."

Responding, Lord Bethell said: "I don't regard a second wave as inevitable.

"The priorities of the Government are to save life and to protect the NHS and our care system."

This meant tackling "the velocity of the infection" and taking steps to "keep a lid on the disease", he said.

Lord Bethell earlier said the track and trace effort will be boosted by people persuading their friends to isolate if they believe they have Covid-19.

Addressing the issue of testing, he said: "The blunt truth is infection rates have gone down dramatically. The lockdown has had a profound impact.

"If you look at the KCL infection rate graph, it has gone from two million to half a million, and that has a profound effect on the demand for tests."

Asked about the issue of postponed treatments, the minister said: "It is of grave concern that those who die of non-Covid situations, in any epidemic, can be worse than those who die of the Covid situations themselves."

He reiterated people who need treatment should contact their GP or hospital.

Lord Bethell also said there is spare hospital bed capacity, adding: "But it is not true that we're pressurising anyone to stay in a care home who should be in a hospital bed."

On track and trace, the minister said isolation is part of the regime.

He explained: "It just doesn't rhyme so well so you never put it at the end but track, trace and isolate is the programme."

The minister said he has been given a "thorough briefing" by the Taiwanese chief medical officer on their use of track and trace.

He also said a variety of different methods will be used as part of the tracing, noting: "We will also be using friends' networks and we have learnt by best case studies from abroad that often it's the influence of friends to persuade their friends to isolate that can have the most profound effect."

6:43pm

Millions of people are now eligible for a coronavirus test under an expansion of the testing programme announced by Health Secretary Matt Hancock.

As he seeks to reach his 100,000-tests-a-day target, Mr Hancock said key workers and anyone in their household will now be eligible for tests if they have symptoms of Covid-19.

Key workers on the list are the same as those for access to schools, and include NHS and social care workers, police officers, teachers, social workers, those in the justice system, undertakers, some in local government, supermarket and food production workers, journalists, transport workers and some people in utilities and IT.

Mr Hancock set out his plans for "easier, faster and simpler" testing so that more people can access a Covid-19 test to tell them whether they currently have the virus.

He said people can register for a test on the gov.uk website.

People will then receive a text or email with an appointment at a drive-through centre or can request a home test kit, although the latter are currently in limited supply.

A help desk has been established to aid the process, while mobile units run by the Army are travelling around the country to where they are needed, such as care homes.

At the daily Downing Street briefing, Mr Hancock said the capacity for carrying out tests was now "ahead of our plans", with the ability to carry out more than 50,000 tests a day.

"Because capacity has now increased so substantially, we are now able to expand who can get the tests," he said.

"Our ultimate goal is that everyone who could benefit from a test gets a test."

Essential workers will be able to book coronavirus tests direct, while companies will also be able to book them for employees.

Mr Hancock said: "From today, employers of essential workers will be able to go on gov.uk to get a test for any of their staff.

"From tomorrow, any essential workers who need a test will be able to book an appointment on gov.uk themselves, directly.

"This all applies for people in essential workers' households too who need a test.

"It's all part of getting Britain back on her feet."

The test involves taking a swab of the nose and the back of the throat, which can be done by the person themselves (self-administered) or by someone else.

6:05pm

Nicola Sturgeon has given the strongest indication yet of how the UK's lockdown measures may be eased, as she pledged to have an "adult conversation" with the public about the way forward.

Scotland's First Minister has published a document saying the lifting of restrictions north of the border will be a phased process, with pubs among the last things to reopen, but further lockdowns are not ruled out.

The document says social distancing and frequent hand washing will need to stay in place even as people are given more freedom, with measures "at home, on the streets and in the workplace".

There will also be enhanced "public health surveillance" - referring to the need for more widespread community testing and isolation of people with the virus and their contacts - while the country seeks "to very carefully open up parts of our economy and society".

The document says options will include reopening parts of the economy sector by sector, and considering different restrictions depending on how the virus is spreading geographically.

But the document does not rule out the need for further full lockdowns if necessary.

6:03pm

The NHS's flagship Nightingale pop-up hospital is operating at roughly one per cent of its capacity because it does not have the staff required to expand the number of patients it can accept, a report has suggested.

The NHS Nightingale, in east London's Royal Victoria Dock, was opened on April 3 amid much fanfare, promising to alleviate the pressure on hospitals in the city as the coronavirus took hold.

But insiders told The Independent how staffing levels had been "quite poor", meaning it has barely been able to see more than 30 patients treated at a time.

There have been further accusations that the hospital was never designed to take the sickest patients, according to a leaked report.

Separate sources have told the PA news agency how the Nightingale had not yet seen more than one ward in use, meaning fewer than 42 patients at any time, despite having a 4,000-bed capacity.

The hospital was created in just nine days to help cope with the pandemic and was opened - virtually - by the Prince of Wales, who hailed it a "practical message of hope" for coronavirus patients during a "time of national suffering".

Health Secretary Matt Hancock, speaking at the entrance to the pop-up facility inside the sprawling ExCeL conference venue, described it as an "extraordinary project".

However, staff inside the Nightingale criticised the "political spin" and portrayal of the facility, which they said had given a "false perception" of what life was really like.

Anonymous sources told the publisher: "It's pretty well acknowledged that staffing is the issue. Not many people have been able to get released from their trusts.

"There is no shortage of people who want to send patients to the Nightingale. Everyone here knows some hospitals around London are on their knees, but unless you have staff you can't expand the capacity. That is the limiting factor."

Another added: "The impression people seem to have gained is that we are fully staffed and have plenty of equipment. But we are not immune to the challenges of every other hospital.

"When they set this up we were talking about 7,500 patients in London needing critical care. We haven't had to go anywhere near that. Not using it all is not a reason to criticise it."

Staff also described how there was adequate provision of personal protective equipment, plenty of food available and good morale, describing colleagues as "positive" with a "real team effort to improve".

6:03pm

The boom in demand for protective health equipment across the world has led to fraudulent and fake goods being offered to the UK, MPs have been told.

Health Secretary Matt Hancock said this week that checks were required on companies coming forward with promises of personal protective equipment (PPE) supplies, to "sort out the credible offers from those that are not".

The UK Government has shipped more than a billion pieces of PPE to frontline health workers to help guard them against infection from coronavirus.

But as demand continues, those charged with bringing in continuous batches of PPE have confirmed they have seen examples of fake goods being offered to the UK.

Mark Roscrow, from the Health Care Supply Association (HCSA), told the Commons international trade committee: "We have seen a number of examples where products have been offered into the UK that have been of substandard quality.

"We have certainly seen some fraudulent attempts to sell products into the UK."

Questioned by MPs about how the procurement industry was dealing with fraud, Mr Roscrow added: "Where we are encountering fraudulent offers, we are making those known to MHRA (Medicines and Healthcare products Regulatory Agency) and other areas.

"We are trying to ensure that quality consideration is part of what we are doing as part of the routine process.

"I know that sometimes comes at the price of frustration for companies who think they are making genuine offers but it is important that that step is taken."

6:02pm

Businesses have been handed more than £2.8 billion as part of a Government-backed loan scheme to help them through the effects of the coronavirus outbreak, according to new figures.

Total lending doubled in the week to Tuesday, UK Finance reported, with more than 9,000 loans for £1.45 billion being provided over the seven days.

Over 36,000 completed applications have been sent to lenders so far, with 16,624 approved to date, and others still being processed.

Stephen Jones, chief executive of UK Finance, said: "Frontline staff have been working tirelessly to get money to those viable businesses that need it as quickly as possible, with over £2.8 billion of lending provided to 16,000 firms so far. This lending forms part of a broad package of support provided to SMEs (small and medium sized enterprises) including additional loans, capital repayment holidays, extended overdrafts and asset-based finance.

"We know businesses want to look after their most important resource - their people - and so lenders are offering additional support to firms awaiting grants from the Coronavirus Job Retention Scheme.

"We stand ready to support many more businesses in the weeks ahead, and will continue to work closely with the Government to ensure businesses can access the support they need."

Business Secretary Alok Sharma told a select committee that as of Wednesday night at 4pm the Government's furlough scheme had received 387,000 applications covering 2.8 million employees.

12:03pm

Air pollution levels have dropped by more than 40% in a number of UK cities as transport use has plummeted in the lockdown, ***data*** shows.

Preliminary analysis by experts at the University of York reveals levels of key pollutant nitrogen dioxide, which mostly comes from combustion engines in vehicles, have been significantly reduced in the past few weeks.

But there has not been the same impact on another form of toxic pollution, tiny particles known as PM2.5.

Experts say that is because the particles stay in the air longer, and are generated from more sources including ***agriculture*** and burning solid fuels which have continued during the lockdown.

Easterly winds have also been bringing pollution from Europe, where the same is true.

But the fall in nitrogen dioxide gives a potential glimpse into the cities of the future where most transport will not be from diesel or petrol vehicles, which the Government plans to phase out to tackle climate change and pollution.

11:28am

A police officer made it to the birth of his second child after his coronavirus test results were fast-tracked.

Greater Manchester Police (GMP) neighbourhood officer Joe Burrows, from Wigan, was sent for testing by the force after showing symptoms of Covid-19.

The next day, his wife Gemma went into hospital in early labour and restrictions meant he was not able to join her.

Keen to be at the birth, Pc Burrows contacted Superintendent Andrea Quinton, who is organising testing for GMP, and asked if he could get his test results any faster than the scheduled 72 hours.

Ms Quinton said: "As baby Burrows decided to make an appearance a week early, naturally Joe was really worried at potentially missing the birth of his child.

"Thankfully I was able to put the request to the National Testing Programme Team and they were able to push his test result through quickly.

"Joe received his negative test result just eight hours after my call and I am really grateful he was able to attend the hospital to be with his wife just a few short hours before his baby girl was born at 1.50am the following day."

Pc Burrows, who works in Bolton, said: "I was slightly concerned when Gemma told me she was in labour as she wasn't due until the following week.

"Thankfully my test results were able to be fast-tracked through and after testing negative, I was able to head into the hospital to be with Gemma just in time to welcome our beautiful baby girl Georgiana into the world.

"We already have a little boy Leo, who is two-and-a-half, so I know Georgiana could have come any moment.

"I'm so thankful that my results were able to be put through quickly and I could be with Gemma in the hospital."

11:14am

Wearing face masks or face coverings in public is "perfectly reasonable", a GP leader has said as England's deputy chief medical officer admitted it was a "difficult issue".

Ministers have so far rejected calls for face masks or face coverings to be used outside healthcare settings despite other countries, including the US and Germany, recommending them.

The US Centres for Disease Control and Prevention (CDC) changed its advice in light of evidence that a significant proportion of people with coronavirus lack symptoms and are able to spread the virus.

But studies have shown mixed results over whether masks offer any protection for healthy people, with concerns that they could lead to people touching their faces more, thereby increasing their risk of becoming infected with Covid-19.

The Government's Scientific Advisory Group for Emergencies (Sage) is expected to discuss the issue at its regular Thursday meeting, with a decision from ministers expected soon.

10:44am

An extended period of social distancing measures could cost a million jobs in the hospitality industry unless measures to protect businesses are put in place, the Government has been warned.

UKHospitality said pubs and other businesses would not be able to operate profitably if social distancing had to be observed.

After a warning by chief medical adviser Professor Chris Whitty that social distancing measures could last beyond 2020, UKHospitality has written to Cabinet Office minister Michael Gove, recommending a plan to help the country's hospitality businesses reopen following the crisis and save jobs and businesses.

The letter stressed the need for a phased approach to avoid a "yo-yo effect" of openings and closings which could see businesses fail and up to a million jobs lost.

The six-point plan sets out the level of support the sector needs to reintegrate into the economy, to avoid mass redundancies and to ensure local businesses and high-street brands can survive.

Recommendations included extending the Government's furlough scheme beyond the end of June for hospitality businesses, legislative intervention on rent payments, improved access to capital and an overhaul of business regulation.

UKHospitality chief executive Kate Nicholls said: "With social distancing measures still in place, reopening the hospitality sector without a plan would be catastrophic.

"The hospitality sector was one of the first hit by the crisis and the hardest hit in terms of lost revenue. It will also be one of the last to fully emerge from the lockdown.

"An extended period of social distancing will mean that many hospitality businesses will not be able to operate fully, and many will not be able to open at all. Hospitality is a sector built around socialising, so there must be Government support for businesses that continue to be hit by this crisis.

"We need a plan of phased opening for our sector. For those businesses that can trade safely with social distancing measures still in place, they should be able to.

"For the many venues where it is not possible, support, such as the furlough scheme, must be extended to make sure these businesses stay alive and jobs kept open. We can't have a situation where, overnight, the entire sector is suddenly expected to hit the ground running.

"If the correct support is not in made available to help businesses get back to work when the time is right, then businesses will have survived the immediate crisis only to find themselves out of business during the aftermath."

10:44am

Curators at the National Gallery are hoping to give people an art education from their living rooms.

The gallery is launching a digital programme, while closed under lockdown, to help mental well-being.

The first of the talks - given by curators from their homes - will look at paintings that celebrate domestic activities.

A series of online tutorials on "slow looking" will show visitors how to look in-depth and explore hidden details in works of art.

The gallery said it has seen a record increase in online visits since it closed its Trafalgar Square building.

National Gallery director Gabriele Finaldi said: "The last time the gallery closed the doors on the pictures for a long period was during the Second World War when the pianist Dame Myra Hess organised a musical programme here, planning a concert at lunchtime every single weekday throughout the war and continuing into 1946.

"It is a very remarkable National Gallery story and we consider ourselves the heirs of Myra Hess's spirit as we plan our activities while the gallery's building is temporarily closed."

Other talks will include suggestions for making and creating art at home from newspapers and magazines, and Van Gogh's Sunflowers as a starting point to explore "four fun drawing techniques for people to try at home".

- See [*www.nationalgallery.org.uk/stories/a-curated-look-working-from-home*](http://www.nationalgallery.org.uk/stories/a-curated-look-working-from-home) for information

9:48am

UK business output dived at its fastest rate on record this month on the back of widespread shutdowns in response to the coronavirus outbreak, according to new figures.

The closely watched IHS Markit/CIPS Flash UK composite purchasing managers' index (PMI) plunged to a reading of 12.9 for April, from a reading of 36 last month.

The monthly decline in manufacturing and services activity exceeded the downturn seen at the height of the global financial crisis "by a wide margin", the survey said.

Chris Williamson, chief business economist at IHS Markit, said: "Business closures and social distancing measures have caused business activity to collapse at a rate vastly exceeding that seen even during the global financial crisis, confirming fears that GDP will slump to a degree previously thought unimaginable in the second quarter due to measures taken to contain the spread of the virus.

"Simple historical comparisons of the PMI with GDP indicate that the April survey reading is consistent with GDP falling at a quarterly rate of approximately 7%. The actual decline in GDP could be even greater, in part because the PMI excludes the vast majority of the self-employed and the retail sector, which have been especially hard-hit by the Covid-19 containment measures."

9:47am

A Dorset holiday let owner says she faces losing everything after her insurers refused to pay out despite having pandemic cover- because Covid-19 isn't listed.

Read her story here

8:10am

The boss of a major online travel agency has condemned rival firms and airlines for offering vouchers instead of cash refunds for cancelled holidays.

Simon Cooper, founder and chief executive of On The Beach, said the issuing of vouchers is "a travesty" as consumers face being ripped off when they re-book once the coronavirus pandemic is over.

A number of travel companies and airlines are offering vouchers which can be exchanged for an alternative booking at a later date.

In an interview with the PA news agency, Mr Cooper described this as "a bad idea for everyone concerned".

Tour operators issuing vouchers will be in "no better cash position" in the coming months, he explained.

"The temptation then surely has to be that as an operator, you're simply going to manipulate the price of your holidays.

"The only way that you can avoid bankruptcy is to massively increase the prices you charge to recoup the losses.

"The audience you're dealing with is a captive audience. They can't go anywhere else."

7:38am

A coronavirus vaccine is unlikely to be available before the year is out despite tens of millions of pounds being poured into UK trials that start imminently.

Health Secretary Matt Hancock confirmed £41 million of additional investment this week for vaccine research taking place at Oxford University and Imperial College London, with Oxford given the green light to start human trials on Thursday.

But Professor Chris Whitty, England's chief medical officer, poured cold water on hopes that an impending vaccine could be the way out of the UK Covid-19 lockdown.

He told reporters at the daily Downing Street press briefing that some social distancing measures would need to stay in place until there was a vaccine or drug which reduced the severity of Covid-19.

"Until we have those, and the probability of having those any time in the next calendar year are incredibly small and I think we should be realistic about that, we're going to have to rely on other social measures, which of course are very socially disruptive as everyone is finding at the moment," he said.

Also on Wednesday, the coordinator of Covid-19 testing appeared to step back from Mr Hancock's promised 100,000 virus tests each day.

Professor John Newton told ITV's Peston programme the Government was confident that only "if there are enough people who need testing then we will hit our target".

Meanwhile, First Secretary of State Dominic Raab told reporters there was "light at the end of the tunnel" after it was confirmed the UK had reached the peak of infections.

It comes as:

- The Government announced a new study to track Covid-19 in the population in a bid to understand the current rate of infection

- Foreign Secretary Mr Raab said the British public would accept the invasion of privacy entailed by the NHS coronavirus smartphone app which can trace their movements

- Backbench Tories increased the pressure on the Government to scale back the lockdown over fears prolonged restrictions could sink the economy

- The armed forces will be used to scale-up testing as ministers mull how to lift social distancing restrictions

According to the Times, Tory MPs vented concerns about the impact the lockdown was having on the economy during a gathering of the backbench 1922 Committee on Wednesday, as Parliament continued its new "hybrid" arrangement of operating with social distancing restrictions in place.

Sir Geoffrey Clifton-Brown reportedly called for a "gradual, step-by-step" easing of the lockdown in the next two to three weeks.

"That will inevitably mean that there will be, at each time, more coronavirus cases. And we just have to accept that," the committee's treasurer told the paper.

The lockdown measures are due to next be reviewed on May 7. Health Secretary Matt Hancock told the Commons he was preparing to ramp up contact tracing on a "large scale" as a way of keeping the virus under control once lockdown measures are eased.

The Government, along with the Office for National ***Statistics***, has announced that 20,000 households in England are being contacted to take part in the first wave of the research designed to understand how the deadly bug has spread across the country, with initial findings expected in early May.

All participants will provide a nose and throat swab to test for whether or not they currently have the virus, while adults in some 1,000 of the households will provide a blood sample to find out what proportion of the population has developed antibodies to Covid-19.

7:38am

Public sector borrowing - excluding banks owned by the state - jumped £9.3 billion to a higher-than-forecast £48.7 billion in the financial year to March 31, before the full impact of the Government's mammoth coronavirus support measures, according to official figures.

The Office for National ***Statistics*** (ONS) said borrowing surged to its highest March level since 2016 last month, at £3.1 billion - £3.9 billion higher than a year earlier.

The March hike saw borrowing for the full year come in higher than the £47.4 billion forecast by the independent fiscal watchdog, the Office for Budget Responsibility.

But the ONS cautioned the figures do not yet take into ***account*** the expected "significant" impact of Covid-19 Government action launched late last month, and said the March figure will likely be revised higher in the coming months.

7:37am

Good morning,

THE location for the new Dorset coronavirus testing centre has been revealed.

The park and ride in Creekmoor, Poole, will be operational by next Monday for frontline staff across the county.

Read the full story here

5:05pm

he National Cyber Security Centre has revealed it shut down more than 80 online scams on the first day of its new email reporting service.

The Suspicious Email Reporting Service was launched on Tuesday as part of a cyber security awareness campaign in the UK.

It urged people to forward suspicious emails directly to the National Cyber Security Centre (NCSC), and the agency said it received more than 5,000 reports in the first 24 hours, which has so far led to 83 scams being taken down.

The scheme was introduced in part to combat the recent trend of scams offering services related to coronavirus, as cyber criminals looked to play on anxiety around the pandemic.

NCSC chief executive Ciaran Martin said: "The immediate take-up of our new national reporting service shows that the UK is united in its defence against callous attempts to trick people online.

"While we have not seen a rise in email scams in the last month, coronavirus is the top lure currently used to conduct cyber crime - exploiting public unease and fear of the pandemic.

"We hope the success of the Suspicious Email Reporting Service deters criminals from such scams, but if you do receive something that doesn't look right, forward the message to us - you will be helping to protect the UK from email scams and cyber crime."

The scheme is part of the new Cyber Aware campaign, which offers a range of general online safety advice to UK internet users, including tips on how to protect passwords, ***accounts*** and devices.

It also includes new advice on how to securely use video calling apps such as Zoom, following their rapid rise in popularity during lockdown.

A number of consumer organisations and agencies have warned of an increase in cyber crime looking to take advantage of fears around the Covid-19 outbreak.

A recent survey by TSB suggested that 42% of people believe they have been targeted by a bogus email since the outbreak began.

The email reporting scheme was co-developed with the City of London Police, whose national lead for fraud, Commander Karen Baxter, said the service would be a useful tool for police.

"This new service allows the public to take the power back from the criminal, and it's fantastic so many people have utilised it already," she said.

"This will assist the police in tracking down those responsible for sending these scam emails, and help in bringing them to justice."

5:05pm

Up to 100 petrol stations have closed due to the coronavirus pandemic, according to an industry body.

The Petrol Retailers Association (PRA) said the final total could reach 1,000.

Most of the affected sites are in rural areas, which have seen the largest drop in demand for fuel.

The PRA explained that retailers are suffered from a "huge cash flow crisis" due to a reduction in fuel sales of up to 85%.

It claimed a £25,000 grant from the Government which is available to small and medium-sized petrol station firms would do little to secure their long-term future, as the cash would be "swallowed by the next delivery".

The average price of petrol and diesel at UK forecourts is at the lowest level since May 2016 and July 2017 respectively.

Earlier, a campaign group called for further reductions as the price of oil sank.

But PRA chairman Brian Madderson warned that "most petrol stations would risk their financial viability if they had to reduce prices still further".

He went on: "Instead of 100 closures, we could see 1,000 - severely disadvantaging so many of the essential front line workers.

"The target remains to keep open and provide continuity of service."

Department for Transport figures show that road traffic is around two-thirds lower than normal, due to the coronavirus lockdown.

But an RAC survey suggested that one in three drivers believe having access to a car is more important than normal.

The reasons given for needing a car included doing food shopping, visiting pharmacies and providing care for vulnerable people.

3:32pm

The final group of British passengers on a cruise ship are expected to disembark on Wednesday, the Foreign and Commonwealth Office (FCO) has said.

Costa Deliziosa docked in Genoa, northern Italy, on Tuesday, after its round the world cruise was halted due to the coronavirus pandemic.

The repatriation of those on board will take the total number of British nationals brought home from 59 cruise liners to 19,180 according to the FCO.

Many cruise ships were forced to cut their itineraries short and some were left in limbo when ports refused to let them dock over fears of increasing the spread of the virus.

The FCO said it had worked with cruise operators and more than 20 international governments and militaries to arrange flights to get Britons home.

The first repatriation due to the pandemic was carried out on February 21, with the evacuation of 78 British nationals from the Diamond Princess in Japan.

Work to bring people home intensified after the FCO advised against vulnerable people travelling on cruise ships on March 12.

Major repatriations of British nationals have included 669 from MS Braemar in Cuba, 135 from Grand Princess in California, more than 350 from Coral Princess in Florida, and a further 211 from the Zaandam and Rotterdam ships, also in Florida.

Foreign Secretary Dominic Raab said: "Ensuring the safety of British nationals overseas is our number one priority, and I am pleased more than 19,000 British cruise ship passengers have now been reunited with their families.

"This repatriation effort would not have been possible without the co-operation of partners across the world, including Japan, Cuba, Italy, Mexico and US, and I am extremely grateful for their assistance."

1:11pm

The Government was accused of being slow to respond to the coronavirus crisis as Dominic Raab faced questions on testing and protection for NHS and care workers in his Prime Minister's Questions clash with Sir Keir Starmer.

The new Labour leader and Foreign Secretary Mr Raab - deputising for Boris Johnson as the Prime Minister continued his recovery from Covid-19 - faced each other in a sparsely attended House of Commons as the majority of MPs participated remotely.

Sir Keir questioned the Government's progress towards its target of carrying out 100,000 tests a day by the end of the month and claimed that opportunities to acquire personal protective equipment (PPE) from British firms had been missed.

He said: "There is a pattern emerging here. We were slow into lockdown, slow on testing, slow on protective equipment and now slow to take up these offers from British firms."

Mr Raab told him that the Government was guided by scientific advisers.

He said that if Sir Keir "thinks he knows better than they do, with the benefit of hindsight, then that's his decision".

Mr Raab said 8,000 British businesses had responded to a call for assistance on PPE and they had all received a response, with some 3,000 followed up where it was "sensible" if they had equipment with the required specification and volume.

He said it was an "incredibly difficult and competitive international environment" to source PPE from overseas.

On testing, the latest figures showed that less than half of the available capacity was being used and fewer than 20,000 tests had been carried out in a 24-hour period.

Sir Keir questioned how the Government would ramp that up to 100,000 tests a day in just eight days' time - particularly as some care workers and NHS staff could only be tested if they could drive to a site.

Ministers have repeatedly insisted the target will be met and Mr Raab said "those tests will be crucial not just in terms of controlling the virus but allowing the country to move to the next phase".

He said mobile labs were now being used, with the Army also helping to get tests to where they were needed.

Mr Johnson continues to recover from coronavirus at Chequers and Mr Raab said the Prime Minister was in "good spirits".

12:27pm

A coronavirus vaccine may be available for front-line workers and the most vulnerable by late winter, an expert has said.

Read the full story here

11:21am

Nando's has reopened the kitchens in some of its restaurants to help feed NHS workers.

The peri-peri chicken chain said seven of its city centre restaurants reopened their kitchens on Monday, after the chain shut all its sites in the face of the pandemic last month.

Four restaurants in London, two in Manchester and one in Dublin are firing up their grills again to make meals for NHS workers and local charities.

The business said it will provide up to 1,700 free meals each day for NHS staff, key workers at local hospitals and charities.

It said the restaurants will operate behind closed doors, with meals dropped off at hospitals every evening between 6pm and 9pm.

Each restaurant will work under strict health and safety measures while maintaining social distancing, the chain said.

The restaurants will each look to cook up to 250 meals a shift before delivering them.

Before closing operations, Nando's donated 20,000 free meals to NHS workers and has offered a 20% discount to NHS workers for the past 20 years.

It will be the first time the group has reopened kitchens since it shut its sites on March 23 following the Government-mandated shutdown of restaurants, pubs and venues.

Last week, Burger King, KFC and Pret became some of the first chains to announce they would reopen some stores for takeaway and delivery.

11:20am

WEYMOUTH and Portland's charter boat industry is calling on chancellor Rishi Sunak for support amid fears the industry is on the brink of collapse.

Read the full story here

10:30am

A new scam alert service to help consumers stay one step ahead of criminals trying to cash in on the coronavirus crisis has been launched by Which?

People signing up to the free service will receive warnings about the latest frauds as the consumer group uncovers them, along with information about how to spot a scam and protect themselves against falling victim.

Around £2 million has already been lost to coronavirus-related scams, according to figures from national reporting centre Action Fraud.

Financial bodies have also urged savers not to make rash pension decisions, over fears that scammers will try to exploit concerns about the impact of the outbreak on their finances.

The free service from Which? is available at which.co.uk/scam-alerts.

9:03am

THE contrast between coronavirus management in Thailand and the UK has been laid bare by a Weymouth resident who said he is relieved to be stuck in Phuket for the time being.

Read his story here

8:04am

Stephen Hawking's ventilator has been donated to the Royal Papworth Hospital in Cambridge to help treat patients with coronavirus.

The physicist, who had motor neurone disease, died in 2018, aged 76.

His daughter, Lucy Hawking, said: "Our father received brilliant, dedicated and compassionate medical care from both Royal Papworth and Addenbrooke's Hospitals in Cambridge.

"As a ventilated patient, Royal Papworth was incredibly important to my father and helped him through some very difficult times.

"We realised that it would be at the forefront of the Covid-19 epidemic and got in touch with some of our old friends there to ask if we could help.

"After our father passed away, we returned all the medical equipment he used that belonged to the NHS but there were some items which he bought for himself.

"We are now passing them to the NHS in the hope they will help in the fight against Covid-19.

"As a family, the NHS has always played a huge part in our lives.

"We are fully aware of the dedication and commitment of NHS staff to helping people in need.

"At this time, we would ask that everyone supports NHS staff in every way possible.

"We would urge people to take social distancing seriously.

"We all need to do our bit, whatever that may be."

7:55am

Sir Keir Starmer will grill Foreign Secretary Dominic Raab over the Government's handling of the coronavirus crisis during the first virtual Prime Minister's Questions.

Sir Keir will likely spend his first PMQs as Labour leader questioning Boris Johnson's stand-in over testing, safety equipment for frontline workers and an exit strategy from the lockdown.

It comes after an RAF plane landed at Brize Norton from Turkey in the early hours of Wednesday, after being sent to collect a shipment of PPE - including 400,000 badly-needed surgical gowns.

Mr Raab, who is deputising for the PM as he recovers from Covid-19, and Sir Keir will be in the House of Commons chamber among up to 50 MPs permitted to attend while obeying social distancing rules.

Some 120 more can take part remotely through the Zoom video-conferencing platform in the first PMQs since Parliament rose early a month ago because of the crisis.

7:54am

An RAF plane, believed to be carrying a delayed consignment of personal protective equipment (PPE), has landed in the UK.

Flight tracker RadarBox showed the Airbus A400-M registered ZM416 depart Istanbul and land just after 3.30am on Wednesday at RAF Brize Norton.

The plane had been dispatched from the Oxfordshire base, where two other planes are on stand-by to pick up further kit from Turkey, late on Monday.

It is not known if the consignment, which was ordered on Thursday and originally due to arrive on Sunday, includes 400,000 badly-needed surgical gowns.

Health minister Helen Whately said there has not been a political decision made that Britain should not to become involved in EU procurement programmes to acquire equipment for dealing with the coronavirus outbreak.

The senior civil servant at the Foreign Office Sir Simon McDonald told a Commons committee on Tuesday that ministers had taken a "political decision" not to join a programme to procure ventilators, only to later issue a retraction.

Ms Whately said the UK had since joined other EU procurement programmes.

"There do seem some misunderstandings about the EU scheme. I am assured there was no political decision about the involvement in it," she told Sky News.

"The reason we weren't involved in the initial scheme was to do with a communications error. We are now participating in one EU scheme and ready to participate in future schemes.

"The important thing is making sure that we are getting the PPE that we need."

7:32am

Good morning,

A drive-through coronavirus testing centre will be set up in Dorset in the coming days.

Dorset director for public health, Sam Crowe, said work was "ongoing" to identify a site but that it was expected it would be operational in about a week.

Read the full story here

8:11pm

England's deputy chief medical officer has defended the Government's decision not to screen passengers arriving at UK airports for coronavirus.

Professor Jonathan Van-Tam said a "basic problem" with port entry checks was they would not pick up cases of people infected overseas but who were yet to display any Covid-19 symptoms.

He said the virus had an incubation period of up to 14 days, meaning that someone with the disease could still "sail" through any screening as they would not necessarily show signs of a fever.

Tourists have previously lambasted the "shocking" lack of testing upon arriving back in the UK during the pandemic.

And earlier in April, Heathrow Airport's chief executive called for an international common standard on medical screening so people can "travel with confidence" once the crisis recedes.

Asked why the UK has not introduced screening, Prof Van-Tam told the Downing Street daily briefing on Tuesday: "The problem is that people can be infected before they get on the flight and the incubation period for this virus is up to 14 days. And it's typically five days.

"So I can fly back... on a long flight and I can become infected in that country before I get on the aircraft, and I will sail through Heathrow with absolutely no symptoms at all.

"I'm not being untruthful, there is nothing to declare. I won't have a fever, I won't be picked out.

"But when I get to my home in the north of England, at that point I may develop symptoms a few days later, and clearly the port of entry screening hasn't worked."

Prof Van-Tam said the proportion of new cases coming in from abroad "would be minuscule" compared to the "force of infection" in the UK at present.

Health Secretary Matt Hancock previously said the UK did not carry out testing at airports as the number of arrivals had "dropped dramatically".

He told Good Morning Britain last week that about 15,000 people were arriving each day.

Some airport passengers told the PA news agency other countries appeared to be taking Covid-19 much more seriously, with medical questionnaires and health checks at land borders and travel terminals.

Heathrow cheif John Holland-Kaye claimed a single system for assessing passengers' health will help demand for air travel recover from the coronavirus pandemic.

He said: "Now is the time to agree a common international standard for healthcare screening in airports so that when this crisis recedes, people can travel with confidence and we can get the British economy moving again."

Heathrow warned it expects passenger numbers for the whole of April to be down by more than 90% year-on-year.

The collapse in demand saw the airport move to single runway operations on April 6, and two terminals will be closed in the coming weeks.

8:11pm

Dentists and anaesthetists are among the latest groups to say they are working without adequate personal protective equipment (PPE) in the fight against Covid-19.

The British Dental Association (BDA) said dentists in England are facing "critical shortages" of PPE, while the Royal College of Anaesthetists (RCA) said doctors should not treat patients without proper equipment.

Over half (54%) of dentists in England said PPE shortages are hampering efforts to treat patients at urgent dental care (UDC) hubs, according to a survey of 1,010 UK dentists by the BDA.

Only one in five dentists in Scotland are reporting the same issues, the poll found.

Some 35% of all UK dentists surveyed said they felt fully protected against Covid-19 while 46% said they felt partly protected, and almost 12% said they were not protected at all.

Almost two-thirds of dentists at sites in England also reported shortages of FFP3 masks and gowns needed for high-risk procedures known as aerosol-generating procedures.

The BDA said a lack of PPE has meant some UDC hubs cannot currently treat patients.

It says a third of the sites in England remain inactive, compared with just 2% across Scotland, Wales and Northern Ireland.

BDA chairman Mick Armstrong said: "Many dentists have been redeployed, only to find their hands tied by a critical shortage of kit, and delays in training and fit-testing.

"Patients are taking matters into their own hands, while desperate colleagues shop around for Scuba gear in a bid to keep themselves safe. It is time for a genuinely national effort to get PPE to the NHS front line."

The RCA's president Professor Ravi Mahajan said members should not risk their safety to provide care for coronavirus victims.

He said if an anaesthetist tries "their best to acquire and use effective PPE but, having made all the efforts they reasonably can, are forced to conclude that the risk to their own health is unacceptable and that they cannot treat a patient, the Royal College of Anaesthetists will offer them its support".

It comes as Labour MP Rachel Reeves said UK firms offering to make PPE for health workers have heard "nothing back" from the Government.

Ms Reeves tweeted a copy of a letter she sent to Cabinet minister Michael Gove on Saturday expressing concern about PPE shortages and asking how many UK firms had been taken up on their offers to manufacture it.

Speaking on Tuesday on BBC Radio 4's Today programme, MS Reeves said she had been "inundated" with requests from manufacturers to make PPE.

"There are many, many businesses around the country who have perhaps furloughed workers but have the capability and the capacity and the skills to make this personal protective equipment and clothing - particularly the gowns - but have not heard back from the Government," she said.

"Some of them are doing it on an ad-hoc basis for local hospitals or care homes, but this needs to be systematic - it needs to be a national effort, using all of our manufacturing and textile capacity and capability to ensure that the doctors and nurses and care workers ... have that equipment and clothing that they need."

She said there had been "too much focus" on importing PPE from overseas and that there had not been enough focus on bringing smaller suppliers into the national effort.

"It is a disgrace that we've got people working on the front line who aren't properly protected and Government's first and foremost responsibility is to protect its citizens, and this now is our main priority."

Katie Sanderson, a junior doctor in London, also told Today there were "very, very significant gaps" in PPE provision.

Referencing a Doctors' Association UK survey with more than 1,100 responses in 250 settings, she said 38% of doctors had no eye protection, 38% who need FFP3 masks do not have access to them and 47% do not have access to long-sleeve gowns.

Earlier on Monday, Chris Hopson, chief executive of NHS Providers, said hospital trusts were being forced into "hand-to-mouth" workarounds on PPE, including washing single-use gowns and restricting stocks to key areas.

It comes after a hospital doctors' union said officials responsible for the UK's "disgraceful" lack of adequate PPE needed to be held "fully ***accountable*** for their abject failure" to protect front line health staff.

Employers will now be able to use new official guidance on reusing items or wearing different kit to "coerce health workers ... to risk their own lives when caring for Covid-19 patients", said HCSA president Claudia Paoloni.

The criticism comes after the Government appointed London 2012 Olympics chief executive Paul Deighton to "unleash the potential of UK industry to scale up domestic PPE manufacturing".

At least 50 NHS workers have now died after contracting coronavirus.

Virgin Atlantic said that, since April 3, it has sent five flights to fetch 80 tonnes of PPE from overseas.

Two further flights will arrive from Shanghai this week, it said.

8:10pm

Matt Hancock has defended not taking up all domestic manufacturers on their offers to produce protective equipment during the coronavirus crisis - saying not all opportunities have been "credible".

The Health Secretary was responding to reports that UK firms offering to make personal protective equipment (PPE) for frontline NHS staff had not heard back from the Government.

Labour MP Rachel Reeves said on Twitter that she had been contacted by companies claiming they had responded to Mr Hancock's calls for manufacturers to help boost stocks, but had not received a reply.

At a Downing Street briefing on Tuesday, Mr Hancock said checks were needed on such offers, claiming that some companies had only been set up the day before applying for Government funding.

"I think it has been very encouraging the number of UK companies that have come forward," he told reporters.

"But we have had to make sure we sort out the credible offers from those that are not.

"We have had some offers, for instance, that have come from companies where, upon investigation, the company has only just been formed in the previous day or two before coming and asking for a cash deal with the Government."

He added: "Nevertheless, we want to engage with all of those companies who can help us in this national effort and we are accelerating the progress of getting back to all of those companies with a substantive response to their offer."

The Health Secretary told the briefing that 8,331 companies had come forward with offers of PPE - some of which had led to "very large-scale" purchases.

"I am very grateful to all of those who have come forward and we are now actively engaged with hundreds of these companies," he said.

"I can announce that we are working with 159 potential UK manufacturers which are starting to come on stream."

Ms Reeves' comments came amid growing frustration over a shortage of PPE for NHS workers during the coronavirus pandemic, as the death toll among frontline staff continues to rise.

The Labour MP tweeted a copy of a letter she sent to Cabinet Office minister Michael Gove, which asked how many firms had been taken up on offers to help.

She said that since sending the letter "lots of manufacturers" had responded, saying that they had contacted the Government but "heard nothing back".

Meanwhile, a group of British textile firms has come together to form the British Textile Consortium in order to make vital equipment for health workers.

The founder of Make it British, Kate Hills, said that gowns produced by a number of consortium members were currently being tested before they can be supplied to the NHS.

She told the PA news agency that consortium members will potentially be able to produce millions of gowns a month.

"Gowns and masks are the main things, gowns in particular are critical," Ms Hills said.

"Through the consortium a number of manufacturers are having their gowns tested with a view to then supply them to the NHS.

"They will be able to provide gowns in the hundreds of thousands, if not millions, per month.

"But they are disposable products so it is not everything that is needed but a good proportion of what is needed. The roll out will be in a few weeks."

Ms Hills said that because there was not a single large company in the UK that could make PPE, it was important to set up a new supply chain to produce the essential products.

She added: "It is quite difficult for a Government that has been procuring ready-made stock from China to understand how the UK textile industry operates.

"It's a lot of different moving parts of the supply chain, the fabric company, the company that does the sewing. We are basically putting the supply chain back together for them (the Government)."

High-end fashion retailers in the UK, including Burberry, Barbour and David Nieper, have reopened factories and re-enlisted staff who had been furloughed to help boost supplies.

3:48pm

⚠️Coronavirus (#COVID19) is a national emergency⚠️

It can be life threatening for people of all ages, everywhere in the UK.

Share this video to encourage others to stay at home and help keep people safe. pic.twitter.com/RFRrnT4QqM

- Department of Health and Social Care (@DHSCgovuk) April 21, 2020

3:00pm

Parliament returns on Tuesday amid mounting criticism of the Government over its failure to ensure NHS staff treating coronavirus patients have the protective equipment they need.

Ministers have insisted they are pursuing "every possible option" to secure additional kit but said that, with unprecedented worldwide demand, the situation is "very challenging".

2:50pm

Today the NHS Nightingale Yorkshire and the Humber is launched by NHS fundraiser @captaintommoore. We will be posting images here from the ceremony throughout the day. pic.twitter.com/zAKum7rrgy

- NHS Nightingale Yorkshire and the Humber (@NightingaleYH) April 21, 2020

2:29pm

There is too much uncertainty to make evidence-based decisions about the cost effectiveness of measures to tackle coronavirus, a leading health economist has said.

Nuffield Trust chief economist Professor John Appleby said there was still "considerable uncertainty" about the impact of the pandemic, for example that a proportion of people who have so far died with Covid-19 would have died from other causes.

Writing in the BMJ, he said estimates such as how many lives could be lost in a "do nothing" situation against how many will be saved by interventions such as school closures, complete lockdown and social distancing will change as the pandemic evolves.

He added: "There is still considerable uncertainty about the impact of the pandemic.

"A proportion of those who have so far died with Covid-19 would have died this year from other causes.

"Modelled estimates of the number of lives that could be lost in a 'do nothing' situation suggested that there could be up to half a million deaths attributable to Covid-19 over two years.

"To put this in context, the total number of deaths in the UK in 2018 was 616,000.

"These estimates also suggested that with a combination of non-pharmaceutical interventions - school closure, self-isolation, complete lockdown, social distancing, and banning of public events - plus treatment, deaths from Covid-19 could be reduced to 250,000.

"Naturally, such figures represent best estimates so far and will change as the pandemic evolves."

2:16pm

Coronavirus was linked to a third of all deaths in England and Wales in the week up to April 10, with the total number of care home deaths increasing almost six-fold in seven days, according to the Office for National ***Statistics*** (ONS).

There were 18,516 deaths provisionally registered in England and Wales in the week ending April 10 - 7,996 deaths more than the five-year average and the highest weekly total since 2000.

Of the deaths registered in the week ending April 10, 6,213 mentioned "novel coronavirus (Covid-19)", which is around a third (33.6%) of all deaths.

This is up from 3,475 (21.2% of all deaths) last week.

2:15pm

Those who are most at risk from coronavirus (#COVID19) have been notified.

If you have any of the conditions featured below and have not been contacted, please do the following BEFORE registering online:

▶️ Check guidance on [*https://t.co/vmclsiHUl5*](https://t.co/vmclsiHUl5)

▶️ Talk to your GP pic.twitter.com/lKBTYI818Z

- Department of Health and Social Care (@DHSCgovuk) April 21, 2020

12:59pm

Airline Virgin Australia has gone into voluntary administration after failing to secure a government bailout due to impacts of the coronavirus pandemic, the company said.

"Virgin Australia has entered voluntary administration to recapitalise the business and help ensure it emerges in a stronger financial position on the other side of the Covid-19 crisis," the airline said in a statement to the Australian Stock Exchange.

The move follows a board meeting of the firm's international shareholders who voted against providing more financial support.

The airline had asked the Australian government for £710 million but the request was denied.

Virgin Australia's board has appointed Deloitte has voluntary administrators.

The airline, which serviced domestic as well as short-haul international destinations, was founded in 2000 by Sir Richard Branson and was one of Australia's main aviation providers.

It "is not the end for Virgin Australia, but I believe a new beginning", Sir Richard said in a letter to the airline's staff which he tweeted.

12:58pm

The Government's plans to ensure that disadvantaged children can access lessons online amid school closures "do not go far enough", campaigners say.

Education Secretary Gavin Williamson has announced that free laptops or tablets will be given to disadvantaged pupils to help them learn at home amid the Covid-19 pandemic.

Disadvantaged secondary school pupils and care leavers who do not have mobile or broadband internet in their homes will also be provided with 4G routers.

But the Good Law Project (GLP), a legal campaign group which has previously brought cases against Uber and over Brexit, said the Government's proposals are only a "drop in the ocean".

The campaigners are concerned that the plans to make remote education accessible for children while schools are closed will not reach all the disadvantaged children across the country who are affected.

Free laptops or tablets will be given to disadvantaged pupils in Year 10 who do not have a device, as well as to children of all ages who receive support from a social worker or a care leaver, the Department for Education (DfE) has said.

But Jolyon Maugham QC, founder of the GLP, told the PA news agency that he found the lack of details about the scheme "troubling" and he added that he was concerned that only a "small subset" of pupils would benefit.

12:04pm

15,000 @PenlonGlobal ventilator devices will be sent to the #NHS frontline to support coronavirus (#COVID19) patients.

Read more:

▶️ [*https://t.co/ae2ed61MPx*](https://t.co/ae2ed61MPx)

AND

Watch to learn about the vital role ventilators play in treating patients with coronavirus (#COVID19) pic.twitter.com/75YKCnwNkz

- Department of Health and Social Care (@DHSCgovuk) April 21, 2020

11:16am

We're opening new sites across the country to test frontline staff for #coronavirus. A negative test result means staff can get back to work quicker.

Info on how frontline staff can book a test:

➡️ [*https://t.co/LmhXHgi4ep*](https://t.co/LmhXHgi4ep)

Here's a map of the new open sites pic.twitter.com/Htjtavb8Iu

- Department of Health and Social Care (@DHSCgovuk) April 20, 2020

10:50am

John Lewis sales have plunged after it was forced to shut stores in face of coronavirus despite a surge in online orders.

The John Lewis Partnership group also said its Waitrose supermarket chain saw sales surge as shoppers stocked up on essentials.

However, the John Lewis department store chain saw total sales tumble 17% in the weeks since March 15, after it closed all its sites on March 23.

The high street retailer warned that a worst-case scenario would see the chain's annual sales plunge 35%.

Nevertheless, John Lewis said online sales have jumped 84% as shoppers purchased more technology and food preparation products.

The retailer said demand has particularly spiked in some of its "less profitable lines", with people "buying more Scrabble but fewer sofas".

Elsewhere, Waitrose sales increased by 8% in the period since January 26 as supermarkets were buoyed by the crisis.

Sales increased both in store and online as shoppers bought more essentials like rice, pasta and long-life milk.

Demand for home delivery has been "especially strong", it said, with the company increasing its delivery capacity by 50%, which puts it "in good stead" ahead of the end of its contract with Ocado in September.

The John Lewis Partnership group said it is set to receive £135 million in savings from the business rates holiday and will reduce operating costs, including a cut of almost £100 million to marketing spending.

In a letter to partners, recently appointed chairwoman Sharon White said: "We are confident that the future of the business is strong.

"Our short-term trading has though been significantly affected, principally because of the closure of all 50 John Lewis branches.

"The Partnership has been trading for nearly a century. It has survived a World War and bombings, economic crashes and crises.

"Thanks to you, we shall also come through Covid-19 and emerge stronger."

10:34am

Some people with underlying health conditions face an increased risk of being hospitalised by coronavirus (#COVID19)

To find out if you are in the "at risk" group, read the latest guidance:

▶️ [*https://t.co/MMx8K0tPQ6*](https://t.co/MMx8K0tPQ6)

AND

Watch the video below pic.twitter.com/IVTu9IeaNx

- Department of Health and Social Care (@DHSCgovuk) April 21, 2020

10:15am

There were more than a thousand coronavirus-related care home deaths registered up to April 10, up from 217 the week before, official figures show.

Latest weekly figures from the Office for National ***Statistics*** show there were 1,662 deaths involving Covid-19 in England and Wales registered up to April 10 which occurred outside hospitals.

The equivalent figure for hospitals deaths over the period is 8,673.

Of the deaths outside hospitals 1,043 took place in care homes, 466 in private homes, 87 in hospices, 21 in other communal establishments and 45 elsewhere

The ONS said the numbers are based on where Covid-19 is mentioned anywhere on the death certificate, including in combination with other health conditions.

A total of 406 deaths involving Covid-19 in England and Wales registered up to April 3 occurred outside of hospitals, according to provisional ONS figures - around 10% of the total.

Of these, 217 were registered in care homes, 33 in hospices, 136 in private homes, three in other communal establishments and 17 elsewhere.

9:13am

Some very sad news today as it has been reported that a popular Dorset GP has died of Covid-19.

Read tributes to Dr Craig Wakeham of Cerne Abbas here

7:55am

UK job vacancies dived in the three months to March as the labour market contracted in the face of the coronavirus, official statisticians have revealed.

The Office for National ***Statistics*** (ONS) said the number of job vacancies plunged by 52,000 to 795,000 for the quarter.

Economists also revealed on Tuesday that unemployment increased by 22,000 to 1.36 million in the three months to February, before Covid-19 gripped the UK.

David Freeman, ONS head of labour market ***statistics***, said: "Our final ***data*** wholly from before the coronavirus restrictions were in place showed the labour market was very robust in the three months to February.

"For the first time, we have brought forward information on the number of employees in work using PAYE ***data*** to cover a more recent period.

"These experimental ***statistics*** show a softening picture in March, but cover the month as a whole including the period before the coronavirus restrictions were in place."

7:54am

The owner of budget fashion firm Primark said 68,000 staff have been furloughed across Europe at the retailer and sales have plunged from £650 million a month to zero as coronavirus has caused the chain to shut completely.

Associated British Foods boss George Weston said the group had been "squarely in the path of this pandemic", but would not reopen Primark stores until the disease is under control.

Two of the group's employees have died from Covid-19 in the past three weeks while another remains in intensive care in the United States, the company confirmed.

It said its food and ***agriculture*** business - spanning sugar, grocery and ingredients - is helping the firm weather the crisis while cost cutting will also help it mitigate half the operating costs of Primark while the 376 stores remain shut.

AB Foods, which had no online business to fall back on after lockdown forced it to shut shops, said the timing of when it will reopen stores is uncertain and that the process will also be "complex".

7:37am

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7:36am

MPs are expected to approve plans for "virtual" sittings of the Commons when the House returns today following the Easter recess.

Under proposals drawn up by the House authorities, MPs will be able to contribute to proceedings at Westminster - including questioning ministers - through video links.

The initial cost of development amounts to £148,793 and the running costs for maintaining the system are estimated at £369,267 per month, according to a memorandum published by House of Commons Clerk John Benger as part of his role as ***accounting*** officer.

Up to 50 MPs will still be able to be present in the chamber - although they are being strongly encouraged to stay away.

To approve the new "hybrid" arrangement, the House will need to sit physically on Tuesday to vote the plans through.

Strict social distancing arrangements will be in force with MPs required to sit two metres apart.

It is unclear how many will attend, with views divided among those who believe they have a duty to be present and others committed to staying away.

If it does go through, it will mean the new arrangements will be in place for Prime Minister's Questions on Wednesday, with Foreign Secretary Dominic Raab standing in for Boris Johnson.

7:09am

Good morning,

HARD-working care home staff have been working tirelessly to overcome a coronavirus outbreak after three residents who tested positive for the virus died.

Sadly, three residents at Agincare's Crecy Care Home in Weymouth, who tested positive for Covid-19, have died in hospital.

Read the full story here

2:53pm

An important step forward in our #coronavirus battle [*https://t.co/J5A1U5bK6f*](https://t.co/J5A1U5bK6f)

- Matt Hancock (@MattHancock) April 20, 2020

2:33pm

An "extremely well-liked and valued" NHS nurse has died after contracting Covid-19.

The University Hospitals of North Midlands NHS Trust (UHNM) said Patrick McManus worked as a nurse for over 40 years in Staffordshire.

The 60-year-old, described as "an exceptional leader" and a "loveable character", had worked at both Staffordshire Royal Infirmary and, most recently, the County Hospital in Stafford.

Paying tribute to Mr McManus, Tracy Bullock, UHNM chief executive said: "We are deeply saddened to confirm that a member of staff has passed away due to Covid-19.

"Patrick McManus was an extremely well-liked and valued member of the nursing team at County Hospital, Stafford.

"He had been a nurse for more than 40 years and had worked at North Staffordshire Royal Infirmary prior to working in Stafford, where he had been for about 10 years.

"He was a loveable character and brought kindness and compassion to all his patients which was acknowledged by the number of compliments and thank you messages he received.

"He was an exceptional leader and took staff and students under his wing. His big Irish personality will be sorely missed by his friends and colleagues at UHNM.

"Our deepest sympathies are with his family at this very sad time and we thank him for his many years of invaluable service to the Trust, to his colleagues and to the patients and families he served."

2:18pm

Nicola Sturgeon has said she will not rush to announce a lockdown exit strategy as she revealed another 12 coronavirus deaths in Scotland.

A total of 915 patients have died in Scotland after testing positive for coronavirus, up from 903 on Sunday, the First Minister said.

Ms Sturgeon said 8,450 people have now tested positive for the virus in Scotland, up 263 from 8,187 the day before.

There are 169 people in intensive care with coronavirus or coronavirus symptoms, a decrease of five on Sunday, she added, and 1,809 people are in hospital with confirmed or suspected Covid-19.

"Towards the end of this week I will set out some of the factors that will guide our thinking for the future," the First Minister said.

But the "initial version of this work" will not set out what measures will be lifted and when, she said.

Ms Sturgeon added: "We are simply not yet in position to take those decisions in a properly informed way and I will not rush to do anything that could risk a resurgence of this virus, because to do that would risk overwhelming the national health service and it would put many more lives at risk."

1:06pm

The Duke of Edinburgh has made a rare public statement, praising those tackling the coronavirus pandemic across the UK and keeping essential services running.

Philip, 98, who retired from public duties in 2017, said he wanted to recognise the "vital and urgent" medical and scientific work taking place.

In his message, the duke also gave thanks to key workers including those involved in food production and distribution, refuse collection and postal and delivery services.

Philip, in his message published on the royal family's social media channels, said: "As we approach World Immunisation Week, I wanted to recognise the vital and urgent work being done by so many to tackle the pandemic; by those in the medical and scientific professions, at universities and research institutions, all united in working to protect us from Covid-19.

"On behalf of those of us who remain safe and at home, I also wanted to thank all key workers who ensure the infrastructure of our life continues; the staff and volunteers working in food production and distribution, those keeping postal and delivery services going, and those ensuring the rubbish continues to be collected."

11:09am

The announcement of the winner of the International Booker Prize has been postponed so that readers can get hold of copies of the shortlisted books.

Organisers said that "access to the books (on the shortlist) at present is problematic".

The £50,000 international prize celebrates the best translated fiction from around the world and the winner was due to be announced in May.

"Publishers have stressed how severely book distribution is disrupted due to Covid-19, so steps are being taken to ensure that the authors, translators, publishers and book trade are best supported at this difficult time," organisers said.

10:22am

The Government's scheme to help pay people's wages and support businesses amid the Covid-19 pandemic has gone live.

Read all the details and who is eligible here

10:15am

Organisations representing hospital trusts have rounded on the Government over its promise of more personal protective equipment (PPE) to protect workers in the fight against Covid-19.

Chris Hopson, chief executive of NHS Providers, said there was "relatively low confidence" that a shipment of 400,000 surgical gowns which had been due to arrive in the UK from Turkey on Sunday would make its way into the country on Monday.

The lack of PPE remains a dominant issue for NHS staff, as hospitals are forced into workarounds, including washing equipment and asking workers to accept wearing less protective gear.

The NHS Confederation, which represents organisations across healthcare, has also reacted angrily to Government promises of more PPE, saying delays on the shipment from Turkey "makes a difficult situation worse".

Its chief executive, Niall Dickson, said: "It would have been better had the Government not made the announcement in the first place" and said staff would need to make their own assessment over whether they felt safe with the PPE currently on offer.

Mr Hopson told Radio 4's Today programme that it was wrong to focus on individual consignments of PPE because "bitter experience over the last few weeks" has shown they cannot be relied upon, with some boxes containing the wrong items and thousands of pieces missing.

"So rather than being marched up to the top of the hill and being marched back down again, let's just focus on what we know we can be certain of," he said.

"Let's not focus on individual consignments, let's try and get as quickly as possible to a sustainable supply of these gowns.

"There's no doubt that at the moment, we have now got trusts that have definitely got shortages of gowns."

9:01am

Claudia Winkleman, Dame Joan Collins and Carey Mulligan are among the stars supporting Comic Relief to raise funds to help vulnerable people whose lives have been impacted by the coronavirus pandemic.

They are joined by Marcus Mumford, Himesh Patel, Louise Minchin, Miranda Hart, Nadiya Hussain, Reggie Yates and Robert Rinder in backing a collaboration with author, artist and illustrator, Charlie Mackesy, who has designed a t-shirt that will raise money for charities fighting the spread of Covid-19.

The limited-edition t-shirt features the illustrator's characters, the Boy and the Mole, alongside the slogan Love Wins.

Mackesy said: "I've loved being involved in this collaboration, making a drawing which I hope captures the spirit of togetherness and kindness of the public at this incredibly difficult time.

"The community love we have seen shine through these heart-breaking times is remarkable. It has never been so important to look after each other."

Winkleman added: "I think the design by Charlie Mackesy is just beautiful. I've supported Comic Relief for as long as I can remember - they fund incredible organisations, and I've seen first-hand how they genuinely change lives.

"If you can, please join me in wearing a Love Wins t-shirt - it's gorgeous, it's entirely ethically produced, and every single pound will help support some of the most vulnerable people affected by this crisis."

The t-shirt costs £15, with every pound going to charities in the UK and around the world in need of support to respond to the impact of the coronavirus crisis.

This includes UK charities helping children and families in crisis and reliant on food banks, the elderly and isolated, women and children at risk of domestic abuse, people struggling with their mental health and those living in poverty or without stable housing.

It also includes charities working on the frontline response to the crisis around the world, including those helping to get emergency basic equipment such as soap and face masks to refugees living in overcrowded camps, helping children living on the streets get to a place of safety, and providing emergency support and advice to women at risk of increased violence due to the lock down.

The limited-edition Charlie Mackesy Love Wins t-shirt for Comic Relief is available to buy at comicrelief.com/love-wins.

8:17am

Professor Carl Heneghan, director of the centre for evidence-based medicine at Oxford University, said the Government lockdown was likely to do more damage than coronavirus itself.

The practising GP told BBC Radio 4's Today programme that too much attention had been paid to prediction models that often proved to be "some way out" and that not enough testing had been carried out.

He said: "The key is no-one has really understood how many people actually have the infection.

"You could do that really quickly with random sampling of a thousand people in London who thought they had the symptoms.

"You could do that in the next couple of days and get a really key handle on that problem and we'd be able to then understand coming out of lockdown much quicker.

"In fact, the damaging effect now of lockdown is going to outweigh the damaging effect of coronavirus."

Professor Sarah Gilbert said that her team hopes to begin clinical trials of a coronavirus vaccine by the end of this week.

The professor of vaccinology at Oxford University BBC told BBC Breakfast that with the virus still circulating there was a lot of pressure to go as quickly as possible.

She added: "Unfortunately we are under a lot of pressure now because we need to be testing the vaccine at a time when there is still virus circulating in the community and that means we need to go as quickly as possible.

"We are actually hoping to start testing at the end of this week not next week."

7:19am

Anger over lack of supplies of personal protective equipment (PPE) for NHS workers is growing as a desperately needed consignment of 400,000 gowns was delayed.

The Government has been under increasing pressure to ensure the safety of frontline health staff and one leading NHS figure revealed his "bitter experience" of the lack of basic items such as gowns in recent weeks.

The number of hospital deaths of people who tested positive for Covid-19 passed 16,000, with a further 596 announced on Sunday. The figure does not include those who died in care homes.

The Government scheme for workers who have been furloughed - given a temporary leave of absence - opened today and Chancellor Rishi Sunak announced a £1.25 billion package to aid companies in the innovation sector.

And Education Secretary Gavin Williamson said there was no set date for pupils to go back to schools in England, as he ruled out opening them over the summer holidays.

However, worries over the lack of PPE remained a dominant issue, as a much-anticipated shipment of 84 tonnes, including 400,000 gowns, failed to arrive from Turkey as scheduled.

7:12am

Vaccines are "long shots" and people should not rely on the swift development of one for Covid-19, the Government's chief scientific adviser has warned.

A group of Oxford University researchers will begin clinical trials for a coronavirus vaccine next week but Sir Patrick Vallance says expectations need to be tempered.

Writing in The Guardian, Sir Patrick wrote: "All new vaccines that come into development are long shots; only some end up being successful, and the whole process requires experimentation."

"Coronavirus will be no different and presents new challenges for vaccine development," he added.

"This will take time, and we should be clear it is not a certainty."

His warning came as Sarah Gilbert, Professor of Vaccinology at Oxford University, said her team hopes to begin clinical trials towards the end of next week.

She acknowledged nobody can be "completely certain" that it is possible to find a vaccine for Covid-19, but the prospects are "very good".

And she said that alongside these trials, preparations need to be made to manufacture the vaccine in large amounts.

7:11am

Good morning,

Read another inspiring story of a survivor whose life was saved by the amazing staff at Dorset County Hospital in Dorchester.

Read his story here

12:57pm

People in the UK are still none the wiser about how exactly the Government plans to take the country out of the coronavirus lockdown.

Ministers have dismissed reports that the Government has drawn up a graduated plan to start easing restrictions within weeks, with Michael Gove saying that there are tests which need to be passed before any restrictions can be lifted.

But Sir Jeremy Farrar, who is a member of the Government's Scientific Advisory Group for Emergencies (Sage), said he hopes some lockdown measures could begin to be lifted within around three or four weeks' time if the numbers of infections and hospital patients drop "dramatically".

Sir Jeremy, an infectious diseases expert and director of the Wellcome Trust, told Sky News's Sophy Ridge On Sunday: "I would hope they will get there in three-four weeks' time because it's clear that the lockdown can't go on for much longer.

"The damage it's doing to all of our health and wellbeing, our mental health... the lockdown is damaging business and ultimately that's damaging all of our lives.

"So the lockdowns cannot go on forever, we must lift them as soon as we can but we can't lift them too soon and we can't just make arbitrary dates.

"It has to be driven, I'm afraid, by the ***data***."

Sir Jeremy said he thinks the UK was past the peak of the "first wave" of the virus.

"We should not see this as a discrete episode. I think the probability of what we must be planning for is that there would be further waves of this in the future.

"But for this first wave I think the number of new infections stabilised maybe a week or two ago, the number of hospitalisations maybe a week or so ago... we're probably just past the peak in many parts of this country, as is true in many parts of the world," he said.

But he cautioned: "If we were to release those lockdowns too soon whilst the infection rates are still high... then the epidemic would come back again, it would come back very quickly.

"It would rebound within a few weeks or a couple of months."

Chancellor of the Duchy of Lancaster Michael Gove denied suggestions a "traffic light" strategy is about to be brought in which would see some schools and businesses allowed to reopen in mid-May.

He said: "It is the case that we are looking at all of the evidence, but we have set some tests which need to be passed before we can think of easing restrictions in this lockdown."

12:47pm

The Government must not "repeat the same mistakes" of a decade ago in its response to the economic fallout from the coronavirus pandemic, the shadow chancellor has warned.

Anneliese Dodds said Labour and the Organisation for Economic Co-operation and Development have been calling for the most vulnerable people and businesses to be protected.

She told BBC One's The Andrew Marr Show: "I would say the critical thing there is that we learn from the lessons particularly of the very slow recovery that we had in the UK after the global financial crisis, make sure that we don't repeat the same mistakes again and that we have a much more sustainable economic recovery this time."

Ms Dodds warned of a "ripple effect right across our economy if large numbers of people and businesses become severely indebted and, of course, if many businesses go bust", adding: "Of course we are seeing now record numbers of people struggling, trying to access Universal Credit.

"We had the longest squeeze on living standards in our country since Napoleonic times from 2010 until the current day. That can't happen again.

"So that means not having a strategy where services are cut back so radically that you pull demand out of the economy, that's what happened in the UK in the 2010s, not having an approach which cuts taxes for the very best off people but actually ensures that the burden is falling on the shoulders of everybody else."

12:46pm

Ellie Goulding has surprised an NHS nurse with a live performance during her online wedding.

The singer strummed on the guitar and performed her hit Love Me Like You Do over a Zoom video call as nurse Hayley Pitman shared her first dance with new husband Harvey Skelton.

The couple had been due to get married last weekend at Manor By The Lake in Cheltenham but were forced to postpone the ceremony due to the coronavirus crisis.

Instead Pitman, a theatre practitioner at Bristol Hospital, and her rugby coach partner, tied the knot in an online ceremony watched by their family and friends via video link.

They were then treated to a performance by Goulding who sang the song they had planned for their first dance, in a surprise arranged by wedding directory company For Better For Worse.

Goulding told them: "Congratulations Harvey and Hayley, you are both heroes and we all love you."

Afterwards, Ms Pitman said: "Despite not being able to be with our friends and family in person, being thrown a virtual wedding by the For Better For Worse team was such a magical experience, and the appearance by one of our favourite singers Ellie Goulding was just the icing on the cake, I couldn't believe it!

"The memories of this will certainly keep us both going until we can celebrate properly later on in the year."

10:37am

A care sector leader said until testing is done it will be difficult to know the number of people who have died with Covid-19 within the care system.

When asked on Sky News's Sophy Ridge On Sunday whether the official figures reflected reality, Nadra Ahmed, chairwoman of the National Care Association, said: "Until testing is done we don't know.

"There are expected deaths that will occur in services but without testing... it's very difficult to say where we are with the number of deaths."

She described care homes as a "home from home" where a lot of residents and their families will be worried about the unfolding news.

"We need to be responsible about how we reflect this, of course there will be deaths... but the numbers we won't be able to confirm until the ***data*** is analysed," she added

10:11am

Calls for an exit plan to end the lockdown intensified as questions emerged about the Government's preparedness during the build-up to the deadly coronavirus outbreak.

Labour leader Sir Keir Starmer increased pressure for a "road map" out of restrictions as a wideranging newspaper report detailed how Boris Johnson missed five meetings of the Government's key Cobra committee as the health crisis was gathering pace.

The claims came as the Prime Minister, who is recovering from coronavirus, was said to have been giving directions to ministers from the country retreat of Chequers - where he is recuperating.

Reports in the Sunday Times that Mr Johnson did not attend a raft of Cobra meetings and claimed the Government missed a series of opportunities to try and lessen the impact of the outbreak in February and March drew a pointed response from Downing Street.

A Number 10 spokesman said: "The Prime Minister has been at the helm of the response to this, providing leadership during this hugely challenging period for the whole nation."

The comments came as controversy continued to grow over the insufficient levels of personal protection equipment (PPE) for frontline NHS staff, and criticism that not enough people were being tested for the killer virus.

Sir Keir accused the Government of dragging its feet in dealing with the pandemic.

10:09am

As an intensive care staff nurse, Joanne Morrell is having to deal with more patients than ever before while wearing uncomfortable protective equipment for extended periods.

In the latest of a series of profiles looking at workers on the front line of the battle against Covid-19 in the UK, the 47-year-old tells what life is like right now.

- What was a normal working day like before coronavirus?

We would go into work, start our shifts ordinarily at seven in the morning or seven at night and we finish at half past seven. We go into handover for patients on the ward and then we get allocated one patient.

It's very close intensive care monitoring, so if your patient's on a ventilator it's hourly observations or sometimes more depending on how unwell the patient is.

- How has that changed now?

We can't hand over in the same way because we've got a lot more patients. Now we're looking after more patients per staff nurse because of the increase in numbers. Ordinarily you'd go for a break at lunchtime but we're having to take shorter breaks, just so you can get a rest from wearing the protective equipment.

We have to wear it at all times when you are around a suspected coronavirus or a confirmed case. You would have to wear the long gown, the gloves and the face mask, visors and a hair cover. Oh gosh, it's so uncomfortable.

You get very warm because you're wearing basically a long plastic bag all around you. It is uncomfortable however it's a small price to pay to be able to look after people and protect ourselves as well.

- What's it like being involved in the fight against coronavirus?

It's like a sense of pride. In the NHS you do feel like you're part of something quite magnificent anyway - I've always been immensely proud to be a nurse and immensely proud to work for the NHS and the trust that I work in, Calderdale and Huddersfield, but even more so now.

It feels like we are all one big massive family, all working together to help.

- How is it affecting you?

More anxiety than usual. Definitely more emotional than usual, a lot more sensitive to things - more tearful than I've ever been. But the nature of our job is that we see people at their very worst and we see people die, it's just heightened.

- How are you coping with the increased stress?

I walk my dogs on my days off. It's my one daily activity with my husband and two children, who are amazing. They're at home and they're waiting for me when I get in. They're very supportive and listen to me when I just need to talk or we just watch movies and things to try and relax when I get that time.

- Who do you think the heroes of this pandemic are?

I think absolutely everybody that is doing their bit, and that includes people who are staying at home. I was talking to my neighbours who are in their 70s, and she said 'I don't feel like I can do anything' and I said 'but what you are doing is amazing because even though you don't see it, staying at home and socially distancing is literally saving people's lives'.

- What do you make of the public's support for the NHS?

It's absolutely incredible. I know that the general public do appreciate the NHS but I think it's their way now, because a lot of people feel they can't do anything, it's their way to show they appreciate us.

We have had so much food and drink given and donated by amazing people to keep us going on shift which is just amazing, just so appreciated. And the clapping is just magnificent.

On the last two Thursdays I'd done a long day on those days and got home at exactly the time that all my neighbours were out clapping and it was just overwhelming. It was really wonderful.

9:22am

The Nato general leading the group's response to the coronavirus in Europe has conceded all key figures were caught "off-guard" by the outbreak.

Defending Nato's work in reaction to the virus, including co-ordinating the distribution of personal protective equipment (PPE) through various European countries, Lieutenant-General Olivier Rittiman said "no-one" fully understood the depth of the crisis that lay ahead in the early days of the outbreak.

"I think that everybody was taken a little bit off-guard by this crisis," Lt Gen Rittiman, the commander of Nato's Europe Covid-19 Task Force, told Sky News' Sophy Ridge on Sunday.

"No-one was really completely understanding the full expanse of the health crisis we are facing."

Lt Gen Rittiman said it was not fair of former defence minister Tobias Ellwood to have said last week that Nato needed to "wake up" to the Covid-19 threat.

The general said the organisation had so far deployed 4,000 medics and 250 field hospitals - amounting to some 25,000 beds - across various nations.

"We are providing this co-ordination mechanism with the rapid air mobility, over 100 flights have been conducted to ship the equipment. So saying that Nato is slow to wake up or is not doing anything is not fair because we are doing quite a lot," he said.

9:13am

Education Secretary Gavin Williamson tweeted on Sunday morning that "no decision has been made on when we will reopen schools".

"I can reassure schools and parents that they will only reopen when the scientific advice indicates it is the right time to do so," he added.

8:54am

Dr Tom Dolphin, a spokesman for the British Medical Association and a consultant anaesthetist at a central London teaching hospital, said that problems with the supply of PPE could have been seen coming.

He told BBC Breakfast: "We've had warnings for several months that this was coming, we've had warnings from exercises that were done before, looking at what we should do about a pandemic several years ago, so this is definitely something we could have planned for better."

Dr Dolphin said: "What the BMA is seeing, what we're hearing from our members nationally, is that although it's got very slightly better in some ways, broadly there are still big shortages."

He said that about a third of doctors are still finding shortages getting tight-fitting face masks.

"This is a disease you breathe into your lungs and that's where it affects you, so to see that many doctors and nurses and other healthcare workers unable to get those masks, it's just unacceptable."

7:13am

An array of stars including Sir Paul McCartney, Beyonce and The Rolling Stones took part in a broadcast celebrating health workers on the front line of the coronavirus pandemic.

Curated by Lady Gaga, the One World: Together At Home event attracted some of the biggest names in music in a show of gratitude to those around the world fighting the outbreak.

The eight-hour event began on Saturday, including a two-hour TV broadcast in the US presented by late night hosts Jimmy Kimmel, Jimmy Fallon and Stephen Colbert.

It will be adapted and shown on the BBC on Sunday. Viewers were told the project, staged in conjunction with Global Citizen and the World Health Organisation (WHO), had already raised more than 50 million dollars (£40 million).

Gaga opened and closed the broadcast, kicking proceedings off with a cover of Charlie Chaplin's Smile and was followed by Stevie Wonder, who sang Lean On Me in tribute to the late Bill Withers.

The Rolling Stones were among the featured acts, with Mick Jagger, Keith Richards, Ronnie Wood and Charlie Watts appearing from their respective homes to perform You Can't Always Get What You Want.

7:12am

The world must live with the threat of Covid-19 "for the foreseeable future" as there is no guarantee of a successful vaccine, a prominent expert on the disease has reportedly said.

David Nabarro, professor of global health at Imperial College London and an envoy for the World Health Organisation on Covid-19, told The Observer newspaper that people around the globe will have to adapt to the ongoing threat of coronavirus.

"You don't necessarily develop a vaccine that is safe and effective against every virus. Some viruses are very, very difficult when it comes to vaccine development," Dr Nabarro told the paper.

"So for the foreseeable future, we are going to have to find ways to go about our lives with this virus as a constant threat.

"That means isolating those who show signs of the disease and also their contacts. Older people will have to be protected. In addition, hospital capacity for dealing with cases will have to be ensured. That is going to be the new normal for us all."

His comments come as researchers around the world desperately work on developing a vaccine.

The Sunday Times has reported scientists are investigating using llamas in the quest, with a new Belgian study showing antibodies obtained from llama blood can help neutralise the coronavirus responsible for Covid-19.

With lab rats and mice having also been used in coronavirus research, South Korean scientists say ferrets could have a role to play in testing vaccines too because when infected with Covid-19 they responded similarly to humans, the Times said.

Meanwhile, former health secretary Jeremy Hunt says the pandemic has shown the need for countries to work together in a new global health system involving better co-operation between governments.

Mr Hunt told The Observer global health security would now be "on that small but critical list" of issues, such as climate change, that can only be solved through international working.

7:07am

Good morning,

The Duke of Sussex name-checked Dorset as he thanked NHS staff and volunteers in the fight against Covid-19, saying he is "incredibly proud" of the British public's response to the pandemic.

In an interview with the Declassifed podcast, Harry said the amount of volunteers rushing to help in the national effort was "wonderfully British".

Read the full story here

4:15pm

A team of community-minded cleaners are helping to keep people safe during the coronavirus crisis.

Jake Anthony, 27, and his team from City Cleaning Specialists, have been out and about in protective gear disinfecting public areas of Southampton city centre and beyond.

While many in the area have been staying inside as the pandemic continues, they have been keen to do their bit for the community.

They have been cleaning and sanitising benches, public play areas and other street furniture, using the company's equipment free of charge.

Speaking to the PA news agency, Mr Anthony said: "We are literally just doing our bit, just community spirit. Just giving something back to the community, really.

"Let's give the community some hope."

He and his team were out in Eastleigh town centre in Hampshire on Saturday morning, wearing their white protective gear as they disinfected public areas.

Mr Anthony added: "We have had a few people beep their horns, a few people clapping. It's been amazing."

He said if he could save just one person from getting Covid-19 it would all have been worth it, and vowed to keep going until the virus is "well and truly out the way".

City Cleaning Specialists uses a specialist soft wash machine, which only 25 people in the the UK are certified to use, Mr Anthony said.

A GoFundMe page has been set up by members of the community to raise money for cleaning supplies: gofundme.com/f/help-jake-sanitise-southampton039s-public-spaces

3:56pm

Surgeons are being advised "not to risk their health" by working without adequate personal protective equipment (PPE) amid fears that hospitals could run out of supplies this weekend.

The Royal College of Surgeons of England (RCS) said it was "deeply disturbed" by changes to official guidance, which now states healthcare professionals could be asked to reuse items when treating Covid-19 patients.

NHS Providers said on Saturday afternoon that the supply of clinical gowns was now "critical", whilst unions leaders warned faith in Health Secretary Matt Hancock is "draining away" over the shortage in supplies.

On Friday evening, Public Health England (PHE) reversed its guidance which stipulated that long-sleeved disposable fluid repellent gowns should be worn.

If the gowns are not available, clinical staff are now advised to wear "disposable, non-fluid repellent gowns or coveralls" or "washable surgical gowns", with aprons, and to wash their forearms afterwards.

The updated guidance states that the "reuse of PPE should be implemented until confirmation of adequate re-supply is in place", and that "some compromise is needed to optimise the supply of PPE in times of extreme shortages".

Professor Neil Mortensen, president-elect of the RCS, said the updated guidance implied that surgeons may not require adequate PPE, which he called "simply unacceptable".

He said that like all doctors, surgeons are committed to their patients and "many will put themselves in the firing line" during the crisis.

But Prof Mortensen echoed advice from the Royal College of Nursing (RCN) that says nurses should refuse to treat patients "as a last resort" if they are not provided with adequate equipment.

3:08pm

The latest UK coronavirus figures have been released

Full story here.

1:17pm

Councils across England are to be given an extra £1.6 billion in funding to deal with the coronavirus emergency after complaints from local authorities that services could suffer.

The Local Government Association (LGA) has said the situation could cause some councils to "take extreme cost-cutting and rationing measures soon".

The pandemic emergency has increased pressure on council services like support for those living with disabilities and social care, while income from areas like parking fees has dropped.

Local Government Secretary Robert Jenrick said the extra money will boost the backing councils have received to cope with the pandemic to £3.2 billion.

An extra £300 million will go to devolved administrations, with Scotland getting £155 million, Wales £95 million, and Northern Ireland £50 million.

Mr Jenrick said: "I promised local government would have the resources they need to meet this challenge.

"We stand shoulder to shoulder with local government and my priority is to make sure they are supported so they can continue to support their communities through this challenging time.

"Up and down the country council workers are the unsung heroes as we tackle this virus.

"They are in the front line of the national effort to keep the public safe and deliver the services people need."

In a letter to Mr Jenrick before the extra funding was announced, the LGA said "radical action" to prevent councils "rationing spending" was needed

The organisation said that unless more funding was received, the situation would end up "harming both the long-term continuity of existing services and the Covid-19 response at a time when both are so vitally needed, something we all wish to avoid".

The letter also stressed the loss of income being generated by councils.

It said: "Local authorities are suffering severe income loss from a range of services from leisure, parking, bus operations, planning and commercial waste.

"Many councils rely heavily on this income to fund their annual expenditure - on average, 10% of total gross service costs are funded through fees and charges, going up to 25% on average for shire districts in particular."

12:22pm

Hundreds of Britons stuck in Bangladesh will be repatriated after the Government chartered four flights as part of a new push to rescue more than 7,000 passengers from south Asia.

Those deemed most at risk from coronavirus, such as the sick and elderly, will be given priority, the Foreign and Commonwealth Office (FCO) said.

Up to 850 Britons are expected to board the new flights, which will leave the capital Dhaka for London on April 21, 23, 25 and 26, the department said.

Tickets will cost £600 per person and travellers will also be able to board transfer flights to the capital from Sylhet, in the country's north east.

The Bangladesh operation comes after the Government announced 17 chartered flights from India and 10 from Pakistan, expected to bring home around 4,000 and 2,500 passengers respectively.

12:20pm

A British Transport Police (BTP) officer has died after contracting Covid-19.

Detective Constable John Coker, 53, died on Friday night after being taken ill on March 22, the BTP has confirmed.

After his health did not improve he was admitted to hospital and transferred to an intensive care unit to receive critical treatment.

Mr Coker had worked for the BTP for more than 10 years, during which time he became Detective Constable

at Euston's criminal investigation department (CID).

Paying tribute to Mr Coker, BTP Chief Constable Paul Crowther said: "My thoughts are with John's family, for whom the last three weeks have been incredibly difficult and who will be struggling to deal with this most distressing outcome.

"Local colleagues have been in constant contact with John's wife and will pass on the heartfelt condolences of us all.

"BTP will continue that support over the coming days, weeks and months.

"Understandably this is a very difficult time for John's wife and family and they have asked for privacy.

"My thoughts are also with the many officers and staff who worked alongside John, as we each come to terms with this truly awful news.

"John has been part of the BTP family for over a decade and became a Detective Constable within the CID department at Euston where he was much loved and respected by all those he worked with.

"His colleagues remember a man who was charismatic, kind and thoughtful and took everything in his stride. He will be greatly missed by all in the force."

Mr Coker is survived by his wife and their three children.

12:19pm

A singer performed an emotional concert for carers and residents at a home where 14 people have died after suffering Covid-19 symptoms.

Local people have supported staff and residents at Stanley Park home in Stanley, County Durham, with cakes, flowers and cards, and its owners have praised employees for their "brilliant" attitude.

Local photographer Kelly Matthews organised a show outside the home on Friday, with wedding singer Deborah Taylor-Smith performing live as people watched from inside or on a balcony.

Residents sang and danced with carers during the hour-long set which included Somewhere Over The Rainbow and The White Cliffs Of Dover.

The Vera Lynn tribute singer said: "It was phenomenal to see them singing, dancing and smiling, and to see such joy in a dark time. It was an incredible feeling.

"It is emotional to think what they must be going through, how scared and anxious they must all be."

11:39am

Sir Philip Green's Arcadia group could see some stores shut down permanently as a result of the coronavirus pandemic, following a string of closures in the past year.

The PA news agency understands Arcadia is in discussion with landlords over leases with rolling break clauses, allowing the group to terminate a lease at any time during a term.

While landlords may be served with three months' notice, it does not necessarily mean the stores will close as new arrangements could be made to keep them open.

It has not been confirmed how many stores or which of Arcadia's brands, which include high street giants Topshop and Topman, could be affected.

The retail group had been hit by financial troubles before the Covid-19 crisis.

Its high street brands reported pre-tax losses of £505.1 million for the year to September 2018, according to ***accounts*** published on Companies House.

A series of Company Voluntary Arrangements (CVAs) were proposed in May last year as part of a wider three-year recovery plan, which led to the closures of 23 stores and rent slashes on many others.

11:36am

A key adviser to the Government on coronavirus has said trials for a vaccine for the disease could be completed by mid-August.

Professor Sir John Bell, a member of the Government's vaccine task force and adviser on life sciences, said human testing began at Oxford University last Thursday.

Read the full story here

11:16am

A coronavirus patient on the road to recovery after spending a week in intensive care at Dorset County Hospital says he is 'one of the lucky ones.'

Read his story here

9:43am

A leading health figure has said the situation regarding levels of personal protective equipment (PPE) for health staff is worrying.

Niall Dickson, chief executive of the NHS Confederation, a body that describes itself as speaking for the health and care system, told BBC Radio 4's Today programme: "I think the worrying situation is absolutely there.

"The reality is that there is a chance, and I don't think it's definite, but there is a chance hospitals could run out or, indeed, other parts of the system could run out of the gowns which are required to treat some, not all, Covid patients.

"And that means that they have had to issue this guidance to make clear that if somebody is in that position, here is the fall-back which they point out, the World Health Organisation and the Centre for Communicable Diseases in the US have said this is what you should do in that situation.

"But, of course, it's much less than satisfactory."

Asked about the possibility of a vaccine being produced by the autumn, Prof Sir John Bell, a member of the Government's vaccine task force, told the Today programme: "The real question is will it have efficacy.

"Will it protect people, and that has not been tested and it will only be tested once you have vaccinated a significant number of people and exposed them to the virus and counted how many people have got the virus in that population.

"So, we won't even get a signal for that until May.

"But if things go on course and it does have efficacy, then I think it is reasonable to think that they would be able to complete their trial by mid-August."

9:42am

The Archers will broadcast three weeks of themed episodes from the archives in May, as it takes longer than expected to produce new episodes amid the coronavirus crisis, BBC Radio 4 has announced.

There will be five archive episodes each week from May 3 to May 24, with new episodes planned to broadcast from May 25 onwards.

The cast are currently recording new episodes in their homes and new episodes are being written and produced in a different format, but the process is taking longer than was originally anticipated.

9:33am

MORE than 500 people have tested positive for coronavirus in Dorset.

Read the latest here

8:03am

A Spitfire flypast is reportedly being planned to mark the 100th birthday of Captain Tom Moore, who has raised more than £21 million for NHS Charities Together.

The Second World War veteran initially aimed to raise £1,000 and walk 100 lengths of his Bedfordshire garden before turning 100 on April 30.

But more than a million donors have helped the fundraiser approach £21.5 million as of the early hours of Saturday.

He completed his 100th lap on Thursday but as donations continue to pour in, he has vowed to keep going.

And the Daily Telegraph reported that a team of aircraft restorers are looking to run a Second World War-era flypast at the end of the month.

Alex Monk, 21, of the Biggin Hill Heritage Hangar in south-east London, said the flypast would salute Captain Moore's fundraising efforts.

He told the paper: "It will be a bit of a morale-booster for us all, really, to see a Spitfire in the sky. It's been the symbol of freedom in the past and quite an icon for Tom.

"Tom, more than anyone, knows what a Spitfire means, and to hear and see a Spitfire in the air for himself will be a nice experience for him."

Captain Moore's challenge has captured the hearts of the nation, and he has been personally thanked by the Duke of Cambridge.

Prime Minister Boris Johnson has said he is looking at ways to recognise his "heroic efforts".

8:02am

Six inmates have reportedly been mistakenly let out of prison as part of a scheme to help jails deal with the coronavirus.

The Prison Service said it was aware of a "small number" of low-risk offenders who were freed too early.

Up to 4,000 prisoners in England and Wales were to be temporarily released from jail in an effort to try to control the spread of coronavirus.

Launching the scheme at the start of the month, the Ministry of Justice said the selected low-risk offenders would be electronically tagged and temporarily released on licence in stages, although they could be recalled at the first sign of concern.

It was seen as a way to avoid thousands of prisoners, many of whom share cells, from becoming infected.

But the BBC said the scheme would be temporarily halted after the accidental early release of inmates from two open prisons in Gloucestershire and Derbyshire.

The Prison Service attributed blame to human error and said processes would be changed.

A spokesman said: "We are aware of a small number of low-risk offenders who were released from prison under the temporary early release scheme following an administrative error.

"The men were released too early but were otherwise eligible under the scheme, and returned compliantly to prison when asked to do so.

"We have strengthened the administrative processes around the scheme to make sure this does not happen again."

7:40am

Good morning,

Thousands of doctors and nurses are concerned about inadequate supplies of personal protection equipment (PPE) amid fears some hospitals could run out entirely this weekend.

A British Medical Association (BMA) survey of more than 6,000 doctors across the country said a significant amount of them remain without the protection they need to guard against Covid-19.

Meanwhile another survey by the Royal College of Nursing (RCN) found half of nurses have felt pressure to work without appropriate protective equipment during the crisis.

It comes after it was revealed that doctors and nurses in England will be asked to work without full-length gowns and to reuse items when treating coronavirus patients ahead of expected shortages of protective garments, prompting outrage from unions.

Chris Hopson, chairman of NHS Providers, said some trusts will run out of supplies in the next 24-48 hours because we have "reached the point where national stock of fully fluid repellent gowns and coveralls (is) exhausted".

BMA council chairman Dr Chaand Nagpaul said: "Two months into the Covid-19 crisis in Britain, we shouldn't still be hearing that doctors feel unprotected when they go to work.

"The Government says that one billion items will soon have been shipped, and while there have been signs of improvement, our research clearly shows that equipment is not reaching all doctors working on the front line."

He added: "Just yesterday the Health and Social Care Secretary said he could not guarantee that hospitals would not run out this weekend.

"Meanwhile, the BMA has been inundated with approaches from companies offering to do their bit to supply the NHS.

"This is a truly sorry state of affairs and we renew our call for the Government to work with manufacturers to ramp up domestic supply."

8:45pm

Doctors and nurses will be asked to work without full-length gowns and to reuse items when treating coronavirus patients ahead of expected shortages of protective garments.

The Government has been under fire for weeks over the distribution of personal protective equipment (PPE), with some frontline staff warning that they have had to work in situations where they feel unsafe.

Public Health England (PHE) reversed its guidance this evening which stipulated long-sleeved disposable fluid repellent gowns should be worn when treating Covid-19 patients.

If the gowns are not available, clinical staff are now advised to wear "disposable, non-fluid repellent gowns or coveralls" or "washable surgical gowns", with aprons, and to wash their forearms afterwards.

The updated guidance states that the "reuse of PPE should be implemented until confirmation of adequate re-supply is in place", and that "some compromise is needed to optimise the supply of PPE in times of extreme shortages".

7:38pm

So I recorded this today. But if you can't manage it all then I can summarise:

Thank you Keep going #StayHomeSaveLives [*https://t.co/Rgh1pZ8zT8*](https://t.co/Rgh1pZ8zT8)

- David Lewis (@dccdavidlewis) April 17, 2020

6:59pm

At least 50 NHS workers have died after contracting coronavirus.

Although the official death toll remains at 27, as announced by Health Secretary Matt Hancock, tributes from local NHS trusts and loved ones indicate the actual number is almost double.

A mental health nurse, a senior GP and a healthcare assistant are among those to have lost their lives to the virus.

6:34pm

Dorset is doing well adhering to lockdown rules - but we have to keep it up, police have warned. See our story here

5:30pm

Three more weeks of social distancing and isolation! Home working, organising home education and limited time outside will be frustrating for many.

All this + limited contact with the outside world may cause an increase in domestic abuse. For help visit: [*https://t.co/GiZpGQhnQ8*](https://t.co/GiZpGQhnQ8) pic.twitter.com/Dl3vV3vSng

- Dorset Police (@dorsetpolice) April 17, 2020

5:04pm

Did you know that although your local GPs are working in a different way, their virtual door is very much open for business as usual. You can contact your practice by phone or online via eConsult. [*https://t.co/GS7kqDxxDa*](https://t.co/GS7kqDxxDa) #HereForYou

- NHS Dorset CCG (@DorsetCCG) April 17, 2020

4:40pm

As Captain Tom Moore's fundraiser edges closer to £19 million, a 90-year-old woman with knee problems is climbing the equivalent of a Highland mountain on her staircase and has raised more than £100,000 for the NHS and her local hospice.

Margaret Payne plans to climb the height of Suilven - 2,398ft - by making 282 trips upstairs over the next two months.

She said 99-year-old veteran Captain Tom Moore, who has raised more than £18 million for the NHS through a charity garden walk, inspired her to take on the climb.

Mrs Payne started the challenge on Easter Sunday and said this was her way of saying thank you to NHS and hospice staff who cared for her late husband Jim.

4:19pm

Thanks to your sacrifices, social distancing is working. But if we stop now, we risk increasing the spread of #coronavirus.#StayHomeStaySafe pic.twitter.com/S4nN4T9Yxu

- NHS (@NHSuk) April 17, 2020

3:54pm

If you're exercising outdoors, stay local and use open spaces near your home if you can

Do not travel unnecessarily to exercise.

↔ Stay 2 metres away from anyone you don't live with.[*https://t.co/Rh6DEZR5Ol#StayHomeSaveLives*](https://t.co/Rh6DEZR5Ol#StayHomeSaveLives) #coronavirus pic.twitter.com/H2nvqDt5yp

- Defra UK (@DefraGovUK) April 17, 2020

3:33pm

The Government will pay for staff to remain on furlough for at least another month, as employees are forced to stay at home to slow the spread of coronavirus.

Chancellor Rishi Sunak said the scheme would remain under review as he extended it until at least the end of June.

It allows employees to get 80% of their salaries up to a maximum of £2,500 a month.

"It is vital for people's livelihoods that the UK economy gets up and running again when it is safe to do so, and I will continue to review the scheme so it is supporting our recovery," Mr Sunak said.

2:47pm

More deaths have been reported at Dorset hospitals due to the coronavirus. See our story here

2:39pm

The Sandbanks ferry is to stop sailing after Monday due to the coronavirus lockdown. See our story here

1:24pm

Help is available to those in the Weymouth area who may be struggling.

Please have a look at this leaflet for some useful contact details.

Further information is available on our website: [*https://t.co/MLnGqZ3b9Q*](https://t.co/MLnGqZ3b9Q)

Stay safe Weymouth, and remember that we're here for you. pic.twitter.com/I6s609YRPg

- Weymouth Town Council (@WeymouthWTC) April 17, 2020

1:07pm

Please only call 999 in a genuine, life-threatening emergency.

Our staff and colleagues are working their hardest to keep you safe, so #ChooseWell and help us to help you. pic.twitter.com/dNuApfFoCS

- South Western Ambulance Service (@swasFT) April 17, 2020

12:41pm

Changes to Services 3, 8 & X54 from Monday 20 April 2020.

Following feedback from key workers, we will be introducing a limited Monday to Saturday timetable on Services 3 and X54, plus additional journeys on Service 8.

Timetables available here:[*https://t.co/2b82T1wLU4*](https://t.co/2b82T1wLU4)

- First Wessex (@firstdorset) April 17, 2020

12:18pm

Britain will face "further waves" of coronavirus and will probably have the highest death rate in Europe because the Government was "too slow" to act, a leading physician has warned.

Professor Anthony Costello, of University College London's Institute for Global Health, told a committee of MPs that the "harsh reality" is that "we were too slow with a number of things".

Prof Costello, giving evidence to the Commons Health and Social Care Committee, said we "should not have any blame at this stage" but that "we can make sure in the second wave we're not too slow".

Health Secretary Matt Hancock announced that testing will be expanded to those in the police, fire service and prisons, as well as critical local authority workers, the judiciary and Department for Work and Pensions staff where required.

12:02pm

#StayHomeSaveLives and protect the NHS, and avoid all unnecessary travel unless you're a key worker.

If need to use our services, please check before you travel:[*https://t.co/G9WUCspZpO*](https://t.co/G9WUCspZpO) pic.twitter.com/n2MpqJF1hM

- SWR Help (@SW\_Help) April 17, 2020

11:29am

Harry Redknapp has recorded this special message urging you all to #StayHomeSaveLives and #ActLikeYouveGotIt

⚠ Coronavirus: anyone can get it, anyone can spread it ⚠ pic.twitter.com/pdwtcTOBLG

- Dorset Police (@dorsetpolice) April 17, 2020

11:14am

The head of an NHS trust in southern England has asked for the help of a British fashion company as he fears his staff will soon run out of hospital gowns, it has been reported.

The man, who wished to remain anonymous, phoned the BBC's business reporter Simon Browning and asked for the factory phone number of Burberry, which has turned over its production to make PPE for healthcare workers.

As reported on Radio 4, the man said his staff will run out of gowns this weekend and described Health Secretary Matt Hancock's denial of a PPE shortage across the UK as a "fantasy".

Burberry is just one manufacturer ordered to make equipment crucial to fighting Covid-19.

10:57am

It's normal to feel anxious during times of uncertainty.

There are simple things you can do to maintain your mental wellbeing and deal with anxiety during the coronavirus (COVID-19) outbreak.

Go to #EveryMindMatters : [*https://t.co/CzohMQ22o2*](https://t.co/CzohMQ22o2) | #StayHomeSaveLives pic.twitter.com/1yzIRNuMNO

- Public Health Dorset (@HealthyDorset) April 17, 2020

10:35am

Health Secretary Matt Hancock will face questions from MPs today over the Government's coronavirus response, a day after lockdown measures were extended for at least another three weeks.

Mr Hancock is expected to be quizzed on PPE and an exit strategy as he appears before a virtual session of the Commons Health Committee.

10:18am

Another great showing from Dorset in the Clap for Carers last night. See our story, and watch the videos here

10:10am

Too good to be true? Yes. Fake Tesco emails offering 'free vouchers' during the coronavirus out-break are being sent. A link within leads to a convincing #website designed to steal your login, personal & financial info! Don't click on links or attachments in suspicious emails. pic.twitter.com/siWYyHLEyA

- Dorset Police (@dorsetpolice) April 17, 2020

9:40am

A new food distribution centre has opened in Weymouth to help support the most vulnerable members of the community and anyone in need during the COVID-19 pandemic.

Read the full story here

8:45am

Dominic Raab has called for a "deep dive" review into how coronavirus was able to spread from China - warning there is "no doubt" it cannot be "business as usual" after the crisis.

The Foreign Secretary, who is deputising for Boris Johnson, said "hard questions" needed to be asked about how the virus came about and how its spread was not stopped sooner.

He told the daily Downing Street press conference: "I think there absolutely needs to be a very, very deep dive after the event review of the lessons - including of the outbreak of the virus - and I don't think we can flinch from that at all, it needs to be driven by the science."

He said the UK had good co-operation with China in relation to the return of UK nationals and in procurement of equipment, and that the review would need to be done in a "balanced way".

"But there is no doubt we can't have business as usual after this crisis, and we will have to ask the hard questions about how it came about and how it couldn't have been stopped earlier."

The Covid-19 outbreak began in Wuhan at the beginning of the year, but quickly spread globally. More than 100,000 people have since died with the disease worldwide.

8:29am

More than 90% of British people say they support extending the coronavirus lockdown measures for a further three weeks, according to a poll.

Some 91% of adults backed such a move, the YouGov survey found.

The poll was conducted on Thursday before the Government announced that the measures would be extended for at least three more weeks

Just over two thirds, 67%, said that they strongly backed such a move.

Only 5% of people opposed an extension, the survey found.

The snapshot found that 2% of people "strongly opposed" an extension, while 3% said they "somewhat opposed" such a move.

7:44am

DORSET Council is unlikely to ever get back to 'normal' - even once pandemic measures are eased in the future.

In the short term the authority is facing a period of financial uncertainty, unless the Government gives it significant cash aid. At the moment the council's income has been cut, mainly through lost car park charges and other fees, while expenditure across the board has risen.

Read out interview with the council leader and the chief executive here

7:23am

Mid-sized and larger businesses with a turnover of more than £45 million will be allowed to access funding through a new Government scheme from Monday, according to the British Business Bank.

Chancellor Rishi Sunak said companies can apply for the loans from lenders accredited by the banking group, through the Coronavirus Large Business Interruption Loan Scheme (CLBILS).

Bosses with sales between £45 million and £250 million can apply for the short-term loans and financial support of up to £25 million if they have been forced to shut down operations or been impacted by the virus shutdown.

Larger businesses with sales of more than £250 million can also take the support.

However, if they access CLBILS they will be unable to use the Bank of England's Covid Corporate Financing Facility (CCFF), which EasyJet and Greggs have both borrowed from.

Mr Sunak, said: "I want to ensure that no viable business slips through our safety net of support as we help protect jobs and the economy. That is why we are expanding this generous scheme for larger firms.

"This is a national effort and we'll continue to work with the financial services sector to ensure that our £330 billion of government support, through loans and guarantees, reaches as many businesses in need as possible."

Business Secretary Alok Sharma added: "Coronavirus has struck a heavy blow against businesses of all sizes across the UK.

"Expanding this scheme will provide larger firms with the support they need during the pandemic, helping to provide job security to thousands of people and protect our economy."

With the lockdown extension stretching for another three weeks at least, businesses are keen to ensure they can remain solvent until the economy can return to normal.

The Government said the new loans would be 80% guaranteed by the state and explained banks must not ask for personal guarantees on any loans under £250,000.

For anything above, the Government said: "claims on personal guarantees cannot exceed 20% of losses after all other recoveries have been applied."

Keith Morgan, chief executive of British Business Bank, said: "The new Coronavirus Large Business Interruption Loan Scheme focuses on a relatively narrow area of the market, but one that is vitally important to the UK economy.

"More finance for viable mid-sized and larger firms will help them protect jobs and be in a better position to resume normal business when the current pandemic subsides."

7:07am

Good morning,

The coronavirus lockdown is to be extended for at least another three weeks, Foreign Secretary Dominic Raab has said as he warned that lifting restrictions now would risk a dangerous second peak of Covid-19.

Mr Raab, who is deputising for Prime Minister Boris Johnson as he recovers from the virus, said the original three-month timeline set down by Mr Johnson to come through the peak of the virus was broadly "still the outline".

Read more here

5:52pm

Lockdown measures to slow the spread of the coronavirus outbreak will be extended for at least three more weeks.

Foreign secretary Dominic Raab confirmed the extension at the daily Downing Street briefing today.

Mr Raab, deputising for Prime Minister Boris Johnson as he recovers from the illness, said: "Any change to our social distancing measures now would risk a significant increase in the spread of the virus."

He added relaxing rules could cause a "second peak" which would risk increasing deaths "substantially".

Ministers agreed the need to prolong social distancing measures following meetings of the Cabinet and the Government's emergency committee Cobra, amid signs the epidemic in the UK is beginning to peak.

The news came as the Department of Health said the Covid-19 death toll in hospitals in the UK had reached 13,729 as of 5pm on Wednesday, up 861 on the figure the day before.

5:45pm

A dozen people due to be repatriated on the UK's final rescue flight from Peru remain stranded following a health screening, the Foreign and Commonwealth Office (FCO) said.

They were booked on a military flight from Cusco to the capital Lima, where they were set to board a UK Government-chartered flight to London on Wednesday.

But they were denied access to the internal flight, leaving them stuck in a country which has closed its borders.

A Foreign and Commonwealth Office spokeswoman said: "We can confirm that, unfortunately, a dozen passengers were refused access to the military flight from Cusco to Lima that was due to join up with the flight to London.

"The Peruvian authorities denied them boarding following health screening.

"We recognise this is deeply disappointing for these passengers and a worrying time. We will continue to do all we can to support them and other British nationals who remain in Peru."

There are no commercial flights operating from Peru to the UK.

Its borders have been closed since March 16 and will remain shut until at least April 26.

4:52pm

People who sit on park benches for too long are likely to be breaking coronavirus lockdown rules, police have been told.

Guidance issued to forces in England also indicates people should not be working from nearby parks rather than their home.

But those who need a "cooling-off" period after rows at home can move between households if they leave for several days, according to the advice given to officers.

It comes after some 3,203 fines were handed out by police in England between March 27 and April 13 to those considered to be flouting the rules.

The guidance issued by the National Police Chiefs' Council (NPCC) and the College of Policing (CoP) gives more advice to officers on how to interpret the lockdown restriction laws - known as the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020.

The legislation gives them powers to fine those in breach.

Details of the document emerged on Thursday after it was issued to forces last week amid concerns some officers were misunderstanding the new powers.

4:51pm

Doctors at one NHS trust are being told there is no need to write on death certificates that patients died from Covid-19, documents suggest.

The leaked hospital guidance, obtained by the Good Law Project - a not-for-profit organisation, tells medics filling in death certificates that "pneumonia or community-acquired pneumonia are acceptable" to put as the direct cause of death on the form.

The guidance, which is titled "guidance for death certification of proven Covid-19 patients during the current pandemic", says proven coronavirus deaths must be reported to the hospital site manager.

But under the header "general principles", it adds: "There is no requirement to write Covid-19 as part of the medical certificate of cause of death (MCCD)."

It says Covid-19 may be mentioned in another area of the form relating to indirect causes of death "should the doctor wish".

However, the guidance then reiterates that pneumonia - a known complication of Covid-19 - can be written down.

It says "pneumonia would be appropriate on a MCCD" as the direct cause of death.

The guidance appears to contradict official guidance on the issue from coroners and the NHS, which says "it would be satisfactory" to give Covid-19 as the cause of death even if it is only suspected and no confirmed test results are available.

The official guidance says Covid-19 "is an acceptable direct or underlying cause of death for the purposes of completing the MCCD".

4:03pm

An Uber driver who died in hospital started to experience symptoms of coronavirus after a passenger trip to Heathrow Airport, his friend has said.

Father-of-two Rajesh Jayaseelan, 45, died in Northwick Park Hospital on April 11 after testing positive for the virus.

His friend of eight years Sunil Kumar told the PA news agency that Mr Jayaseelan started to experience symptoms shortly after a trip to the international airport for a passenger.

Mr Jayaseelan, who lived in Harrow, west London, moved to the UK from Bangalore, India, a decade ago and worked as a driver for the ride-hailing app for the last few years.

As his wife and two sons, aged four and six, live in India, video calls between Mr Jayaseelan and his family were arranged when his condition deteriorated.

4:03pm

One in three drivers believe having access to a car is more important than normal due to the coronavirus pandemic, a new survey suggests.

The RAC poll of 1,550 motorists found 75% use their car for food shopping, 28% use it to get to pharmacies and 18% use their vehicle to provide care or help for a vulnerable person.

One in five (20%) say they drive to their place of work as they cannot do their job from home.

The RAC expressed concern that 5% of respondents said they use their car to travel a short distance to exercise and 4% drive to give their car a run.

The breakdown rescue firm warned both of these types of journeys "carry the avoidable risks of road traffic collisions" at a time when the emergency services are under enormous pressure.

The research also found 97% of drivers heeded the Government's stay at home instruction over the Easter weekend.

3:38pm

The lockdown is unlikely to lead to long-term problems in children who should cope with the situation, a psychology expert has said.

With schools and nurseries closed amid the coronavirus pandemic, young people are in the unprecedented situation of spending several weeks separated from their peer group.

Dr Yvonne Skipper, a senior lecturer in psychology at the University of Glasgow, said while there have been studies of how adults cope in isolation, such as in space or in polar exploration, there has been little research into how children would cope in such circumstances.

She said children are "typically resilient" and are likely to come out of the experience with no ill-effects.

Dr Skipper said: "It should not really be problematic if it only goes on for a couple of months, it should not lead to long-term problems. Parents should not be too worried.

"Kids are used to having some time to themselves so hopefully if it is only a couple of months they will pick up their friendships where they were and it should be OK."

3:37pm

The Home Secretary has said arsonists who set fire to a police van while officers attended a call were guilty of a shameful and shocking attack.

Priti Patel spoke out after the marked Cleveland Police transit van was torched in Doxford Walk, Middlesbrough, at around 7.10pm on Wednesday.

No-one was injured and the fire brigade put the fire out but the vehicle was wrecked at a cost of thousands of pounds.

The Home Secretary tweeted a report and commented: "Just terrible. A shameful & shocking attack."

3:37pm

Aldi is to sell food online for first time.

Read more here

12:54pm

A naval officer has made history by passing out of training by himself, after missing the official ceremony due to being in self-isolation.

Sub Lieutenant Matthew Poxon, 29, was due to join fellow officer cadets in the parade at Britannia Royal Naval College in Dartmouth, Devon, on April 2.

Instead, a separate parade was organised and S/Lt Poxon was inspected by the Commanding Officer of the historic college, Captain Roger Readwin.

He followed the tradition of marching up the steps from the parade ground and through the main door, marking the first solo passing-out in the college's 157-year history.

S/Lt Poxon, who has previously served on the Type 45 destroyers HMS Dauntless and HMS Diamond, said: "I was in self-isolation when the rest of my entry passed out.

"I was disappointed not to be taking part in the parade, but I could at least hear it from my room. When Capt Readwin approached me with the idea of a solo parade, I was incredibly grateful.

"It was quite daunting marching out on to the parade ground by myself, with the rest of the cadets and staff watching from the ramps. At least I couldn't be out of step with the rest of my division.

"Apparently the First Sea Lord is aware of the story and said that I must buy all my entry a drink for having my picture published. I'll certainly do that next time I see them.

"He also said that he would buy me a drink if he ever gets the chance and I'd be happy to buy him one in return."

S/Lt Poxon, from Hampshire, joined the Royal Navy as a rating in 2010 and reached the rank of petty officer before being selected for promotion to the Officer Corps in 2017.

He then spent a year studying for a degree under a joint initiative between the Royal Navy and Portsmouth University, achieving a first-class honours degree in mechanical and manufacturing engineering.

Capt Readwin said: "The passing-out parade is a huge occasion for the officer cadets and their families.

"In these difficult times, families were not invited to our recent parade to comply with the Government's directives to deal with the Covid-19 pandemic.

"The current situation by no way undermines their great effort and determination to serve their nation as so many naval officers have done so before them.

"My staff and I thought it was important to recognise S/Lt Poxon's achievement and afford him the same rite of passage as his fellow cadets.

"There is also an important lesson here for fellow officer cadets under training, in that good leadership is about looking after not only the team but also every single individual. Congratulations to them all."

More than 60 engineers, 50 warfare specialists, two naval chaplains, five logistics experts and nine officers from the Royal Fleet Auxiliary passed out of the college in April.

They had all undergone a 29-week course to transform them from civilians into naval officers.

Some will move on to continue their specialist training, while others have been put on stand-by to join the Covid Support Force.

12:53pm

The Duke of Cambridge has praised NHS workers' "selfless commitment" as he officially opened Birmingham's Nightingale Hospital.

William said the temporary field hospital - built inside the NEC exhibition centre in just eight days - was also a "wonderful example" of the "pulling together" going on up and down the UK amid the Covid-19 outbreak.

In a speech on Thursday, delivered via video-link because of social distancing rules, William said he was happy to be attending "in digital spirit at least" and later joined in remotely with a clap for carers.

Personally recognising the hard-working staff who had made the project a reality, he deviated slightly from his prepared speech by saying "hospitals are about the people and not the bricks".

Addressing the cavernous space into which hundreds of ward beds have now been installed, he said: "The Nightingale hospitals will rightly go down as landmarks in the history of the NHS."

The hospital is the second of seven planned Nightingale NHS facilities to open, after the first became operational at London's ExCel centre.

11:24am

Don't forget to send us pictures from your daily walk or from home.

Check out some beautiful photographs here

10:15am

Deliveries of personal protective equipment (PPE) were "paltry" and became "haphazard" as the coronavirus outbreak worsened, according to a leaked letter from social care bosses.

The letter to the Government from the Association of Directors of Adult Social Services (Adass), seen by the BBC, also raises concerns about testing of care staff, shielding advice, and the national volunteer scheme.

Government handling of PPE for care workers has been "shambolic", it reportedly says, while there have been contradictory messages from the Ministry of Housing, Communities and Local Government (MHCLG) and the Department of Health and Social Care (DHSC) on the shielding of the vulnerable.

According to the BBC, the letter states that "testing for care workers appears to be being rolled out without being given thought to who is going to be tested and what we are going to do with the result".

And it raises concerns that the NHS national volunteer scheme may have "diverted 750,000 volunteers away from supporting local communities and left them with nothing to do for the first three weeks".

Sam Monaghan, chief executive of Methodist Homes (MHA), said the letter contains "strong words but a fair and accurate analysis of the situation over the past few weeks".

He said: "To date we have had 251 deaths across our 222 homes and schemes; only 57 of these were tested and confirmed as Covid-19. All others were recorded as suspected on the basis of residents presenting Covid-type symptoms.

"Each and every one of these deaths is devastating for families of residents and also for our colleagues who have been working tirelessly to both care for residents and also keep themselves safe.

"We can only speculate what a difference adequate levels of testing including contact tracing and ample, readily available supplies of PPE could have made.

"In time, no doubt many of these questions will be asked and answered as part of a public inquiry, but for now the immediate protection of lives is our priority along with the support of our staff."

Chief executive of Barchester Healthcare care homes, Peter Calveley, told BBC Radio 4's Today programme that Health Secretary Matt Hancock's announcement of a social care plan on Wednesday was "reassuring but the real problem will be delivering what he's saying".

Confirmed and suspected cases of coronavirus are in more than half of the company's homes, he said.

He added that the Adass letter "represented the frustrations of all organisations" as "everyone is facing difficulties of supply, everyone is facing the difficulty of implementing the national guidance in a consistent way".

"It is true that supply has been sporadic and patchy," he said.

The DHSC and Adass have been approached for comment.

10:14am

The boss of one of the world's biggest oil producers has said it is vital to look to the long term amid the coronavirus pandemic, as Shell announced plans to become carbon-neutral by the middle of the century.

Ben van Beurden said social expectations are changing rapidly, as he laid out the company's new climate change policy.

Shell said its "ambition" is to reduce emissions from the manufacture of all its products, so-called scope one and scope two, to net-zero by 2050 at the latest.

Net-zero means that, although some parts of the business may still be emitting carbon, others will make up for this by removing carbon from the atmosphere, or preventing it from being released.

"With the Covid-19 pandemic having a serious impact on people's health and our economies, these are extraordinary times. Yet even at this time of immediate challenge, we must also maintain the focus on the long term," Mr van Beurden said.

Shell also plans to become net-zero on the trickier scope three emissions.

Scope three includes any emissions Shell's products produce when used by customers; for example, a driver who fills up at a Shell petrol station will produce scope three emissions when they use the fuel.

To combat this, Shell said it will reduce the net carbon footprint of the energy that it sells to customers, including businesses, by around 65% by 2050.

This is an increase on its previous ambition to halve that footprint. By 2035 it wants to reduce it by 30%.

Combined with a pivot towards serving businesses and sectors which offset their own emissions with their own net-zero plans, this will allow Shell to reduce its scope three emissions to net-zero, the company said.

9:42am

The Duke of Sussex has video-called families caring for seriously ill children at home to learn how they are coping during the coronavirus pandemic.

Harry, in his role as patron of WellChild, heard about the challenges of social isolation and the fears of families reliant on carers helping with round-the-clock medical care.

The charity said the duke, who has quit as a working royal and is living in the US, also heard how many, who have not been included on vulnerable lists, were struggling to access support and basic supplies.

Harry called on the Government to do more to help the families - a stance that would have been difficult as a working HRH - during the 30-minute chat.

The duke, whose own son Archie Mountbatten-Windsor turns one in a few weeks' time, asked to see the children and sent a message of encouragement to the families.

"Full respect to every single one of you. This is hard on everyone, but it is especially hard on you. I know that WellChild are doing everything they can to support you," the duke said.

9:04am

EasyJet expects to keep its middle seats empty when it resumes flying to enable social distancing.

Chief executive Johan Lundgren said the measure is aimed at encouraging passengers to fly after the coronavirus pandemic recedes.

He told reporters: "I expect that to happen. That is something that we will do because I think that is something that the customers would like to see.

"Then we will work out with the authorities and listen to the customers' views and points on what they believe is the right thing to do, particularly in the start-up period."

The majority of easyJet aircraft are configured with mainly three seats in a row, either side of the aisle.

The change would involve passengers in window and aisle seats having an empty seat next to them.

Mr Lundgren said it will be possible to keep middle seats empty as "our assumption is that load factors will not get back to normal early on".

8:09am

The growing Covid-19 threat, a lack of food and the mass exodus of volunteers has left migrants in northern France in a perilous position, a charity said.

Up to 3,000 migrants are living in northern France after travelling there from countries such as Iran, Iraq and Syria, with many wanting to continue on to the UK by boat.

Nearly 400 migrants have risked their lives in small boats to try to cross the English Channel since lockdown measures were put in place in the UK.

The Dover Straits - the busiest shipping lanes in the world - are incredibly dangerous and repeated warnings have been made against risking the crossing.

But as the coronavirus crisis continues, those living in makeshift camps in places such as Calais and Dunkirk are facing desperate conditions.

Clare Moseley, founder of humanitarian charity Care4Calais, said: "In all my years working in camps in northern France, I have never been more fearful for the people living here.

"We usually provide shelter, clothing, education and other services, but now every day is simply a battle to get people enough food to eat."

Care4Calais has launched an emergency appeal to help provide for people's basic needs.

The charity said £10 provides a food pack to feed a family for four days, and £4 will fund a snack pack for one person.

More information is available at: care4calais.org/emergency-appeal/

7:53am

Dominic Raab is to represent the UK at a virtual summit of major world leaders as Prime Minister Boris Johnson continues his recovery from coronavirus.

The Foreign Secretary will join leaders from France, Germany, Italy, Canada and Japan in a summit hosted by US President Donald Trump to discuss the response to the pandemic.

Mr Raab, who as First Secretary of State is Mr Johnson's effective deputy, will use the G7 summit on Thursday to push for collaboration on the health and economic response to the Covid-19 crisis.

The Prime Minister's official spokesman said: "There have been intensive discussions between G7 countries at official and ministerial level since the first leaders' call took place in March, including the most recent call between G7 finance ministers yesterday.

"Tomorrow will be another opportunity to ensure countries are co-ordinating on both the global health response and international economic response."

The spokesman said Mr Raab will "underline the need for global collaboration to tackle this crisis".

"This includes increasing the speed and scale of production for vaccines, treatments and tests internationally.

"He will also encourage co-ordination on the economic response to the virus and G7 action to support vulnerable countries."

Meanwhile, Mr Johnson is continuing his recovery at Chequers, his official country retreat, "and is not doing Government work", the spokesman said.

7:52am

A prominent scientist has taken Health Minister Matt Hancock to task for casting doubt on the effectiveness of face masks to fight the spread of coronavirus.

Mr Hancock told ITV's Peston programme on Wednesday night it was important the Government made the right decisions on the supply and use of face masks amid continuing high demand for them, saying "if they don't help, then it doesn't improve the national effort to tackle this virus".

But Mr Hancock's comments were disputed by University of San Francisco ***data*** scientist Jeremy Howard, who recently led a review panel with 18 other experts from around the globe on the effectiveness of masks in warding off the virus.

Mr Howard said the evidence "does not at all show what he (Mr Hancock) claimed" on whether masks were vital.

"It actually looks a lot like this could be one of our most important tools," Mr Howard told the programme.

Mr Howard cited World Health Organisation assistant director-general David Heymann's comment that masks were equally or more effective in combating the spread of Covid-19 than social distancing, and said the situation in Taiwan provided further proof.

"Regardless of how you look at it, it looks like there's an extra 1,500 deaths a week (in the UK) due to this disease. The entire country of Taiwan has five deaths. Now here's an example of a great country that is distributing masks to everybody," Mr Howard said.

Earlier this week, Mr Howard tweeted: "Most scientific evidence points in the same direction: keep your droplets to yourself - wear a mask."

7:50am

Almost £60,000 has been raised for the family and newborn baby of a pregnant NHS nurse who died from Covid-19.

Mary Agyeiwaa Agyapong, 28, who worked as a nurse on a general ward at Luton and Dunstable University Hospital for five years, died on Sunday.

Her baby daughter was delivered successfully by caesarean section and is doing well, according to the hospital, although it is not clear whether she has also tested positive for the disease.

Ms Agyapong's husband is currently self-isolating and has also been tested for Covid-19.

The Bedfordshire Hospitals NHS Foundation Trust said that Ms Agyapong tested positive on April 5 and was admitted to the hospital she worked at on April 7.

David Carter, chief executive of the trust, said: "It is with great sadness that I can confirm the death of one of our nurses, Mary Agyeiwaa Agyapong, who passed away on Sunday.

"Mary worked here for five years and was a highly valued and loved member of our team, a fantastic nurse and a great example of what we stand for in this trust.

"She tested positive for Covid-19 after being tested on April 5 and was admitted to the hospital on April 7."

A Gofundme page set up on Wednesday morning had raised £59,018 by early Thursday morning.

7:17am

A 99-year-old veteran who is walking 100 lengths of his garden to raise cash for the NHS has been hailed as an "inspiration", with donations set to surge past £12 million.

Captain Tom Moore, who formerly served at Bovington, is due to complete the last of the 25-metre laps on Thursday.

By the early hours of Thursday, the figure had hit £11.8 million.

His achievements - which started at a modest target of £1,000 last week, ahead of his 100th birthday on April 30 - were singled out by Matt Hancock during the Wednesday evening press conference at Downing Street.

In his opening address, the Health Secretary said: "I want to pay a special tribute today to Captain Tom Moore.

"Captain Tom, you're an inspiration to us all, and we thank you."

At that point, donations had surpassed £8 million, but by just after 11pm on Wednesday the figure had risen by another £2 million.

The military veteran wrote on Twitter: "10 MILLION POUND! Virtutis Fortuna Comes."

7:16am

The chief executive of the British Society for Immunology has urged parents to continue to get their children vaccinated during the coronavirus outbreak.

Dr Doug Brown told BBC Radio 4's Today programme: "We are concerned that we could see a further decline in uptake in childhood vaccinations because of the necessary lockdown measures that are in place.

"We've seen the last four years those uptake rates decline, we've seen an increase in measles cases and we're well below the recommended uptake that the World Health Organisation suggests of 95% and we really can't afford to see these uptake rates slip any further."

Dr Brown said "it is absolutely key that we do see vaccinations delivered, not just in the UK but globally, vaccinations save between 1-2 million lives globally per year".

7:15am

Good morning,

It looks like, as expected, the lockdown will be extended by a further three weeks.

Read the full story here

10:55pm

It is with great sadness we announce that yet another member of our nursing family, Mary Agyeiwaa Agyapong, has sadly died from COVID-19. She is survived by her newborn daughter. pic.twitter.com/PvZHMpRzBj

- NursingNotes (@NursingNotesUK) April 15, 2020

10:26pm

So blessed that we can walk to the beach easily. Took a little video of the sea so anyone missing it can see and hear it, I'm sorry I can't share the smell of the ocean. Take care all and stay safe #Weymouth #lockdown #COVID19 pic.twitter.com/eUi8P32wKt

- Jo Haine (@johaine\_) April 15, 2020

10:16pm

Well, with no holiday guests, we at least have more time for birdwatching and photography! These beautiful #kestrels are nesting nearby and were photographed from the shop window. #SustainableTourism #Weymouth #Wildlife #ConnectingWithNature @GreenTourismUK pic.twitter.com/v8LvLUQnSW

- Bagwell Farm, Dorset (@bagwellfarm) April 15, 2020

9:44pm

A pregnant nurse has died after contracting Covid-19 as the Health Secretary said close relatives will be able to say goodbye to loved ones dying from coronavirus.

Mary Agyeiwaa Agyapong, 28, who worked as a nurse on a general ward at Luton and Dunstable University Hospital for five years, died on Sunday.

The baby, a little girl, was delivered successfully and is doing well, the hospital said.

It is not clear if she has tested positive for the disease.

The news emerged as Matt Hancock announced a package of measures aimed at combating the spread of coronavirus in care homes following huge criticism of the Government's response to the growing crisis.

Those running care homes have accused the Government of forgetting staff and the elderly, citing inadequate stocks of personal protective equipment (PPE) alongside a lack of testing.

9:19pm

A big shout out to our wonderful Pharmacy Department for everything they are doing for us! An amazing team! Thank you all! #TeamDCH #StayHomeSaveLives #ProtectTheNHS pic.twitter.com/GVlEIzyia2

- DorsetCountyHospital (@DCHFT) April 15, 2020

8:59pm

You may have heard about the amazing NHS fundraising effort of Captain Tom Moore, aged 99, but did you know he was a former instructor at the Armoured Fighting Vehicle School in Bovington? The amount he has raised is edging towards £9.5 million. See our story here

8:46pm

Got a question about how we're responding to #COVID19 coronavirus?

Check out our frequently asked questions on our website which covers these topics and many more!

➡️ [*https://t.co/oQtvw6qIDd*](https://t.co/oQtvw6qIDd) pic.twitter.com/EfUVMILlDc

- Dorset Police (@dorsetpolice) April 15, 2020

8:36pm

The number of fines issued by Dorset Police during the lockdown period has been revealed. The figure is relatively low compared to other forces. See our story here

4:37pm

The Government must provide more financial support to local authorities to help them properly combat coronavirus, the Lib Dems have urged.

Thirty of the party's council leaders, deputies and mayors have written to Communities Secretary Robert Jenrick calling for an immediate increase in funding for social care and public health and for the Government to subsidise council bills during the pandemic.

Their letter comes after Chancellor Rishi Sunak confirmed on Monday that more than £14 billion from the coronavirus emergency response fund will go to public services, including £1.6 billion to bolster local authorities.

The signatories welcome the initial £1.6 billion for councils, but say "there is an urgent need for this to be supplemented by further support" given the financial pressures local authorities are facing.

The letter argues that it is vital the Government increases the availability of PPE for social care workers and ensure that they are "a priority for testing", and calls for the £3.3 billion public health grant to be increased if the outbreak continues.

The Government could also assist those struggling financially as a result of the crisis by helping people with their council tax bills, it suggests.

Extra funding from Whitehall to assist people in financial hardship with council tax bills "could ease some of the burden on those wondering how they will be able to put food on the table over the next few months", it adds.

4:36pm

 fitness instructor has died just days after her mother after they are both understood to have contracted Covid-19.

Debbie Trotter, from Southampton, who ran Zumba, Clubbercise and aqua exercise classes across the New Forest, died on Monday after her mother, Margaret, died last week.

Applemore Health and Leisure Centre, near Hythe, posted on Facebook: "It is with much sadness that we need to announce that our much loved and respected Instructor Debbie Trotter passed away on Monday April 13 2020."

"Debbie was always full of energy and would light up any venue with her bubbly personality and had an incredible zest for teaching.

"Debbie's great love was teaching Zumba classes and one of her greatest moments was meeting the founder and creator of the Zumba Programme Beto Perez in 2016.

"Debbie will be greatly missed by all that knew and worked with her, especially the many regulars who attended her classes.

"When the time is right we will look towards a fitting tribute to Debbie. Our thoughts and condolences are with Debbie's family and friends, especially her sister Jane at this time."

The centre stated that Ms Trotter had worked there as a group fitness instructor for New Forest Health and Leisure since 2013 and had taught Zumba and aqua classes.

4:35pm

A care home provider said it is paying five times the usual amount for face masks, while local authorities continue to struggle to get enough protective equipment.

Methodist Homes (MHA) said it was forced to spend £200,000 on face masks from a trusted private supplier because it cannot depend on the Government's allocation processes.

This works out at roughly 97 pence per mask, when usually they would spend 17 pence when sourcing through the Government.

The supply, due to arrive in the next few days, will last around a month.

MHA chief executive Sam Monaghan said the charitable operator cannot remain in a position "where we are having to procure kit from the private market at heavily inflated prices because the Government supply is insufficient".

He told the PA news agency: "We are almost four weeks in now, and MHA area managers are still driving every night picking up stock from one home, taking it to another, reallocating based on confirmed and suspected cases, but of course that's neither the best nor the most sustainable approach.

"We just need adequate and consistent supplies.

"If you are a single provider, with two or three or five care homes, I think it must be really difficult for them."

MHA has had 210 Covid-19-related deaths across 131 homes, while two staff members have also died.

2:12pm

The Government was too slow to respond to coronavirus and its delays have led to deaths, a former chief scientific adviser has said.

Professor Sir David King told LBC radio he did not know why it took so long to take action once the virus began to spread in China.

He said: "I'm very saddened by the predicament we're in. Why we didn't respond so much sooner once this epidemic broke out in China, I simply don't know.

"And I say this because in 2006, we published a report on actions needed to deal with a pandemic, and in that report, we showed that if an outbreak occurred of any new virus of this kind anywhere in the world, within three months, due to air travel, it would be everywhere in the world.

"That of course is what has happened and it seems like we were unprepared and we didn't take action.

"We didn't manage this until too late and every day's delay has resulted in further deaths in the United Kingdom."

Sir David, who was chief scientific adviser from 2000 to 2007, also said he believes that austerity policies under the Tory-Liberal Democrat coalition have affected the response to Covid-19.

"It goes right back to 2010 when the Government came in with a very clear policy to reduce public spending across the board, including the National Health Service," he said.

"I'm afraid these austerity measures did lead to the cutting back on the risk management programmes.

"Clearly this also managed to cause problems with flooding across the UK. We were much better prepared for better spending with the Environment Agency on that and equally unprepared for pandemics.

"For me, this is very upsetting because we had set this preparation process in place back in 2006."

Asked if austerity had cost lives, he said: "Absolutely, that is what I'm saying."

On what the Government needs to do next, Sir David said: "Until we get testing done on a very much wider scale, we're not going to begin to manage this."

He said there was a request from within the Department of Health in 2015 for a report into preparedness for a pandemic which was never published.

2:11pm

A consultant who died after contracting coronavirus has been remembered as a "superhero dad" by his children.

Father-of-two Dr Peter Tun worked as an associate specialist in neurorehabilitation at the Royal Berkshire Hospital for more than 21 years.

The 62-year-old died in the intensive care unit at the hospital in Reading on Monday.

"Our family is immensely proud of our superhero dad," his sons said in a statement.

"He used to say 'Treat all your patients like they are your own family', and this speaks to the type of character that he had.

"To us, he was simply the best human we know and we will miss him every day."

Steve McManus, chief executive of the Royal Berkshire NHS Foundation Trust, said: "The passing of Peter has sent a wave of grief throughout the entire organisation.

"Tributes have been pouring in from staff who have worked with Peter over the years and he will be sorely missed.

"On behalf of the Royal Berkshire NHS Foundation Trust, we extend our sincere condolences to Peter's family, friends and colleagues."

12:37pm

Over £1.1 billion has been handed to UK businesses through the Coronavirus Business Interruption Loan Scheme (CBILS), according to new figures.

However, less than a quarter of firms which have formally applied for the loans have secured cash support.

UK Finance said lending through the scheme has grown by £700 million over the past week, an increase of around 150%.

It said 6,020 loans have now been provided to businesses through the programme.

The pace of loan approvals has increased in recent days, rising from 240 loans on April 2 to 910 on April 8, with a further 1,800 loans worth over £300 million recorded over the bank holiday weekend.

It comes after calls from business groups, such as the British Chamber of Commerce (BCC), for the loan scheme to be accelerated to ensure small and medium-sized businesses can stay afloat.

UK Finance said lenders have received 28,460 formal applications from businesses, meaning that fewer than one in four applications have currently been approved.

However, it is understood that around 300,000 businesses have made inquiries regarding the loan scheme.

Shadow business secretary Ed Miliband said that the scheme "is simply not working well enough" after the figures were revealed.

He added: "We need change now. The Chancellor must move to a 100% guarantee of loans for smaller businesses as other countries have done.

"In this economic emergency, it is the right thing to do.

"Ministers must also accelerate the approval of new financial providers, do more to simplify the application process and provide support for good, future growth businesses not currently in profit. "

UK Finance stressed that other applications are still being processed and are "expected to be approved over the coming days".

Lower staffing levels at banks and other lenders mean they have come under significant pressure from increased demand for support from business customers.

12:33pm

A major review of British defence, security and foreign policy has been paused due to the coronavirus pandemic, the Cabinet Office has said.

The bulk of the Integrated Review, which is regarded as the biggest assessment of the country's foreign policy since the end of the Cold War, was due to be completed later this year, with recommendations implemented over several years.

It is now not expected to start until 2021.

Tobias Ellwood, the chairman of the Commons Defence Select Committee, welcomed the delay, saying there would be no point conducting the review when Whitehall is focusing on tackling Covid-19.

Mr Ellwood said: "We welcome this delay of the Integrated Review. There would be no point in conducting an in-depth review of the nation's defence and security challenges to an artificial deadline, especially at a time when Whitehall is rightly focusing on tackling coronavirus.

"We look forward to engaging with the department when the review restarts, with the added element of the consequences of the pandemic to be considered.

"We will still report in due course on the committee's inquiry into how Government should conduct the review and hope that this work will inform the process in the future."

12:07pm

All care home residents and staff with symptoms of Covid-19 are to be tested as the Government faces a backlash over its handling of the growing crisis.

The announcement came as Labour leader Sir Keir Starmer added his voice to calls for ministers to publish their lockdown exit strategy, saying people need to see "light at the end of the tunnel".

In a letter to Dominic Raab, who is deputising for Prime Minister Boris Johnson, Sir Keir said Labour will support the Government if, as expected, it keeps the current measures in place.

But he said: "The question for Thursday therefore is no longer about whether the lockdown should be extended, but about what the Government's position is on how and when it can be eased in due course and on what criteria that decision will be taken."

The Government has come under intense scrutiny over what is happening in care homes after providers said official figures on deaths do not match what they are seeing on the ground.

Professor Martin Green, chief executive of Care England, which represents independent social care services, said there have been thousands of cases and deaths in care homes, while HC-One, Britain's biggest care home operator, said two-thirds of its homes are affected and it has seen more than 300 deaths.

12:06pm

The Government is being urged to take further radical policy steps to strengthen its economic response to coronavirus amid "huge uncertainty" over the length of the outbreak.

The Resolution Foundation said ministers should add to the job and finance schemes already announced by preparing new policies.

The think tank said a six or 12-month lockdown could lead to an economic recovery of between two and five years, and a permanent hit on economic output of between 5% and 7%.

A six-month lockdown could result in unemployment averaging five million in 2021 as the job retention scheme is phased out - far exceeding the peaks seen during the 80s and 90s recessions, said the report.

The foundation warned that lifting the lockdown too early could lead to a flare-up of new cases and re-imposition of restrictions, prolonging the economic and fiscal damage.

The think tank suggested reforming the job retention scheme so that furloughed workers can return to work part-time work if this can be done safely, and said clearer guidance was needed to different sectors of the economy about what work can be conducted safely while social distancing restrictions remain in place.

Richard Hughes, research associate at the Resolution Foundation, said: "The Government has made two bold, but necessary, decisions to combat coronavirus by closing down sections of the economy and socialising the cost of doing so.

"But it will need to make many more big policy changes to ensure the current strategy is sustainable amid huge uncertainty about the scale and duration of the corona crisis.

"The Government must prepare for a scenario in which the numbers of people out of work could far exceed the levels experienced during the 80s and 90s recessions.

"With the job retention scheme already far more widely used than originally expected, the Government must ensure it is flexible enough to cope with a longer lockdown, and potentially even greater demand.

"As well as refining its crisis response, the Government must also plan a sustainable recovery. In doing so, ministers should remember that young people and low-paid workers have borne the brunt of the crisis, and will need to be at the heart of support to get the economy back on track."

7:47am

The coronavirus pandemic is increasingly being used as "a hook to commit fraud", a senior investigator has warned.

Director general of the National Economic Crime Centre Graeme Biggar expects to see an increase in scams amid the Covid-19 outbreak and said that individuals and businesses need to be prepared.

He spoke out as the National Crime Agency said it had arrested two people on suspicion of illegally selling tests for the virus.

A 46-year-old pharmacist from Croydon, south London, was arrested under the Fraud Act on Saturday after he allegedly made false and misleading claims about the tests.

Officers seized £20,000 in cash and searched two properties and a car, before releasing him on bail.

The following day investigators arrested a 39-year-old surveyor from Uxbridge, west London, with 250 testing kits, that he planned to sell to construction workers.

He was also held on suspicion of making false and misleading claims about the capability of the tests.

Mr Biggar said: "Covid-19 is increasingly being used as a hook to commit fraud - and we think these offences are likely to increase during the pandemic.

"Individuals and businesses need to be fully prepared for criminals trying to turn the pandemic to their advantage by scamming them out of money."

The use of coronavirus tests at home is not currently advised by Public Health England.

There are no tests for home use that are CE marked, a certification that shows compliance with European safety standards, and it is illegal to sell them.

Nikki Holland, NCA director of investigations, said: "Criminals capitalise on fear and anxiety and they will exploit any opportunity, no matter how awful, to line their pockets.

"Illegally selling testing kits completely undermines the nation's collective response to the pandemic and actually endangers lives."

Details of the arrests came after Europol said it had foiled a plot to defraud German health authorities of millions of euros as they tried to buy face masks.

The FBI also warned it has seen multiple incidents of conmen targeting government and health industry bodies responsible for buying protective equipment and ventilators.

7:45am

Actress Rita Wilson has opened up on her coronavirus ordeal and warned of the "extreme" side effects she suffered from medicine used to treat the illness.

Wilson and her husband Tom Hanks were the first high-profile celebrities to publicly state they had tested positive for Covid-19, announcing the news via an Instagram post on March 12.

The couple were in Australia, where Hanks was working on an Elvis Presley biopic. They have both since made a full recovery.

In her first interview since being diagnosed, Wilson, 63, spoke to The Talk with Gayle King and detailed her symptoms.

"I felt extremely achy, uncomfortable, didn't want to be touched, and then the fever started," Wilson said, adding she suffered from "chills like I never had before."

Wilson, an actress and singer, said her fever reached its highest temperature about nine days following the positive test results, saying it "got close to" 39C.

She also revealed she had been given the drug chloroquine, which is usually used to prevent and treat malaria and is being studied as a possible Covid-19 treatment.

However, Wilson is not sure what impact it had on her. She said: "I can only tell you that I don't know if the drug worked or if it was just time for my fever to break, but my fever did break."

And Wilson warned the drug had "extreme side effects". She felt "completely nauseous" and could not walk. "My muscles felt very weak," she said.

"I think people have to be very considerate about that drug," the star added. "We don't really know if it's helpful in this case."

Wilson also said Hollywood star Hanks, also 63, had less severe symptoms than her.

The couple is now home in Los Angeles.

7:06am

US president Donald Trump has said he will halt payments to the World Health Organisation.

Mr Trump said the coronavirus outbreak could have been better contained had the health agency done a better job investigating reports coming out of China.

The full role of the WHO can be read here

7:05am

Good morning,

The stark enconomic effects of the lockdown have been laid bare.

More than two million people could lose their jobs and the economy may fall off a cliff edge because of the coronavirus lockdown, the UK's fiscal watchdog has said - as the Chancellor warned of "tough times" to come.

The Office for Budget Responsibility (OBR) said unemployment could hit 3.4 million - up from 1.3 million - leaving around one in 10 of the working population without a job, while the economy may shrink by 35% between April and June.

Read the full story here

5:14pm

WATCH LIVE: #coronavirus press conference (14 April 2020).

Speakers:

@RishiSunak, Chancellor of the Exchequer

Prof Stephen Powis, NHS England

Dr Yvonne Doyle, Director for Health Protection and Medical Director @PHE\_uk [*https://t.co/SLp0bFZkAS*](https://t.co/SLp0bFZkAS)

- UK Prime Minister (@10DowningStreet) April 14, 2020

4:14pm

Over the Easter Bank Holiday weekend we delivered over 48 million PPE items to #OurNHSPeople - including 23 million gloves, 8.6 million aprons, 4.5 million eye protectors, 1.9 million surgical masks, 753,000 FFP3 masks, 160,000 fit test solutions, and over 135,000 gowns. pic.twitter.com/5e3FwBpfpM

- NHS England and NHS Improvement (@NHSEngland) April 14, 2020

4:03pm

A 21-year-old man was wrongly convicted and fined £60 under new coronavirus laws, Britain's largest police force has admitted.

The case of a 15-year-old boy, who was also charged under the Coronavirus Act 2020, is being reviewed by the Crown Prosecution Service (CPS).

The PA news agency raised concerns with the Metropolitan Police about how the law had been applied in cases identified in an analysis of available London magistrates' court lists.

UK civil liberties group Big Brother Watch said it was "astonishing" the legislation is still being misused.

The Coronavirus Act, which came into force last month, allows officers to remove or detain a "suspected infectious person" for screening and assessment with "reasonable force" if necessary.

Police were given separate powers to break up gatherings and fine people breaching restriction of movement rules under the Health Protection Regulations 2020.

A 21-year-old man, who PA has chosen not to name as he faces outstanding charges, was arrested outside Tooting Leisure Centre on Saturday March 28.

He was later charged with possession of Class B drugs, going equipped to steal and acting contrary to paragraph 23(1)(a) and (2) of schedule 21 to the Coronavirus Act.

He pleaded guilty to all offences two days later at Wimbledon Magistrates' Court and was fined £200 for possession of drugs and £60 for the offence under the Coronavirus Act.

When first contacted about the case, the Met said it was not being reviewed but after further questioning last week, the force admitted: "It was identified this legislation had been applied incorrectly.

"The charge and fine were subsequently set aside. The charges for possession of Class B drugs and going equipped to steal were not overturned and the £200 fine stands.

"In this case officers were rightly dealing with an individual suspected of a separate crime and who was also in a public space without a valid reason.

"However, (he) was incorrectly charged with an offence under the Coronavirus Act 2020. This legislation only relates to 'potentially infectious persons' which was not applicable in these circumstances.

"This is very new legislation and we have been working with all of our frontline officers to help them interpret and understand it. This includes sharing the recent guidance from the National Police Chiefs' Council and the College of Policing.

"The officers involved have been spoken to and reminded of the way the legislation should be applied."

3:28pm

There have now been 79 confirmed coronavirus deaths in Dorset.

Full story here.

3:05pm

BREAKING: Coronavirus deaths in the UK have risen to 12,107

As of 9am 14 April, 382,650 tests have concluded, with 14,982 tests on 13 April.

302,599 people have been tested of which 93,873 tested positive.

As of 5pm on 13 April, of those hospitalised in the UK who tested positive for coronavirus, 12,107 have sadly died. pic.twitter.com/xK3AdMiVZC

- Department of Health and Social Care (@DHSCgovuk) April 14, 2020

3:04pm

Coronavirus-related deaths in care homes should be published daily, experts have said, as new ***data*** showed around 10% of deaths registered up to April 3 in England and Wales were outside hospitals.

A total of 406 registered deaths took place outside hospitals, according to provisional figures from the Office for National ***Statistics***.

These include: 217 deaths registered in care homes, 33 in hospices, 136 in private homes, three in other communal establishments and 17 elsewhere, while 3,716 deaths occurred in hospitals.

Other communal establishments include places such as prisons, homeless shelters, and shared dormitories, while "elsewhere" could be anywhere not at home, for example in a car or public transport.

But the NHS Confederation, which represents organisations across the healthcare sector, warned that the spread in care homes "has largely gone under the radar" due to the way ***data*** on deaths has been collected.

Including deaths that occurred up to April 3 but were registered up to April 11, the number involving Covid-19 was 6,235.

The ONS overall total for England, 5,979 deaths, is 15% higher than the total reported by NHS England for the same period (5,186 deaths in hospitals).

This is because the ONS figures include all mentions of Covid-19 on a death certificate, including suspected Covid-19, and in combination with other health conditions, as well as deaths in the community.

The NHS figures only include deaths in hospitals where a patient has been tested for Covid-19.

Niall Dickson, NHS Confederation chief executive, said: "We have consistently pointed to the immensely vulnerable position of care home residents and these figures reveal this largely hidden feature of the pandemic.

"The spread in care homes has largely gone under the radar because the figures are not released in the same way as the daily ***statistics*** for deaths in hospitals.

"If we are to understand the true scale of the spread, the number of deaths in care homes should be released daily in the same way as they are for hospital deaths."

2:30pm

A quiz master who has raised almost £100,000 for the NHS by running a virtual pub quiz on YouTube says the response has been "overwhelming".

Jay Flynn, a former pub landlord from Darwen in Lancashire, has raised more than £93,000 for the NHS after a small online quiz he planned went viral when he accidentally made a Facebook event publicising the event public.

Mr Flynn, 38, has previously run pub quizzes and now writes a new set of questions every Thursday for his YouTube audience.

After pubs were forced to close ahead of the UK-wide coronavirus lockdown, Mr Flynn decided to try to raise money after his first quiz attracted a larger-than-expected online audience.

"Thursday night was quiz night, whether I was running them or participating," Mr Flynn told the PA news agency.

The most recent quiz, held on Mr Flynn's birthday, reached an audience of 150,000.

Mr Flynn told PA: "I've started to get used to it (the large audience) now. It's weird for me because I'm just behind a camera... It's not like being stood in Wembley Stadium with 150,000 people all staring at you."

Those taking part submit their scores to social media, then make an optional donation to the NHS or another chosen charity.

Mr Flynn said: "I know people are struggling at this time, people can't afford necessarily to think of charities at the moment... if you feel you can donate, great!"

Mr Flynn is planning to run a charity-focused quiz on Saturday with a montage of thanks for key workers, who he said deserved the fundraising from the quiz as they are "on the front line".

He also takes a brief pause during each Thursday night event to observe the Clap for Carers tribute with his wife, who is an NHS worker.

"It's the biggest thing I've ever done," Mr Flynn told PA.

"There are people crying out for me to be recognised with awards and all sorts - I'm just an idiot who asks questions in front of a camera.

"It's quite overwhelming. Knowing I'm making a difference feels really, really good."

Donations to NHS Charities Together can be made at [*www.justgiving.com/fundraising/originalvirtualpubquiz*](http://www.justgiving.com/fundraising/originalvirtualpubquiz)

2:00pm

An NHS boss has said a new Nightingale Hospital being built in the North East of England will not need to open if people maintain social distancing rules.

Workers have transformed an empty unit close to the Nissan car plant into a 460-bed facility which could be ready to take patients at the end of the month.

But the Nightingale Hospital in Washington, Tyne and Wear, will only open to patients if hospitals in the North East are unable to cope with the influx of coronavirus patients.

Martin Wilson, chief operating officer for Newcastle Hospitals NHS Foundation Trust, which is overseeing the project, said he does not think that will happen.

"I don't think we will need to open," he said.

"If people can all play their part in social distancing, if a vaccine comes along, my hope is that we don't need to open.

"If we do, we will be ready."

The brand new unit is owned by Sunderland Council and was due to be used by Newcastle and Sunderland Universities as an innovation centre, focusing on the future of manufacturing including electric cars.

It has good access to the rest of the region, being just off the A19 and not far from the A1.

If it does open, it will be staffed by employees of local trusts, as well as returning medics and volunteers.

The Newcastle trust has stressed that it has enough PPE, that its "number one priority" us protecting staff, and the new unit has designated "donning and doffing" areas.

The main hall where the beds will be located measures more than 9,000 square metres - a standard football pitch is 7,140 sq m.

Visitors will not be allowed to see patients at the unit, but the trust is looking to use tablets to keep families in touch, as well as setting up a 24-hour telephone number for relatives to call for updates.

Six other NHS Nightingale Hospitals have been announced so far - in London, Birmingham, Manchester, Bristol, Harrogate and Exeter.

1:24pm

More than one in five deaths recorded in England and Wales are now linked to coronavirus, new figures show.

***Data*** from the Office for National ***Statistics*** (ONS) shows Covid-19 was mentioned on 3,475 death certificates in the week ending April 3, including hospital, care home and community deaths.

This means coronavirus has pushed the death toll in England and Wales to its highest level since official weekly figures began in 2005.

12:43pm

Around two-thirds of care homes run by Britain's largest care home operator have cases of Covid-19, it has emerged, as pressure mounts on the Government over a growing crisis among older people.

Sir David Behan, former chief executive of the Care Quality Commission (CQC) and now executive chairman of HC-One, said 232 care homes run by the firm have confirmed or suspected cases of Covid-19.

12:26pm

Villagers have transformed a phone box into a food larder to help the community during the coronavirus pandemic.

Corrina Robertson, from Muthill in Perthshire, came up with the idea to help people including those struggling financially and those having trouble getting to the shops.

Along with villager Susan Crawford, chairwoman of Muthill in Bloom, they turned a red phone box into a larder using plant stands as shelves.

The initiative has proved popular since it launched last Thursday, with villagers donating items such as pasta and tins, while local farmers have been dropping off vegetables.

Mrs Robertson said: "The village have pulled together and put in stuff, and there's been tremendous community spirit.

"Nobody knows everyone's circumstances and not everyone is in a great financial position so it's give what you want, take what you need and leave what you don't.

"It's for the whole of the village."

Some people have left books and jigsaw puzzles in the larder, while the landlord of the Commercial Hotel dropped off Easter treats for all the children in the village.

Muthill in Bloom made an initial donation to start the larder off and residents have been topping up the shelves ever since.

Ms Crawford said: "We only started it last Thursday and it has been so well supported.

"There's everything from toiletries and tins to the hotel keeper donating Easter packs, to local farmers putting in turnips and potatoes.

"If it spreads a bit of joy in the times we are in then that's great."

12:03pm

NHS staff look after others: they must also look after themselves. Mental as well as physical health is important during this potentially stressful time. This helpline, staffed by trained volunteers is there for everyone who works for the NHS. [*https://t.co/qfr6JAxQfa*](https://t.co/qfr6JAxQfa)

- Professor Chris Whitty (@CMO\_England) April 8, 2020

11:52am

Of the 406 deaths involving Covid-19 in England and Wales registered up to April 3 that occurred outside hospitals:

- 217 took place in care homes

- 33 in hospices

- 136 in homes

- 3 in other communal establishments, and

- 17 elsewhere

The equivalent figure for hospital deaths over the time is 3,716.

11:31am

⚠️ Coronavirus: anyone can get it, anyone can spread it ⚠️

▪️ Stay home.

▪️ Protect the NHS.

▪️ Save lives.#StayHomeSaveLives | #coronavirus pic.twitter.com/ShG67nwkp1

- Public Health England (@PHE\_uk) April 14, 2020

11:15am

Tributes have been paid to a hospital worker who died after contracting coronavirus.

Amarante Dias, who worked at the Weston General Hospital in north Somerset, was described as a "valued and much-loved colleague" and would be "greatly missed".

Dr William Oldfield, medical director at University Hospitals Bristol and Weston NHS Foundation Trust, said: "We are deeply saddened at losing Amarante Dias who was such a valued and much-loved colleague.

"On behalf of everyone at University Hospitals Bristol and Weston NHS Foundation Trust, including our patients and the communities we serve, I would like to offer my sincerest condolences to his family.

"Amarante will be greatly missed and we are ensuring that staff have access to support to help them at this difficult time.

"We will not be commenting further and ask that everybody respects the privacy of the family at their request."

The Weston Super Mare Association of Malayalees also paid tribute.

In a post of Facebook, it said: "Our deepest sympathy and prayers to you and your family, (Amarante Dias) will deeply be missed."

10:36am

More than 1.2 million mortgage payment holidays have been provided to home owners whose finances have been hit by coronavirus, according to a trade association.

This equates to around one in nine (11.2%) mortgages across the UK now being subject to a payment holiday, UK Finance said.

For the average mortgage holder, the payment holiday amounts to £260 per month of suspended interest payments.

Lenders announced on March 17 that they would support customers facing financial difficulties due to the Covid-19 crisis.

People who are struggling to make their payments, perhaps because they have had a pay cut or their work has temporarily stopped due to Covid-19, can request a mortgage payment holiday of up to three months.

Payment holidays are available to customers who are up-to-date on their mortgage payments. People taking up this option will still owe the money and interest will still accrue.

Home owners applying for a mortgage payment holiday will need to self-certify that their income has been either directly or indirectly impacted by coronavirus.

UK Finance has said firms will make every effort to ensure payment holidays do not negatively impact on credit files.

9:37am

The number of people claiming Universal Credit as a result of the coronavirus crisis has hit 1.4 million, Work and Pensions Secretary Therese Coffey said.

The figure is an increase of 200,000 on the total Ms Coffey gave last week.

She said the welfare system was "capable of processing and managing those claims" amid concerns of financial hardship for people who are unable to access any of the coronavirus bailout measures.

"We're up to about 1.4 million people who have claimed Universal Credit and also other people who have claimed other things like Jobseeker's Allowance or Employment Support Allowance," she told Sky News.

"So we are capable of processing and managing those claims."

Ms Coffey's comments represent an increase from the figure she gave on April 8 of around 1.2 million people who had made claims since March 16.

8:46am

One in four of the biggest companies listed in London has slashed the amount of money paid to chief executives in the face of the coronavirus crisis, according to new research.

However, one company has not announced plans to slash its boss's pay, despite sending staff home, and three others are paying shareholder dividends despite using the Government's furlough scheme.

Most bosses at the 25 companies who have cut pay have reduced their salaries and fees by 20%, the same proportion that furloughed workers are forfeiting.

However, some have gone further, according to a survey and analysis of FTSE 100 companies' announcements by the High Pay Centre, shared with the PA News Agency.

The chief executive of Rentokil has slashed his salary by 35%, and donated the rest of it to an employee fund.

Ten companies intend to take advantage of the UK's job retention scheme, which allows businesses to furlough staff with 80% of their salaries covered by the Government. This figure is likely to grow.

Only Whitbread has announced plans to take Government money to furlough workers without confirming that bosses will take a pay cut. However, the company, which owns Premier Inn, said that its remuneration committee, which decides on executive pay, will discuss the issue this month.

"With the economy facing great uncertainty, and people's jobs and livelihoods, as well as a considerable amount of public money, now at stake, it's vital that companies make savings. Very high pay for top earners, who can easily afford a pay cut while still maintaining a lifestyle beyond the wildest dreams of most people, is the obvious place to start," said Luke Hildyard, director of the High Pay Centre said.

It added: "Our figures show that some companies are taking meaningful action in this respect by cancelling bonuses and incentive plans, or making donations to employee funds or the NHS. Too many, however, are making token gestures or doing nothing at all."

Meanwhile, three firms on the FTSE 100 have send staff home without slashing dividends. Primark-owner Associated British Foods has said it will furlough 30,000 staff, but has not committed to slashing its dividend.

EasyJet is furloughing around 7,500 employees, however has been criticised for paying out £174 million in dividends last month, even as the coronavirus pandemic was hitting the airline sector hard.

Auto Trader has also said it would furlough staff and has not yet confirmed plans to slash dividends. However, it has warned that if things do not get better, shareholders might have to take a hit.

"No decision has yet been made regarding the final dividend for the 2020 financial year, although if the current environment persists then it is unlikely that one will be declared," the business said in its most recent statement to shareholders.

Nine companies have cancelled or suspended their dividends, but have not yet said they will slash executive pay.

"As the country faces the long-term implications of this crisis, it is clear that we are going to have to achieve a much fairer balance between those at the top and everybody else in future," Mr Hildyard said.

8:21am

BUSINESSES are confident Weymouth will bounce back amid concerns seaside resorts risk becoming permanent "ghost towns" as economies are hit by reduced visitor numbers during the coronavirus pandemic.

Read the full story here

8:07am

The Government has insisted its plan to tackle the coronavirus pandemic "is working" but warned the nationwide lockdown will not be lifted this week.

Foreign Secretary Dominic Raab showed some cautious optimism as he revealed the latest ***data*** suggested the UK was "starting to win this struggle", three weeks after restrictions were imposed.

But he insisted the virus was not yet past its peak and that it was "far too early" to talk about relaxing the measures, with reports suggesting the lockdown will be extended for at least another three weeks.

Speaking at Monday's Downing Street press conference, he praised the public for staying at home over the Easter weekend, and added: "Our plan is working.

"Please stick with it, and we'll get through this crisis together."

Details of how the lockdown will eventually be lifted remain unclear, however, with the Government repeatedly refusing to outline its "exit strategy".

Scientists advising the Government are expected to meet this week to review the latest figures, but Mr Raab insisted it was crucial that "we do not take our eye off the ball" with regards to social distancing.

It came as the World Health Organisation said restrictions should be lifted slowly and not "all at once" to avoid a resurgence of the virus, and only if appropriate measures are in place, including "significant" capacity for contact tracing.

7:24am

The director general of the CBI, Carolyn Fairbairn, has said she has been told firms will be able to submit furlough claims from next Monday.

Discussing the scope of the Government's furlough scheme, Ms Fairbairn told BBC Radio 4's Today Programme: "I think one of the things that we recognise and that we've been going back to Government on is that there are instances where it is worth trying to redraw the rules.

"All I would say is that we're in a race against time on this and the more complexity is introduced into the system, the more the risk is that it won't deliver on time.

"Now we've got firms, hundreds and thousands of them over the country at the moment waiting for the furlough scheme to pay out - that we hope will start next week, the first date should be next Monday when it begins to deliver.

"And so if we add complexity into this we run the risk of it not working and hundreds and thousands of firms are waiting for it to deliver."

Ms Fairbairn added: "But we are, I think, very concerned that businesses will be forced into a position potentially of having to make people permanently redundant and we are trying to keep as much of the economy vibrant and alive to be able to come back when all of this is over."

7:23am

Good morning,

Weymouth and Portland is a hotspot for people with coronavirus symptoms, a new app suggests.

Read the full story here

6:04pm

Foreign Secretary Dominic Raab has said there are some "positive signs" from the latest ***data*** that show the UK is "starting to win this struggle" against coronavirus but warned: "We are still not past the peak."

Speaking at Monday's Downing Street press conference, Mr Raab praised people for staying at home during the Easter weekend and added: "Our plan is working. Please stick with it and we'll get through this crisis together."

Mr Raab said: "At the end of last week we were concerned that people might start ignoring the advice or cutting corners given the temptation to go out into the sunshine.

"In fact the overwhelming majority of people stayed at home and understood the importance of doing so.

"By staying home this weekend, you've saved lives.

"Thank you, your efforts are making all the difference. And please keep them up - we've come too far, we've lost too many loved ones and we've sacrificed too much to ease up now."

Mr Raab's comments came after the hospital death toll passed 11,000 and Downing Street said the Government's Covid-19 testing regime was "heading in the right direction".

Prime Minister Boris Johnson's official spokesman maintained the UK was still on course to carry out the Government's pledge of 100,000 coronavirus tests a day by the end of the month as he said 18,000 had been conducted in the 24 hours to Sunday morning.

The spokesman said there had been "significant progress" in the attempt to improve testing of frontline NHS workers, with nearly 43,000 staff and their families tested so far.

On Monday, Mr Johnson's spokesman said: "So we have more to do, but we are heading in the right direction."

Latest figures from the Department of Health showed 14,506 tests on 10,745 people were carried out on Sunday, excluding ***data*** from Northern Ireland.

The Government has come under pressure to increase testing of frontline health workers and, on April 3, Health Secretary Matt Hancock said around 1,500 staff were being tested daily.

On Monday, the PM's spokesman said: "In terms of tests of NHS staff and their families, in the 24 hours up to 9am yesterday, 2,630 tests were carried out by commercial partners, which means those drive-through sites.

"And now, in total 42,812 NHS staff and their families have been tested in total, which marks significant progress on where we were a little over a week ago."

The comments came as the Department of Health said 11,329 people had died in hospitals as of 5pm on Sunday, with many more expected in care homes.

It means the UK has more recorded deaths than any county except the US, Italy, Spain and France.

Mr Johnson's spokesman said the Prime Minister had tested negative for coronavirus on leaving hospital following his admission to an intensive care unit and would follow medical advice on when to return to work.

A review of lockdown measures will take place by Thursday, the deadline set out in law.

Ministers have said they want to be sure the UK is past the peak of the outbreak before easing the restrictions, but 10 members of the Cabinet are reportedly urging lockdown conditions to be eased amid concerns about the impact on the economy.

The Times quoted an unnamed minister as saying it was important not to do "more damage", and measures could be eased after another three weeks.

Scientific advisers will meet on Tuesday ahead of the formal review of the strict social distancing measures on Thursday, the deadline set out in law.

Chancellor Rishi Sunak, who warned during his Budget last month that the UK risks falling into recession as a result of disruption caused by coronavirus, has injected £14 billion from the coronavirus emergency response fund into the NHS and local

4:40pm

A Filipino nurse has died after contracting Covid-19 in London.

Melujean Ballesteros, 60, who is originally from the Philippines, died at St Mary's Hospital in Paddington, London, on Sunday, just two days after being admitted.

Speaking to PA news agency, her son, Rainier, 37, said: "My mum is a dedicated and very caring nurse.

"She started her career in the UK in 2003, she loved her work as a nurse."

Rainier, who lives in Calauag in the Philippines, said Mrs Ballesteros had a fever and cough in mid-March and self-isolated for nine days.

But on Friday Rainier said the family convinced her to visit the hospital due to her worsening condition, and so she was picked up by ambulance and was admitted. She died two days later.

Mrs Ballesteros is survived by her two sons, Rainier and Bryan, 38, who also lives in the Philippines, and husband Luis, 64, who lives in the UK.

4:40pm

Employees of companies placed into administration could get access to the Government's job retention scheme after staff at restaurant chain Carluccio's won a landmark legal case.

Carluccio's went into administration on March 30, casting a shadow over the future of its 71 UK restaurants and 2,000 employees.

The Unite union took legal action because it was concerned that those workers who had not yet responded to an offer by the administrators faced the prospect of being made redundant over the Easter bank holiday weekend.

Insolvency laws mean administrators have 14 days to make staff redundant in order to avoid liability for their employment and wages, meaning Easter Monday was the last day those staff could be dismissed.

But High Court judge Mr Justice Snowden's direction means the scheme, announced by Chancellor Rishi Sunak as part of the Government's business support package, can be used by companies in administration during the Covid-19 crisis.

Experts say the ruling provides "valuable breathing space" to administrators in the wake of the coronavirus outbreak, and "may help save jobs" that would otherwise be lost among financially troubled companies.

Howard Beckett, Unite's assistant general secretary for political and legal affairs, said the ruling could provide a boost to staff at other firms recently entering administration.

4:17pm

The Government's Covid-19 testing regime is "heading in the right direction", Downing Street insisted, as the hospital death toll passed 11,000.

Prime Minister Boris Johnson's official spokesman maintained the UK was still on course to carry out the Government's pledge of 100,000 coronavirus tests a day by the end of the month as he said 18,000 had been conducted in the 24 hours to Sunday morning.

The spokesman said there had been "significant progress" in the attempt to improve testing of frontline NHS workers, with nearly 43,000 staff and their families tested so far.

On Monday, Mr Johnson's spokesman said: "In the 24 hours up to 9am yesterday it was 18,000 UK tests, excluding Northern Ireland.

"I think we are making good progress.

"The target is to have 100,000 tests by the end of the month and that's what we are working to deliver.

"We have now tested nearly 43,000 NHS staff and their families, and we do now have 23 drive through sites.

"So we have more to do, but we are heading in the right direction."

Latest figures from the Department of Health showed 14,506 tests on 10,745 people were carried out on Sunday, excluding ***data*** from Northern Ireland.

The Government has come under pressure to increase testing of frontline health workers and, on April 3, Health Secretary Matt Hancock said around 1,500 staff were being tested daily.

1:18pm

A barrister is offering to help victims of domestic violence or abuse for free until the coronavirus lockdown ends.

Zimran Samuel, who is based at Doughty Street Chambers in London, said anyone who needs urgent advice should get in touch.

He announced his offer on Twitter and said people can contact him via his chambers.

At the weekend, Home Secretary Priti Patel launched a domestic violence public awareness campaign.

She said ministers wanted to assure anyone at risk of experiencing domestic abuse that help was available during "this difficult time".

"I know there are people urgently needing help at the moment," said Mr Samuel, who specialises in family court litigation.

"I can help and I feel that I should help.

"It's that simple."

1:17pm

Interim chief medical officer Dr Gregor Smith urged families of those who have died during the outbreak not to delay funerals, in a bid to stop a backlog.

Dr Smith said: "The sector can cope, if everyone understands and appreciates the circumstances that we find ourselves in and continues to arrange a funeral for loved ones as normal, and I do stress, without delay."

He added: "At this time, it's very important that people do not delay funerals of their loved ones.

"It's important that people are able to grieve the passing of a loved one, but delaying the funeral in anticipation of social distancing measures being lifted could increase strain on funeral and mortuary services responding to coronavirus."

Asked about the Prime Minister being tested before he left hospital, Mr Johnson's spokesman said: "I'm told it is standard practice in hospital to do that.

"And the results came back negative."

12:31pm

Sir Ken Dodd's signature tune Happiness has been re-recorded by Ricky Tomlinson, Glenda Jackson and NHS workers as a "tribute" to the health service.

The much-loved star, famous for his epic stand-up shows and his tickling sticks, died aged 90 in 2018.

Before he died he praised the care he received from the "marvellous" NHS, saying "it all makes me cry with gratitude".

Now his 1964 single has been re-recorded with the chorus rewritten and Royle Family star Tomlinson filmed singing in his bath.

Sir Ken's widow, Lady Anne Dodd, and Tomlinson wanted to "pay a warm, joy-filled tribute to the nation's NHS workers for their brave efforts to keep us all safe from Covid-19".

The song, which also features dozens of nurses and ordinary families, is also intended to "bring a little light-hearted relief to the nation".

All the singers are from Liverpool or around the area, where Sir Ken was from.

They include Rick Astley, Jimmy Tarbuck, Shirley Ballas, Les Dennis, Claire Sweeney and Carol Decker.

Tomlinson, who is filmed singing in his bath, said: "We saw Madonna in her bath having a go, so we thought it's time we did an authentic Scouse song to get the nation smiling again and say a huge thank you to all our amazing NHS staff."

Lady Anne said: "Ken would have loved the idea of cheering up everyone across the nation by singing together his Happiness song.

11:17am

Parents of children with serious illnesses are failing to bring them to hospital out of fear their youngsters will catch Covid-19, according to a leading doctor.

Dr Sanjay Patel, a consultant in paediatric infectious diseases at Southampton Children's Hospital, said fewer severely ill children were being brought to its emergency department with conditions such as appendicitis, dehydration and sepsis.

He said that some parents were assuming that all illnesses were being caused by coronavirus or were not seeking healthcare due to fears over catching the virus.

He has now helped develop national guidance on children's health to enable parents to assess when they should be seeking help.

It consists of a red, amber and green traffic light system advising parents of which symptoms require them to seek urgent medical advice and the options available to them.

Dr Patel said: "These are extremely challenging and worrying times for families and I can't stress how important it is to follow the Government advice about social distancing in order to slow down the speed of Covid-19.

"However, I'm really worried there is a very real risk that some children with illnesses such as appendicitis, dehydration or even sepsis are not being brought to see healthcare professionals as quickly as they would be normally.

"We are seeing fewer children than we would expect to see at this time of year, particularly through our emergency department, and those we are seeing who do not have Covid-19 are more severely unwell.

10:31am

Some hospital staff are facing a "hand-to-mouth" supply of personal protective equipment (PPE) due to hold-ups in China, the epicentre of the Covid-19 pandemic, a health boss has said.

Chris Hopson, chief executive of NHS Providers in England which represents hospital trusts, said the number of gowns available to staff in some parts of the country was "very, very low".

It came as the official coronavirus death toll in the UK passed 10,000, with the country entering a fourth week in lockdown.

Some frontline staff have cited a chronic shortage of PPE, such as masks, since the pandemic took hold.

Mr Hopson acknowledged there were some supply issues affecting staff, with the vast majority of gowns being imported from China.

He said the NHS ordered "a whole load of stock" weeks ago, but delays have been caused by the product sometimes failing safety tests, while other batches have been mislabelled - meaning the NHS has ended up with additional masks.

He told BBC Breakfast: "If everything had been flowing exactly as had been ordered and if all of the material had properly passed its safety test, there would not be an issue.

"This is all really hand-to-mouth in terms of gown delivery, and we need to get to a more sustainable supply."

Mr Hopson said those trusts with a surplus were being asked to share their supplies with neighbouring trusts, while alternative gowns were being sourced from elsewhere.

Emergency supplies have also been delivered to those most in demand, Mr Hopson said.

He said: "The NHS has had about 10 weeks to prepare and actually the vast majority of preparations have gone extremely well.

"There is a range of personal protective equipment that needs to be delivered at the front line... nearly all of that material is flowing in the way that trusts would like.

"The bit where there's a particular problem was gowns, where we know that over the last 72 hours some trusts have run critically low on gowns.

"No trust, as far as I'm aware, has actually run out but some of the stocks are very, very low."

9:13am

The parents of a New Zealand nurse praised by the Prime Minister for the care she gave him have said they are "exceptionally proud" of their daughter.

Boris Johnson used a speech on Sunday to hail the medics who looked after him at St Thomas' Hospital in central London after he contracted coronavirus.

One of the nurses named by Mr Johnson as Jenny from Invercargill, on New Zealand's South Island, has been identified as Jenny McGee.

Speaking to Television New Zealand, her mother Caroline McGee said: "It makes us feel exceptionally proud obviously.

"But she has told us these things over the years and it doesn't matter what patient she is looking after, this is what she does."

She added: "I just find it incredible that she, any nurses, can do this for 12 hours, sit and watch a patient and twiddle away with all the different knobs and things they do to keep their patients alive, it's absolutely amazing."

The nurse's father, Mike McGee, also said: "I think over the years she has always told us that her job is one-on-one nursing with very critically ill people and that means she's there all the time for 12 hours.

"So once we'd heard that Boris Johnson had gone into intensive care it was obvious that at some stage Jenny would possibly run into him and be giving him the same level of care that she would have given anybody else the week before or next week and we're really proud of her."

9:12am

A review of lockdown measures will take place later this week after the hospital coronavirus death toll rose above 10,000.

Read more here

8:33am

Playwright James Graham has issued a stark warning about the future of the theatre industry, saying it will not survive the coronavirus crisis without an "aggressive government bail-out."

Theatres and arts venues around the country have closed their doors in a bid to slow the spread of Covid-19, and Graham, who is responsible for plays such as Quiz, Ink and This House as well as TV dramas including Coalition and Brexit: An Uncivil War, said he fears for what will be left behind when they are able to reopen.

He told the PA news agency: "I don't even know if there will be a theatre or film industry that we can recognise when this is all over."

He added: "It's a collective art form; you need people around you to see it and do it and there is no middle ground now - if it's going to survive in any form it will need an aggressive government bail-out and you either do or you don't do it, there is either theatre or there isn't anymore.

"So there is kind of a clarity to what we need to ask government to do for it to survive and hopefully they will do it."

8:00am

Boris Johnson is recovering from coronavirus at his country residence after being discharged from hospital, as the UK braces for its fourth week under lockdown.

The Prime Minister spent a week in St Thomas' Hospital in central London, including three nights in intensive care, but left on Easter Sunday to be reunited with pregnant fiancee Carrie Symonds.

He is now convalescing at Chequers in Buckinghamshire after doctors ordered the Conservative Party leader to rest.

Number 10 has confirmed that the PM would "not be returning to work immediately" following his discharge.

Health Secretary Matt Hancock, speaking at the Downing Street briefing on Sunday, said there was no advice on how long Mr Johnson should rest before returning to work.

"That will be a clinical decision for his doctors to take with him," he said.

"The Government is operating perfectly efficiently within the strategy that he set out."

It means Foreign Secretary Dominic Raab, in his role as First Secretary of State, will continue to stand in for Mr Johnson during a week in which the Government is due to face key decisions over the future of the lockdown.

In an emotional speech posted on social media following his hospital release, the PM admitted it "could have gone either way" and thanked NHS staff for saving his life.

Former Tory communications chief Ms Symonds joined in praising the "incredible" staff who treated her husband-to-be, tweeting that she would "never, ever be able to repay you".

Mr Johnson called the NHS "unconquerable" after seeing first-hand how it was dealing with the pandemic and heralded the "personal courage" of everyone from doctors to cooks at St Thomas'.

He added: "We will win because our NHS is the beating heart of this country.

"It is the best of this country. It is unconquerable. It is powered by love."

7:57am

More than £14 billion from the coronavirus emergency response fund will go to public services, Chancellor Rishi Sunak has confirmed.

The funds will bolster the NHS and local authorities, the Treasury said.

The Chancellor launched an initial £5 billion spending package for the coronavirus fund in the March Budget.

Mr Sunak said: "Our public services and its incredible workers are working with immense resolve and skill to keep us safe.

"We depend on them, which is why we are doing everything we can to provide our NHS, local authorities and others, with the resources and tools they need to tackle the virus.

"From the start, I've been clear our vital public services will get whatever they need to protect this country and its people from coronavirus."

The Treasury said the funding includes more than £6 billion "to support our health services, free up hospital beds and deliver urgent priorities, including acquiring ventilators, diagnostic tests and protective equipment for NHS staff".

The spending involves £6.6 billion for health services, the Treasury said, and £1.6 billion for local authorities.

The funding also includes £3.5 billion "to ensure vital rail services continue to operate now and, in the future, for those who rely upon them for essential journeys", according to the Government.

7:21am

There are almost 3,000 fire and rescue workers in self-isolation across Britain, it is reported.

The Fire Brigades Union (FBU) is calling for the government to roll out testing to allow those who do not have coronavirus to return to work, the BBC said.

Fire crews have taken on extra tasks during the Covid-19 pandemic, including transporting personal protective equipment (PPE) and testing masks for frontline health workers to ensure they fit properly before use.

Firefighters have already agreed to drive ambulances, deliver essential items such as food to vulnerable people and retrieve dead bodies in addition to their core roles.

The FBU told the broadcaster that an eighth of staff in Bedfordshire are off work, while 10% of staff in London are self-isolating.

It added that while there were planned testing programmes in Scotland and Wales, and firefighters in Northern Ireland have already been tested, there was no such system for England.

General secretary Matt Wrack said services would be put on a "dangerous knife edge" if staff are forced to isolate unnecessarily.

7:21am

Good morning,

As police work overtime to deal with people travelling to the county over the Easter weekend, people here are doing their bit to comply with the rules.

Dorset residents are following social distancing advice and avoiding ​shops more successfully than the average UK citizen, ***data*** suggests.

See the full story here

10:21pm

It's feeling like Groundhog Day in Fire Control this evening. We are receiving numerous calls regarding bonfires and smoke.

Please stop burning.

Many people have respiratory issues or even fighting the Coronavirus itself. And this is a huge waste of our emergency resources.

- DWFireControl (@DWFireControl) April 12, 2020

8:17pm

The Prime Minister has called the NHS "unconquerable" after seeing first-hand how it was dealing with the coronavirus pandemic.

Boris Johnson was discharged from hospital on Easter Sunday, a week after being admitted with persistent coronavirus symptoms.

In a video posted on Twitter, the PM said the "NHS has saved my life, no question".

Conservative Party leader Mr Johnson admitted he had personally seen, during his seven days at St Thomas' Hospital in central London, the "pressure the NHS is under".

But he said the NHS had the resolve to get the country through the health emergency.

Mr Johnson said: "We will win because our NHS is the beating heart of this country.

"It is the best of this country. It is unconquerable. It is powered by love."

Heralding the "personal courage" of everyone from doctors to cooks, he mentioned by name the nurses who watched over him all night while he fought severe coronavirus symptoms in intensive care - Jenny from New Zealand, and Luis from Portugal.

"The reason in the end my body did start to get enough oxygen was because for every second of the night they were watching and they were thinking and they were caring and making the interventions I needed," he said.

Mr Johnson praised the country's efforts in following the "tough" social distancing measures over the Easter weekend and said the measures were "proving their worth" in protecting the NHS.

7:02pm

The total number of people who have tested positive for coronavirus (Covid-19) in Dorset has nearly hit the 400 mark. See our story here

6:06pm

More than 10,000 people have now died in the UK due to coronavirus.

Health Secretary Matt Hancock, who led the Downing Street press briefing today, confirmed:

- an NHS app is now available to warn if people come into close contact with someone experiencing coronavirus symptoms

- Covid-19 testing for care home staff is set to be rolled out

- Spare NHS critical care capacity is higher currently than it was when the pandemic started, with 2,295 spare beds available

- More than 5,000 former and retired health staff are now back on the NHS front line and over 36,000 have come forward to enlist

Addressing the number of deaths in hospitals, Mr Hancock told reporters: "Today marks a sombre day in the impact of this disease as we join the list of countries who have seen more than 10,000 deaths related to coronavirus.

"The fact that over 10,000 people have now lost their lives to this invisible killer demonstrates just how serious this coronavirus is and why the national effort that everyone is engaged in is so important."

Labour leader Sir Keir Starmer called Sunday's figures "heartbreaking", adding: "Every one is a tragedy, every one is a family shattered."

4:42pm

There's a new Baby Shark song to help your little ones learn the importance of washing their hands! Our Children's Centre took on the #BabySharkWashHandsChallenge in this fantastic video ! This will definitely make you smile this #EasterSunday! #StayHomeSaveLives #WashYourHands pic.twitter.com/s1clXpqo7W

- DorsetCountyHospital (@DCHFT) April 12, 2020

4:04pm

Prime Minister Boris Johnson has been discharged from hospital a week after being admitted with persistent coronavirus symptoms.

But Downing Street said he would not be returning to work immediately on doctors' orders and would instead head to his country residence in Buckinghamshire to recuperate.

A Number 10 spokesman said: "The PM has been discharged from hospital to continue his recovery at Chequers.

"On the advice of his medical team, the PM will not be immediately returning to work.

"He wishes to thank everybody at St Thomas' for the brilliant care he has received.

"All of his thoughts are with those affected by this illness."

The announcement about the PM's discharge from hospital prompted his fiancee Carrie Symonds to tweet in praise of the "incredible" staff at St Thomas' Hospital in London.

Ms Symonds, who is expecting the couple's baby, said: "I will never, ever be able to repay you and I will never stop thanking you.

"There were times last week that were very dark indeed. My heart goes out to all those in similar situations, worried sick about their loved ones.

"Thank you also to everyone who sent such kind messages of support. Today I'm feeling incredibly lucky."

2:46pm

A further eight patients have sadly died from coronavirus at Dorset hospitals. See our story here

1:43pm

The Goodies star Tim Brooke-Taylor has died aged 79 after contracting coronavirus. See more here

1:30pm

GPs are open as normal Easter Monday. Contact your practice by phone or complete an eConsult form via the practice website. Find out more and find other services available this weekend at [*https://t.co/wY5b8byktU*](https://t.co/wY5b8byktU) #covid19 #hereforyou #staywell pic.twitter.com/xNX00zgD9A

- NHS Dorset CCG (@DorsetCCG) April 12, 2020

1:17pm

Easter Challenge!

Can you find the 10 Easter Eggs hiding in the Guinea Pig Village?#easteractivities #easterfun #countinggames #easterfunforkids #farmerpalmers pic.twitter.com/HZjqbAIF6u

- Farmer Palmer's (@FarmerPalmers) April 12, 2020

1:00pm

Weymouth was eerily quiet on the evening of Good Friday due to the lockdown - which of course is a good thing. This is a time of year when the town should be filling up, especially with the glorious weather. But the current circumstances mean we have to stay indoors. Check out Peter Waller's pictures in our story here

12:38pm

Health staff should not be put in a position where they have to consider withdrawing care due to a lack of protection, the Business Secretary said.

Alok Sharma's comments follow continued criticism of the Government's supply of personal protective equipment to staff on the frontline of the coronavirus pandemic.

The Royal College of Nursing has piled more pressure on ministers after it urged members to refuse to treat patients as a "last resort" if adequate PPE was not provided.

The advice came as the UK death toll approached 10,000 and NHS trusts confirmed the deaths of more health workers.

Mr Sharma, asked about the RCN guidelines on Sky News' Sophy Ridge On Sunday programme, said: "It is absolutely right that no medical professional should be placed in a position where they have to make that choice.

"That for me is self-evident. That is why we are making sure we get the equipment to the frontline."

12:12pm

Happy Easter! We have officers out patroling stations in Dorset. A reminder that Dorset is closed! Please stay home and save lives! PC Hordle and PC Peroni are out and about keeping you safe. I will leave this here for PC Peroni! ⬇️ @dorsetpolice @BTPFirearmsUnit @BTPHants [*https://t.co/1D7HH2kIK4*](https://t.co/1D7HH2kIK4)

- BTP Dorset (@BTPDorset) April 12, 2020

11:53am

We're well into the #Easter weekend, but our message remains: stretch your legs, not our resources. Please remember:

stretch your legs locally

don't stretch our resources

don't travel to the coast#StayHomeSaveLives #EasterAtHome #999Coastguard pic.twitter.com/TMzIib8Uev

- HM Coastguard (@HMCoastguard) April 12, 2020

11:35am

Happy Easter. As you can't visit a garden today here's an early spring viewing of a Weymouth garden usually open in June. @DorchesterTIC @TheGBGardenShow #Easter #EasterWeekend pic.twitter.com/qCEGsNRtOD

- Dorset NGS (@DorsetNGS) April 12, 2020

11:22am

A limited number of bus services are running in the Weymouth area. Additional routes are now being served after some funding was secured. See our story here

10:50am

A very important message from the Easter Bunny. #HappyEaster @BBCWiltshire @Bournemouthecho @Dorsetecho #StayHomeSaveLives @DWFireRescue pic.twitter.com/jNANp2Sh1c

- DWFireControl (@DWFireControl) April 12, 2020

10:33am

Drivers are continuing to ignore warnings and head to Dorset for the bank holiday. Police have been clamping down and handing out fines. See our story here

10:14am

Health Secretary Matt Hancock has thanked those opting to contact their family via phone call or video conference and abiding by social distancing guidance over Easter.

"In doing so you're protecting the NHS and you're helping this country to get through this crisis," he said in a video posted on Twitter.

"And of course I want to thank everyone else who's also at work today. There's so many people on the NHS front line, in other critical services, who are working so hard for the country."

7:56pm

The UK is still in "round one" in the fight against coronavirus, and tackling the spread of the disease will be more a marathon than a sprint, one of the country's top medical advisers has said.

NHS England medical director Stephen Powis said that while vaccine development is under way and there had been progress with drug treatments, there will be no "magical solution" to end the lockdown.

He said it remains "absolutely critical" that people stick to social distancing measures, making clear the country is in the early stages of the battle against Covid-19.

Earlier an Oxford professor said she was "80%" confident of the success of a vaccine she and her colleagues are working on, which could be ready by September.

Prof Powis said that while a vaccine is an important part of the long-term management of the virus, it is unlikely to be a quick process.

7:26pm

"What should I do to manage mild symptoms of #coronavirus at home?"@DrHilaryJones shares 3 tips to help you look after yourself.

More info: [*https://t.co/oIFxrXiQnX#COVID19*](https://t.co/oIFxrXiQnX#COVID19) | #AskDrH | #StayHomeSaveLives pic.twitter.com/L98PINXOTG

- Department of Health and Social Care (@DHSCgovuk) April 11, 2020

6:52pm

The number of postive tests for coronavirus in Dorset has increased. See our story here

6:00pm

Home Secretary Priti Patel has said she was sorry if anyone felt there had been failings over the supply of personal protective equipment (PPE) for health workers in the fight against the coronavirus pandemic.

It comes after Health Secretary Matt Hancock confirmed 19 NHS workers had now lost their lives after contracting Covid-19.

The Government has been dogged by criticism since the pandemic hit UK shores that not enough PPE was being made available to health workers, especially those working in social care.

Ms Patel, fielding questions at a Downing Street briefing on Saturday, said she was "sorry" if people felt there had been failings regarding the supply of PPE.

After being asked twice if she would apologise to NHS staff and their families over the lack of "necessary PPE", Ms Patel said: "I'm sorry if people feel that there have been failings. I will be very, very clear about that.

"But at the same time, we are in an unprecedented global health pandemic right now.

"It is inevitable that the demand and the pressures on PPE and demand for PPE are going to be exponential. They are going to be incredibly high.

"And of course we are trying to address that as a Government."

5:47pm

Stay home this bank holiday weekend. Don't put your friends and family in danger.#StayHomeSaveLives pic.twitter.com/RlxuNF9vod

- GOV UK (@GOVUK) April 11, 2020

5:27pm

Prime Minister Boris Johnson is continuing to recover following his discharge from the intensive care unit at St Thomas' Hospital where he has been receiving treatment for coronavirus.

Downing Street said he "continues to make very good progress" in his recovery, although Number 10 has refused to be drawn on how long he is expected to remain in hospital.

With the Government due to carry out the first three-week review of the lockdown measures next week, ministers are facing calls to explain how the restrictions will ultimately be lifted.

Downing Street declined to comment on reports in The Daily Telegraph and the Daily Mail that while ministers hoped restrictions such as the closure of schools and shops could lifted in early June, other social distancing measures might have to remain, potentially indefinitely or until a vaccine is found.

However, speaking at the No 10 press conference, the deputy chief medical officer for England, Professor Jonathan Van-Tam, warned it was "premature" to think the outbreak had reached its peak.

While he said there were signs the "curve is bending" in terms of hospital admissions, he said it was still too soon to start lifting the lockdown.

4:36pm

Over the bank holiday please don't be tempted to use our services#StayHomeSaveLives and protect the NHS, and avoid all essential travel unless you're a key worker

If need to use our services, please check before you travel - [*https://t.co/G9WUCspZpO*](https://t.co/G9WUCspZpO) pic.twitter.com/0FqUBt4iBJ

- SWR Help (@SW\_Help) April 11, 2020

4:03pm

The Department of Health has said a total of 9,875 people have died in hospital in the UK after testing positive for coronavirus as of 5pm on Friday, up by 917 from the same point on Thursday.

A total of 78,991 people have tested positive for the illness in the UK of the 269,598 while 18,091 tests were carried out on Friday as the Government continues its efforts to reach 100,000 daily tests by the end of April.

19 NHS workers have died from coronavirus.

2:25pm

Two further deaths from coronavirus have been reported in Dorset. See our story here

12:55pm

Our Emergency Departments are #hereforyou this weekend.

For serious conditions, injuries and emergencies, please call 999 as normal. For everything else, please use 111 #COVID19 #hereforyou #staywell pic.twitter.com/M8gw14URCZ

- NHS Dorset CCG (@DorsetCCG) April 11, 2020

12:16pm

Thank you to Mr Hartley from @Wey\_Valley for donating safety glasses and gloves! Also thank you to @Vets4PetsGroup, @QESDorset and to Paul Baxter from @MartechWeymouth for all their PPE donations! We are so grateful! #InThisTogether #StayHomeSaveLives pic.twitter.com/IBVhPgp7tW

- DorsetCountyHospital (@DCHFT) April 11, 2020

11:56am

Happy Easter! Thank you to everyone who is #StayingAtHomeAndSavingLives

We're #NotGoingAnywhere and hope to see you in #Dorset when this is all over! pic.twitter.com/k1zLPC9pzC

- Bagwell Farm, Dorset (@bagwellfarm) April 10, 2020

11:15am

What are the symptoms of coronavirus - is a sore throat an early sign? This story here provides the answers

10:14am

As the weather is set to be mild & sunny this weekend we know more of you will be out in the garden. If you do have to burn garden rubbish, keep fires small and away from buildings & fences But please avoid #bonfires at all #Covid19 #FireSafety #CovidLockdown

- DWFireControl (@DWFireControl) April 11, 2020

9:48am

We know that it will be tempting to go out, meet friends and enjoy the weather, but please stay at home.

Help protect your family, friends and the NHS.

⚠ Anyone can get it. Anyone can spread it. ⚠#StayHomeSaveLives #COVID19 pic.twitter.com/hPIitVzYoh

- Dorset Police (@dorsetpolice) April 11, 2020

9:34am

Our main story today is about a nurse who is being kept awake by her neighbours having street parties. Not great when you've just done a shift looking after coronavirus patients. See our story here

8:41am

Government advice suggesting that teachers do not need personal protective equipment (PPE) when working in schools during the Covid-19 outbreak is "dodgy" and "unhelpful", a union leader has warned.

School staff looking after the children of critical workers and vulnerable pupils say they do not have enough soap and hot water to wash their hands, according to teachers' union the NASUWT.

Patrick Roach, the new general secretary of the NASUWT, said a number of teachers on the front line are calling for access to PPE and Covid-19 testing as they are concerned about the health of their families.

But Government guidance, updated earlier this week, has said that staff in schools, colleges and nurseries "do not require" PPE.

They must instead focus on social distancing measures and handwashing to limit the spread of Covid-19.

Speaking to the PA news agency, Dr Roach said: "Our concern as a union is that in the midst of a crisis in supply and demand, guidance is being published which asserts that teachers in any setting do not require access to PPE."

He added: "The reality of the matter is that practising stringent social distancing in the context of working with young children, and working with children with moderate or profound learning difficulties, is going to be, to say the least, very challenging for a teacher."

A recent survey of 950 NASUWT members found that nearly a third (32%) of school staff said there was not adequate provision of soap and hot water for handwashing in their workplace.

8:36am

A coronavirus vaccine could be available for the general public by September, an Oxford professor has claimed.

Read more here

8:32am

The total number of people who have tested positive for coronavirus (Covid-19) in Dorset has increased to 323.

Read the latest update here

8:30am

Dame Donna Kinnair, chief executive of the Royal College of Nursing, said she was frequently fielding calls from nurses saying they did not have enough personal protective equipment (PPE).

She said it was those working in the community, such as midwives, who required additional supplies, as well as those in intensive care units.

Speaking to BBC Radio 4's Today programme, Dame Donna said: "What we are hearing from nurses on a daily basis - I've got emails in my inbox and calls daily - is that they don't have the protection available that they need.

"It is tantamount on this Government to give health care workers the right equipment so they can go out and look after their patients.

"Often they haven't got gowns. This cannot be right.

"We have 74,000 confirmed cases and therefore we will need equipment to care for these individuals."

8:30am

Good morning,

Whilst the vast majority of local people are abiding by the lockdown rules dozens of people are still travelling to Dorset from different parts of the country.

See the latest here

9:27pm

Health Secretary Matt Hancock gave an update on the Prime Minister's condition in hospital at the latest daily briefing, when two more Nightingale hospitals were announced.

Here are the key points from Friday's update at Downing Street.

- How many people have now died?

Mr Hancock said 19,116 coronavirus tests were carried out across Great Britain on Thursday, of which 5,706 came back positive.

The number of people in hospital who have tested positive for the disease stood at 19,304, of which 8,958 had died - an increase of 980 on the previous day.

- What about the Prime Minister's condition?

The Health Secretary said Boris Johnson's condition "continues to improve".

Earlier on Friday, Downing Street said Mr Johnson has been able to do "short walks" between periods of rest as part of his care to aid his recovery.

The Prime Minister is back on a ward at St Thomas' Hospital after being discharged from the intensive care unit where he was being treated for Covid-19.

- What announcements were made about PPE?

Mr Hancock said his goal is that "everyone" working in a critical role must get the personal protective equipment (PPE) that they need.

He said the armed forces were part of a "Herculean" logistics effort to get the kit out to hospitals, surgeries and care homes where it was needed on an unprecedented scale.

- Where are the new Nightingale hospitals?

Chief nursing officer Ruth May announced two more Nightingale hospitals were to be opened in Sunderland and Exeter.

These will join Nightingale sites already announced in London, Birmingham, Manchester, Harrogate and Bristol.

- What about progress on the testing target?

The Health Secretary said there is still a "lot of work" needed to reach the target he set of 100,000 daily Covid-19 tests by the end of April.

"We are working 24/7 to hit it (the target)," he said.

"Everyone can see the daily trajectory, which has almost doubled since I set it and we've clearly got a lot of work to get to our 100,000, but we are on track."

- Have we reached the peak of the outbreak?

Deputy chief medical officer Professor Jonathan Van-Tam said the UK was still in a "dangerous phase" in regard to the number of new coronavirus cases.

He added that it was "premature" to say we have reached the peak of the outbreak, adding that "the push we are making with social distancing just has to continue".

- What did the Health Secretary say when he was asked about face masks?

On the issue of face masks, Mr Hancock said the Government will "follow the science", which he says states they "don't have a material impact outside of those settings which Public Health England have set out".

Prof Van-Tam added they will keep the science evidence under review and will be guided by the science, adding: "If the science evidence changes then we will change."

9:21pm

All key NHS and social care workers who need to be tested for Covid-19 will receive tests, the Health Secretary said.

Matt Hancock said the Government now has the capacity to test all frontline staff who need it, amid significant numbers self-isolating for fear of having contracted Covid-19.

The Health Secretary said 15 testing drive-through centres had been opened across the UK to enable more testing for frontline staff.

And he said that two more "Lighthouse mega-labs" were on track, after he opened the first one in Milton Keynes on Thursday.

AstraZeneca and GSK were also opening another testing facility in Cambridge at the end of the month, he added.

"I can announce today that we have capacity for all key social care staff and NHS staff who need to be tested to get those tests," Mr Hancock told the daily Downing Street briefing.

8:54pm

The total number of people testing postitive for coronavirus has increased in Dorset. See our story here

7:57pm

The coronavirus epidemic remains in a "dangerous phase" a senior Government scientist has warned as the UK recorded its highest daily death toll since the outbreak began.

Health Secretary Matt Hancock told the daily No 10 news conference that as of Thursday there had been 8,958 hospital deaths from the disease - an increase of 980 on the previous day.

As ministers and officials urged the public to stay at home over the Easter bank holiday weekend, the deputy chief scientific adviser, Professor Jonathan Van-Tam, said it was "premature" to say the outbreak had reached its peak.

While he said there were signs the "curving is bending" in terms of hospital admissions, he said it was still too soon to start lifting the lockdown.

"We are in a dangerous phase still. And I need to reinforce that again to you, that this is not over," he said.

"It's premature to say we are at a peak and the push we are making with social distancing just has to continue."

His warning was echoed by chief nursing officer Ruth May who paid tribute to the NHS frontline staff who had died after becoming infected with the virus.

She said: "Of course nurses, healthcare assistants, midwives, and other NHS staff are now among the victims of this coronavirus. Some have lost their lives.

"The NHS is a family and we feel their loss deeply."

The warnings came as Mr Hancock sought to reassure health and social care staff that efforts were being put in place to get the personal protective equipment (PPE) they needed.

He said the armed forces were part of a "Herculean" logistics effort to get the kit out to hospitals, surgeries and care homes where it was needed on an unprecedented scale.

And amid huge international demand for PPE - including gowns, face masks, gloves and visors - he urged British manufacturers to fill the gap and start producing the equipment needed in the UK.

3:26pm

A giant inflatable Easter bunny has been installed in the front lawn of a block of flats in Dorset to help boost spirits during the bank holiday weekend.

Events organiser Fiona McArthur had access to the massive decoration to install outside the property in Belle Vue Road, Southbourne, Bournemouth, after events she was planning were cancelled because of the Covid-19 lockdown.

The 47-year-old said: "We wanted to get all the flat owners talking and supporting each other and also to put a smile on people's faces.

"Also it helps us realise that we might all be locked up but we are still here and part of a big community that needs to look out for each other.

"We have had lots of people taking selfies through the hedge and the kids are loving it, which is great because they aren't going to get much of an Easter this year."

She added: "We have a fireman and a couple of nurses living here and they are overwhelmed with what we are doing as well as a neighbour who is having chemotherapy and yesterday he came out on his balcony with his mask on and protective gear and he was cheering us on.

"It really does cheer everyone up, it gets everyone together at a safe social distance."

2:41pm

The Foreign Office has chartered 12 more flights to bring more than 3,000 stranded UK nationals back from India.

It follows seven flights that have already been arranged between April 8 and April 12 and will bring the total number of Britons repatriated from India to around 5,000.

The new flights will leave from Goa, Amritsar, Ahmedabad, Hyderabad, Chennai, Kolkata and Thiruvananthapuram between April 13 and April 20 with bookings opened on Friday.

The Foreign Office's Minister of State for South Asia and the Commonwealth, Lord (Tariq) Ahmad of Wimbledon, said: "We are doing all we can to get thousands of British travellers in India home.

"This is a huge and complex operation which also involves working with the Indian Government to enable people to move within India to get on these flights.

"Over 300 people arrived from Goa on Thursday morning, 1,400 more will arrive over the Easter weekend and these 12 flights next week will bring back thousands more."

2:20pm

BREAKING: Another 866 die with coronavirus in England - bringing total to 8,114

2:03pm

A man who bit a police constable on her arm has been described by a chief constable as "the lowest of the low".

The 21-year-old Greater Manchester Police (GMP) officer was attacked as she responded with colleagues to reports of a street disturbance in Rochdale during the Covid-19 lockdown.

Officers attempted to explain to the man that he should not be visiting other people's homes but he lashed out by punching two officers, including the constable who he also bit.

The officer had to attend hospital following the incident in Drake Street on Thursday at about 6.40pm and was later discharged.

Days earlier she had been delivering Easter eggs to children while out on patrol, said GMP.

Chief Constable Ian Hopkins later tweeted: "Words fail me when it comes to some people's behaviour. This is shocking at the best of times, but during a Coronavirus Pandemic this is just the lowest of the low. I trust the CPS & Court will now do what we all expect of them!"

The message was retweeted by Home Secretary Priti Patel.

A 29-year-old man was arrested and is being questioned in custody on suspicion of criminal damage, domestic violence assault, section 18 assault with intent to resist arrest and regulation 8 of the Health Protection Regulation 2020 (Coronavirus).

Superintendent Richard Hunt said: "It is absolutely disgusting that my officer was faced with this last night and all of our thoughts are with her as she rests at home.

"This is a particularly challenging time for everybody at the moment, made worse by something so mindless like this.

"Having spoken to the officer earlier this morning, she said that last night's incident was a stark contrast to the support she has felt over the past few days while she has been delivering Easter eggs to local children whilst out on patrol.

"This just goes to show that, thankfully, incidents like this are not a reflection of the vast majority of the public who are showing great support to us."

1:53pm

A 30-year-old man has been charged with fraud after allegedly spending six free nights at a hotel by claiming to be an NHS worker.

Ben Quince checked into the Casa Hotel in Lockoford Lane, Chesterfield, at the end of March on a floor reserved for NHS staff, Derbyshire Police said.

He stayed there for six nights and allegedly told staff he worked in the A&E department at Chesterfield Royal Hospital.

The hotel is offering complimentary lodgings for health workers during the Covid-19 pandemic, the force said.

Mr Quince, of no fixed address, has been charged with fraud by false representation.

He appeared at Southern Derbyshire Magistrates' Court on Monday and was bailed to appear again at a later date, police said.

1:32pm

The Prime Minister's official spokesman has said he is confident the Housing Secretary "complied with the social distancing rules" when visiting his elderly parents.

During a media briefing, the spokesman said Robert Jenrick "set out in two different statements" the reasons for his journeys.

Paul Cosford, emeritus director of Public Health England (PHE), said Mr Jenrick seemed to act "within the guidelines" by visiting his parents.

Mr Cosford said it sounded like the Housing Secretary had remained within the four "clear" guidelines by travelling 40 miles to deliver medicine and other essential items.

Shadow home secretary Nick Thomas-Symonds said it was "very important for public confidence" that Mr Jenrick explained himself, but that if the Housing Secretary had delivered medicine to his parents, "clearly... it fits within the four exceptions".

While the Government's guidelines state you should not visit anyone who lives outside your own home, including elderly relatives, you are allowed to "leave your house to help them, for example by dropping shopping or medication at their door".

Mr Jenrick previously defended his decision to visit his parents - saying in a tweet: "For clarity - my parents asked me to deliver some essentials - including medicines.

"They are both self-isolating due to age and my father's medical condition and I respected social distancing rules."

Commenting on Mr Jenrick visiting his parents, the Prime Minister's official spokesman said: "The Secretary of State has set out in two different statements the reasons for the journeys which he made.

"We're confident that he complied with the social distancing rules."

Asked about Cabinet ministers commuting to and from London, the spokesman said: "Like everybody else, ministers have been told to work from home wherever possible, and not make unnecessary journeys.

"As part of the coronavirus response there will be occasions when ministers have no option but to work from Whitehall.

"In the event this is required, and the rest of their household is living elsewhere, it's not an unnecessary journey for them to travel to rejoin their family."

The Daily Mail reported that Mr Jenrick had travelled from his residence in London to a "second home" in Herefordshire during the lockdown - which he told the paper was what he considered to be his "family home".

He is said to have travelled to his parents' house in Shropshire from the Herefordshire address.

According to his website, the Housing Secretary lives in Southwell, near Newark, as well as a residence in London.

Speaking to BBC Radio 4's Today programme, Mr Cosford said: "Our guidelines are quite clear - I'm not going to comment on any individual whoever they are - but our guidelines are quite clear.

"We need to stay at home except in one of four different circumstances.

"One of those is to take exercise once a day with people from our household, one is to do essential shopping for food and medicines and that does include helping to get those to other people where it is absolutely required and there isn't another way of doing that, one is essential healthcare and then the fourth is about being able to go to work if you're in an essential job for the response or you absolutely cannot do your work at home.

"I can't comment on Mr Jenrick, it sounds as if what he did was within one of the four guidelines to me, but others will obviously have to think about that more."

Also commenting on Mr Jenrick's actions, the shadow home secretary said: "I think that's for him to explain. The delivery of essential supplies like food and medicine to vulnerable people, vulnerable family members, would be permissible in the exceptions.

"It's very important for public confidence that Robert Jenrick explains himself and why exactly that journey was necessary."

Mr Thomas-Symonds also told BBC Breakfast: "There are the four reasons for leaving your house. One of them is to deliver essential supplies to vulnerable people.

"Clearly if that is what Robert Jenrick has done, then it fits within the four exceptions. It is for him to answer precisely what the purpose of the journey he undertook was."

12:32pm

A suspected Covid-19 sufferer has been jailed for a year after coughing in the face of two NHS hospital nurses.

Lance King was taken to the Royal Stoke University Hospital on Monday before coughing on the two A&E workers just after 1.30pm, Staffordshire Police said.

The 30-year-old also urinated on the floor of the cubicle and scribbled on himself and items within the cubicle with a pen from the nurses' desk, the force added.

King, of no fixed address, was sentenced at the North Staffordshire Justice Centre on Wednesday after pleading guilty to assaulting an emergency worker and criminal damage.

The force said a 49-year-old man has also been charged with persistently making use of a public communication network to cause annoyance, inconvenience or anxiety after allegedly making more than 50 calls to police and ambulance services between April 6 and 7.

He is due to appear in court on May 7.

Assistant Chief Constable Simon Tweats said: "Thankfully, on the whole people are complying with Government guidelines. However, as these cases show, we will take enforcement action when required.

"Coughing on nurses who are working to save people's lives is totally unacceptable.

"The message remains clear; stay at home and follow the guidelines. We don't want to have to take action but we will do so if required. Particularly against a small minority who repeatedly choose to put other lives at risk."

11:41am

A cyclist has paid tribute to healthcare workers by creating a route spelling out NHS across his town on a fitness app.

Adam Bronkhorst planned the 12-mile route in his home town of Shoreham-by-Sea, West Sussex, to create the design on the Strava cycling and running app.

The 45-year-old said the aim of his message, entitled "Thank you NHS (and keyworkers)", was to show how people were coming together in the time of crisis.

He told the PA news agency: "I feel there is a Covid spirit - people talk about the Blitz and Dunkirk spirit, but there are amazing things people are doing now.

"I just wanted to spell out NHS across our little town so it was almost like the town saying thank you. I wanted to spell out key workers but doing NHS was complicated enough.

"Lots of people do Strava art, spelling out names or drawing animals or rude things, so I was looking at creative ways of still going for a ride within the limitations of staying within a couple of miles of home and within an hour and not stopping to talk to people."

Mr Bronkhorst, who is a member of the Shoreham By Cycle cycling initiative, said the lack of traffic during the lockdown is encouraging many more people to get on their bikes.

The photographer said: "There is less traffic on the road so we are seeing people taking their bike out of the shed ... They haven't ridden for years, and we are trying to encourage that, showing that cycling is an alternative to driving."

He added that other cyclists and runners had since taken up the challenge of creating routes spelling out NHS and he hoped the idea would spread across the country.

11:39am

Over 29 million personal protective equipment (PPE) items were delivered to 268 trusts and organisations yesterday - including 14 million gloves, over 8.7 million aprons, over 744 thousand surgical masks, over 487 thousand FFP3 masks and nearly 171 thousand eye protectors. pic.twitter.com/i16wvnmXN8

- NHS England and NHS Improvement (@NHSEngland) April 10, 2020

10:54am

Hundreds of students have joined a rent strike in protest at private accommodation providers which have refused to cancel fees for the summer term.

Many students have had to vacate their halls of residence and return to their family homes as universities closed down amid the Covid-19 outbreak.

While some providers, including the Universities of Portsmouth and London, have agreed to waive summer-term fees, some private providers such as Sanctuary Students have refused to release students from their contracts.

Masters student Tama Knight, who is studying gender, development and globalisation at LSE, is one of 314 students who have signed up to the protest.

The 24-year-old said she left Lilian Knowles House on March 23 as she feared for her ability to effectively self-isolate in a building with shared facilities including kitchen, dining and laundry area.

She added that although people are still receiving student loans, many have lost part-time jobs that they relied on.

Ms Knight said: "From a humanitarian standpoint, Sanctuary Students' decision has the potential to financially devastate students, essentially punishing them for making decisions about their safety in a global situation completely outside of their control.

"It is morally wrong to expect students to bear the economic brunt of the challenging times by taking a position so devoid of empathy and solidarity.

"From a more pragmatic standpoint, Sanctuary Students as an organisation can access government support which is largely unavailable to students.

"Many students, especially international ones, can expect no government-based financial support in this crisis. It is ridiculous to expect students to fulfil their contracts as normal in such abnormal times."

Portsmouth South MP Stephen Morgan has voiced his support for students stuck with paying rent for properties they cannot use, and the Department for Education has urged private hall providers "to consider students' interests and fairness in their decisions about rent charges for this period".

In a statement on its website, Sanctuary Students says: "While we understand that you must make the right decision for your health and well-being, and that of your family's, we regret that we cannot terminate any contracts early if you have decided to leave your accommodation.

"We realise this will be disappointing for you but it is not a decision we have taken lightly.

"Many of our students rely on us to continue providing them with a safe and secure home, and without us they would be at risk of becoming homeless."

10:53am

Technology is helping care home residents and patients connect with their families during #COVID19

To help support people most at risk, @NHSX has partnered with @Facebook to donate 2,050 free Portal video call devices to care homes and care settings [*https://t.co/w7kPNx8R0R*](https://t.co/w7kPNx8R0R)

- Department of Health and Social Care (@DHSCgovuk) April 10, 2020

9:53am

Hundreds of politicians are entitled to a £10,000 one-off cash grant from their local authority to cover the costs of closing constituency offices, the PA news agency understands.

The money is available - in some cases automatically - despite each MP already receiving a separate £10,000 payment from parliamentary authorities to set up remote working for their staff.

It is unclear whether MPs intend to apply for the grant or return any payment made.

The funds are part of a package for small businesses unveiled by Chancellor Rishi Sunak as the Government attempts to keep companies afloat during what economists predict will be the worst global recession in living memory.

But each politician in England will be entitled to the grant, with the Department for Business, Energy and Industrial Strategy (BEIS) stating that "eligible businesses will be contacted by their local authority", while others will have to actively apply for the cash.

The Small Business Grants Fund (SBGF) is available to companies if they operate from premises that have a rateable value - a calculation used to determine business rates bills - of £15,000 or less.

7:42pm

Boris Johnson has been moved out of the intensive care unit where he has been undergoing treatment for coronavirus, Downing Street has said.

Read the latest here

5:03pm

Greggs has secured £150 million from the Treasury and the Bank of England's emergency coronavirus fund after closing stores.

The bakery chain said it believes it now has enough credit available to keep it afloat in a scenario where its shops are forced to stay shut for the rest of the year.

It said the funding from the Covid Corporate Financing Facility (CCFF) scheme is sufficient for its current liquidity needs, although it is understood that the company may be able to withdraw more funds.

The high street giant, which has around 2,050 sites nationwide, estimated that it will face a £3.5 million hit each week until the end of June, while its stores are shut for a prolonged period.

It said it expects this to rise to around £4.5 million each month from July, including property rental costs, if the closures continue.

Greggs said it has also scrapped its latest dividend payout, while its chief executive Roger Whiteside has agreed to a 20% pay cut.

The company has placed the majority of its 24,900 staff on furlough, with the taxpayer covering 80% of their wages.

The FTSE 250 business said it has around £47 million in the bank, before the receipt of the Government funding.

Earlier this week, budget airline EasyJet became one of the first large firms to secure funding from the Bank of England facility, borrowing around £600 million.

5:03pm

The Queen has described how dedication to the "service of others" has been the cornerstone of her life, in a letter to community stalwarts.

The monarch has written to those she would have presented with symbolic money during the annual Royal Maundy service, but who instead have received the gift by post after the event was cancelled due to the coronavirus outbreak.

Retired pensioners, who have supported the church and their local communities, are recommended by clergy of all denominations to receive Maundy money, and the Queen wrote to say the presentation is "one of my most rewarding duties as Sovereign".

Among those who received Maundy money were 100-year-old Bill Allen, a former dispatch rider for Second World War General Montgomery and a Royal British Legion ambassador, who described receiving the gift as an "honour".

3:08pm

I've been responding to your questions on #coronavirus here: [*https://t.co/KYJn5IO9LX*](https://t.co/KYJn5IO9LX) pic.twitter.com/cG3oilX2kJ

- Matt Hancock (@MattHancock) April 9, 2020

2:31pm

BREAKING: Coronavirus patient deaths in England rise by 765, taking total to 7,248

2:10pm

The coronavirus lockdown measures are likely to be extended beyond three weeks, a Cabinet minister has said, as senior figures dealing with the response are set to discuss a review of the restrictions.

After Boris Johnson spent a third night in intensive care, Foreign Secretary Dominic Raab will deputise for him by chairing a Cobra emergency committee on Thursday afternoon to discuss the lockdown measures with leaders of the devolved nations.

No decision is expected to be made at that meeting in the Prime Minister's absence, with key figures dealing with the response instead discussing whether to ease or strengthen the measures ahead of an announcement next week.

But there seems little chance of the lockdown being lifted with the PM remaining in intensive care and Wednesday having witnessed a rise of 938 in the number of deaths in UK hospitals of patients who tested positive for Covid-19, the highest new total so far.

However, the restrictions face their toughest test so far over the Easter weekend, with temperatures in some parts of the country set to reach 25C (77F) threatening to tempt more people to break the stay-at-home rules.

Culture Secretary Oliver Dowden urged the public not to give up on the measures during the test of the long weekend as he predicted they would not be eased next week.

"I don't think it's very likely these measures are going to be changed given they're just starting to have an effect but, as we said, we would review them," he told BBC News.

"It's only prudent that on an ongoing basis we review them after three weeks."

1:02pm

Morrisons will produce and deliver more than 100,000 food boxes a week aimed at vulnerable and self-isolating people, the supermarket has announced.

The stores, which began producing the boxes for next-day delivery just over two weeks ago, will up production to more than 100,000 per week by next week and a spokesman said it aims to double that capacity over coming weeks.

Chief executive David Potts said: "These food boxes are a lifeline for many customers at this very difficult time and are providing essential food to people that either cannot leave their home or struggle to reach the supermarket.

"They are one of the ways we are playing our full part in feeding the nation."

The boxes are priced from £30 and are delivered to customers' doors by DPS.

The supermarket is introducing two new boxes, the Morrisons market kitchen meal box which will provide eight ready meals for £30 and the Morrisons British meat box which will include enough meat for over 38 meals at a cost of £45.

A spokesman for the store said they were also being delivered to hospitals, care homes and sheltered accommodation for NHS and care workers.

11:49am

The Queen has described how dedication to the "service of others" has been the corner stone of her life in a letter to community stalwarts.

The monarch has written to those she would have presented with symbolic money during the annual Royal Maundy service, but who instead have received the gift by post after the event was cancelled due to the coronavirus outbreak.

Retired pensioners, who have supported the church and their local communities, are recommended by clergy of all denominations to receive Maundy money, and the Queen wrote to say the presentation is "one of my most rewarding duties as Sovereign".

The Queen said in her letter that "unfortunately" she was unable to distribute the money this year during the service which was due to be held at St George's Chapel at Windsor Castle.

She added: "This ancient Christian ceremony, which reflects Jesus's instruction to his disciples to love one another, is a call to the service of others, something that has been at the centre of my life. I believe it is a call to service for all of us.

"It is one of my most rewarding duties as Sovereign to observe this highly significant ceremony at such an important point in the Christian calendar.

"I know that you, as a recipient of this year's Maundy Gift, will be as deeply disappointed as I am that it is not going ahead, while understanding the necessary decision in the current circumstances.

"However, this should not mean your invaluable contribution within the community goes unnoticed, and I am sending this Maundy Gift to thank you for your Christian service.

"My thoughts and prayers are with you and your families at this difficult time."

11:23am

When doing essential shopping this morning, make sure to #KeepYourDistance from others.

Follow the instructions given to you by shop staff and stay at least 2 metres away from others pic.twitter.com/gzUE4WrOC9

- Department of Health and Social Care (@DHSCgovuk) April 9, 2020

11:05am

Union leaders have voiced concern about suggestions that Passport Office staff should return to work despite the coronavirus lockdown.

The Public and Commercial Services union (PCS) said it has been pressing managers across the civil service to close offices so people can work from home.

A leaked transcript of a Zoom meeting involving Passport Office (HMPO) managers, reported by the BBC on Thursday, suggests that up to 2,000 members of staff could return to work on routine passport applications.

PCS general secretary Mark Serwotka said: "It is absolutely scandalous that HMPO are suggesting our members can go back into work during a pandemic to process routine passports.

"The cavalier approach to our members' health and safety is shameful and ultimately puts them in greater danger of contracting Covid-19.

"We have already had members die as a result of contracting corona and pressured civil service managers in other departments to shut offices so staff can work from home.

"For the deputy chief scientific adviser at the Home Office to suggest that going into work does not put you at greater risk of contracting corona is extremely irresponsible and totally contradicts current Government guidance.

"Processing passports is not critical work while we are in lockdown and international travel is practically non-existent due to the corona pandemic."

10:33am

Too many people are dying from Covid-19 to provide the end of life care doctors want to - with families saying their final goodbyes over Skype, an intensive care consultant has said.

Dr Ron Daniels, who works at Birmingham hospital, told the PA news agency that doctors, nurses and support staff are in tears on every shift as they pull together in a "war effort".

They are also unable to offer some of the usual bedside comfort to dying people, in part because they need to wear personal protective equipment (PPE).

Dr Daniels said his own hospital is allowing one relative in when it becomes apparent that a coronavirus patient is towards the end of their life in intensive care.

"Other family members, in consideration for their safety, are encouraged to say goodbye over Skype," he added.

"There are nurses and doctors and healthcare assistants in tears on every shift, because they care.

"Usually, end of life care involves face-to-face discussions with family, spending time with the patient and for example, being able to touch them and show empathy.

"But wearing PPE has created a barrier to that and there is simply not the luxury to be able to do that, with too many people dying and close family unable to be there."

10:32am

FACT: #5G mobile networks DO NOT spread #COVID19

More: [*https://t.co/TdKoGmWrIr#coronavirus*](https://t.co/TdKoGmWrIr#coronavirus) #KnowTheFacts pic.twitter.com/c56tToalZF

- World Health Organization (WHO) (@WHO) April 9, 2020

10:32am

Traffic wardens in one area of Kent have ditched their usual controversial reputation of bringing misery to drivers and are instead helping people during the coronavirus crisis.

Panic-buying and the lockdown has made it hard for some vulnerable people to get the supplies they need, particularly those who have been told to self-isolate at home for months and are reliant on others to ensure they have enough food.

So traffic wardens with Sevenoaks District Council have started delivering essential food boxes to residents who need them.

Councillor Lesley Dyball said: "In these uncertain times, we are taking on new roles to support older and vulnerable residents who cannot leave the house during the coronavirus outbreak.

"I am really proud that our traffic wardens have stepped up to provide a lifeline to those in greatest need."

8:23am

Coronavirus news from around the world:

Coronavirus infections are spiking in Japan and creating hot spots in India's congested cities just as the US and some of the hardest-hit European countries are considering when to start easing restrictions that have helped curb their outbreaks of the disease.

Japan reported more than 500 new cases for the first time Thursday, a worrisome rise since it has the world's oldest population and Covid-19 can be especially serious in the elderly.

Japan's prime minister Shinzo Abe declared a state of emergency, but not a lockdown, in Tokyo and six other prefectures earlier this week.

Companies in the world's third-largest economy have been slow to embrace working from home, and many commuters were on Tokyo's streets as usual.

India, whose 1.3 billion people are under a lockdown until next week, has sealed dozens of hot spots in and around the capital, and will supply residents with food and medicine while not allowing them to leave.

The number of confirmed cases exceeds 5,000, with 166 deaths, according to India's health ministry.

Meanwhile, deaths, hospital stays and new infections have been levelling off in places like Italy and Spain, which together have more than 30,000 deaths.

Even New York has seen encouraging signs amid the gloom.

At the same time, politicians and health officials warn that the crisis is far from over and a catastrophic second wave could hit if countries let down their guard too soon.

"We are flattening the curve because we are rigorous about social distancing," New York state governor Andrew Cuomo said.

"But it's not a time to be complacent. It's not a time to do anything different than we've been doing."

The number of confirmed cases of Covid-19 has climbed to about 1.5 million worldwide, with nearly 90,000 deaths, according to figures compiled by Johns Hopkins University.

The true numbers are almost certainly much higher, because of limited testing, different rules for counting the dead and concealment by some governments.

The US has by far the most confirmed cases, with over 430,000 people infected.

New York state on Wednesday recorded its highest one-day increase in deaths, 779, for an overall death toll of almost 6,300, more than 40% of the US total of around 15,000.

"The bad news is actually terrible," Mr Cuomo said.

Still, the governor said hospital admissions are decreasing and many of those now dying fell ill in the outbreak's earlier stages.

In a sign of how much the virus has affected air travel, the number of Americans getting on airplanes sank to a level not seen since the 1950s, the dawn of the jet age.

8:19am

All the information you need on doctors' surgeries, hospitals and pharmacies over Easter is available by clicking here

8:07am

There are fears Easter will be 'exceptionally challenging' after more than 40 cars turned up at a Dorset beauty spot the weekend before - despite lockdown rules.

Read the warning from police here

7:08am

Ministers have raised the prospect of Britain's coronavirus lockdown extending beyond three weeks, as Boris Johnson spent a third night in intensive care.

Foreign Secretary Dominic Raab, who is deputising for the Prime Minister, will chair a Cobra emergency committee on Thursday afternoon to discuss the lockdown measures with leaders of the devolved nations.

No decision is expected to be made at that meeting in Mr Johnson's absence, with key figures in the response instead discussing how it will be resolved next week.

With Wednesday seeing a rise of 938 in the number of deaths in hospitals of patients who tested positive for Covid-19, the highest new total so far, and the Prime Minister still in hospital, there seems little chance of the lockdown being lifted.

However the restrictions face their toughest test so far over the Easter weekend, with temperatures set to reach 25C (77F) in some parts of the country, which could tempt more people to break the stay at home rules.

Chancellor Rishi Sunak refused to "speculate" about the future of the lockdown, instead confirming there would be a review of the measures "in and around three weeks" after they started.

The three-week mark will be reached on Easter Monday, while legislation designed to assist with the containment must also be reviewed at least once every 21 days - with the first due to be carried out by April 16 at the latest.

7:06am

Good morning,

The sun is shining again and Easter is almost upon us.

However, police are warning second home owners to stay away amid reports many are still heading to Dorset.

Read the full story here

9:32pm

Quarantine measures during a coronavirus outbreak can play an important role in reducing infections and deaths, a review has found.

Researchers examined the findings from 29 studies that modelled how quarantine affects the spread of coronavirus in different countries.

They concluded that quarantine is most effective and less costly when introduced early and alongside other control measures, such as school closures and travel restrictions.

The rapid review from Cochrane, a non-for-profit organisation that analyses health research, found that the studies "consistently concluded that quarantine is an important public health measure to reduce the number of people infected and the number of deaths".

The review authors added: "For both effectiveness and resource use, early and efficient implementation of quarantine seems to be key.

"Combination of quarantine with other prevention and control measures showed the greatest effect in reducing ***transmissions***, incident cases, and mortality.

"In order to maintain the best possible balance of measures, decision makers must constantly monitor the outbreak situation and the impact of the measures implemented."

The authors emphasised that their findings were based on limited evidence and rated their confidence in the results as "low or very low" due to the way study models were developed.

They stressed it was important for information from a local context is used when deciding how measures such as quarantine should be handled.

Evidence analysed for the review was drawn from 10 studies focused on Covid-19, 15 related to Sars (severe acute respiratory syndrome), two focused on Sars and other viruses and two on Mers (Middle East respiratory syndrome).

The 10 studies addressing Covid-19 modelled outbreak scenarios in China, the UK, South Korea and on a cruise ship.

The Cochrane review concluded that quarantining people exposed to confirmed virus cases may avert high proportions of infections and deaths when compared to no measures.

It found that quarantining travellers from a country with a declared outbreak had a small effect on efforts to stop ***transmission*** and deaths.

The combination of quarantine with other prevention and control measures, such as school closures, travel restrictions, and physical distancing, had a greater effect on the reduction of ***transmissions***, cases which required critical care beds, and deaths when compared with the introduction of quarantine alone.

The review authors also concluded that early and comprehensive implementation of prevention and control measures may be more effective in containing the Covid-19 outbreak.

Lead author Barbara Nussbaumer-Streit said "This Cochrane Review shows that while quarantine may help in containing the Covid-19 outbreak, decision-makers will need to constantly monitor the outbreak situation locally in order to maintain the best possible balance of measures in place, and that there is an acceptable trade-off between benefits and harms."

5:39pm

Channel 4 will cut its content budget by £150 million in a bid to navigate through the coronavirus crisis, it has been announced.

The channel said: "This reflects both the difficulties of producing programmes and films in the current environment, as well as some extremely difficult decisions to delay or cancel some content across Channel 4, E4 and More 4 across the year.

The statement said Channel 4 will maintain its support for the creative sector - continuing to commission and develop content for 2020 and 2021 - with ringfenced funding for nations and regions, and BAME-led independent producers.

4:49pm

The head of the European Union's top science organisation has resigned in frustration at the height of the Covid-19 crisis.

Mauro Ferrari resigned on Tuesday as president of the European Research Council, a position he held only since January 1.

Prof Ferrari's departure, announced via email, took immediate effect, a spokesman for the EU's executive commission said.

"The commission regrets the resignation of Professor Ferrari at this early stage in his mandate (...) and at these times of unprecedented crisis in which the role of EU research is key," European Commission spokesman Johannes Bahrke said.

Prof Ferrari said he had "been extremely disappointed by the European response" to the pandemic.

He complained about running into institutional and political obstacles as he sought to swiftly set up a scientific programme to combat the virus.

"I have seen enough of both the governance of science, and the political operations at the European Union," he wrote.

"I have lost faith in the system itself."

4:48pm

The citizens of the Chinese city where the Covid-19 crisis began have been celebrating the end of the dark days with lockdown over.

Wuhan resident Tong Zhengkun was one of millions of people enjoying a renewed sense of freedom after two months indoors on Wednesday when the restrictions were lifted.

"I haven't been outside for more than 70 days," an emotional Mr Tong said as he watched a celebratory light display from a bridge across the broad Yangtze River flowing through the city.

"Being indoors for so long drove me crazy."

Streets in the city of 11 million people were clogged with traffic and long queues formed at the airport, railway and bus stations as thousands streamed out of the city to return to homes and jobs elsewhere.

4:41pm

Babies and their parents could be at greater risk as health visitors and perinatal mental health staff are being redeployed to help tackle the Covid-19 crisis, charities have warned.

Large numbers of staff from vital services that normally support parents and safeguard babies are being redeployed in some areas, according to mental health, family and children's organisations.

More than 40 charities and professional bodies are calling on the Government to give urgent attention to young children and their parents to protect them from harm amid the outbreak.

The organisations, which form part of the First 1001 Days Movement, have warned of a "perfect storm" of increased risk and decreased support for babies and their parents as they say health visiting services, as well as mental health support, have been scaled back.

In some areas of England, as many as half of the health visitors have been redeployed to provide urgent medical care and other services, according to the coalition of charities.

Perinatal mental health and specialist parent-infant teams have also been transferred to other health services as a result of the Covid-19 pandemic.

It comes at a time when the crisis is placing additional pressures on the mental health of parents with young children, the coalition said.

2:54pm

The latest figures have been released, revealing two more deaths at Dorset County Hospital.

Full story here.

2:03pm

We all have to pull together in the fight against #coronavirus.

Do your bit. Play by the rules. #StayHomeSaveLives pic.twitter.com/dcQNT9dl4W

- UK Prime Minister (@10DowningStreet) April 8, 2020

2:02pm

Boris Johnson is "responding to treatment" as he remains in a stable condition in the intensive care unit where he is being treated for coronavirus, Downing Street has said.

The Prime Minister continued to be in "good spirits" on Wednesday after spending his third night in St Thomas's Hospital in London, his official spokesman said.

Mr Johnson was said to no longer be working while following the advice of doctors and receiving just the "standard oxygen treatment" and "breathing without any other assistance".

When asked about further specifics about his condition or treatment, the spokesman said the update includes all the information the PM's medical team "considers to be clinically relevant".

11:39am

Around half of workers fear they will lose their jobs or be forced to accept a lower salary because of the Covid-19 pandemic, a new study suggests.

A survey of 1,000 adults by jobs site Glassdoor found that those working in London and Birmingham are most afraid of losing their job.

Younger workers and those in small businesses are especially affected, the poll indicated.

Glassdoor said its findings suggested that those at an early stage in their careers do not have the same sense of job security as more experienced workers.

Two-thirds of firms are not hiring any staff at the moment because of the crisis, said Glassdoor.

Managing director John Lamphiere said: "The Covid-19 pandemic is causing understandable anxiety within the UK workforce, with employees across the country, across all sectors, concerned over job security.

"For employers, the message from employees is loud and clear - take away our financial benefits before you take away our jobs.

"Employees are willing to give up part of their salary, or financial rewards such as pay rises and bonuses, to prevent companies from having to lay off staff.

"This attitude, coupled with government support for businesses in the form of the Coronavirus Job Retention Scheme - and more - are all lifelines to help businesses stay afloat during these challenging times and continue serving their respective communities."

10:37am

Ministers have cautioned it is still too soon to begin lifting the coronavirus lockdown.

Read the latest here

9:52am

A new coronavirus testing laboratory is to be set up at Cambridge University but may not be fully operational until May - after the Government's end of April target for achieving 100,000 Covid-19 tests per day.

Health Secretary Matt Hancock has pledged the target as part of a five-part strategy to increase testing across the country.

Cambridge University is collaborating with pharmaceutical giants AstraZeneca and GlaxoSmithKline on a new facility which aims to process 30,000 tests per day at the university's Anne McLaren Laboratory.

8:45am

Tui, the UK's biggest travel firm, has suspended its beach holidays for the next five weeks.

The company has cancelled all trips up to and including May 14, while its Marella Cruises sailings have been axed until at least June.

A spokeswoman said: "We are constantly monitoring the situation and will start taking people on holiday again as soon as we are able to do so.

"At this point in time, nobody can accurately predict when that will be, so for the time being we will keep a close eye on our programme and continue to amend and adapt timings in line with the latest global travel advice."

8:42am

Pub goers and beer drinkers across the country are sending thousands of emails to pub company bosses, asking them to take urgent action to cancel rents for pub landlords in order to save locals from permanent closure.

Whilst some pub companies have offered support to their tenants by cancelling rent payments, most of the largest companies have not. They are still charging rent, or deferring payments so tenants will still be billed at a later date.

Consumer group CAMRA - the Campaign for Real Ale - wants rent payments to be cancelled to help ensure pubs can survive the COVID-19 crisis and re-open once restrictions are lifted.

Pub companies have long argued for the principle that rent paid by their tenants should be based on turnover. When pubs are closed, they have no turnover - so, based on the pub companies' own preferred rationale, there should be no rent due.

8:27am

The coronavirus outbreak has lead to an avalanche of health information being shared on TV, radio and the internet.

Such is the quantity of advice out there, it can be hard for people to stay on top of the facts around the virus.

Dr Gero Baiarda, an NHS GP currently on call at GPDQ - a GP-on-demand service, has outlined what he believes are 10 myths that need tackling;

Check them out here

8:07am

Another uplifting story.

A woman from Portland has been taking her daily walk dressed as a giant bear to bring some laughter and joy to people in her community.

Read her story here

8:05am

Tesco has said that "significant panic buying" in recent weeks cleared its supply chain of certain items, with sales jumping by around 30%.

The supermarket giant said supply has now stabilised across the group and "more normal sales volumes are being experienced".

It added that the company has recruited 45,000 more staff members in a bid to cope with soaring demand during the coronavirus pandemic.

7:42am

Questions remain over the UK's coronavirus strategy in the absence of Boris Johnson as the Prime Minister was spending a second night in intensive care.

Mr Johnson's condition on Tuesday night remained "stable" as he stayed in St Thomas's for "close monitoring", according to Downing Street.

While he was said to be still in "good spirits", concerns were raised over when the lockdown measures will be reviewed - and England's chief medical officer admitted the UK has "a lot to learn" from Germany's expansive testing scheme.

But there was cautious optimism from chief scientific adviser Sir Patrick Vallance after he said the fight against Covid-19 "could be moving in the right direction".

Meanwhile the first of the NHS Nightingale hospitals, at London's ExCel centre, received its first patients on Tuesday.

The Nightingale was built to boost treatment capacity in London but officials stressed that limits had not been reached at other sites across the capital.

"There is also treatment capacity available in other hospitals across London to complement the care being provided at the London Nightingale," an NHS Nightingale London spokeswoman said.

The admissions come just two weeks after the temporary hospital with a planned capacity of 4,000 was formally announced, but later than had initially been expected.

Later on Tuesday night, President Donald Trump claimed that the UK called the US with an urgent plea for 200 ventilators, as ministers seek to scramble to boost capacity for the sickest of patients.

"We're going to work it out, we've got to work it out," he said. "They've been great partners. They wanted 200, they need them desperately."

7:01am

Good morning,

Messages of support were beamed onto Dorset County Hospital last night in a touching tribute to the heroes working inside.

See the full story here

4:35pm

A single dose of antibodies drawn from the blood of Covid-19 survivors appears to have improved the symptoms of 10 patients severely ill with the disease, according to new research.

The treatment, known as convalescent plasma (CP) therapy, involves using antibody-rich blood plasma of those who have recovered from coronavirus, which can neutralise the bug to fight infection.

Scientists in China who conducted the preliminary study said no serious adverse reactions were observed after CP transfusion.

They believe the findings, published in the journal Proceedings of the National Academy of Sciences, suggest that CP therapy might be a safe and promising treatment for severe Covid-19 patients, and add further investigation is needed in controlled clinical trials.

But experts have warned the results, while encouraging, should be treated with caution.

4:32pm

Doctors' lives are still being put at risk by a lack of personal protective equipment (PPE), with some calling the current provision "useless", the British Medical Association (BMA) has warned.

More than two thirds of doctors (69%) questioned by the BMA said they do not feel protected from Covid-19 infection, while some feel forced to work in high-risk areas without the right equipment.

The snapshot survey of almost 2,000 medics showed that large numbers of doctors are still expected to care for Covid-19 patients with little or no PPE, the BMA said.

Just 12% of 1,124 hospital doctors questioned said they felt fully protected from the virus at work, while 27% reported their trust was running low on basic supplies such as soap.

It comes after Public Health England (PHE) issued updated guidance on what PPE staff should wear, adding that it had been signed off by the World Health Organisation (WHO) as meeting its requirements.

According to the new poll, more than half (54%) of doctors working in high-risk environments, including those carrying out risky procedures such as intubating patients, said there were either shortages or no supply at all of adequate face masks.

4:31pm

David Cameron played down the prospect of a national unity government to respond to the Covid-19 crisis, as he sent his best wishes to Boris Johnson.

The former Conservative prime minister said people can be reassured by the "incredible machine" of the civil service which will prepare decisions for the Prime Minister or for his deputy Dominic Raab.

He added it is right that opposition parties are included in briefings and have decisions explained to them, adding: "I don't think that needs to change."

Asked about the prospect of former prime ministers getting involved in such a national government, Mr Cameron told BBC Radio 4's World At One: "I've been pretty quiet because I think the best thing an ex-prime minister can do is let the current Prime Minister get on with the important job they're doing."

Mr Cameron earlier said the Government has a "very clear strategy" in responding to Covid-19.

3:40pm

BREAKING: 11 more deaths have been confirmed in Dorset, bringing the total to 41.

Full story here.

3:39pm

Councils need to prioritise picking up "black bag" residual rubbish as services come under pressure in the coronavirus pandemic, the Government has said.

New guidance to English local authorities comes as many face staff shortages due to sickness and self-isolation, and households are producing extra waste from their homes during the lockdown.

The Government guidance says: "It is important that local authorities maintain collections of residual waste and food waste and prevent waste from building up so as to protect local amenity and public health."

Councils should consider reallocating "appropriate" staff from elsewhere within the local authority or waste collection company to maintain minimum statutory services, which includes picking up residual rubbish.

Weekly food collections should be maintained as far as possible, though as a last resort it may be necessary to halt pick-ups temporarily and ask residents to put kitchen scraps in the bin.

Where food and garden waste is collected together, residents would also have to be asked not to collect garden waste.

The advice also tells councils that separate garden waste collections are a low priority and could be temporarily halted, something which many councils have already done.

Dry recycling, such as picking up cans, paper and bottles, should continue, although the frequency of collections could be reduced, particularly if it is currently being collected weekly.

The Government warned that stopping recycling collections, which are also a statutory requirement, could lead to more residual waste which costs more to dispose of.

Recyclable materials are important for new packaging and gaps in the supply chain may open up if collections stop, while householders may take time to go back to recycling if they are interrupted for a significant length of time.

Councils across England have reacted in a variety of ways to pressures on public services caused by the coronavirus pandemic, with some still able to maintain normal bin services and others suspending all but residual rubbish pickups.

3:34pm

A bus driver's widow has claimed he and his colleagues had "no PPE whatsoever", as a transport minister acknowledged the risks such key workers are facing from coronavirus.

At least nine bus drivers have died in the UK after testing positive for Covid-19.

London driver Nadir Nur, 48, was described by his widow Bishara Maye as a "dedicated, hardworking" father who took his duty as an essential worker seriously, but she said he was not protected.

She told the PA news agency: "Nadir and his colleagues had no PPE whatsoever.

"They worked in the frontline without any protection from this aggressive deadly virus. PPE should be made available for bus drivers who are putting their life at risk daily in order to put food on the table and pay bills.

"Bus drivers are doing their part for the country, we should be protecting them."

Transport minister Chris Heaton-Harris earlier said officials are working to pinpoint areas with a "risk of short supply".

He added that the Government wants to ensure the equipment is "in the right place at the right time".

2:54pm

UPDATE on #COVID19 testing in the UK:

Today's figures will be published later this afternoon.

We are working hard to provide you with the latest information and will tweet this out as soon as possible.

- Department of Health and Social Care (@DHSCgovuk) April 7, 2020

2:19pm

BREAKING

Another 758 patients have died in England after contracting coronavirus - bringing the total to 5,655.

1:47pm

Dorset MPs have sent their best wishes to Prime Minister Boris Johnson.

Full story here.

1:46pm

You can leave home once a day to exercise but you MUST stay 2 metres away from others. ‍♀️

You can also get inspiration for home workouts by searching the hashtag: #StayInWorkOut pic.twitter.com/xnheUvf0BT

- Department of Health and Social Care (@DHSCgovuk) April 7, 2020

1:38pm

People forced to work from home because of the coronavirus crisis are drinking more alcohol, eating less healthier food and having problems sleeping, a new study suggests.

A survey of 500 workers by the Institute of Employment Rights (IER) also revealed a significant increase in musculoskeletal complaints.

More than half of those polled reported new aches and pains, especially in the neck, shoulder and back, compared with their normal physical condition.

Diet and exercise are on the wane, with one fifth of respondents admitting to an increase in alcohol consumption, while a third said they were eating a less healthy diet, and more than half acknowledging that they are exercising less.

Poor sleep and increased risk of exhaustion are also a cause for concern, said the report.

Most respondents reported a loss of sleep due to worry and corresponding increased symptoms of fatigue.

Half said they are working long and irregular hours and are not happy with their current work-life balance.

One in three said they frequently feel isolated and more than a fifth are worried about job security.

Stephen Bevan, of the IES, said: "These interim findings paint a picture of a new homeworking workforce that faces significant physical and mental well-being challenges.

"Employers need to recognise they are still responsible for the well-being of their staff, even when working from home, and there are a number of steps they can take to improve employee well-being."

Meanwhile, nine out of 10 workers were confident their employers were doing everything they could to protect their personal safety, a separate survey found.

The Toluna and Harris Interactive research, which polled 598 workers on April 1, found 77% of employees felt their employer was at least somewhat prepared to handle a crisis such as this.

And despite lay-offs and furloughing, 58% were still highly motivated to do their best job.

Vijay Mistry, Head of Employee Experience Research for Harris Interactive and Toluna, said: "It's clear from our findings that, while UK employees have concerns about the Covid-19 pandemic and the new working from home landscape, they are adapting successfully and are even increasingly committed to their company's goals."

12:40pm

Schools will be eligible for extra funding of up to £75,000 to help cover additional costs they have faced as a result of the coronavirus outbreak, the Government has announced.

The money will cover extra coronavirus-related costs - such as keeping schools open over the Easter break, providing free school meals for pupils who are at home, and additional cleaning.

The Department for Education (DfE) has also confirmed that it will extend financial support to children eligible for free school meals during the Easter break to ensure they still receive food.

Qualifying families will now be able to claim supermarket vouchers of £15-a-week for each eligible child during the holidays. Originally the scheme only covered term-time meals.

The Government has said it will reimburse schools that have already paid for free school meals for children out of school before the national voucher scheme was introduced.

Schools will also be given funding to support pupils eligible for free school meals who cannot access the scheme because there are no participating supermarkets locally, the DfE has said.

New guidance says state schools with more than 1,000 pupils are eligible for up to £75,000 each to cover extra costs.

Schools with between 501 and 1,000 pupils, as well as special schools and alternative provision (AP) schools, are eligible for up to £50,000. Smaller schools are eligible for up to £30,000.

Funding will only be available to schools that are unable to meet costs from their existing resources, or which can only meet costs by "undermining their long-term financial sustainability."

11:48am

I'd like to say thank you to all the brilliant NHS staff taking care of me and others in this difficult time. You are the best of Britain.

Stay safe everyone, and please remember to stay at home to protect the NHS and save lives.

- Boris Johnson #StayHomeSaveLives (@BorisJohnson) April 6, 2020

11:48am

❌ Do NOT meet up with friends ❌

Anyone can get it. Anyone can spread it.

If one of your friends or family members are still doing this, they are risking lives. Tell them to stop.#StayHomeSaveLives pic.twitter.com/MfeJGet41z

- Department of Health and Social Care (@DHSCgovuk) April 7, 2020

11:30am

UK designs for a breathing aid that can help keep Covid-19 patients out of intensive care have been made freely available for other countries to use.

The device, known as continuous positive airway pressure (CPAP), has been approved for UK hospitals after a team from University College London (UCL) and University College London Hospital (UCLH) worked with Mercedes Formula One to adapt and improve existing CPAP.

According to UCL, a Government order for up to 10,000 of the devices means they are now being produced at a rate of up to 1,000 a day in Brixworth, Northamptonshire, where Mercedes-Benz has a technology centre.

Currently, 40 machines that would normally produce Formula One pistons and turbochargers are being used for production of the CPAP devices.

All the details required to make the device are also now freely available online for manufacturers to download at covid19research.uclb.com/product/ucl-cpap.

11:29am

Japan's Prime Minister Shinzo Abe has sent a tweet saying his thoughts and prayers are with Mr Johnson.

He said: "To my dear friend @BorisJohnson, my thoughts and prayers are with you and your family, as you fight for a swift recovery.

"The people of Japan stand with the British people at this difficult time."

10:41am

The Queen has praised the "dedication to service" of nurses, midwives and other health workers during the coronavirus outbreak in a message to mark World Health Day.

The head of state, who on Sunday told the country in lockdown it can overcome coronavirus and "we will meet again", also thanked healthcare professionals for their "selfless commitment".

Her words were released in a video montage posted on the royal family Twitter ***account*** showing members of the monarchy meeting medical staff and health workers.

The Queen said in her message: "On the occasion of World Health Day, I want to thank all those in the healthcare profession for your selfless commitment and diligence as you undertake vitally important roles to protect and improve the health and well-being of people across the Commonwealth, and across the world.

"In testing times, we often observe that the best of the human spirit comes to the fore; the dedication to service of countless nurses, midwives and other health workers, in these most challenging of circumstances, is an example to us all.

"My family and I send our enduring appreciation and good wishes."

8:41am

The Sue Ryder charity is on the brink of closure and the country "will lose its hospices" without emergency funding, it has said.

Without funds, the palliative care charity said it will be forced to close its hospices and stop caring for people in their own homes within months.

It anticipates a £12 million funding gap over the next three months, with fundraisers cancelled and its shops closed during the coronavirus lockdown measures.

The charity had originally asked the Government for support and now, out of "desperation", is turning to the public for help with an emergency appeal.

Heidi Travis, Sue Ryder chief executive, said: "We have been calling on the Government to support us but no funding has materialised.

"The country will lose its hospices at a time when they are needed most.

"This is a plea and no less, we cannot wait any longer.

"Our doctors and nurses are working night and day to provide end-of-life care to more people now and in the coming weeks, than ever before.

"We are a critical frontline support service in the fight against coronavirus yet we are on the brink of closure.

"We are all facing something we have never faced before and we are asking the public to give whatever you can afford to help us to help those who need it most."

8:19am

A lovely, uplifting story.

A couple from Portland have tied the knot at Dorset County Hospital to celebrate their love amidst the coronavirus pandemic.

Full story here

7:46am

A recovered coronavirus patient has paid tribute to the medical staff who cared for him and said he wants people to know "they can survive this".

Andrew Hodge, a father-of-two, spent six days in intensive care in an induced coma.

The 54-year-old electrical engineer was discharged on March 27 and is now recovering at home in Laleham, near Staines.

The Ashford and St Peter's Hospitals NHS Trust said Mr Hodge wanted people to know that being ventilated for Covid-19 "is not game over".

He said: "I don't want to dilute the seriousness of it, but I want people to realise they can survive this.

"There is so much negative communication about how many people have died, as opposed to how many have survived."

He praised the treatment and care he received during 10 days at St Peter's Hospital in Chertsey, describing the team there as "phenomenal and attentive".

Mr Hodge, husband to Dawn and father to Isabella, 17, and Genevieve, 11, also paid tribute to one nurse on Aspen ward at the hospital who simply held his hand for a while, the trust said.

The team at St Peter's are "delighted" to see Mr Hodge recovering so well back at home, and wish him all the best, the trust added.

7:10am

Dominic Raab will take charge of the Government's response to the coronavirus crisis after the Prime Minister was transferred to intensive care.

Boris Johnson was admitted to intensive care on Monday after his Covid-19 symptoms worsened during the afternoon.

The Conservative Party leader ceded control "where necessary" to Foreign Secretary and First Secretary of State Mr Raab, who will deputise for the PM.

The developments follow repeated questions to Downing Street about how the PM was ill enough to be allotted a hospital bed but deemed fine to lead the Government.

Mr Raab's first job as stand-in PM on Tuesday will be to lead the Government's emergency daily coronavirus "war Cabinet" meeting with senior colleagues and the UK's chief medical officer, Professor Chris Whitty, and chief scientific adviser, Sir Patrick Vallance.

He has vowed to follow the "direction" set by the PM for tackling the deadly virus, although admitted at the Number 10 press briefing that the pair last spoke on Saturday.

7:07am

Good morning,

The Prime Minister has spent the night in intensive care after his coronavirus symptoms worsened, Downing Street has confirmed.

Boris Johnson was admitted to St Thomas' hospital in Westminster on Sunday after his coronavirus symptoms persisted for 10 days.

Read the full story here

4:07pm

Two more people in Dorset have died after contracting coronavirus.

Full story here.

3:53pm

A man who spat at a custody detention officer has been jailed for 13 weeks, police said.

Peter Cooper, 36, pleaded guilty to assaulting an emergency worker and being drunk and disorderly in a public place.

Cooper was arrested on Saturday evening after officers were called to a disorder at Westleigh, Warminster.

He was arrested on suspicion of being drunk and disorderly and taken to the Melksham custody centre.

It was during his time in custody that he made threats to kill a detention officer and his family and was abusive towards staff throughout.

When the detention officer carried out a welfare check on Cooper in his cell, he was spat at through the cell hatch several times.

Cooper, of Westleigh, Warminster, was further arrested and charged with assaulting an emergency worker.

He appeared before Swindon Magistrates' Court on Monday where he pleaded guilty to two charges and was jailed.

Wiltshire Police Chief Constable Kier Pritchard said: "This behaviour is absolutely disgusting at any time, but given the current situation when everyone's anxieties are heightened, it is despicable.

"His actions have left the detention officer feeling shocked, angry, extremely upset and anxious about their own health, and the health of their family.

"He has now been left with no other option but to self-isolate due to concerns Cooper may have had coronavirus."

Police and Crime Commissioner Angus Macpherson added: "I am extremely saddened to hear news of this incident while this member of the force was simply carrying out his duties.

"I am pleased the court has seen fit to issue Cooper with a custodial sentence - this was a deliberate attack with the intention of causing distress and upset to the detention officer and this behaviour is unacceptable."

1:35pm

During #COVID19, #BeActive & remain #HeathlyAtHome:

✅Take some online exercise classes

✅Dance

✅Play active video games

✅Jump/skip rope

✅Practise muscle strength & balance training

[*https://t.co/Z2BMCLDe8I*](https://t.co/Z2BMCLDe8I)

Thank you:@SergioRamos |@3gerardpique@realmadrid |@FCBarcelona pic.twitter.com/cDyM3G8B7W

- World Health Organization (WHO) (@WHO) April 6, 2020

1:13pm

Boris Johnson is still in hospital under observation but had a "comfortable" night after being admitted on Sunday with persistent coronavirus symptoms, Downing Street has said.

Mr Johnson's official spokesman said he continued to lead the Government and had been working on official papers from his bed.

The Prime Minister was said to be in "good spirits" after being taken to St Thomas' Hospital in London as a "precaution".

He remains under observation and the spokesman declined to give details of any treatment he had received or when he might be discharged.

"The Prime Minister was admitted to hospital for tests last night as a precaution. The issue is that his symptoms remain persistent," the spokesman said.

He added: "The Prime Minister had a comfortable night at St Thomas' Hospital in London and is in good spirits. He remains in hospital under observation."

In Mr Johnson's absence, the daily government coronavirus meeting was chaired by Dominic Raab, the Foreign Secretary and First Secretary of State.

However, the PM's spokesman said that he had received his ministerial red box containing his official papers and was continuing to work from hospital.

"He continues to receive a box. The Prime Minister remains in charge of the Government."

1:12pm

US President Donald Trump began Sunday night's White House press briefing by sending well wishes to Prime Minister Boris Johnson, who has been admitted to hospital after suffering with coronavirus.

"He's a great friend of mine," Mr Trump said of his British counterpart.

"I'm sure he is going to be fine, he's a strong man, a strong person."

Mr Trump said he had not spoken to the Prime Minister and was notified he had been taken to hospital by Washington's ambassador to the UK, Woody Johnson.

The president said it was a "big move going to the hospital".

"He's a great gentleman, I just hope he's OK," Mr Trump added.

11:59am

Duran Duran bassist John Taylor has said he is recovering at home after testing positive for Covid-19.

The musician, 59, said he suffered a week of what felt like "turbo-charged flu" but it now feeling much better.

He said he hopes his recovery will offer reassurance that the virus "isn't always a killer."

He wrote on Facebook: "Dear friends of mine, after giving some thought to this, I have decided to share with you that I tested positive with the Corona Virus almost three weeks ago.

"Perhaps I am a particularly robust 59 year old - I like to think I am - or was blessed with getting only a mild case of Covid-19 - but after a week or so of what I would describe as a 'turbo-charged Flu', I came out of it feeling okay- although I must admit I didn't mind the quarantine as it gave me the chance to really recover.

"I am speaking out in answer to the enormous amount of fear being generated by the pandemic, some of it entirely justified, and my heart goes out to everyone who has had to deal with real loss and pain.

"But I want to let you know that it isn't always a killer, and we can and will beat this thing.

"Sending love to all my Homies and Fans, in Italy particularly, the UK and the US and everywhere in the world I have been lucky enough to visit on my travels with Duran Duran.

"Cannot wait to be back onstage again, sharing new music, love and joy. Stay safe, stay connected and get creative! Love John."

Taylor is the latest in a string of high-profile figures to reveal they have tested positive for Covid-19, including Tom Hanks, Idris Elba, Marianne Faithfull and Daniel Dae Kim.

11:09am

Debenhams has appointed an adminstrator as the company appears to be on the brink of collapse following temporary store closures.

Full story here.

10:43am

A man has been arrested following threats to a police community support officer (PCSO) conducting social distancing enforcement patrols.

South Yorkshire Police said the arrest was made at the weekend as officers responded to reports of flouting of the regulations in the Fir Vale area of Sheffield.

Officers said they enlisted a university student to help them explain the regulations and the seriousness of situation to members of the Roma community in the area.

Pictures were posted on social media of apparently showing people congregating in groups on the terraced streets of that part of the city.

Sheffield North-East Neighbourhood Policing Team said on Facebook on Sunday: "The Fir Vale team have continued their commitment to supporting the NHS and communities by conducting proactive patrols in Fir Vale and reacting to information received regarding Covid breaches.

"The team have been committed to educating and encouragement with those that continue to flout the regulations."

They said: "Tonight a member of the Roma community who is studying at university has been on patrol with officers to try and assist with educating and explaining the seriousness of the situation the country is facing.

"Yesterday a male was arrested and charged with public order offences having threatened the PCSO conducting enforcement patrols.

"The team have seen a steady improvement on compliance in the area however there is still progress to be made."

10:08am

#Coronavirus: Important information

If you or anyone else in your household has a high temperature or a new and continuous cough, here's what you should ✅ and should not do❌

Watch

Find out more about how to isolate at home: [*https://t.co/xSoOI6R0jj*](https://t.co/xSoOI6R0jj) pic.twitter.com/LND0BYlDC5

- Department of Health and Social Care (@DHSCgovuk) April 6, 2020

9:55am

"What should I do to manage mild symptoms of #coronavirus at home?"@DrHilaryJones shares 3 tips to help you look after yourself ⬇️

More info: [*https://t.co/oIFxrXiQnX#COVID19*](https://t.co/oIFxrXiQnX#COVID19) | #AskDrH | #StayHomeSaveLives pic.twitter.com/oh4YpI29oR

- Department of Health and Social Care (@DHSCgovuk) April 6, 2020

8:02am

Prime Minister Boris Johnson has spent the night in hospital after he was admitted for tests as his coronavirus symptoms persist.

Read the full story here

7:52am

The Queen has delivered a message of hope to the nation, saying if we "remain united and resolute" in the face of the coronavirus outbreak "we will overcome it".

Read the full story here

7:25am

CONCERNS have been raised by local residents about support for rough sleepers who have been temporarily rehoused in a Weymouth hotel.

Read the full story here

7:24am

Good morning,

Police say that the vast majority of people observed the lockdown rules despite the temptation to venture out in the sunshine over the weekend.

Thay have thanked everyone for following the guidelines.

5:21pm

Outdoor exercise could be banned if people flout the social distancing rules, the Health Secretary has warned, as the coronavirus death toll rose sharply again.

Matt Hancock said sunbathing in public spaces was against the Government guidance, and told those who dared to disobey that they are putting their own and others' lives at risk.

5:20pm

A TOTAL of 28 people across Dorset have now died after contracting coronavirus, latest figures from NHS England have confirmed.

Read the full story here

3:51pm

The coronavirus pandemic sweeping the globe has left many Britons abroad struggling to figure out a way to get home.

The Foreign and Commonwealth Office (FCO) has issued advice "against all but essential international travel" in the face of the growing number of border and movement restrictions being imposed around the world.

Warning that countries "may restrict travel without notice", the FCO said special Government-chartered flights to the UK will only operate for priority countries where commercial flights are not possible and travellers should not assume these flights will be available in countries where commercial routes are still operating.

Here is the current guidance for some popular tourist destinations for Britons:

- Bahamas

A special flight has been arranged from Nassau on April 7 for British tourists, short-term visitors and their direct dependants to return to the UK.

- Canada

International flights are now only operating from Toronto Pearson, Montreal Pierre Elliott Trudeau, Calgary International Airport and Vancouver International Airport and Britons are being urged to leave now by commercial means to avoid being stranded.

Many airlines have either suspended all international flights or are no longer flying to the UK, while Air Canada is running a reduced schedule to London throughout April.

- India

Three flights have been chartered by the Government to fly back to London on April 8, 10 and 12 from Goa, and on April 9 and 11 from both Mumbai and Delhi.

- Czech Republic

Seats have to be secured in advance with the British Embassy for a limited number of coaches which are periodically running from Prague to London until April 10. International air travel is now limited to Prague Airport, which remains open, but flights are being cancelled. There are currently no direct flights between Prague and the UK, and indirect flights may be cancelled at short notice.

- Indonesia

The FCO warns that flights and medical evacuation may soon not be available or become very expensive and urges Britons to leave on the remaining commercial routes which still have some spaces.

- South Africa

With no scheduled commercial flights set to depart from South Africa until at least April 17, the FCO says it is in contact with airlines and local authorities to ensure British nationals can return to the UK and urges returning travellers to contact them - at [*SouthAfricaBritishNationalReturns@fco.gov.uk*](mailto:SouthAfricaBritishNationalReturns@fco.gov.uk) - with their personal details. Port entry for UK visitors is banned and neither cruise liners nor smaller leisure vessels are permitted to dock in South African ports.

- Spain

Commercial flights are still running to the UK from Spain and travellers are warned to return now and "don't run the risk of getting stranded".

- USA

Commercial flights are available but many airlines have reduced their transatlantic flight schedules by up to 75%. Transatlantic flights are still running from JFK New York, LAX Los Angeles, Boston, Washington DC, San Francisco, Chicago, Seattle, Miami, Newark and Atlanta.

- Elsewhere

Antigua and Barbuda, Bangladesh, Barbados, Colombia, Congo, Cuba and Grenada are among the places where there are no commercial options for Britons to get back home.

Austria, Australia, Jamaica, Japan and Hong Kong are among the destinations where there is still a limited chance to book commercial travel back home.

1:52pm

Lord Bath of Longleat has died aged 87 after testing positive for coronavirus.

The "gloriously" eccentric Alexander Thynn, 7th Marquess of Bath, died on Saturday after being admitted to the Royal United Hospital in Bath on March 28.

During his time there, it was confirmed that he had Covid-19.

Read the full story here

12:09pm

Only one third of doctors are able to access coronavirus tests if they have symptoms, new ***data*** suggests.

A survey by the Royal College of Physicians (RCP) found that 31% of members could get hold of Covid-19 swabs, while nine in 10 (87.5%) reported not being able to get a test for a member of their household displaying signs of the virus.

In addition, one in 10 reported not being able to get tests for patients who meet the criteria.

The survey of more than 2,500 RCP members also found that a third suspected they had coronavirus symptoms, and almost a quarter (22%) said they did not have access to the protective equipment they need to treat Covid-19 patients.

The president of the RCP called the figures a "stark indication" of the situation facing NHS staff.

Professor Andrew Goddard said: "The Government's current strategy to deliver testing that would support NHS staff to return to the workforce as quickly as possible clearly isn't working."

He added: "The fact that only 78% of respondents could access the PPE they needed is a big concern and we must aim to get to 100% as soon as possible.

"We welcome promises made this week to increase Covid-19 testing to 100,000 a day by the end of April, but NHS and social care staff and their households need tests now and progress has been far slower than the system requires."

12:09pm

Matt Lucas's charity song Thank You Baked Potato, which aims to raise money to help feed NHS workers, is on course to reach the top five in the UK singles chart.

All money raised by the former Little Britain star's song will go towards FeedNHS, an initiative set up to raise £1 million to get 6,000 meals per day into London hospitals for critical care staff working during the Covid-19 pandemic.

The song, which is available to download for 99p, is currently fifth in the Official Charts Company rankings, which is based on preliminary sales and early streaming reports.

The final chart ranking will be announced on Friday.

12:06pm

A man wearing a face mask has been charged for allegedly contaminating goods at a supermarket in west Dorset.

Fore more click here

9:36am

Health Secretary Matt Hancock has said sunbathing in public spaces is against the coronavirus social distancing rules, as he warned those flouting the advice that they were putting people's lives at risk.

Read the full story here

8:14am

Marianne Faithfull is being treated for coronavirus in hospital.

Her agent Francois Ravard said the 73-year-old is in a stable condition and is "responding to treatment".

The singer-songwriter is being treated in a London hospital.

Mr Ravard said: "She is stable and responding to treatment, we all wish her well and a full and speedy recovery.

Faithfull's hits include As Tears Go By, which was written by Mick Jagger and Keith Richards.

In addition to her music career, Faithfull has also acted in films including Girl On A Motorcycle, as well as theatre productions.

A number of other celebrities including Idris Elba, Tom Hanks, Linda Lusardi and Dynamo have previously revealed they had tested positive for Covid-19.

7:52am

The Queen will urge Britain to prove that this generation is "as strong as any" in her address to the nation, amid fears the current warm weather will see people flout the coronavirus social distancing rules.

In a televised message to be broadcast on Sunday evening, the Queen will recognise the pain felt by many families living through this "time of disruption".

She will personally thank front-line NHS staff, care workers and others carrying out essential roles for their efforts, in what is expected to be a deeply personal message reflecting her experience in other difficult times.

It comes as the UK death toll from the virus rose by 708 - bringing the number of coronavirus-related hospital deaths to 4,313 as of 5pm on Friday, up from 3,605 the day before. A five-year-old child was among the victims.

7:51am

Boris Johnson's pregnant fiancée Carrie Symonds says she has symptoms of coronavirus.

Read more here

7:44am

Good morning,

The sun is shining again today but please heed the advice and stay close to home for your daily exercise.

Police swooped on a suspected drug dealer yesterday who ended up being arrested after drawing attention to himself during lockdowm.

Read more here

4:26pm

20 more people have tested positive for Covid-19 in Dorset.

For more click here

3:27pm

Five London bus workers have now died with Covid-19, according to a trade union.

Unite said the deaths were a "terrible tragedy".

Regional secretary Peter Kavanagh said: "Unite will assist the families of our members in every possible way during this terrible time."

3:01pm

TWO more people have died of coronavirus in Dorset.

One death was recorded at Dorset County Hospital in Dorchester and one by the Dorset Healthcare University NHS Trust.

Full story here

2:41pm

Up to 4,000 prisoners in England and Wales are to be temporarily released from jail in an effort to try and control the spread of coronavirus.

The Ministry of Justice (MoJ) said the selected low-risk offenders will be electronically tagged and temporarily released on licence in stages, although they can be recalled at the first sign of concern.

Read the full story here

12:20pm

A WEDDING photographer who has lost all her work during the coronavirus pandemic has turned her hand to a home schooling venture.

Read Sadie's story here

12:13pm

Going on holiday is not a good enough excuse to travel, police have said, as they insist people should stay at home to slow the spread of coronavirus.

Second homeowners are being told to keep away as Sunday is set to be the warmest day in six months.

Forces have said they will issue fines and punishments if they see people making non-essential journeys this weekend after Health Secretary Matt Hancock said the country cannot relax on social distancing, adding: "If we do, people will die."

11:29am

The coronavirus infection rate will remain high for "weeks and weeks" if people flout the social distancing rules this weekend, a top scientist advising the Government has warned.

Professor Neil Ferguson, from Imperial College London, said that while the epidemic was expected to plateau in the next week to 10 days, people's behaviour was critical to determining what happens next.

His warning followed similar pleas by Boris Johnson and Matt Hancock for people to stick with the social distancing measures and resist the temptation to enjoy the sunshine forecast for swathes of the UK on Saturday and Sunday.

9:35am

Sheila Hancock has urged older people not to be "stuck in the mud" and get on Zoom during lockdown.

The actress, 87, recorded a message from her home, making a plea to the elderly to "get on to social media".

"Its painfully obvious I'm not used to filming myself", the theatre, TV and film star says in the video.

"In fact I couldn't do it at all until I became 'in isolation' when my grandchildren and children insisted that I become involved in social media."

Hancock said she previously thought: "'I can't be bothered with that, too complicated'. But now I can WhatsApp, Zoom, Skype, you name it I can do it!

"I know there are a lot of people out there who still feel... that they can't be bothered with it but you're wrong, you need to talk.

"The phone is great but it's not the same as looking people in the eyes. And also, you can speak as a group, it's amazing," she says in the video, due to air on ITV.

"Please, please don't be a stick in the mud, get yourself joined up."

9:33am

A case of coronavirus has been confirmed on the Falkland Islands.

The British overseas territory's government said: "An inpatient in the hospital who is in isolation has tested positive for the Covid-19 virus.

"The patient was admitted from the Mount Pleasant Complex on March 31 as they became unwell and medical staff observed a range of Covid-19 like symptoms.

"They have been cared for with all necessary isolation precautions and continue to be so.

"The patient, who is not on a ventilator, is in a stable condition and being carefully looked after by the hospital staff."

9:05am

RESTRICTIONS banning dogs from parts of the county's beaches will come into force despite the lockdown.

Read the full story here

8:58am

There are some amazing people out there doing amazing things to help.

We would love to hear your stories. Email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

In the meantime read about this amazing mum of four who is cooking 50 meals a day for the elderly and vulnerable in west Dorset. Click here

6:57am

***Data*** gathered by a new specially-designed symptom tracking app suggests there are currently 1.9 million people aged 20-69 in the UK who have symptomatic Covid-19.

Contributors can track their daily health on the specially-created app, which is also being used by healthcare and hospital workers nationwide.

According to researchers, the preliminary ***data*** shows wide variation across the UK, with hotspots of the disease including major cities like London, Birmingham, Liverpool, Manchester, Glasgow, and Belfast.

But it also highlights problems in rural areas of South Wales, which are currently experiencing bed shortages following an influx of patients.

6:56am

Two cruise liners embroiled in a bitter dispute over coronavirus cases on board began letting passengers, including four people from Portland, disembark in Florida on Friday as the UK Government moved to fly home 200 Britons caught up in the saga.

The Zandaam and its sister ship the Rotterdam had been at the centre of a battle between federal and state authorities, with the Zandaam reporting more than a dozen Covid-19 cases, plus some 190 people with flu symptoms.

Florida officials had been reluctant to allow the ships to dock - for fear that taking more Covid-19 patients would further burden the state's already-stretched hospitals - until US president Donald Trump intervened to approve the docking on humanitarian grounds.

Four people have died aboard the Zandaam, including two officially diagnosed with the coronavirus.

6:53am

Good morning,

The sun is set to shine this weekend but police and doctors are warning people they must stay at home.

See the full story here

4:24pm

BREAKING: 23 new cases of coronavirus have been confirmed in Dorset.

Full story here.

3:58pm

For the latest figures on number of cases and deaths in the UK, see our story here.

2:16pm

The Queen has recorded a special coronavirus broadcast, which will be aired on Sunday

2:12pm

Testing update for England from Public Health England (@PHE\_uk):

11,764 tests were carried out yesterday in England.

Testing capacity for inpatient care in England currently stands at 12,799 tests per day. pic.twitter.com/NOKmW39Gsb

- Department of Health and Social Care (@DHSCgovuk) April 3, 2020

2:11pm

BREAKING: 684 more people have died in the UK after contracting coronavirus, bringing the total to 3,605

1:48pm

Emerging evidence suggests smokers with COVID-19 are at greater risk of developing severe respiratory disease.

▪️ Read more: [*https://t.co/gwMZVgnoHD*](https://t.co/gwMZVgnoHD)

▪️ Get support to #QuitForCOVID at:   [*https://t.co/OcwxGMMWzV*](https://t.co/OcwxGMMWzV)

- Public Health England (@PHE\_uk) April 3, 2020

1:12pm

Another quick update from me on our campaign against #coronavirus.

You are saving lives by staying at home, so I urge you to stick with it this weekend, even if we do have some fine weather.#StayHomeSaveLives pic.twitter.com/4GHmJhxXQ0

- Boris Johnson #StayHomeSaveLives (@BorisJohnson) April 3, 2020

1:12pm

Today's opening of ⁦@NightingaleLDN⁩ hospital is the best of our national effort coming together. Hugely proud that up to 4,000 beds - the equivalent of 10 district general hospitals - have been made available in just 9 days pic.twitter.com/8Xl8d0TSDq

- Matt Hancock (@MattHancock) April 3, 2020

1:11pm

Benefits need to be increased to help those who find themselves out of work due to Covid-19, Labour has said.

Labour's shadow work and pensions secretary Margaret Greenwood has written to the Government calling for non-repayable grants for those applying for Universal Credit and a plea to increase the scope and amount of Statutory Sick Pay (SSP).

The Department for Work and Pensions (DWP) said on Thursday it had seen a surge in benefits claims, with almost 950,000 new claims since March 16 - up from around 100,000 in a normal two-week period.

Ms Greenwood said it is vital that people are able to self-isolate if they need to and get the financial support they need to do so.

She added: "The Government must extend Statutory Sick Pay to all workers, raise the level of payment and provide support to those who are still in work, but whose hours have been cut.

"Labour does not believe that advances are the answer to the five-week wait, they are loans that have to be repaid.

"Alongside a number of leading voluntary organisations, we believe that advances should be turned into non-repayable grants."

1:10pm

⚠️ Coronavirus: anyone can get it, anyone can spread it ⚠️

Stay home.

Protect the NHS.

Save lives.#StayHomeSaveLives | #coronavirus pic.twitter.com/oL9L64Zj5H

- Department of Health and Social Care (@DHSCgovuk) April 3, 2020

11:52am

Thank you to everyone involved in building the new NHS Nightingale Hospital over the past fortnight.

This immense effort means we will have an extra 4,000 beds to care for #coronavirus patients. pic.twitter.com/wbLOSmtaAP

- Boris Johnson #StayHomeSaveLives (@BorisJohnson) April 3, 2020

11:49am

A 36-year-old nurse and mother-of-three who was put on a ventilator after contracting coronavirus has died in hospital.

A close friend of Areema Nasreen, who worked at Walsall Manor Hospital, paid tribute to her on social media as she confirmed she had lost her battle against the virus.

Fellow nurse Rubi Aktar said of her friend: "She was the most loveliest, genuine person you could ever meet, she went above and beyond for everyone she met.

"I'm so grateful that I had the honour to call her my best friend, she saw me at my best and my worst and accepted my every flaw.

"I am so broken that words can't explain. I can't believe I will not see your smile again."

Speaking early last week, Ms Nasreen's sister Kazeema, who works as a healthcare assistant at the same hospital, told Sky News the family thinks she could have contracted Covid-19 "virtually anywhere".

The 22-year-old said her normally fit and health sister, from Walsall, was on annual leave when she first started showing symptoms.

West Midlands Mayor Andy Street tweeted: "Such tragic news this morning, my heart goes out to Areema's family and three children.

"Frontline workers across the West Midlands are risking their lives day after day to protect us, the least we can do to help them is follow Government advice."

11:23am

A man has been arrested after police broke up a house party being held in contravention of the coronavirus lockdown.

A 41-year-old man was arrested on suspicion of being drunk and disorderly, assaulting a police officer and racially aggravated public order against a police officer.

Gloucestershire Police said officers were called on Thursday night to an address in Hatherley Road, Tredworth, Gloucester, after concerns were raised by a local resident.

Two officers attended the property where they found a group of six people who had met up.

One officer was spat at and the second had racial abuse aimed at them by a man after speaking to the group to advise that they were breaching social distancing rules.

Chief Constable Rod Hansen said: "Assaults on officers will not be tolerated and we will continue to take the strongest action possible against anyone who behaves in this way.

"We're dealing with a pandemic and it is sad to hear that our staff have been faced with this type of unacceptable behaviour.

"I would like to thank all of my officers for the hard work they have provided and will continue to provide in the fight against the pandemic."

11:19am

The Health Secretary has described having coronavirus as a "pretty unpleasant experience", as cases of Covid-19 topped one million worldwide.

Matt Hancock said he has now fully recovered from the "nasty" illness, which saw him suffer sleepless nights and an "incredibly" sore throat.

He said Prime Minister Boris Johnson, who has "been working throughout" after he also tested positive for the virus, is a "bit under the weather" but is also "up and about and on the Zoom conference calls a huge amount, and on the phone".

Of his own symptoms, Mr Hancock said: "It was a pretty unpleasant experience, I went downhill on Thursday last week and for a couple of nights it was very hard to sleep, incredibly painful throat, it was like having glass in my throat."

He said he had also suffered a "bit of a cough" and lost half a stone in weight.

9:52am

An NHS nurse and mother of three has died after contracting COVID-19, according to reports

8:44am

Hundreds of NHS staff are stranded abroad unable to return to help in the fight against coronavirus.

Read the story of a Dorset couple, a paramedic and nurse, who are desperate to return. Click here

8:29am

The best way you can support our NHS nurses, doctors, paramedics and other frontline staff working tirelessly to save lives, is to stay at home. Do not travel this morning unless you are a key worker. #StayHomeSaveLives pic.twitter.com/bzDyHhmHMW

- Mayor of London (gov.uk/coronavirus) (@MayorofLondon) April 3, 2020

7:55am

New NHS Nightingale hospitals will be built in Bristol and Harrogate to provide hundreds of extra beds if local services need them during the peak of coronavirus in addition to those already in development in London, Manchester and Birmingham, NHS England is today announcing.

NHS chief executive, Sir Simon Stevens, will today confirm that sites in the south west of England and Yorkshire - which will have up to 1,500 beds if needed - have joined Manchester and Birmingham as the latest locations for major new facilities outside of London. Each will serve the wider regions in which they are located.

7:19am

Britain's high street retailers suffered their worst month on record in March as they were hammered by the Covid-19 lockdown, according to new figures.

The latest monthly BDO high street sales tracker saw total like-for-like sales dive 17.9% for the month as shoppers stayed indoors.

In-store sales were particularly badly hit, plunging 34.1% after non-essential stores were told to shut their doors in the face of the pandemic.

Reduced footfall due to social distancing protocols also hit stores during the month, while shoppers' attentions were diverted to essential items, such as groceries.

6:42am

The Prince of Wales is to officially open London's new NHS Nightingale Hospital which will treat intensive care Covid-19 patients, Clarence House has said.

Charles, who earlier this week completed self-isolation following his Covid-19 diagnosis, will launch the 4,000-bed temporary facility at the ExCel convention centre in east London today, via video-link.

From his Scottish home of Birkhall, the prince is expected to say a few words in tribute to all those who have worked to create the new medical facility, and to people across the UK who continue to deliver frontline care to those affected by the coronavirus crisis.

Attending the ceremony in person will be Health Secretary Matt Hancock, who recently came out of isolation after recovering from the virus, Professor Charles Knight, chief executive of NHS Nightingale, and representatives from the Ministry of Defence, contractors and volunteers.

6:41am

Good morning,

It was amazing to see so many friends and neighbours take part in the applause for frontline heroes last night.

Send us your pictures at [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk) to share with all.

4:10pm

.@GOVUK has launched a new Coronavirus Information Service via WhatsApp.

This will send you the latest info direct to your phone and help stop the spread of misinformation.

Add +44 7860 064422 to your contacts and send a WhatsApp message saying "Hi" to join. #COVID19 pic.twitter.com/Jj2YMJ6fB4

- Dorset Police (@dorsetpolice) April 2, 2020

3:51pm

Engineers working with Formula 1 team McLaren have developed a hood connected to an air filter to be worn to protect frontline healthcare staff from Covid-19.

The University of Southampton hopes the mask, which consists of a fabric hood which covers the head with an integrated plastic visor to protect the face, could soon be in use in hospitals across the country.

The personal respirator (PeRSo), which is connected to small portable unit which supplies clean air, has been created to use off-the-shelf components and its design will be open-source to allow its development around the world.

Paul Elkington, professor of respiratory medicine at the university, said: "We must minimise the risk of infection for medical staff and stop them getting sick at the peak of the pandemic, so that they can care for others.

"The engineering team have rapidly developed something simple yet effective.

"The HEPA filtered air removes 99.95% of particulate matter and the face mask protects from splashes, and so we think this will reduce the risk of infection."

A university spokesman said that its team had worked with McLaren, Kemp Sails and Southampton-based manufacturer INDO on behalf of Baynhams.

He said: "Whilst other personal respirators exist, they also face high demand.

"The successful deployment of this product on a large scale would help to increase the amount of protective equipment available to help keep healthcare workers safe, healthy and able to remain caring for patients.

"Making the design specification accessible online would mean this product could be manufactured in any country without facing export delays or restrictions."

3:23pm

Here is the latest update in the situation in Dorset.

3:16pm

Visits to the NHS website were the highest ever recorded in March, according to figures from the health service, as people search for guidance on the coronavirus outbreak.

The official NHS app also reported a surge in usage, with registrations to use the app more than doubling.

In March, the NHS said its website received a record 61,311,711 visitors, more than double the normal monthly average of around 30 million.

The figures peaked on March 17, when the website received 3.4 million hits, with more than 2.1 million of these going to the Covid-19 content page.

In total during March, the Covid-19 content page was visited over 28 million times.

The NHS app, which can be used to access health services such as booking and cancelling GP appointments and ordering repeat prescriptions, saw registrations to use the platform climb from more than 56,600 in February to more than 119,000 last month.

3:15pm

Boris Johnson is still showing signs of coronavirus, Downing Street has said, as it confirmed the Government is working with nine potential suppliers over a new Covid-19 antibody test.

The Prime Minister's seven days of self-isolation end on Friday but it is unclear whether he plans to leave the Downing Street flat where he has been staying.

It comes as 2,921 people were confirmed to have died in hospital after testing positive for coronavirus in the UK as of 5pm on Wednesday.

This is up by 569 from 2,352 the day before and is the biggest day-on-day increase so far, just above the 563 reported the day before.

The Prime Minister's official spokesman told a Westminster briefing: "The Prime Minister continues to have mild symptoms, but he does still have symptoms."

Asked if he would be leaving self-isolation on Friday, the spokesman said: "We're following the guidelines from Public Health England (PHE) and from the chief medical officer which state that you need to self-isolate for a period of seven days, so no change in that."

Number 10 said work was ongoing with nine potential suppliers on developing an antibody test which would show whether people have had the virus.

Such a test would enable people to get back to work quickly and some experts say this type of testing is the quickest way out of the current lockdown.

The Prime Minister's spokesman said: "We are working as quickly as we can on that and as soon as a test is approved then we will announce it publicly."

He said the Government had previously been offered tests that had not met the required levels of accuracy "and therefore would not have been safe to use".

It was also suggested that immunity certificates to identify people who have had coronavirus are being considered by the Government.

The Prime Minister's spokesman said: "This is something which has been discussed in other countries.

"We have always said that we are watching closely what other countries are doing and we will always look to learn from ideas which could be helpful."

2:51pm

Testing update for England from Public Health England (@PHE\_uk):

10,657 tests were carried out yesterday in England.

Testing capacity for inpatient care in England currently stands at 12,799 tests per day. pic.twitter.com/vV24UUtXLi

- Department of Health and Social Care (@DHSCgovuk) April 2, 2020

2:28pm

An MP has backed calls by students to have their third-term university accommodation fees cancelled as many return to their family homes to lockdown during the Covid-19 crisis.

Student groups have set up an online petition and rent strikes as some private accommodation providers refuse to waive payments despite rooms lying empty.

Stephen Morgan, Labour MP for Portsmouth South, praised the city's university for releasing students from their contracts until the end of the academic year and called on private firms to do the same.

He said: "If we are all in this together, then student accommodation providers have a responsibility to put public health, student safety and financial stability first.

"I will continue to lobby all major student accommodation providers, that have failed to offer this release so far, to take steps to support students and act in the interest of our community."

2:05pm

BREAKING: 569 more coronavirus deaths have been confirmed in the UK, bringing the total to 2,921

1:56pm

Yesterday more than 5 million aprons, 1 million FFP3 face masks, 6 million surgical masks and 21 million gloves were delivered to the NHS.

In total, over 45.5 million units of personal protective equipment (PPE) were delivered to 280 trusts and providers. #OurNHSPeople #COVID19 pic.twitter.com/jngRn2JSU1

- NHS England and NHS Improvement (@NHSEngland) April 2, 2020

1:46pm

Anyone with #coronavirus symptoms who used [*https://t.co/ML7YmCdUOd*](https://t.co/ML7YmCdUOd) will get regular check-ins and advice from our new NHS text messaging service.

Find out more:   [*https://t.co/sFf3yiBZmD*](https://t.co/sFf3yiBZmD) pic.twitter.com/XNLG4C3j31

- Department of Health and Social Care (@DHSCgovuk) April 2, 2020

1:26pm

Vodafone is to automatically upgrade pay monthly customers who are NHS staff to provide them with 30 days of free unlimited mobile ***data***.

It said those who qualify will receive a text informing them of the upgrade from April 6.

Any customers flagged in the company's systems as working for the NHS will be upgraded, the mobile operator confirmed.

The scheme is an extension of an existing Vodafone initiative, which offers customers registered as the most vulnerable free ***data*** as part of the company's response to the coronavirus pandemic.

The update will also allow both NHS staff and vulnerable people not already flagged on Vodafone's system to register themselves in the VeryMe section of the operator's official app and receive the free ***data*** offer.

Vodafone said it has more than 100,000 customers in its system identified as NHS staff because they are already using the NHS discount scheme, which requires a valid NHS email to sign up.

The operator added it also had a number of people marked in its system as vulnerable because of a range of conditions, including disabilities and mental health issues, which customers told the firm about when taking out contracts.

Vodafone said the new, automatic upgrading of relevant customers is designed to provide those who may not have time to take advantage of the wider offer with access to more ***data***.

Nick Jeffery, Vodafone UK chief executive said: "Last week, we announced we were giving 30 days of unlimited free ***data*** to our most vulnerable customers and the first 500,000 customers to sign up.

"We said we would be monitoring the feasibility of opening this up to even more customers and if we could give more capacity, we would.

"So today, we are proactively upgrading all private customers who are registered with us as working for the NHS to this 30-day unlimited free ***data*** offer."

1:09pm

Comedian Eddie Large has died, his agent has confirmed.

The Little And Large star, 78, was best known for his partnership with Syd Little.

His family said he had coronavirus and his son, Ryan McGinnis, posted on Facebook: "It is with great sadness that Mum and I need to announce that my dad passed away in the early hours of this morning.

"He had been suffering with heart failure and unfortunately, whilst in hospital, contracted the coronavirus, which his heart was sadly not strong enough to fight."

12:22pm

England's top nurse has welcomed the arrival of playlists dedicated to NHS frontline staff on Spotify, calling it a "great move" to show support.

The latest display of appreciation sees the streaming platform's #ThrowbackThursday playlist renamed #ThankYouThursday as a mark of respect to all those working in the NHS to tackle coronavirus.

With almost 800,000 followers, the playlist currently features 50 tracks themed around pride and strength, including David Bowie's Heroes, Katy Perry's Firework and Cyndi Lauper's True Colours.

The service's Monday Motivation playlist, with more than 635,000 followers, is also being dedicated to NHS workers.

Ruth May, chief nursing officer for NHS England, said: "I've been moved by the sheer number of people and organisations that have backed my fellow NHS staff as we deal with this outbreak and it's a great move by Spotify to dedicate two of its most popular playlists to our NHS and social care staff who are tirelessly fighting coronavirus on the frontline.

"This is the biggest challenge the NHS has ever faced and celebrating those working hard to save lives every day is more important than ever, so I'm sure everyone will benefit from some uplifting music to keep spirits high right now."

11:51am

How do you build a hospital in 5 days? Watch the transformation of @ExCeLLondon in this time-lapse video: pic.twitter.com/wghxAEFYSm

- NHS Nightingale London (@NightingaleLDN) April 2, 2020

11:39am

Such inspiring messages in this heartwarming video as we all come together to thank our carers at 8pm today. [*https://t.co/7tmuQGAM2T*](https://t.co/7tmuQGAM2T)

- Matt Hancock (@MattHancock) April 2, 2020

11:32am

Teachers have started making protective visors for NHS staff using equipment in their school's art and design workshop.

Ed Cann, an art and design teacher at Norwich School, said he wanted to help address the shortage of personal protective equipment (PPE) for key workers during the coronavirus crisis.

The school made 138 visors on Monday using materials already in stock, and hopes to make at least 150 per day once they have sourced further materials.

"We have had numerous requests from the local medical community for the school's support," said Mr Cann. "Following prototyping on Sunday, we managed to produce 138 on Monday using the materials we had in stock."

He has shared the designs with other schools for them to help make as many visors as possible.

11:23am

Stay at home, protect the NHS, save lives. #StayHomeSaveLives pic.twitter.com/3w3D8UcuUT

- Boris Johnson #StayHomeSaveLives (@BorisJohnson) April 2, 2020

11:22am

Jack Savoretti has said he thinks people in the arts have a responsibility to carry on creating during the coronavirus crisis.

The singer has released his first song in Italian after co-writing it with fans during an Instagram live session during the early stages of the lockdown.

The track, which he recorded in his home studio, is called Andra Tutto Bene, which translates to All Will Be Fine, the slogan currently being shared by Italians around the country.

All proceeds will be donated to one of the worst-affected hospitals in northern Italy, San Martino di Genova.

10:59am

Boris Johnson has insisted testing is "the way" through the coronavirus crisis as the Government continues to face intense pressure over its policy.

The Prime Minister took to Twitter to stress the importance of testing in a message to the public, saying it is how "we will unlock the coronavirus puzzle".

It came as Professor Paul Cosford, emeritus medical director of Public Health England (PHE), admitted "everybody involved is frustrated" by the low number of tests being carried out.

He pointed to ongoing capacity issues and said the "core priority" until now has been testing hospital patients with suspected Covid-19.

PHE's focus has been on NHS testing laboratories, while other work is now being led by the Office for Life Sciences to collaborate with universities and non-PHE labs, he said.

This follows accusations that PHE and the Government have been too slow to realise that a massive expansion in testing is needed and have snubbed offers of help from the wider scientific community.

In a video message on Twitter on Wednesday evening, Mr Johnson said: "I want to say a special word about testing, because it is so important, and as I have said for weeks and weeks, this is the way through.

"This is how we will unlock the coronavirus puzzle. This is how we will defeat it in the end."

10:42am

The National Lottery has set up a £50 million emergency fund for British heritage sites after almost 50% said they will not survive beyond six months if the coronavirus shutdown continues.

Grants of between £3,000 and £50,000 will be available to sites already funded by the organisation, primarily to train the workforce in digital skills to help them through the Covid-19 crisis.

These include digital fundraising, social media and online communications, and how to run online events and activities.

A survey by the National Lottery Heritage Fund of more than 1,250 organisations in late March found 82% reported the shutdown was a high or moderate risk to their long-term viability.

About 35% said their financial reserves would be depleted within four months, and 46% said they would not be able to survive more than six months.

10:42am

You can help stop the spread of #coronavirus.

If you need to go out for essentials, you must keep 2️ metres apart from others when:

shopping

‍♀️ exercising

travelling#StayHomeSaveLives | #COVID19 pic.twitter.com/Z8IhGnXNqM

- Department of Health and Social Care (@DHSCgovuk) April 2, 2020

10:28am

The discovery of used face masks in open bin bags has prompted a council to issue a plea to double-bag coronavirus-related waste.

Birmingham City Council said its collection crews refused to pick up the rubbish after they found the masks at a bin storage area at a block of flats in the city centre.

The Government issued advice that any Covid-19 related waste should be double-bagged and securely fastened before being put out for collection.

The council said it had made contact with the managing agent responsible for the block to ensure the situation is resolved and so the waste could be collected on Friday.

Councillor John O'Shea, cabinet member for street scene and parks, said: "I was shocked and saddened when I heard about this and saw the pictures that our crew had taken.

"It is always important to present our waste in the correct way for our crews to collect it - but in this current situation, it is absolutely critical to get it right.

"Our crews have the correct protective gear for their duties. Presenting open bags of rubbish with used face masks puts our hard-working frontline employees at risk as well as other residents in their block.

"It really is quite simple. If we do everything we can to stop the spread of coronavirus we will be protecting the NHS and saving lives.

"A small number of people in this isolated case are putting that at risk - and I hope that making the people of Birmingham aware of this ensures we all put out our waste safely."

9:13am

PAVILION Dance South West is offering two digital screenings today of the fantastically fun 'Can't Sit Still: Oh No, George!'

'Oh No, George!' is a playful tale of a dog who wants to be good but cannot resist temptation.

The show is adapted from the award-winning picture book by Chris Haughton, who will be having a post show chat on Facebook Live with director Catherine Boot.

This brand new show for three to seven year olds and their families uses acrobatics, slapstick comedy and live music to bring George's chaotic and joyful escapades to life.

To watch this exciting this exciting digital production at either 1pm or 5pm on April 2, visit: [*www.pdsw.org.uk/whats-on/oh-no-george*](http://www.pdsw.org.uk/whats-on/oh-no-george)

8:43am

Talks are continuing over the fate of thousands of British Airways workers who face being laid off because of the coronavirus crisis.

The airline, which has grounded much of its fleet, has been in negotiations with the Unite union all week.

Cabin crew, ground staff, engineers and head office staff are likely to have their jobs suspended but redundancies are not expected.

A Unite spokesman said: "Unite has been working around the clock to protect thousands of jobs and to ensure the UK comes out of this unprecedented crisis with a viable aviation sector.

"Talks with British Airways are ongoing and Unite's priority is always to communicate with our members, who are very anxious at this time but who understand the work that Unite is doing to protect jobs, incomes and futures."

BA said talks were continuing.

8:22am

Why are garden centres closed during lockdown - and where to buy compost and paint?

Fine out here

7:33am

A third British prisoner has died after contracting coronavirus.

The 77-year-old man, who was serving at HMP Littlehey in Cambridgeshire, died in hospital on Friday.

He had a number of underlying health conditions.

A Prison Service spokesman said: "A 77-year-old HMP Littlehey prisoner died in hospital on March 27.

"Our condolences are with his family at this time.

"As with all deaths in custody, there will be an independent investigation by the Prisons and Probation Ombudsman."

The inmate was the second from HMP Littlehey to die with coronavirus.

7:32am

Scores of petrol stations will be forced to close due to a lack of sales and their businesses becoming unprofitable - a trade association has warned.

Read the full story here

6:50am

Care homes could be priced out of sourcing personal protective equipment (PPE) by "unethical" suppliers seeking to cash in on the coronavirus crisus, one English provider has said.

CHD Living group says smaller social care companies could struggle to attain approved protective equipment as prices had reached "laughable" levels.

Shaleeza Hasham, Head of Communications and Commissioning at CHD Living, said while Prime Minister Boris Johnson had promised sufficient PPE would arrive with care workers by the end of last week, CHD is still having to buy its own to supplement that provided.

"What is very sad is there are some very unscrupulous suppliers who have really increased the pricing far beyond the means of any provider and some quotations we've had have been quite laughable to be honest," Ms Hasham said.

6:38am

Former chief inspector of prisons Lord Ramsbotham has called for the early release of some prisoners serving short sentences to help overcrowded jails cope with the coronavirus outbreak.

Lord Ramsbotham said he was "very worried" about the effect of the crisis on the country's jails, saying prison staff depleted by the virus would not be able to handle the crisis.

6:18am

Good morning,

Whilst the vast majority of people are observing lockdown rules police are still having to deal with groups of youths causing anti-social behaviour.

Parents are being warned they will be fined unless they keep their children at home.

Read the full story here

4:46pm

Around two million people with some self-employment income will not have it covered by a Government scheme aimed at supporting them financially, a new study suggests.

The Institute for Fiscal Studies (IFS) said it was inevitable that measures put in place so quickly were not as well targeted as expected in normal times.

The Job Retention Scheme (JRS) and Self-employment Income Support Scheme (SEISS) were generous on average, replacing more than 80% of net family income for employees and the self-employed, but there was a lot of variation, said the research group.

Many self-employed workers will actually be financially better off as a result of the coronavirus crisis, while some will get no support at all, it was estimated.

The SEISS will not cover all of the 5.1 million people who report positive self-employment income, said the IFS, estimating that 1.3 million people with some self-employment income will be ineligible because they received less than half of their income from self-employment.

Around 225,000 will be ineligible because their self-employment profits were more than £50,000 a year, and 650,000 will be ineligible because they started their business since April 2019, said the IFS.

4:46pm

The SNP has called for a summit to be held between the UK Government, opposition parties and utilities providers to help those struggling to pay during the coronavirus outbreak.

Ian Blackford, the party's leader at Westminster, has proposed various measures aimed at protecting consumers.

The outbreak should not lead to people being unable to afford utility bills or being able to contact family and friends, he said.

Mr Blackford has called for an immediate freeze on prices as well as a six month "reprieve" on utilities being cut off if bills are not paid.

The SNP MP has also urged the UK Government to bring forward plans for a emergency grant to support those struggling to pay for household bills due to a lack of earnings.

2:57pm

The Government is coming under increasing pressure over Covid-19 testing as the UK experienced its biggest day-on-day rise in deaths so far.

Some 2,352 patients had died in hospital after testing positive for the virus as of 5pm on Tuesday, the Department of Health said, up by 563 from 1,789 the day before.

It comes as Downing Street said more than 2,000 NHS staff have been tested for coronavirus as the Government faces intense scrutiny over its policy on testing.

Around 8,000 test per days are currently being carried out across the UK even though ministers previously claimed a target of 10,000 tests per day had been hit.

At present, the focus is on testing patients in hospital to see if they have coronavirus, with NHS trusts told earlier in the week they should use up to 15% of any spare testing capacity for NHS staff.

Health Secretary Matt Hancock has now scrapped that cap, telling NHS hospital labs to use all spare capacity to test their frontline workers.

The Government has blamed a global lack of reagents needed to carry out tests, though the chemical industry in the UK suggested there were no shortages.

On Wednesday, the Prime Minister's official spokesman told a Westminster briefing more than 2,000 NHS staff had now been tested, adding: "We're very clear that we want more testing to be carried out, and that we are working with NHS England, Public Health England and others to ensure that happens."

NHS staff have expressed frustration that they are being forced to self-isolate just as they are most needed, because tests are not available to show whether they are clear of the disease.

2:54pm

An important message from PM @BorisJohnson pic.twitter.com/ZjD5wwEEB9

- Matt Hancock (@MattHancock) April 1, 2020

2:49pm

The latest daily numbers for new cases of COVID-19 and deaths in the UK represent the biggest daily increases the country has seen so far.

Full story here.

2:44pm

Here is the advice from the World Health Organisation

All members of a household with people with suspected or confirmed #COVID19 should avoid unnecessary exposure to the ill person & avoid sharing items, such as eating utensils, drinks & towels#coronavirus pic.twitter.com/wARIphufYL

- World Health Organization (WHO) (@WHO) April 1, 2020

2:42pm

UPDATE on coronavirus (#COVID19) testing in the UK:

As of 9am 1 April, a total of 152,979 people have been tested of which 29,474 tested positive.

As of 5pm on 31 March, of those hospitalised in the UK who tested positive for coronavirus, 2,352 have sadly died. pic.twitter.com/IUqkO6W3Dx

- Department of Health and Social Care (@DHSCgovuk) April 1, 2020

2:15pm

BREAKING: 563 more people have died with COVID-19 in the UK, bringing the total figure to 2,352

2:11pm

I'm staying at home to protect our NHS and save lives.

If we all follow government advice, we can beat #coronavirus together.#StayHomeSaveLives

- Boris Johnson #StayHomeSaveLives (@BorisJohnson) April 1, 2020

1:38pm

The Prince of Wales has delivered a message of hope to the nation in the midst of the coronavirus crisis, saying "end it will" and praising the "remarkable NHS" as its staff "battle heroically to save lives".

Charles made his first appearance since coming out of self-isolation, following his Covid-19 diagnosis, to record the video message in support of the charity Age UK which he represents as patron.

The heir to the throne also spoke about the nation's shared experience of living with the virus, saying it was a "strange, frustrating and often distressing experience" when people were separated from loved ones.

In his video message, posted on royal websites and social media, Charles said: "As a nation, we are faced by a profoundly challenging situation, which we are only too aware threatens the livelihoods, businesses and welfare of millions of our fellow citizens.

"None of us can say when this will end, but end it will. Until it does, let us all try and live with hope and, with faith in ourselves and each other, look forward to better times to come."

1:28pm

A speeding driver wearing a medical face mask has been arrested by Dorset Police after they found suspected cocaine in his car.

See the story here

1:26pm

A 19-year-old chef who died after being infected with coronavirus was told that he "didn't have to worry about that bad flu", according to his family.

Luca Di Nicola, who died in London's North Middlesex Hospital on March 24, was described by his family as "very healthy" with no previous health conditions.

Mr Di Nicola, who was originally from Nereto, in Abruzzo, in Italy, was working at a restaurant in Enfield, north London.

Italian authorities have suggested he could have been saved if he had been diagnosed earlier.

The deputy mayor of Nereto, Maria Angela Lelii, told the BBC there would be "a different conversation" had Mr Di Nicola returned to Italy for treatment.

It comes after NHS England confirmed the death of a 19-year-old who tested positive for Covid-19 and had no existing medical issues.

Luca's aunt Giada, from Nereto, told the Italian news website La Repubblica: "For a week before his death Luca had a fever and a cough and my sister-in-law Clarissa and her partner Vincenzo who lived in the same house also had it.

"The local GP gave my nephew some paracetamol. But Luca got worse on March 23.

"The doctor visited him at home and told him that he was young, strong and that he didn't have to worry about that bad flu."

1:25pm

The first person to be arrested on the railways for breaching coronavirus restrictions has been fined £660.

Marie Dinou, 41, from York, was found "loitering between platforms" at Newcastle Central station on Saturday, and refused to explain to police why she was apparently trying to travel, British Transport Police said.

She appeared at North Tyneside Magistrates' Court on Monday and was fined £660 for failing to comply with requirements imposed under the Coronavirus Act 2020.

She was also ordered to pay a £66 victim surcharge and £85 costs.

11:16am

Most firms only have up to three months' cash in reserve as they deal with a huge fall in domestic and overseas revenue, a new study suggests.

Research by the British Chambers of Commerce (BCC) indicated that almost one in five firms have less than a month's worth of cash.

A survey of 600 businesses found that almost half expect to take advantage of the Government's coronavirus job retention scheme, which covers 80% of the wages of furloughed workers, to a maximum of £2,500 per month.

A third of those polled said they were planning to furlough between three-quarters or all their staff in the next week, while one in four said they would not use the scheme.

Two out of three firms said they were embracing remote working, with half using video conferencing.

Almost a fifth of those surveyed said they had closed their business temporarily.

10:58am

As we continue to follow the advice, guidance and daily updates from the government on the coronavirus outbreak, it is with great disappointment that the Weymouth Armed Forces / Veterans Celebrations that were scheduled to take place from 20th-22nd June have now been cancelled.

- Weymouth Town Council (@WeymouthWTC) April 1, 2020

8:47am

Syrian refugee families who have settled in Dorset have been among the first to volunteer to help their new communities.

See the story here

8:44am

Shares in Britain's biggest banks fell heavily this morning after they became the latest to scrap billions of pounds in dividends, as businesses scramble to save money by stopping payments to shareholders amid the coronavirus outbreak.

Shares in HSBC fell 7.4%, Barclays lost 4.6%, Standard Chartered was down 6.2%, while Lloyds lost 4.3% of its value and the Royal Bank of Scotland was down 4%.

The banks - also including Nationwide, Santander and NatWest - said on Tuesday that they would not be returning money to shareholders via dividends, or buying back their own shares, until the end of the year.

It comes after a request from the Bank of England's Prudential Regulation Authority (PRA) that they suspend all plans to return money to shareholders.

The banks will also cancel all outstanding dividends from last year.

7:43am

Unions have welcomed increases in the statutory minimum wage rates from Wednesday, saying the country is indebted to "minimum wage heroes".

The statutory rate for over-25s - the national living wage - will go up from £8.21 an hour to £8.72, while the national minimum wage will go up from £7.70 to £8.20 for 21- to 24-year-olds, from £6.15 to £6.45 for 18- to 20-year-olds and from £4.35 to £4.55 for under-18s.

The hourly rate for apprentices will increase from £3.90 to £4.15.

The new rates are still lower than the voluntary real living wage of £10.75 an hour in London and £9.30 outside the capital.

7:36am

We asked our sister papers across the country for examples of people caught out by police for breaking the rules, and there have been many.

See seven ridiculous excuses here

7:29am

Ministers are under growing pressure to increase the rate of testing for coronavirus, as a 13-year-old boy became the first known child in the UK to die with the disease.

A 19-year-old with no existing medical issues has also died and the UK saw its biggest day-on-day rise in the number of deaths since the outbreak began - up 381 on 24 hours previously to a total of 1,789.

NHS staff have expressed frustration they are being forced to self-isolate just as they are most needed, because tests are not available to show whether they are clear of the disease.

The Royal College of Physicians, the Royal College of Nursing and the British Medical Association all say testing of frontline staff is desperately needed.

Critics have also warned that mass community testing was the only safe way of lifting the lockdown without risking a fresh outbreak of the virus.

6:56am

Good morning,

We will keep bringing you the news and advice regarding the coronavirus situation.

We will also focus on all the good things being done-of which there are many.

For example, more than 1,000 Dorset residents have signed up to volunteer in the community response to the outbreak.

Read the full story here

6:35pm

BREAKING:

Over 100 cases of coronavirus have now been confirmed in Dorset.

Full story here.

5:17pm

The latest figures for number of people in the UK infected with coronavirus have been released.

Full story here.

4:49pm

The National League has suspended play 'indefinitely' in all three of its divisions due to the coronavirus outbreak.

Full story here.

4:27pm

The UK has the capacity to process tens of thousands more tests for coronavirus and must do so to end the lockdown, a former director at the World Health Organisation (WHO) has said.

Anthony Costello, professor of global health and sustainable development at University College London (UCL), criticised current efforts to increase testing and said moving to mass testing is the key to lifting sanctions on people's lives.

3:30pm

Police forces have been told to be "consistent" over their handling of new powers to enforce the Covid-19 lockdown.

It comes following criticism of how some have been applying the powers, which include fines and arrests, brought in after the Government introduced social-distancing measures last week.

Transport Secretary Grant Shapps admitted there had been "one or two instances" of police being heavy-handed but said in the main, forces were being "sensible".

2:51pm

BREAKING:

Another 367 people in England have died after testing positive for coronavirus

12:30pm

A 12-year-old Belgian girl has become the youngest person to die in Europe with coronavirus

11:42am

Stay at home and save lives.

▪️ Only leave your home for essentials such as food or medicine, for work, or to exercise.

▪️ Make sure you stay at least 2 meters from other people. pic.twitter.com/N2ORnmX901

- Public Health England (@PHE\_uk) March 31, 2020

11:30am

The true toll of deaths across the country from Covid-19 is higher than reports from hospitals suggest, according to new figures.

***Data*** from the Office for National ***Statistics*** (ONS) for England and Wales shows there were 24% more deaths relating to Covid-19 up to and including March 20, compared to hospital-only ***data*** for the same period.

The ONS looked at all deaths where Covid-19 was mentioned as a factor, including hospital deaths and those in the community and care homes.

A total of 210 deaths in England and Wales for the time period had Covid-19 mentioned on the death certificate, compared with 170 coronavirus-related deaths reported by NHS England and Public Health Wales.

The ONS looked at deaths that occurred up to March 20 but which were registered up to March 25.

Hospital figures are of people who have tested positive for Covid-19, whereas the ONS includes all deaths where Covid-19 is mentioned on the death certificate, even if only suspected.

11:12am

Boris Johnson will chair a meeting of his Cabinet by videolink as he continues to self-isolate in Downing Street after testing positive for coronavirus, amid growing pressure to get more protective equipment to health workers.

The Prime Minister has faced heavy criticism over shortages of personal protective equipment (PPE) for frontline NHS staff as well as the slow rollout of testing - issues which are likely to be discussed by ministers on Tuesday morning.

Last week, four people attended the meeting in person - including Mr Johnson, Health Secretary Matt Hancock, Cabinet Secretary Sir Mark Sedwill and chief medical officer Professor Chris Whitty - while others dialled in on the Zoom app.

The PM and Mr Hancock have since tested positive for Covid-19, while Prof Whitty is self-isolating after developing symptoms. In Tuesday's meeting, all attendees are expected to join by videolink.

10:54am

#Coronavirus information:

Here's what you need to know to spot the signs

▶️ [*https://t.co/xSoOI6R0jj*](https://t.co/xSoOI6R0jj) pic.twitter.com/Cg4lQFcCBe

- Department of Health and Social Care (@DHSCgovuk) March 31, 2020

10:40am

Over the border in Hampshire...

Keepers are working "tirelessly" at a Hampshire zoo to make sure endangered animals such as Amur tigers and snow leopards are being cared for during the Covid-19 lockdown.

The charity which runs Marwell Zoo, near Winchester, is launching a fundraising drive to help pay for the upkeep of the 140-acre wildlife park which is home to hundreds of animals and normally attracts 500,000 visitors a year.

Chief executive James Cretney said: "While Marwell Zoo is closed to our guests, we want to reassure you that we are keeping the care and welfare of our animals as our highest priority.

"Our talented teams including keepers, vets, scientists, maintenance workers and landscapers are working tirelessly to ensure there is no interruption to the dedicated and compassionate care each and every animal receives, and we are in awe of their energy during this unsettling time.

"Marwell relies on day ticket, membership, retail and catering sales; things we are no longer receiving; in order to operate.

"We are reducing non-essential expenses, but we simply cannot do the same for the daily care all our animals need.

"We are so grateful for all the kind wishes and offers of support and we feel incredibly lucky to be part of your community for nearly 50 years.

"You can help us through these difficult times. Your generosity will ensure we can go the extra mile caring for the animals so that future generations can experience the joy of coming to the zoo, and knowing what we can do for conservation here in the UK and the world."

To donate, visit [*https://www.justgiving.com/campaign/supportMarwell*](https://www.justgiving.com/campaign/supportMarwell)

8:56am

Thousands of protective screens are being installed at Co-op supermarkets across the UK on Tuesday, while more gloves and hand sanitisers are being provided for frontline staff.

The retail giant has invested more than £3 million on new protective equipment at its 2,600 stores.

Protective Perspex screens are being installed at till points and serving counters from this week and extra stocks of hand sanitisers have been distributed to 50,000 frontline workers, along with gloves.

8:05am

Dorset Liberal Democrats are calling on Government to pick up the bill for council tax payments to ease the financial pressure people are facing as a result of the coronavirus.

Read the full story here

8:04am

KIND-hearted B&B owners are stepping in to help give NHS workers a free bed for the night as they continue the fight against coronavirus.

See the full story here

7:41am

British Airways is suspending all its flights to and from Gatwick.

The carrier is one of many that are to stop serving the UK's second busiest airport due to the collapse in demand caused by the coronavirus pandemic.

A British Airways spokesman said: "Due to the considerable restrictions and challenging market environment, like many other airlines we will temporarily suspend our flying schedule at Gatwick.

"We are contacting affected customers to discuss their options."

The airline will keep equipment for essential functions at the airport, such as maintenance, towing and cleaning, to enable it to restart operations quickly.

Just 33 flights were due to take off or land at the West Sussex airport on Tuesday, according to aviation ***data*** provider FlightStats.

From Wednesday, Gatwick's runway will only be open for scheduled flights between 2pm and 10pm.

The airport will also close one of its two terminals.

The measures will be in place for a minimum of one month.

7:39am

Boris Johnson will chair a meeting of his Cabinet by videolink as he continues to self-isolate in Downing Street after testing positive for coronavirus, amid growing pressure to get more protective equipment to health workers.

The Prime Minister has faced heavy criticism over shortages of personal protective equipment (PPE) for frontline NHS staff as well as the slow rollout of testing - issues which are likely to be discussed by ministers on Tuesday morning.

Last week, four people attended the meeting in person - including Mr Johnson, Health Secretary Matt Hancock, Cabinet Secretary Sir Mark Sedwill and chief medical officer Professor Chris Whitty - while others dialled in on the Zoom app.

The PM and Mr Hancock have since tested positive for Covid-19, while Prof Whitty is self-isolating after developing symptoms. In Tuesday's meeting, all attendees are expected to join by videolink.

7:19am

Good morning,

Please continue to follow the advice to Stay home, Protect the NHS, Save lives.

But try and enjoy your daily walk, run or cycle as the sun shines on our beautiful county again today.

6:05pm

The number of cases in Dorset has increased to 84. Read more here.

3:39pm

Supermarket vouchers are to begin going out to the families of children entitled to free school lunches to cover the cost of a meal while schools are shut during the coronavirus epidemic.

Education Secretary Gavin Williamson said schools across England are being invited to join the scheme to ensure those families most in need of support get the help they need.

It is estimated that 1.3 million pupils are currently entitled to free meals.

The vouchers - for £15-a-week for each eligible child - have been set above the £11.50 currently paid to schools for the cost of providing free meals.

The decision is in recognition that families - unlike school caterers - do not order in bulk and therefore face higher costs.

Mr Williamson said that while some schools were making their own plans to ensure pupils continued to be fed, he hoped most would join the scheme.

3:37pm

A woman who lost both her parents after they contracted coronavirus has pleaded with the public to take seriously government advice to protect themselves.

Christopher Vallely, 79, and his wife Isobel, 77, died within 12 hours of each other at the Mater Hospital in Belfast over the weekend.

Their daughter Fiona said the family were shocked at the sudden loss of their parents, who had been married for 53 years.

She has urged the public to take seriously government advice on social distancing.

"Please, please, please everybody, please follow the public guidelines, do everything you can to protect yourself and your families because this is only going to get worse," she told the BBC.

Mr Vallely had been taken to the Royal Victoria Hospital more than a week ago, and tested postive for Covid-19 before being transferred to the Mater, a now specialist hospital for coronavirus. He had been suffering from lung cancer.

His wife was taken to the Mater on Thursday, and died on Saturday. Her husband died in the same room that she had, just hours later. She had suffered a stroke six months ago.

1:22pm

For the full list of dedicated shopping hours for NHS, elderly and vulnerable at supermarkets click here

1:11pm

Will the UK's outbreak be as bad as Italy's? Health experts explain here

1:07pm

Five radio stations across the BBC network will come together for a live singalong to "lift the nation's spirits" as people remain at home "in these challenging times".

BBC Radio 1, Radio 2, 6 Music, 1 Xtra and the Asian Network will join forces for the BBC's Great British Singalong on Thursday at 9am in a multi-way simulcast.

Each station will contribute one song that listeners can join in with, the BBC said.

Radio 1 Breakfast Show host Greg James will lead the effort on his show, with Dermot O'Leary, who is covering for Zoe Ball, on Radio 2.

Lauren Laverne will be on 6 Music, Dotty will be on 1Xtra and Harpz Kaur will be on the Asian Network.

Listeners can make suggestions for the singalong, but the presenters - who will be broadcasting from their own, separate studios due to the rules around social distancing in the coronavirus pandemic - will have the final choice.

1:06pm

Around one in four NHS doctors are off work sick or in isolation, the head of the Royal College of Physicians (RCP) has said, as a leading expert revealed there were signs of a slowdown in Covid-19 hospital admissions.

Professor Andrew Goddard, president of the RCP, told the PA news agency that about 25% of the doctor workforce is off, either with coronavirus or because a family member or housemate is ill.

"At the moment, we think it's more doctors self-isolating with family members, though there are some off sick themselves," he said.

"This is really impacting a lot in emergency departments and London is in a much worse position than elsewhere at the moment, but it will come to other places.

"Birmingham is also struggling."

Prof Goddard said hospital wards across England "are going from normal wards to Covid wards very quickly".

9:44am

A man has been Tasered after deliberately coughing over police officers as they sat in a car and claiming he had Covid-19.

The Metropolitan Police firearms command said on Twitter that the suspect had walked up to officers in a car in Haringey, north London, and "shouted that he had coronavirus before deliberately coughing saliva all over them".

He then began to physically attack them, officers said, before he was Tasered and arrested.

The suspect was later tested for the virus and found not to have it.

Last week director of public prosecutions Max Hill warned the public that using Covid-19 as a threat against emergency workers would be treated as a crime that could lead to up to two years in prison.

Deliberately coughing at other key workers such as supermarket staff could be prosecuted as a common assault, which could mean up to six months in prison.

8:53am

Maintaining regular exercise during isolation will help maintain a healthy immune system, researchers say.

Experts at the University of Bath say working out while following social distancing guidance will have a "tremendously positive effect" on people's health and wellbeing.

Their analysis found exercise can help the immune system find and deal with pathogens, as well as slowing down changes that happen to the immune system with ageing.

The team recommend 150 minutes of moderate-intensity aerobic exercise, such as walking, running or cycling per week.

Those whose capacity to exercise is restricted due to a health condition or disability should aim to move more and remember "something is better than nothing", researchers say.

They add that resistance exercise has clear benefits for maintaining muscles, which also helps movement.

8:52am

As employees across the country prepares themselves for another week of working from home in response to the coronavirus crisis, here are some tips for those struggling to adjust.

Click here

8:03am

EasyJet has grounded its entire fleet of aircraft due to the coronavirus pandemic, the airline said.

For more click here

7:50am

More changes have been made to the county's bins, litter and recycling services.

Read the full story here

7:35am

A really lovely feel-good story to lighten the mood.

A couple got married amid the coronavirus crisis in what they are calling 'the fastest wedding in the west'.

For the full story click here

7:06am

Boris Johnson has said the UK will get through the coronavirus crisis "together" after Britons were warned restrictions on their lives may last for at least six months.

The Prime Minister issued the words of encouragement, praising the 750,000 volunteers who have offered to assist the NHS, from within Downing Street where he is isolating having tested positive for Covid-19.

Deputy chief medical officer for England Dr Jenny Harries said the nation will not be in "complete lockdown" for half a year but said social distancing measures will be lifted gradually.

Her warning at Sunday's coronavirus press conference came as the NHS announced the first confirmed death of a frontline hospital worker with Covid-19.

Cabinet minister Robert Jenrick said "we simply cannot and should not" ask health workers to go to the frontline without adequate protective equipment, as he announced the nation was put on an "emergency footing" in an "unprecedented step in peace time".

Dr Harries said the three-week reviews on the measures to slow the disease's spread are likely to continue for six months and their success would be judged on slowing its rate.

7:05am

Good morning,

We hope everyone is staying safe.

While most people are staying safe at home four Portland residents are among those stuck on a cruise ship off Panama on which four people have died and two others tested positive for coronavirus.

See the full story here

5:52pm

BREAKING: Confirmed cases of coronavirus in Dorset have risen to 70

3:57pm

BREAKING

Consultant Amged El-Hawrani, 55, who had tested positive for coronavirus, has died at Leicester Royal Infirmary, University Hospitals of Derby and Burton have said.

2:40pm

BREAKING

As of 9am on 29 March 2020, a total of 127,737 people have been tested, of which 108,215 were confirmed negative and 19,522 were confirmed positive.

As of 5pm on 28 March 2020, 1,228 patients in the UK who tested positive for coronavirus (COVID-19) have died.

The figures for test results and for deaths are compiled from different sources. This is why the figures for deaths are reported from an earlier point in time than the figures for test results.

2:00pm

Health Secretary Matt Hancock has written an open letter of thanks to social care workers for everything they have done in response to the coronavirus outbreak.

"I am acutely conscious that you, along with colleagues across the health and social care system, are on the front line caring for and supporting people in incredibly challenging circumstances," the letter reads.

"Many of the people you care for will be in groups that are at higher risk from Covid-19 and I know that you will have naturally felt concerned for them.

"My main message to you is simple: thank you."

Mr Hancock praised the workforce for "going the extra mile" to ensure vulnerable people are cared for while heeding Government social distancing advice on how to prevent the spread of Covid-19.

"We will do all we can to make your lives easier during this period, including, for example, making parking on council-owned on-street spaces and car parks free for those who work in social care," he added.

"We are committed to doing whatever is needed; that promise applies just as much to social care as it does for the NHS."

1:04pm

The coronavirus lockdown will be in place for a "significant period" and could last longer if people do not stick to the rules, Cabinet minister Michael Gove has said.

He acknowledged on Sunday the scale of the "sacrifice" the public is taking but said he could not make "an accurate prediction" on how long it must be endured.

The Chancellor of the Duchy of Lancaster's warning came after the UK's death toll passed 1,000 and Boris Johnson wrote to every household with a warning he could impose stricter measures.

But Mr Gove declined to say what the tougher rules could look like with the public confined to their homes for all but essential travel and for once-daily exercise.

12:32pm

In more upsetting news today, three more deaths have been confirmed in Dorset

Full story here.

10:55am

The last few weeks have been anxious and unsettling for everyone. We have to take time to support each other and find ways to look after our mental health.

By taking simple steps each day we can all be better prepared for the times ahead.[*https://t.co/7WNdKBbFyT*](https://t.co/7WNdKBbFyT)

- Kensington Palace (@KensingtonRoyal) March 29, 2020

10:14am

The length of the coronavirus lockdown depends on how stringently the public stick to the rules, Cabinet minister Michael Gove said.

He warned that ministers would not hesitate to enforce tougher rules, but said the evidence is people are obeying them.

After the death toll in the UK passed 1,000, Mr Gove declined to be drawn on how long the tough measures restricting people's lives would be in place for, and what stricter rules could look like

"There are different projections as to how long the lockdown might last," he told Sky's Sophy Ridge on Sunday, when asked about one key expert's prediction of June.

"But it's not the case that the length of the lockdown is something that is absolutely fixed.

"It depends on all of our behaviour."

9:10am

PM @BorisJohnson is writing to every UK household to urge them to stay at home, protect the NHS and save lives. #StayHomeSaveLives pic.twitter.com/GMNPqEl10d

- UK Prime Minister (@10DowningStreet) March 28, 2020

8:53am

We will keep bringing you the latest official information and advice on the situation.

If you want to know how long coronavirus symptoms last and how long the virus can survive on surfaces click here

8:51am

Good morning and it appears most people are getting the message to stay at home.

However, there are always a few..such as this couple who drove from Berkshire to Dorset for a walk. See the story here

5:49pm

Three more people have died at Dorset County Hospital as six further cases have also been confirmed.

Our thoughts are with the friends and families of the three people that have passed away.

Full story here.

5:49pm

Three further patients who tested positive for the coronavirus (COVID-19), have sadly died at Dorset County Hospital. The number of cases in the county has also increased. See our story here

3:18pm

Dorset Council has temporarily suspended charges for its car parks that remain open during the coronavirus pandemic.

Full story here.

2:07pm

A total of 1,019 patients have died after testing positive for coronavirus in the UK as of 5pm on Friday, the Department of Health said, up from 759 the day before.

2:01pm

Another Cabinet minister has entered self-isolation over coronavirus after Boris Johnson and Health Secretary Matt Hancock tested positive for Covid-19.

Scottish Secretary Alister Jack said on Saturday that he would be following guidance and staying at home after developing mild symptoms, although he has not been tested.

The Prime Minister is continuing to command the response to the pandemic from Downing Street after he was diagnosed with the disease.

He has been accused of failing to follow his own social distancing rules after Mr Hancock tested positive and their key lieutenant Professor Chris Whitty began self-isolating with symptoms.

The PM is likely to face further criticism after Mr Jack, the Conservative MP for Dumfries and Galloway, followed them into isolation.

Mr Johnson sat next to Mr Jack as he took Scottish questions at the despatch box in the House of Commons on Wednesday, immediately before Prime Minister's Questions.

Mr Hancock was to the Scottish Secretary's other side on the front bench.

On Saturday, Mr Jack announced he had developed a mild temperature and a cough "in the past 24 hours" and would continue working from home.

12:08pm

Retailer Boots has supported the Government's plan to test NHS workers showing coronavirus symptoms after launching free drive-through centres.

The company opened facilities at its headquarters in Nottingham and at Chessington World of Adventures in Surrey to support the Government's bid to test doctors and nurses who have been self-isolating and are unsure whether they have the virus.

Boots said locations for more test centres are still being defined around the country, but they will not be in its stores.

The sites will initially be for NHS staff by invitation only, the company said.

11:57am

We celebrate the heroism of all key workers on the front-line who continue to provide vital services & we stand by all emergency workers who keep us safe in these challenging times. Anyone using #coronavirus to threaten others could face criminal charges: [*https://t.co/XOGcpHXVGF*](https://t.co/XOGcpHXVGF)   [*https://t.co/wmGh0f0M3C*](https://t.co/wmGh0f0M3C) pic.twitter.com/IxGDUYPgiN

- Ministry of Justice (@MoJGovUK) March 28, 2020

11:39am

11:39am

Council workers have been spat on and sworn at as they carry out their duties during the coronavirus crisis - while one had his leg broken after a cyclist rode into him.

The Local Government Association (LGA) said there had been a number of "sickening physical and verbal assaults" on workers as it called on the public to respect the "tireless efforts" of council staff.

It acknowledged that "emotions and tensions are running high" during the Covid-19 pandemic but said workers had been spat and sworn at, shoved by members of the public and racially abused.

11:21am

Coronavirus tests for NHS frontline staff are to be trialled this weekend ahead of a wider roll-out to help those given the all-clear from the disease to return to work.

Cabinet minister Michael Gove said the Government was working in a "new alliance" with universities, businesses and researchers to boost testing capacity.

8:06am

Teachers have been urged to do what they can to keep schools open for NHS staff and carers during the two-week Easter holidays in Wales.

Education minister Kirsty Williams praised all school staff - describing them as national heroes - for meeting the challenge of keeping more than 700 schools open during the coronavirus epidemic.

The children of key workers can continue to go to school even though many of their schoolfriends will be staying at home due to the UK-wide lockdown.

"It takes a community to raise a child and that statement has never been more true," Ms Williams said.

8:00am

NHS bosses could have prevented "chaos and panic" in a system left "wholly unprepared for this pandemic", the editor of a British medical journal has said.

Numerous warnings were issued to the NHS but these were not heeded, Richard Horton wrote in The Lancet.

He cited an example from his journal on January 20, pointing to a global epidemic: "preparedness plans should be readied for deployment at short notice, including securing supply chains of pharmaceuticals, personal protective equipment, hospital supplies and the necessary human resources to deal with the consequences of a global outbreak of this magnitude."

Dr Horton said the Government's Contain-Delay-Mitigate-Research plan had failed.

He said: "It failed, in part, because ministers didn't follow WHO's advice to 'test, test, test' every suspected case. They didn't isolate and quarantine. They didn't contact trace.

"These basic principles of public health and infectious disease control were ignored, for reasons that remain opaque."

He added that "The result has been chaos and panic across the NHS".

7:58am

Good morning,

With tough new measures in place we urge everyone to follow the rules and help ease the pressure on the NHS and other emergency services.

Yesterday police stopped 20 cars in half an hour on 'non-essential' travel.

Read the full story here

7:08pm

Nine new coronavirus cases in Dorset. See our story here

3:13pm

BREAKING: The UK death toll has risen to 759. Full story here.

1:12pm

Stars including Ellie Goulding, John Legend and Rita Ora are among the stars who will take part in a charity live stream for the response to the coronavirus pandemic.

They will be joined by other musicians including Barry Gibb, Bastille frontman Dan Smith and Marcus Mumford of Mumford & Sons for Twitch Stream Aid, which will also feature famous faces from the worlds of sport and gaming.

Joe Jonas, Diplo, Charlie Puth, Lauv and Steve Aoki will also take part.

Twitch, the streaming platform for gamers has teamed up with Amazon Music for the event to benefit the Covid-19 Solidarity Response Fund for the World Health Organisation, and viewers will be able to donate throughout the show.

The live stream will also include competitions featuring games Fortnite and UNO.

Jonas will be joined by Drew Taggart from The Chainsmokers and Lost Kings to play games throughout the show as part of the Twitch Rivals programme.

This event will kick off a week's worth of fundraising opportunities on Twitch, where users can continue to host their own streams and raise money for the cause.

The event will start at 9am PT (4pm GMT) on Saturday.

1:12pm

BREAKING: Health Secretary Matt Hancock has tested positive for coronavirus

12:13pm

From the end of today, Dorset Council will no longer be collecting garden waste from the kerbside.

Full story here.

12:11pm

More than 21,000 musicians have been affected by the Covid-19 outbreak through the cancellation of performances and the loss of teaching, theatre, session and orchestral work, the Musicians' Union has said.

More than 5,000 musicians have been affected by the cancellation of concerts and live performances, according to a survey of the union's members.

Additionally, more than 16,000 musicians have been affected through a loss of work in teaching, theatres and orchestras, as well as cancelled session work.

Musicians' Union general secretary Horace Trubridge said that the Government announcement on Thursday which gave support for self-employed and freelance workers is "extremely welcome".

11:19am

BREAKING NEWS: Prime Minister Boris Johnson has tested positive for coronavirus

Full story here.

11:17am

Police are out in force today

Our stop check sites are in place, this is not a money making exercise, we havent given out any fines! We are persuading, advising and warning. Think is your journey essential? #stayhomesavelives pic.twitter.com/1TkEXcnjAV

- Dorset Traffic Cops (@DorsetTraffic) March 27, 2020

10:42am

Derbyshire Police have defended using drones to deter people from flouting coronavirus lockdown rules by walking in the Peak District.

The force filmed people in pairs rambling in the Curbar Edge area of the beauty spot on Wednesday, saying travelling to remote areas for exercise did not count as "essential travel".

The tactic attracted criticism from some, with UK civil liberties group Big Brother Watch branding the move "sinister" and "counter-productive".

But Superintendent Steve Pont told BBC Radio 4's Today programme: "We wanted to reinforce the message of stay home and a number of people aren't staying home, they're finding excuses or loopholes, reasons not to stay home - and we just wanted to illustrate that this is the wrong thing to do."

10:12am

Firefighters have agreed to deliver food and medicine, drive ambulances and retrieve bodies during the Covid-19 pandemic, as former ambulance staff and police officers were urged to come back to the front line.

Under a new crisis agreement, firefighters will be able to deliver essential items such as food to vulnerable people, drive ambulances and assist ambulance staff, and collect bodies in the event of mass casualties.

The plan, agreed by the Fire Brigades Union (FBU), fire chiefs and employers, will see firefighters maintain core services such as attending fires and road traffic accidents, but also providing extra services as coronavirus continues to spread.

The plan will run for two months but can be extended if necessary and could affect the UK's 48,000 firefighters and emergency control staff.

Matt Wrack, general secretary of the FBU, said: "We face a public health crisis unparalleled in our lifetimes. The coronavirus outbreak is now a humanitarian emergency and firefighters rightly want help their communities.

"Firefighters are fantastic at teamwork, are experienced in driving emergency vehicles and, as a service rooted in the community, may be best placed to deliver essential items to the most vulnerable.

"Many fear the loss of life in this outbreak could be overwhelming - and firefighters, who often handle terrible situations and incidents, are ready to step in to assist with body retrieval."

9:40am

The Co-op has filled all 5,000 temporary store jobs it created last week in a record seven days following an "unprecedented" response to the retailer's recruitment drive.

The company said it had taken on many people who found themselves unexpectedly out of work due to the ongoing coronavirus crisis.

By this weekend, all 5,000 new recruits will be working across the convenience retailer's network of stores, giving a boost to the Co-op's efforts to keep shelves replenished.

The response has been overwhelming as people pull together to feed the nation

Jo Whitfield, chief executive of Co-op Food, said: "Just one week ago we asked members of the British public who needed jobs to come forward and join forces with us.

"The response has been overwhelming as people pull together to feed the nation. All of our colleagues are heroes and are doing an amazing job under huge pressure."

9:35am

BREAKING: According to homelessness charity Crisis, all councils in England have been asked by the government to house all rough sleepers by this weekend.

This has not yet been confirmed by Dorset Council.

More to follow.

8:35am

We all need a bit of cheering up right now.

And today it is the very people on the frontline who bring us cheer.

Whatch DCH staff dancing with an important message here

6:26am

One million home testing kits for coronavirus could be sent out in a matter of weeks, according to public health officials.

Public Health England (PHE) appeared to provide hope that the UK lockdown could be scaled back after announcing that testing kits were being assessed for household use.

People are currently having to obey strict rules about remaining indoors in a bid to stall the spread of coronavirus.

But testing kits could allow those who have had the deadly virus to return to their normal routines because health experts believe there is a period of immunity after having contracted the disease.

6:15am

The Prince of Wales joined people around the UK who briefly emerged from their homes to applaud NHS staff working on the front line of the coronavirus pandemic.

Charles, who was seen for the first time since testing positive for the virus, took part in the national round of applause on Thursday night staged as a gesture of thanks to the country's healthcare heroes.

Send us photos of your community joining in to [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

6:13am

Good morning,

Sadly some people are not getting the message.

While the majority of people across Dorset are staying home and following guidelines in support of our NHS, hundreds still feel the rules don't apply to them.

But police now have new powers and people can be arrested for breaking the new laws.

Read the full story here

4:34pm

Dorchester Town are staying up.

Their great escape is down to the Southern League season being ended.

Full story here.

4:31pm

Age UK has launched an "emergency coronavirus appeal" aiming to raise £10 million to help it meet the rapidly increasing demand for its services.

The charity said it is extremely concerned about the millions of older people who are on their own, who do not have family and friends nearby and are already dealing with unmet care needs, chronic ill health, disability and loneliness.

Age UK said figures show 1.9 million pensioners in the UK live in poverty and 53% of over-75s do not use the internet.

Caroline Abrahams, charity director at Age UK, said: "We have already had such an encouraging response to our Coronavirus Emergency Appeal, raising over £1 million already from businesses and individual donations.

"But we have a long way to go before we reach our £10 million target."

3:14pm

Health Secretary Matt Hancock says a total of 560,000 members of the public have now answered the Government's call for volunteers to aid the NHS.

Mr Hancock tweeted: "NEWS: Fantastic that 560,000 people have now responded to our call to volunteer to support our NHS to defeat #Coronavirus."

3:12pm

Savings giant NS&I is urging customers to go online if possible to manage their money during the coronavirus pandemic.

The Treasury-backed provider, which has around 25 million customers, said this will help to free up its call centre capacity for those customers who need to access it most at this time.

NS&I is currently receiving more calls than usual and so it is taking longer than normal to help customers.

Customers should use nsandi.com to deal with their queries, so that people most in need, such as those who do not have access to the internet or those who require critically urgent help, can deal with NS&I by phone.

3:11pm

Barristers are at risk of going bankrupt without further assistance from the Government, a lawyers' group has warned.

Many are facing financial hardship from a "a painful cocktail of adjourned or yet further delayed trials" and the prospect of late payment for work done, according to the Criminal Bar Association (CBA).

The coronavirus crisis means that pupils - those in their final stages of training - in particular are in a vulnerable position, with concerns about finances, work, training and qualification, the CBA said.

Many barristers are self-employed and, with courts closing and postponing trials and hearings due to Covid-19, there are fears about the impact on the profession.

2:09pm

Alcohol is an "unhelpful coping strategy" to combat stress during the coronavirus lockdown, experts have said.

Many turn to substances such as alcohol at a time of stress, experts from the European arm of the World Health Organisation (WHO) said.

Experts acknowledged that feeling stressed, anxious, fearful and lonely is "natural" at this time.

But they reminded people that using substances such as alcohol "will not help to manage the stress of self-isolation".

It recommended that people should be "minimising the unhelpful coping strategies of using tobacco or alcohol".

The recommendation comes after off-licences were added to the Government's list of UK retailers allowed to stay open during the coronavirus pandemic.

Dr Aiysha Malik, technical officer for the WHO's department of mental health, said: "For people without addictions, using substances will not help to manage the stress of self-isolation. They can make things worse."

1:18pm

Find out about potential #coronavirus scams, how they could affect you, and how to protect yourself [*https://t.co/6ixEGeQdqE*](https://t.co/6ixEGeQdqE) #coronavirusuk #COVID19 #FCAupdate pic.twitter.com/HZddFLzBLj

- Financial Conduct Authority (@TheFCA) March 26, 2020

1:15pm

All of Dorset's public sector organisations have joined forces to urge people to 'Stay at Home-Protect our NHS-Save Lives'

See the full message here

11:26am

A group of bird watchers defied Government advice to stay at home to instead gather and watch a rare species of bird.

A total of 15 twitchers from across the country congregated on Cleeve Common, near Cheltenham, after the Ring Ouzel was reportedly spotted.

The group - including one who had travelled more than 50 miles from Birmingham - had ignored the Government's lockdown to gather at the beauty spot to see the rare bird.

Gloucestershire Police said 10 cars and 15 people were set up next to one another with long-sighted cameras and binoculars.

Wildlife crime officer Pc Nick Westmacott said: "All of their details were obtained, and they were politely told to go home.

"On checking where they had travelled from, they had come from Birmingham, Swindon, Gloucester, Cheltenham and some from local Cotswold areas.

"The message is: Stay Home, Save Lives. All have been reported to the RSPB."

11:07am

If you are stuck at home or planning your daily walk or cycle, why don't you send us a picture as the sun shines and springtime blooms.

We have had some great photographs so far.

Email them to [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

11:01am

Banking giants are facing pressure to U-turn on onerous terms of emergency coronavirus loans that mean struggling business owners could be personally liable for the Government-backed debts.

The Government and banking industry have come under fire after it emerged some company directors were told they must give personal guarantees to access taxpayer-backed loans.

The fine print of the loans means that banks can seek to seize assets owned by company directors if their business goes bust and they cannot pay back the emergency loan.

While their personal home is protected, banks could go after other business or personal assets and it is thought second homes could be at risk.

11:00am

Peoplpe are being warned not to burden the NHS with dangerous DIY and gardening jobs.

Read the full story here

10:58am

The National Emergencies Trust appeal to raise money for charities helping vulnerable people during the coronavirus outbreak has raised nearly £11 million in its first week.

First allocations totalling around £2.5 million will begin going out to a network of 46 local community foundations across the country.

The money will be used to support those who are isolated, facing loss of income or recovering at home from the Covid-19 illness.

The Duke of Cambridge, whose father the Prince of Wales has since tested positive for coronavirus, launched the fundraising drive on March 18 with a video message, saying the country had a "unique ability to pull together" during times of adversity.

Lord Dannatt, chairman of the National Emergencies Trust, praised the nationwide response so far, but said more needed to be done.

8:09am

To use the free [*https://t.co/6IoHWqILcN*](https://t.co/6IoHWqILcN) Coronavirus Information Service on WhatsApp, simply add 07860 064422 in your phone contacts and then message the word 'hi' in a WhatsApp message to get started.

- Dorset HealthCare (@DorsetHealth) March 26, 2020

7:52am

Health Secretary Matt Hancock says a total of 560,000 members of the public have now answered the Government's call for volunteers to aid the NHS.

Mr Hancock tweeted: "NEWS: Fantastic that 560,000 people have now responded to our call to volunteer to support our NHS to defeat #Coronavirus."

7:52am

An 84-year-old man has become the first British prisoner to die after contracting coronavirus.

The inmate at HMP Littlehey, a category C male sex offenders' prison in Cambridgeshire, died in hospital on Sunday.

He reportedly had underlying health issues.

7:51am

Dorset's tips have closed but kerbside collections continue.

For the full story click here

7:09am

See the full list of dedicated shopping hours for NHS, elderly and vulnerable at UK supermarkets by clicking here

6:06am

The Chancellor Rishi Sunak is set to announce a major financial aid package for the self-employed today.

Read the full story here

6:01am

More than 500,000 people in just over 24 hours have signed up to help the NHS as volunteers during the coronavirus crisis.

The NHS and the Prime Minister have thanked those who have offered to help some of the most vulnerable people in the community.

Speaking at Wednesday's daily press conference at Number 10, Boris Johnson said he wanted to offer a "special thank you to everyone who has now volunteered to help the NHS".

"When we launched the appeal last night, we hoped to get 250,000 volunteers over a few days."

The NHS said in a tweet: "Thank you so much to everyone who has signed up to help some of the most vulnerable people in their communities. If you've not signed up and would like to, visit [*https://goodsamapp.org/NHS*](https://goodsamapp.org/NHS)."

The mass sign-up follows Health Secretary Matt Hancock's request for a quarter-of-a-million people to donate their time to help the 1.5 million people isolating for 12 weeks in an attempt to slow the spread of Covid-19.

Mr Johnson said the volunteers would be "absolutely crucial" in the fight against the illness.

6:00am

Good morning,

The number of confirmed cases in Dorset increased by nine to 38 in 24 hours.

See the latest update here

8:51pm

A further 28 people - aged between 47 and 93 - have died after testing positive for coronavirus in England, NHS England has said, bringing the total deaths in the UK to 463

6:28pm

Dorset Police is calling for former staff to return to the force to help in the coronavirus crisis

During this period if you have worked for us before and are willing to offer your skills to us, we would love to hear from you. Please get in touch via the email below by 5pm tomorrow or as soon as possible and we will be in touch.

[*COVID19-Resiliencebank@dorset.pnn.police.uk*](mailto:COVID19-Resiliencebank@dorset.pnn.police.uk) pic.twitter.com/w5h74Ps16n

- Dorset Police (@dorsetpolice) March 25, 2020

5:25pm

Asked about testing, the Prime Minister says the UK has done more testing than most European countries

5:07pm

In his daily press conference, Boris Johnson said 405,000 people have signed up as NHS volunteers after the health secretary made a request yesterday.

WATCH LIVE: PM @BorisJohnson hosts the #coronavirus press conference (25 March 2020) [*https://t.co/QmnOSaFZv2*](https://t.co/QmnOSaFZv2)

- UK Prime Minister (@10DowningStreet) March 25, 2020

4:20pm

While our lifeguards are not patrolling, please take care and follow this advice if you're at the coast pic.twitter.com/Dsg4Ah305M

- RNLI (@RNLI) March 25, 2020

4:03pm

National League officials have asked the FA to end the non-league season immediately, according to reports.

This could affect Weymouth, who play in the National League South.

Full story here.

1:48pm

Dorset Council have released a statement to clarify which food businesses should remain open.

More here.

1:10pm

A 21-year-old with no pre-existing health conditions has died in the UK after contracting COVID-19, according to reports.

12:30pm

Dorset Council has provided information on which food businesses are allowed to stay open:

- All restaurants, pubs and café's should be closed.

- But businesses can - and are - looking to diversify into take away and delivery services

- It has been made clear that takeaway services must not allow people to communally sit at the premises to consume the food purchased.

- The council is awaiting further guidance on the enforcement of this under new emergency Covid powers.

- Any members of the public who are concerned that food businesses are not complying should contact the Food Safety team on 01305 251010 or [*envhealthteamb@dorsetcouncil.gov.uk*](mailto:envhealthteamb@dorsetcouncil.gov.uk)

12:26pm

Dorset Council said it is putting all its planned roadwork schemes on hold to allow the council to focus on priority services.

All highway improvement schemes and any bridge or road maintenance activities are now paused for at least three weeks.

The council's fleet of vehicles and workers may be redeployed to provide support to other services or help with deliveries.

11:33am

Parents and carers are being warned about free school meal scam emails circulating around.

Full story here.

11:22am

BREAKING: Prince Charles has tested positive for coronavirus.

Full story here.

11:15am

We have closed all children's playgrounds and play parks in line with Government advice.

Open spaces attached can still be used as one form of exercise a day for residents. [*https://t.co/2LgdX1Xv5k*](https://t.co/2LgdX1Xv5k) pic.twitter.com/vbsKXOmfb3

- Dorset Council UK (@DorsetCouncilUK) March 25, 2020

11:14am

We've closed all our countryside car parks, but the open spaces to which they are attached are still open.

People need to stay 2 metres away from each other and wash their hands as soon as they get home. [*https://t.co/jqGfDRXNfm*](https://t.co/jqGfDRXNfm) pic.twitter.com/FmyeCdcdgi

- Dorset Council UK (@DorsetCouncilUK) March 25, 2020

10:58am

Parliament is likely to adjourn for an early Easter recess after the emergency coronavirus legislation to tackle the crisis has been approved.

Commons Leader Jacob Rees-Mogg has tabled a motion for the House of Commons to rise on Wednesday until April 21.

The Coronavirus Bill is expected to receive Royal Assent and become law before the end of the day after MPs from all sides agreed to let it pass without formal votes.

10:10am

Dorchester's Brewery Square shopping complex has announced all of its non-essential retailers will be closed.

Full story here.

9:55am

A total of 170,000 people have signed up to be volunteers for the NHS in an "astonishing" response to the coronavirus crisis, according to a senior doctor.

The mass sign-up follows Health Secretary Matt Hancock's request for 250,000 people to donate their time to help the 1.5 million people isolating for 12 weeks in an attempt to slow the spread of Covid-19.

Stephen Powis, NHS England medical director, said: "Overnight 170,000 people have signed up - that's three a minute to help the NHS.

"It's an absolutely astonishing response."

8:18am

Morrisons is offering meat and vegetarian food boxes designed to last a week for two people delivered to your door.

Full story here

8:16am

Parliament is likely to adjourn for an early Easter recess after the emergency coronavirus legislation to tackle the crisis has been approved.

Commons Leader Jacob Rees-Mogg has tabled a motion for the House of Commons to rise on Wednesday until April 21.

The Coronavirus Bill is expected to receive Royal Assent and become law before the end of the day after MPs from all sides agreed to let it pass without formal votes.

6:40am

Doctors will be forced to leave the profession during the coronavirus pandemic due to a lack of protective equipment, the head of a medics group has warned.

Amid fears over NHS staff shortages, the head of the Doctors' Association UK said existing staff may feel forced to leave because they do not have adequate personal protective equipment (PPE) to safely treat Covid-19 patients.

Chairman Dr Rinesh Parmar gave the warning as the Government urges recruitment of medical staff, including asking those who have recently left to return to help cope with the pandemic.

6:26am

Boris Johnson is under growing pressure to stop non-essential construction workers heading to building sites as the country attempts to tackle the spread of coronavirus.

The Prime Minister has faced calls from across the political spectrum for more stringent rules so workers are not placed at risk, and public transport is not overwhelmed.

See the latest on this and all UK developments here

6:20am

Good morning,

As ever, we will endeavour to bring you the latest news and advice on the coronavirus situation and the ongoing lockdown.

Dorset Police Chief Constable James Vaughan has urged people to be sensible but says officers will take action if the rules are broken.

Read the full story here

9:02pm

Two more cases of coronavirus confirmed in Dorset. See our story here

5:57pm

The number of people attending burials in Weymouth will be restricted to ten in an attempt to curb the spread of coronavirus.

Weymouth Town Council said it has made the very difficult decision to introduce restrictions at Weymouth, Melcombe and Wyke cemeteries.

From March 25 onwards, the attendance of family and friends at burial services will be restricted to ten people, plus funeral director, staff and officiant.

4:42pm

Health Secretary Matt Hancock has said the Government's new measures are 'not advice - they are rules'

WATCH LIVE: Health Secretary @MattHancock hosts the #coronavirus press conference (24 March 2020) [*https://t.co/wdSSGz5YOZ*](https://t.co/wdSSGz5YOZ)

- UK Prime Minister (@10DowningStreet) March 24, 2020

4:27pm

In local sport, reports are coming in that no more football will be played this season by Portland United and Bridport FC.

Full story here.

4:02pm

Home is now the "front line" in the fight against coronavirus, the Health Secretary has said.

Matt Hancock urged people to come together to reduce the number of people in the UK who will die from the spread of Covid-19.

But he issued a stark warning, saying stricter measures introduced by the Prime Minister on Monday were not advice but rules that must be followed.

He told MPs in the Commons: "The spread of coronavirus is rapidly accelerating across the world and in the UK.

"The actions we took yesterday are not actions that any UK government would want to take but they are absolutely necessary.

"Our instruction is simple: stay at home."

4:01pm

BREAKING: UK coronavirus deaths rise by 87 to 422, the biggest rise in one day so far

2:48pm

Several major airlines have no spare seats to bring UK passengers home from Spain this week, it has been claimed.

Consumer group Which? said travellers wanting to leave the UK's most popular holiday destination before it closes hotels on Thursday night as part of a coronavirus shutdown are unable to book flights with Ryanair, easyJet and Jet2.

The Foreign and Commonwealth Office (FCO) is urging all British travellers to return to the UK as soon as possible, warning that further closures to air routes may occur without notice.

2:46pm

Two more people in Scotland have died after testing positive for Covid-19, First Minister Nicola Sturgeon has said, taking the total to 16.

2:45pm

UPDATE on #COVIDー19 testing in the UK:

Today's figures will be published later this afternoon.

We are working hard to provide you with the latest information and will tweet this out as soon as possible.

- Department of Health and Social Care (@DHSCgovuk) March 24, 2020

2:18pm

With the 2020 Olympic Games being postponed, several Dorset-based Team GB sailors have been hit.

Full story here.

1:26pm

Dorset HealthCare has said that its walk-in centres will now be by appointment only.

More info here.

1:25pm

RSPB nature reserves across Dorset have been closed by the charity.

It is urging people to not visit the sites.

More info here.

1:24pm

There will be no lifeguards on Weymouth Beach as the town council urges people to avoid public gatherings.

More info here.

1:03pm

A further patient in Wales who tested positive for coronavirus has died, bringing the country's total to 17.

Public Health Wales said 60 new cases had tested positive for Covid-19, bringing the number to 478, but warned the true number of cases is likely to be higher.

1:02pm

To the #NHS staff on the frontline treating #coronavirus, the carers who continue to show up and protect our vunerable loved ones, and all #OurNHSPeople behind the scenes making sure people in their community have access to the latest information - we thank you! #ThankYouNHS pic.twitter.com/trOhJ3krcH

- NHS England and NHS Improvement (@NHSEngland) March 24, 2020

12:56pm

BREAKING: The 2020 Summer Olympic Games in Tokyo have been postponed until next year

12:41pm

Important update on our minor injuries units. pic.twitter.com/WSvtxhfHzG

- Dorset HealthCare (@DorsetHealth) March 24, 2020

12:40pm

Following the latest clear Government instructions we're closing our reserve to visitors until further notice. We're determined to do our bit to help connect people with nature from their homes & will be sharing positive content & activities. Stay safe & thanks for your support. pic.twitter.com/WG3O1c5lZ2

- RSPB Weymouth Wetlands (@RSPBWeymouth) March 24, 2020

12:03pm

Volunteer Centre Dorset has advice and resources to support and co-ordinate the volunteer community response to the coronavirus outbreak.

If you live in the Dorset Council area and want to help, click here.

11:44am

Two Iceland supermarket vans have been destroyed in arson attacks - hours after Prime Minister Boris Johnson told people to stay at home.

The delivery vans were destroyed in the attack outside an Iceland store in Arnside Road, Southmead, Bristol, on Monday night.

Richard Walker, managing director of the retailer, said: "At a time when home delivery is literally a lifeline for some vulnerable people, this is sickening."

In a statement, Iceland said the disturbances began at around 9.30pm.

"Police riot vans were called out and youths threw missiles at the police as they tried to disperse them," the retailer said.

"Later in the evening the two home delivery vans parked outside our Southmead store were set alight and the fire brigade attended to put out the fire.

"The vans will both have to be written off. We believe this to be an act of mindless vandalism rather than a targeted attack on Iceland."

11:05am

We encourage all customers to switch to contactless payments and purchasing tickets via our Mobile app where possible. We appreciate your assistance in helping to limit the spread of coronavirus.

- First Wessex (@firstdorset) March 24, 2020

10:46am

Dorset Council has closed all its household recycling centres (HRCs, or 'the tip') until further notice.

10:38am

London Mayor Sadiq Khan has said "we must stop all non-essential travel" as trains in the capital were still crowded on Tuesday despite Boris Johnson putting the UK on lockdown due to the coronavirus.

Travellers reported that carriages remained packed despite instructions for people to stay at home.

Mr Khan demanded that employers enable their staff to work from home "unless it's absolutely necessary", adding: "Ignoring these rules means more lives lost."

Transport for London (TfL) - which is chaired by Mr Khan - has suspended the Circle line and Waterloo & City line, and reduced frequencies on other parts of the Tube network.

Bus services have also been cut.

The mayor said "growing numbers" of TfL staff are off sick or self-isolating, which means "we cannot run more services than we currently are".

10:14am

We have closed our public facing offices. You can still contact us by email: [*customerservices@dorsetcouncil.gov.uk*](mailto:customerservices@dorsetcouncil.gov.uk) at [*https://t.co/xkdu3MaIdb*](https://t.co/xkdu3MaIdb) or call us on our normal numbers. Our customers services can take telephone calls and emails when they are working at home. pic.twitter.com/HvxPkVO1Li

- Dorset Council UK (@DorsetCouncilUK) March 24, 2020

10:14am

We have taken the decision to shut our offices.

If you need to get in touch with us, please click below [*https://t.co/x68Lzv9GuG*](https://t.co/x68Lzv9GuG)

- Weymouth Town Council (@WeymouthWTC) March 24, 2020

10:13am

Ineos is to build a hand sanitiser plant near Middlesbrough to produce one million bottles a month within 10 days, the company has announced

10:08am

Another event cancelled - this year's Chickerell Steam and Vintage Show due to be held July 4 and 5.

The organisers said in a statement: "Following the government's announcement regarding large scale events plus the ongoing advice in relation to COVID-19 (Coronavirus), the directors and committee of Chickerell Steam and Vintage Show have made the tough decision to CANCEL this year's show on 4th/5th July.

"This continually evolving situation is beyond our control and this decision has certainly not been made lightly, as we know many of you will appreciate and understand.

"As a group we would have liked to continue to plan for this year but with the uncertainty of COVID-19 in the coming months, cancelling the show for 2020 seems the best option. We strongly believe that the health, safety and wellbeing of our visitors, exhibitors, traders and volunteers must always be our top priority, as well as ensuring the future economic sustainability of our show.

"We would like to thank each and every one of you for your continued support, and we look forward to coming back in 2021, better than ever."

"Stay safe and healthy."

Refunds:

Any trader, crafter, caterer or advertiser who has already paid, please email your section leader via the contact page on the website. Please send your name/trading name and BACs details and a full refund will be made in due course. Payments will be made straight back into your bank ***account***.

9:34am

PM @BorisJohnson gives an important update on #coronavirus #StayHomeSaveLives pic.twitter.com/1yFjvxg5Dd

- GOV UK (@GOVUK) March 23, 2020

9:28am

Check out the latest advice on whether or not you can go to work here

9:11am

NHS workers are being offered a free portion of sausage and chips during the coronavirus pandemic.

Daniels Fish & Chips, which has branches in Abbotsbury Road, Chickerell Road, Littlemoor, Portland Road in Weymouth and on Portland, intends to run the offer for as long as possible during the crisis, Vegetarian sausages are also on offer as an alternative.

​All NHS workers have to do is show a valid ID badge in store.

8:44am

Intensive care doctors and nurses are being told to care for more patients than normal as hospitals experience a surge in Covid-19 cases.

More general doctors and nurses and those who are less experienced will help support the most senior medics as they care for those who are seriously ill with coronavirus, according the Health Service Journal (HSJ).

Nicki Credland, chairwoman of the British Association of Critical Care Nurses, confirmed that the plans have been agreed across England and it is "the only option" available.

7:29am

People need to help save lives by staying at home to avoid 'catastrophic strain' on health service, warns BMA-he doctors' trade union.

Commenting on concerns that people are not following social distancing measures effectively and the impact this is having on the NHS, BMA council chair Dr Chaand Nagpaul said: "People need to help save lives by staying at home and strictly following government guidance. Too many people are putting themselves and others at risk.

"If people continue to ignore the guidance then they are putting the health service under catastrophic strain by accelerating the spread of the virus and putting even more lives in danger.

"The Government must now take any further appropriate action to ensure the safety of the nation. This is about saving lives, protecting the most vulnerable in society and ensuring that our NHS can cope and care for patients."

7:28am

Cabinet Office Minister Michael Gove has said he cannot see any justification for Sports Direct to stay open during coronavirus restrictions and did not consider it as essential work.

Speaking on Good Morning Britain, Mr Gove said Mike Ashley, the chief executive of Sports Direct, should "rescind what he said".

Waitrose is limiting the number of people who can shop in its stores as it seeks to protect customers and staff.

Measures also includes stickers on the floors of checkouts to manage distance between customers, having marshals in store to enforce the two-metre rule and installing checkout screens to protect staff.

Answering questions on unclear advice for the construction industry, Mr Gove said all major construction work should go ahead but jobs carried out at close quarters in someone's home should would not be appropriate.

On rules for separated families in two households, Mr Gove said children should stay in the house they are currently in and should not be moving between households.

6:59am

Politicians have hit out at Sports Direct for keeping stores open after the Prime Minister ordered non-essential shops to close, with Labour's chairman telling company majority owner Mike Ashley to "take some responsibility" and "shut up shop".

Management justified keeping stores open on the basis that selling sporting and fitness equipment makes the company a vital asset during a national shutdown, according to an email seen by the PA news agency.

6:58am

Good morning,

The UK is officially in lockdown.

However, the Prime Minister is facing clariy over what the measures mean for many people as police are swamped by worried callers.

See the latest here

5:51pm

As of 9am today, a total of 83,945 people have been tested for coronavirus, of which 77,295 were confirmed negative and 6,650 were confirmed positive.

As of 1pm today, 335 patients in the UK who tested positive for coronavirus (COVID-19) have died, according to the Department of Health

3:54pm

The Sandbanks Ferry Company, which runs the chain ferry service between Studland and Poole, has announced that it will be temporarily withdrawing its service to foot passengers, bicycles & motorcycles.

From close of business today until further notice, the ferry will only carry cars, buses, goods vehicles and emergency vehicles.

3:50pm

The World Health Organisation is holding a news conference

Media briefing on #COVID19 with @DrTedros. #coronavirus [*https://t.co/VkAu8osSLn*](https://t.co/VkAu8osSLn)

- World Health Organization (WHO) (@WHO) March 23, 2020

3:44pm

Road safety charity, Brake, is warning drivers to steer clear of risky rural roads unless essential, so that they don't increase the burden on the NHS by being involved in a fatal or serious crash. The warning comes after people across the UK flocked to the countryside over the weekend, increasing traffic levels on the roads which carry the most risk of death and serious injury.

Rural roads are the most dangerous roads in Britain, with more than half (58%) of all road deaths occurring on them. In 2018, 1,030 people were killed on rural roads - an average of three people every day, with government ***data*** also showing that car users are more than 3 times more likely to be killed, and a third more likely to be seriously injured, on rural roads compared to urban roads

2:37pm

People who are ignoring social distancing advice to stay two metres apart are "very selfish", the Health Secretary has said as he indicated further measures could be brought in to tackle Covid-19.

In a sign that the UK could be moving towards greater lockdown, Matt Hancock said the Government was willing to take "more action" if needed to stop coronavirus from spreading.

Over the weekend,thousands of people flocked to Dorset's beaches and beauty spots.

Read the full story here

2:32pm

Train passengers with unwanted tickets will be able to claim fee-free refunds, the Department for Transport (DfT) has announced.

The measure will help people with season tickets or Advance tickets who are no longer travelling.

The growth in home working means many commuters have stopped using their weekly, monthly or annual passes.

Obtaining a refund previously involved paying an admin fee of up to £10, but that has been waived.

Not all season ticket holders will be able to get money back however, due to the way refunds are calculated.

The minimum amount of time left on a ticket for it to be eligible for a refund is around three days for a weekly ticket, seven days for a monthly ticket and three months for an annual ticket.

The measures announced by the DfT also mean anyone holding an Advance ticket can get their money back.

The tickets, which are for a specific train service, are popular with leisure travellers who want to save money.

They are normally non-refundable, but can be amended for a £10 fee.

Off-peak and Anytime tickets can also be refunded without an admin charge.

To obtain a refund for any type of ticket, passengers should contact whoever they bought it from, whether that is a train company or an independent ticket retailer.

2:31pm

Freemasons in Dorset are joining Masonic colleagues across England in inviting the whole country to toast 'absent friends, and those working on the frontline in the NHS' at 9pm tonight.

Freemasons are calling for the whole community to ensure no one feels alone, even if they are physically self-isolating, to be remembered in a toast.

 The 2,500 strong Dorset membership, in common with the whole organisation, traditionally toasts 'absent Brethren' to remember those who are unable to attend their meetings in person at the dinner that takes place afterwards. The organisation is adapting the usual 9pm toast it makes during its dinners and inviting everyone to join in to toast 'absent friends, and those working on the frontline in the NHS'.

2:30pm

Don't forget we are helping to get the word out about small businesses that are still open and/or doing ' no contact' deliveries.

They must be following government guidelines on social distancing and hygiene.

If you would like us to help support your business please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

To check out the list click here

1:21pm

The Tank Museum, Bovington has closed.

Nik Wyness, Head of Marketing at The Tank Museum said: "Following official advice, and as a precaution, we have made the decision to close The Tank Museum to the public.

"As soon as we are able to re-open we will let people know through the usual channels.

"Those staff who are able to will be working from home and other staff will be taking all necessary precautions."

11:21am

The Royal Navy International Air Day 2020 has been cancelled. The show was due to take place at RNAS Yeovilton, Somerset, on Saturday 11 July.

8:10am

Costa Coffee said it would be temporarily closing all stores from Monday evening.

It added that it would "do our best" to keep Costa stores open in hospitals where NHS staff will be given free takeaway coffee for the next two weeks.

Staff at closed stores will be paid their full average weekly pay over eight weeks.

8:01am

The Government has announced it will suspend franchise agreements for train companies.

The Department for Transport said in a statement: "The Government is taking emergency measures to support and sustain necessary rail services as operators face significant drops in their income.

"The Department for Transport will temporarily suspend normal franchise agreements and transfer all revenue and cost risk to the Government for a limited period, initially six months.

"Operators will continue to run services day-to-day for a small predetermined management fee."

8:01am

All jury trials in England and Wales will be put on hold as part of the ongoing efforts to halt the spread of Covid-19.

In a statement on Monday, the Lord Chief Justice Lord Burnett said no new trials will start and that ongoing trials will be paused while arrangements are put in place so they can continue safely.

7:53am

Boris Johnson is under mounting pressure to order a widespread lockdown after thousands of people ignored calls for "social distancing" to slow the coronavirus pandemic.

The Prime Minister said he will be thinking "very, very actively" about what steps to take if people continue to gather in large numbers in defiance of calls to stay apart.

There was anger among MPs at scenes over the weekend of crowds flocking to parks, markets, beaches and beauty spots.

Conservative former Cabinet minister Julian Smith said he would support "any measure" the Government brought forward to force people to comply with the guidance.

For Labour, shadow health secretary Jonathan Ashworth said ministers should be making "immediate preparations" for the "next stage" while learning from other European nations.

7:52am

Thre are calls for holidaymakers and second home owners to stay away from Dorset for the time being.

Read the full story here

7:06am

Good morning,

We are sad to say the first death from coronavirus has been reported at Dorset County Hospital in Dorchester.

A 72-year-old woman who had tested positive for Covid-19 and was being cared for at DCH has died, the hospital has confirmed.

The woman had underlying health problems.

While there is no need to panic this should underline the vital importance of following all government advice on social distancing.

Read the full story here

4:09pm

Parents are being urged to "play fair" and not send their children to school if it can be avoided, amid concerns some pupils will turn up when they could be safely looked after at home, as the UK battles coronavirus.

Schools are officially closed from Monday, but the children of so-called key workers - including medics, police and food distribution staff - are able to attend so they can be looked after while their parents help in the fight against the virus.

Government guidance, issued on Friday, listed the relevant occupations and children with "at least one parent or carer" who is considered critical to the Covid-19 response "can attend school if required".

But organisations representing teachers and school leaders have said they fear large numbers of children will be sent to school on Monday, and warned parents may end up having to be told the students cannot be accommodated.

The National Education Union criticised the Department for Education's guidance, saying it was not clear enough, called for an "urgent clarification", and said a strong message is needed to let parents know "their child should only be at school if there is no alternative".

3:25pm

Thousands of sole traders need immediate help to survive the coronavirus crisis as many are seeing their livelihoods "vanish", the Government is being warned.

The British Chambers of Commerce (BCC) said ministers must now ramp up support for the self-employed, following last week's announcement of wages support for workers.

Dr Adam Marshall, director general of the BCC, said: "Chambers across the UK are hearing from thousands of sole traders, for whom last week's measures offer little reassurance.

"While we understand the complexity involved, there are five million self-employed people who need help similar in scale and scope to that put in place for larger firms in recent days.

"We will work closely with ministers to find a way to deliver support to self-employed people and to ensure that the measures announced for larger businesses make it through quickly to the front line."

2:48pm

Production on Coronation Street and Emmerdale will stop from Monday due to coronavirus concerns, ITV has said.

2:38pm

The National Crime Agency today warned that organised crime groups may try to exploit the coronavirus outbreak to target the UK.

Despite the unprecedented situation with the pandemic, the NCA is continuing to protect the public and leading the UK's fight to cut serious and organised crime throughout this difficult time.

Read the full story here

2:02pm

A man has appeared in court accused of making fake coronavirus test kits and attempting to send them across the world, police said.

Frank Ludlow, 59, of West Sussex, was arrested at a Post Office near his home on Friday after 60 Covid-19 treatment kits were seized by police in the US.

The kits, which were intercepted by Customs and Border Protection Agency officers in Los Angles on Wednesday, were labelled as "Anti-Pathogenic treatment" and had been sent from the UK, City of London Police said.

They allegedly contained chemicals which are "extremely harmful" when the user is instructed to wash and rinse their mouth with them, police said.

Ludlow was arrested by the City of London Police's Intellectual Property Crime Unit after it was contacted by its US counterparts.

He appeared at Brighton Magistrates' Court on Saturday charged with fraud by false representation, possession of articles for use in fraud, and unlawfully manufacturing a medicinal product.

Ludlow was remanded in custody until April 20.

11:54am

The UK's coronavirus death toll has risen further as Boris Johnson urged people not to visit family on Mother's Day, and for those at highest risk to stay at home for at least 12 weeks.

The deaths of another seven patients in Wales brought the nationwide total to 240 on Sunday.

It came as a Cabinet minister warned the Government will look at "other options" if people ignore advice on social distancing to curb the spread of Covid-19.

Communities Secretary Robert Jenrick said people need to realise it "isn't a game", after reports of crowds flocking to seaside resorts at the weekend.

11:19am

A great many people will be unable to see their mum today on Mother's Day because of the outbreak.

However, if you would like to tell us what your mum means to you just email us at [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk) and we will publish all the messages.

7:48am

People are being urged to stay away from beaches and beauty spots to prevent the spread of the virus after thousands flocked to the Dorset coast yesterday.

Read more here

7:09am

The National Trust has closed its parks and gardens as of midnight on Saturday to help "restrict the spread of the coronavirus".

The decision has been taken ahead of Mother's Day, which the Trust predicts will attract more people to its parks despite Government advice on social distancing.

Houses, cafes and shops belonging to the charity were closed earlier this week.

But following Boris Johnson's announcement on Friday that all pubs, clubs and restaurants would be closed, the Trust has ramped up precautions.

Director general Hilary McGrady said: "Despite our desire to keep our outdoor spaces open, the health and wellbeing of our staff, volunteers and visitors has to be our top priority.

"Having observed the numbers visiting our properties today I am no longer convinced we can maintain social distancing over Mother's Day when numbers are likely to grow, and beyond."

7:05am

The coronavirus outbreak has brought the UK economy to a temporary standstill, according to a quarterly report.

KPMG UK's latest quarterly Economic Outlook forecasts a 2.6% decline for 2020 - with flat growth predicted in the second half of the year.

But a protracted outbreak of Covid-19 could also result in a more severe impact than the 2008-09 downturn with a 5.4% fall.

In both scenarios though, the report suggests the country's economy is expected to recover by the second half of 2021 - assuming the public health measures put in place stem the rise in the number of cases.

6:56am

Good morning,

Sadly, but inevitably, people are being urged not to visit their mothers today to celebrate Mother's Day. But we wish everybody well and phone calls and facetime, if possible, should be used instead.

Boris Johnson urged people to resist visiting as he warned the outbreak is accelerating.

1.5m people deemed at high risk are being 'strongly advised' to stay at home for the next 12 weeks.

Read the full story here

7:45pm

TWO more people have tested positive for Covid-19 in Dorset.

There was one extra confirmed case in the Bournemouth-Christchurch-Poole Council area bringing the total there to 11 and one more case in the Dorset Council area bringing the total to 8.

Across the UK there were 1,035 new confirmed cases bringing the overall total to 5,018.

The coronavirus death toll in the UK has reached 233 after it was announced a further 56 people have died after testing positive.

5:58pm

The coronavirus death toll in the UK has reached 233 after it was announced a further 56 people died after testing positive.

5:26pm

Patients face "tough" decisions about delaying "crucial" cancer treatments in the face of the risk from coronavirus, a charity has warned.

It comes after fast-tracked guidelines for clinicians amid the Covid-19 pandemic focusing on critical care, kidney dialysis and people being treated for cancer were published - as the NHS urgently prepares for a surge in hospital admissions due to the virus.

The guidance makes clear the need for a balance of the risks between people attending hospital as normal for ongoing treatments, and those patients possibly contracting the virus and becoming seriously unwell.

There have been concerns the UK does not have enough intensive care beds to cope with the number of people who will fall ill, and that the country could end up in a similar situation to Italy, where doctors have been forced to choose which patients get a bed.

4:44pm

Children living in residential homes, special schools, colleges and boarding schools are advised to self-isolate if one person shows coronavirus symptoms.

These settings are all considered households under the Government guidance on steps which should be taken to slow the spread of the virus, the Department for Education said.

It added that large settings may be treated as separate households, where the residence is spread across different buildings.

Releasing guidelines on Saturday, the department acknowledged such places will also have "unavoidable visitors" in the form of staff and other professionals who will need to continue their work while everyone in the setting might be self-isolating.

Those people - who it said might include social workers, police investigating child protection, and healthcare workers - are advised to take careful infection control measures before and after their visits to minimise the risk of the spread of Covid-19.

3:37pm

John Lewis Partnership has taken the "difficult decision" to temporarily close all 50 John Lewis shops at close of business on Monday as a result of the impact of coronavirus, the retailer has announced.

3:30pm

Our list of cancelled events is constantly being updated.

If your event has been cancelled or postponed email us at [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk) and we will add it to the list.

Check the latest cancellations here

3:25pm

Virus crisis panic buyers were told they "should be ashamed" for causing needless shortages for NHS staff as the retail industry insisted there was enough food for everyone and the Government ruled out rationing.

Environment Secretary George Eustice said there was no shortage of food in the country amid the coronavirus pandemic, with manufacturers having increased production by 50%.

See the full story here

12:49pm

WEYMOUTH Sea Life park has closed to the public.

A spokesman said: "As part of the Government's containment plan for the COVID-19 coronavirus, we have been advised to temporarily close Weymouth Sea Life Adventure Park.

"The move is consistent with the closure of other leisure venues to prevent further outbreak.

12:48pm

The Big Issue will stop being sold on the streets from next week as growing numbers of people stay away from towns and cities across the UK because of the growing coronavirus crisis.

The move is aimed at safeguarding the health of the vendors who usually sell the magazine, many of whom are homeless.

11:29am

Hotels in central London will offer beds to rough sleepers to help protect them against coronavirus.

An initial trial will take place over the weekend, offering 300 rooms to vulnerable people known to homelessness charities.

The mayor's office is working with Intercontinental Hotels Group (IHG) to block book rooms, at a discounted rate, for the next 12 weeks.

Rough sleepers are significantly more likely to have underlying health conditions - including respiratory problems - than the wider population.

They are also far less likely to be able to follow Public Health England advice on self-isolation, social distancing and hand-washing.

The rooms will provide "vital protection" for rough sleepers who can use the space to self-isolate, the mayor's office said.

10:41am

Dorset Police has issued a message to the community for people worried about the outbreak.

Read it here

10:39am

Ministers are facing mounting pressure to give front-line NHS staff the protective equipment they need as they tackle the coronavirus crisis.

Former Tory health secretary Jeremy Hunt joined calls for the Government to "sort this out", adding: "We are asking people to put their own lives at risk on the NHS front line.

"It is absolutely heart-breaking when NHS front-line professionals don't have the equipment that they need.

"I think the Government has done a lot in the last week. I think they have unblocked the supply chains, but there is this question about whether it is the right equipment."

9:34am

TV presenter Fiona Phillips has said she has coronavirus.

The former GMTV host told fans she had symptoms including a sore throat and dry cough but was "fine" and "not suffering".

Phillips, 59, tweeted: "I am in bed with #coronvirusuk It's not a very pleasant bedfellow, but nothing more than sore throat, dry cough, headache & tiredness. As long as it stays that way....DON'T panic!"

Eamonn Holmes, Phillips's former GMTV co-host, was among those wishing her a speedy recovery.

He said: "Get well soon Miss Fyona. Keep us posted x"

9:32am

Many communities are working together to help each other.

Leaflets are in the process of being printed and will be distributed in the villages of Puddletown, Tolpuddle, Burleston & Athelhampton offering help. There are lots of volunteers from the villages.

For more information you can contact Rev Sarah Hillman on 01305 848784 or via email [*sarah.c.hillman@outlook.com*](mailto:sarah.c.hillman@outlook.com)

9:29am

Students will not be sitting GCSEs or A-levels at the end of this academic year after exams were cancelled due to the coronavirus pandemic.

The Department for Education has said pupils in England will instead be awarded grades based on teacher assessments.

For what this means click here

9:18am

Covid-19 fears have not stopped a surge of migrants risking their lives trying to cross to the UK in dangerous inflatable boats.

More than 100 people have been intercepted by border patrols as they attempted the treacherous journey this week, with many more possibly slipping through.

Migrants wearing face masks, apparently as an attempt to guard against coronavirus, were reportedly seen at the Port of Dover in Kent.

9:05am

Sainsbury's has joined other supermarkers in introducing special shopping hours for NHS and social care workers.

See the full story here

8:47am

There wil be fewer rail and bus services in Dorset next week.

For the latest click here

8:45am

Tens of thousands of pubs, bars, theatres and restaurants across the country are staying shut as the Government battles to slow the spread of the coronavirus.

Boris Johnson ordered the dramatic closing down of the hospitality and entertainment sectors amid fears the NHS will be overwhelmed unless the Covid-19 outbreak is checked.

With scientists warning "social distancing" measures will have to stay in place for months to come, cinemas, nightclubs, gyms and betting shops were left wondering when they would be able to open their doors again.

Meanwhile economists have said the bill to taxpayers for the Government's unprecedented scheme to cover most of the wages of workers whose jobs are under threat from the outbreak could run to billions of pounds a month.

The Prime Minister announced the closure of pubs and restaurants at a Downing Street news conference on Friday following reports that many people were ignoring an earlier voluntary appeal to stay away.

While he acknowledged the ban went against the "freedom-loving instincts" of the British people, he said it was essential to achieve the 75% reduction in "unnecessary" social contacts required to reduce the rate of infection.

8:27am

Following requests from readers today we feature the story of someone who contracted Covid-19 but has recovered well.

It is meant to provide a factual ***account*** of one person's experience of having the virus.

But it is important to highlight it is just one person's experience and the symptoms may differ from person to person.

Chris Gough is an NHS doctor working in Oxford. Read his story here

8:22am

Good morning, We will keep you up to date wih the latest news and advice over the weekend.

Following government advice the majoriy of Echo staff are working from home. That means there may not be someone available to answer the phone at all times.

However, if you want to get in touch witn the news team please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

7:49pm

There has been another confirmed case of coronavirus in the county in the Bournemouth, Christchurch and Poole authority.

It means the total number for the BCP area is now 10. The number for the Dorset Council area remains the same at seven.

5:33pm

He's also said the Government will defer the next quarter of VAT payments until the end of June.

5:24pm

Chancellor Rishi Sunak has announced that, for the first time in history, the Government is going to step in and help to pay people's wages

5:17pm

The Prime Minister has ordered pubs, cafes and restaurants to close from tonight. They will, however, be able to continue to offer takeaway services.

Nightclubs, bars, theatres, leisure centres and gyms have also been told to close.

3:55pm

All pubs, restaurants, cinemas and gyms across London could be closed as the Government ramps up its efforts to limit the spread of coronavirus.

Prime Minister Boris Johnson is expected to impose the measures at a meeting of officials on Friday afternoon, according to reports.

Shops, however, are likely to be able to remain open for the time being.

It comes after the PM said the Government would not "rule out" taking "further and faster measures" than the social distancing instructions already outlined.

London has so far been more severely affected by the virus than other parts of the UK, yet there has been concern many people have continued to socialise in pubs and attend gyms around the city.

3:54pm

A further 39 people who tested positive for coronavirus have died, bringing the total number of confirmed reported deaths in England to 167, NHS England said

2:03pm

Jamie Oliver will demonstrate how to "make the most of what we have" in a new show responding to the coronavirus pandemic.

Jamie: Keep Cooking And Carry On will air on Channel 4 from Monday.

Oliver said: "Cooking nutritious meals for yourself and your loved ones has never been more important.

"This show will be packed with easy and delicious recipes that the whole family can enjoy, plus loads of tips, tricks and hacks for simple swaps and ways you can make the recipes work with what you've got.

"Let's big up those store cupboard and freezer faves and hero recipes you can take lots of ways."

1:35pm

Dorset Council says it is putting in place a contingency plan to deal with any disruptions to bin collection services. Full story here.

1:07pm

Meanwhile, this sign was spotted outside the florists Floral Couture By Jay in Abbotsbury Road. Clearly, local businesses need all the support they can get at the moment.

1:05pm

As businesses struggle, one Weymouth pub is encouraging customers to support the local trade. Here's a sign outside the Nothe Tavern spotted yesterday.

12:45pm

It's business as usual for some.

Steve Attrill, of the West Dorset-based Hive Beach Company, wants to let everybody know that the Hive Beach Cafe, Watch House Cafe & The Club House are remaining open for business as usual and offering a takeaway and delivery service.

"We are committed to staying open, keeping our employees in work, and doing all we can to keep our cafes sanitised and safe for customers," he said.

11:53am

The Country Land and Business Association (CLA) is calling on people to take up jobs on farms to save this year's harvest.

Travel restrictions and illness could leave a shortage of up to 80,000 ***agricultural*** workers. The UK Government should help by encouraging those who have lost their jobs to work on farms, help identify new opportunities and classify ***agricultural*** workers as 'key workers'. These measures will keep viable businesses afloat.

Government and industry figures show that over 60,000 seasonal labourers come to the UK each year to help complete annual harvests. Yet travel restrictions are expected to make it almost impossible for farmers to access the labour they need.

11:45am

Portland Museum Trust AGM on Thursday 26 March cancelled.

11:42am

Due to the Coronavirus (COVID 19) Dorchester Townswomen's Guild have regrettably had to cancel their monthly meetings and activities until further notice.

10:23am

Lewis-Manning Hospice Care's Glitter Run Postponed

"We are seeing an unprecedented situation grappling with a global pandemic of COVID-19, your health and that of our community is our priority. We are following government advice to protect you, our patients, their families, staff and volunteers. With this in mind, we have made the decision to postpone the Lewis-Manning Hospice Care Glitter Run on the 2nd May 2020 at Baiter Park, Poole."

9:47am

Shares and the pound rebounded on Friday morning led by travel firms, as action taken by the Bank of England finally seemed to stabilise a market which has been volatile for weeks.

The FTSE 100 jumped by as much as 5.2% as markets opened, although it later gave back some of those gains, with trading up around 3.5% at around 9.20am.

The index, which contains the biggest 100 companies on the London stock exchange, has faced a rough month, losing more than 28% of its value since February 21.

The pound bought 1.1869 dollars on Friday morning, a 3.4% rise against Thursday's close, as the Bank of England announced a new package to help the economy.

9:47am

Feral Cat Care's monthly coffee meeting, held on the first Friday of the month in Weymouth, has been cancelled.

The 25th anniversary party due to be held on May 1 has also been cancelled.

9:39am

BT is to remove all caps on home broadband plans to give customers unlimited ***data*** while working from home or self-isolating.

The BT Group, which also includes mobile network EE, said it wanted to help people stay connected during periods of isolation because of the coronavirus outbreak.

If comes after the firm said it was among networks in talks with the Government over allowing ministers to use anonymised mobile ***data*** to monitor whether people are following social distancing measures.

BT said the talks were part of discussions with the Government over how it could aid in the fight against the Covid-19 outbreak.

As part of its own plans, BT said it was also introducing measures to support its "most vulnerable customers".

For its BT landline-only customers, the firm said it was removing out-of-bundle charges for UK landline and mobile calls and was placing a £5-per-month cap on bills.

9:15am

Demand for hotel rooms has reached record lows, the boss of InterContinental Hotels has warned, as the travel industry faces one of its biggest existential threats in decades.

Chief executive Keith Barr, whose company owns Holiday Inn, said a massive fall-off in new customers had forced his business to "take the right steps" to protect itself as he announced swingeing cuts.

"Demand for hotels is currently at the lowest levels we've ever seen," Mr Barr said.

8:57am

The Co-op is creating 5,000 new jobs for out-of-work hospitality workers.

For the full story click here

8:53am

Bus operators are asking for a £1 billion pledge from Government to prevent tens of thousands of jobs having to go due to coronavirus.

The Confederation of Passenger Transport (CPT) is pushing for the money to help bus companies retain staff as passenger numbers drop due to Covid-19.

They believe revenues outside of the capital will fall by £50 million a week and passengers are already down by 50%.

This drop-off could rise to 75%, they say, following the decision to close schools and the request for those aged over 70 to stay at home.

8:05am

The Chancellor is to unveil an emergency package aimed at protecting workers' jobs and wages as they face hardship in the fight against the coronavirus pandemic.

Rishi Sunak has been under pressure from Labour, unions and even senior Tory MPs to do more to help workers and the stalling economy weather the crisis.

He will reveal new measures today at the daily Covid-19 press conference in Downing Street, where he is expected to be joined by Boris Johnson.

The Prime Minister said he expects the tide to be turned in the fight within 12 weeks, as he urged the public to follow social distancing advice and for businesses to "stand by your employees".

It comes as the Department for Education published a list of workers it deems "essential" whose children will still be able to attend school when they largely close on Friday afternoon.

Health Secretary Matt Hancock later admitted he could not live on statutory sick pay, but suggested an improvement could come with fresh measures to tackle the coronavirus crisis.

The Cabinet minister bluntly dismissed the prospect with a "no" when he was asked on BBC's Question Time if he could get by on the sum of £94.25 per week.

8:02am

Tesco and Marks and Spencer haave announced special shopping hours for NHS staff.

See the story here

8:00am

The Government has announced the full list of key workers whose children can still attend school on Monday.

See the full list here

6:12am

Good morning,

As ever we will endeavour to bring you the latest developments today.

We would especially like to hear about the positive things happening in our communities.

However, please feel free to contact us at [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk) on any matter.

Meanwhile, Haven has announced it is closing all its holiday parks today. That includes three parks in Weymouth. See the full story here

7:51pm

ANOTHER four people have tested positive for Covid-19 in Dorset.

Two more cases were confirmed in the Dorset Council area bringing the total to seven and two more were confirmed in the Bournemouth-Christchurch-Poole Council area bringing the total there to nine.

That brings the total across the county to 16 as of 9am on Thursday.

There were 643 new cases in the UK in total and the number of deaths rose to 144. A total of 79 people have fully recovered so far.

For the full story click here

6:49pm

The Department of Health has confirmed that, as of 9am today (Thursday), 3,269 people tested positive for coronavirus (COVID-19).

64,621 people have been tested in the UK, of which 61,352 were confirmed negative.

As of 1pm, 144 patients in the UK who tested positive for coronavirus (COVID-19) have died.

5:46pm

Boris Johnson has told the nation he is "absolutely confident that we can send coronavirus packing in this country" and the tide can be turned within the next 12 weeks.

The Prime Minister urged members of the public to heed the advice to keep up social distancing and stay at home if ill or if somebody in their household is ill as he said: "I know it's tough, I know it's difficult... but please, please follow the advice."

5:27pm

Boris Johnson has announced the first British patient has been put in a randomised trial for a treatment for coronavirus

4:47pm

I want to say a huge thank you on behalf of the whole country to everyone working in our NHS, of every specialism and role, in our fight against the coronavirus pandemic. We've never needed you more than we do today.

- Boris Johnson (@BorisJohnson) March 19, 2020

4:39pm

Around 15,000 hospital beds are to be freed up as hospitals brace themselves for an influx of patients with Covid-19.

The Department of Health and Social Care (DHSC) announced that £2.9 billion of the Government's emergency Covid-19 fund would be allocated towards helping the vulnerable and ensuring capacity in hospitals.

4:29pm

Church of England weddings during the coronavirus outbreak should be limited to a maximum of five people, including the bride and groom, new guidance says.

And apart from the couple themselves, everyone else should observe a social distance as far as possible, the guidance says.

The Church said important life events can go ahead but must be "very significantly scaled back" so people can follow the Government's social distancing advice.

Couples are being advised to "stream" their ceremony to absent friends and family, and the Church will work with those who wish to rearrange in light of Covid-19.

The Church said weddings should be limited to the legal minimum of five people - the priest, bride, groom and two witnesses.

The Bishop of Manchester, Dr David Walker, said: "Couples and parents, friends and families will have been planning for months, even years for their special moment, whether a wedding or a christening.

"Now it can go ahead - but with only the minimum required in attendance. You may need to cancel or postpone.

"Whatever decision is made, God's love and blessing will still surround all those who would have been there that day."

Apart from the couple themselves, everyone else should observe a social distance as far as possible, the guidance says.

The advice recommends similar measures for baptisms, with numbers restricted to the child, their parents, guardians or carers, godparents and the minister.

The priest should not hold the child and water should be administered with an "appropriate implement" such as a shell.

Only clergy and parents should join the candidate at the font, with godparents maintaining a social distance, it adds.

4:19pm

A major hospital trust is hoping to reassure the public that patients with underlying health conditions are recovering after contracting Covid-19.

University Hospital Southampton NHS Foundation Trust (UHS) has announced it is investing £2 million in critical care equipment to help handle the coronavirus crisis while also having to cancel some appointments to prioritise urgent cases.

The trust, which runs four hospitals in Southampton, also announced on Wednesday that it is beginning trials on an inhaled drug which might prevent worsening of symptoms in at-risk patients.

3:46pm

Citizens Advice Central Dorset said its branches are closed for face-to-face advice, but help is available over the phone or online.

For help - including the latest advice about your rights during the coronavirus crisis - call 0344 411 1444 or visit [*www.citizensadvice.org.uk*](http://www.citizensadvice.org.uk)

3:32pm

All libraries in Dorset are to close from tomorrow, Dorset Council has said.

After careful consideration, we have made the difficult decision to close all Dorset Council Libraries from the end of Friday (20/3), based on current Government guidelines. You can access our digital resources, e-books, audiobooks and magazines at [*https://t.co/ExH9L2jkV4*](https://t.co/ExH9L2jkV4) pic.twitter.com/h90fFdMgp6

- Dorset Council UK (@DorsetCouncilUK) March 19, 2020

3:32pm

The Bank of England has slashed interest rates to a new historic low of 0.1% and unleashed another £200 billion to boost the economy in its second emergency move in just over a week to combat the coronavirus hit.

The Bank - headed by new governor Andrew Bailey - cut rates from 0.25% to the lowest level on record as it repeated its warning that the economic impact of the Covid-19 outbreak could be "sharp and large".

Members of the Monetary Policy Committee (MPC) voted unanimously at a special meeting to cut rates and to fire up the money printing presses, by increasing its so-called quantitative easing programme by £200 billion to £645 billion.

Policymakers have also upped its new Term Funding Scheme support for small firms.

The Bank said: "The spread of Covid-19 and the measures being taken to contain the virus will result in an economic shock that could be sharp and large, but should be temporary."

It added the latest emergency action comes after "evidence relating to the global and domestic economy and financial markets" as stocks plunge at record rates worldwide.

3:04pm

Asda's 24hr superstores will be operating on reduced opening hours.

The Weymouth branch will close at 10pm.

A spokesman said "Our 24 hour stores have temporarily reduced from their normal opening hours to ensure we can clean and fully re-stock our shelves to be ready for our customers."

3:01pm

BREAKING: The number of people who have died after contracting coronavirus in England has risen to a total of 128

2:51pm

The RSPB is offering free parking at all its nature reserves, which remain open to the public.

However the charity said it has made a "difficult" decision and is closing all visitor centres, cafes and shops following the latest government advice.

"Nature reserves remain open and we hope that visitors will continue to enjoy these amazing places for wildlife while observing physical distancing measures," a spokesman said.

"All car parking charges will be waived so people can enjoy these sites at no cost."

2:40pm

The Diverse Dorset Day which was planned for Saturday April 18 in Dorchester has been cancelled due to social distancing measures. Donations will be refunded, organisers have said.

2:15pm

Dorchester Community Kitchen at the Storehouse Church, Cambridge Road, is calling for food donations.

The project provides food parcels for those self-isolating or in urgent need.

All donations are welcome, but they are particularly in need of fruit, veg, onions, garlic, bread, cereal, tins and cooking sauces.

Items can be dropped off until 5pm.

1:54pm

We've answered some common questions about #coronavirus symptoms, staying at home, and what to do if you live with a vulnerable person.

Visit our website for more up to date information: [*https://t.co/SkCoecbJWC*](https://t.co/SkCoecbJWC) pic.twitter.com/Eipx08RNLo

- NHS (@NHSuk) March 19, 2020

1:48pm

The Government's top scientific advisers have warned young people not to be complacent over Covid-19 as they urged the public to keep up social distancing measures to protect themselves.

England's chief medical officer Professor Chris Whitty said the vast majority of people in all age groups would recover but it was a mistake for young people who are healthy to think they would all just "breeze through" the pandemic.

The Government's chief scientific adviser Sir Patrick Vallance said everyone must now follow the advice for social distancing, and socialising in pubs and clubs must stop.

Prof Whitty told reporters at a central London press conference: "It is clear that children get this disease much less strongly than adults, I think the ***data*** on that is pretty strong now, and it certainly is the case that the majority of those that end up dying sadly are people who tend to be either in the later part of their lives, usually quite elderly, or those with pre-existing health conditions.

"But there are also some young people who have ended up in intensive care or who have ended up with severe disease around the world.

"I think it's important that we don't give the impression that every single person who is young and healthy is just going to breeze through this."

He said the "great majority" of people will suffer no symptoms or mild to moderate symptoms, but a very small proportion of young people "will have severe disease even though they are young and healthy".

1:29pm

The FA has extended its delay to the season's fictures, with no English football until April 30 at the earliest

1:27pm

Funeral care workers must feature on the Government's list of essential employees, an MP has said.

Labour's Carolyn Harris said undertakers must be included in the Government's list of "key workers" who will be able to continue travelling and whose children can carry on attending school.

She added that it is "inconceivable" that there could be a shortage of funeral care workers at such a demanding time.

Commons Leader Jacob Rees-Mogg said he would "immediately" look into the matter.

Ms Harris (Swansea East) said: "I've received urgent communication in the last hour from leading funeral operators in the UK who tell me there is a reluctance with the Cabinet Office to include funeral care workers on the list of essential employees.

"It is inconceivable that this industry will be short-staffed at this time.

"Can the Leader of the House please make urgent communication with his Cabinet colleagues to make sure the funeral industry is on the list of essential workers?"

Mr Rees-Mogg replied: "The honourable lady always makes the most important points in this House and I always find myself in agreement with her.

"It's no different on this occasion; I will take it up immediately after this session."

12:44pm

The number of Scots who have died after contracting Covid-19 has increased from three to six.

Nicola Sturgeon announced the number of deaths had doubled as she addressed MSPs at the start of First Minister's Questions.

She also confirmed a rise of 39 in the reported number of coronavirus cases, with this now standing at 266.

The First Minister said: "I would stress, as I have done previously, that that is likely to be an underestimate of the true prevalence of the infection across our society.

"I am also extremely sad to confirm that as of nine o'clock this morning there have now been six reported deaths of patients in Scotland who had tested positive for Covid-19, that is an increase of three from yesterday.

"I want to put on record my thoughts to their loved ones at this incredibly painful time for them."

11:51am

Emergency legislation to tackle the coronavirus outbreak is set to be published in Parliament as the Education Secretary moved to quell concerns over how school closures will affect students and parents.

Education Secretary Gavin Williamson said the Government will issue guidance on Friday on how pupils unable to sit their GCSEs and A-levels because of the school closures will be awarded their grades.

A list of the key workers whose children can still go to school will also be released later, he said.

11:35am

For people seeing things about ibuprofen on social media, here is official advice from the World Health Organisation

WHO is aware of concerns on the use of #ibuprofen for the treatment of fever for people with #COVID19.

We are consulting with physicians treating the patients & are not aware of reports of any negative effects, beyond the usual ones that limit its use in certain populations. pic.twitter.com/X0olC1ESQP

- World Health Organization (WHO) (@WHO) March 18, 2020

11:33am

The #Coronavirus Bill has now been introduced to Parliament.

It will mean the Government can take the right action at the right time to protect the public, NHS and social care staff.

Measures will only be used when strictly necessary.

More info: [*https://t.co/oI9W5DQWBZ*](https://t.co/oI9W5DQWBZ) pic.twitter.com/qZED2ZNxIE

- Department of Health and Social Care (@DHSCgovuk) March 19, 2020

11:27am

Driving tests across the UK are being halted due to the coronavirus outbreak.

All driving and vehicle tests due to take place on Thursday and Friday in Britain have been postponed.

Driving tests will be suspended in Northern Ireland from Friday for three months.

A spokesman for the Driver and Vehicle Standards Agency (DVSA), which is responsible for tests in Britain, said the action has been taken "to help reduce the spread of Covid-19".

He added a testing service will remain available for those with a "critical need".

That could include NHS workers needed to drive ambulances, delivery drivers, or fire brigades with an engine requiring its annual test.

Other learners will have their tests automatically rebooked free of charge "as soon as possible".

Nichola Mallon, the Northern Ireland Infrastructure Minister, said: "I understand that this will cause inconvenience to customers and businesses but it is the right step to take given the public health advice concerning social distancing and given the personal nature of the driver testing service.

"Driving examiners are in close proximity to members of the public, in a confined space, for up to 40 minutes on each driving test.

"I know this is a time of great uncertainty for people and I want to assure affected staff that they will continue to be paid a salary."

11:24am

Every effort will be made to keep Parliament open throughout the coronavirus outbreak, the House of Commons Commission has said.

Commission member Pete Wishart said the aim will be for Parliament to remain open so MPs can fulfil their "democratic obligations", but the safety of all staff "will be constantly under review".

The SNP MP added there have been "no recent formal discussions" on implementing electronic voting to keep MPs away from the Commons, but "all feasible alternative arrangements would be looked at" if divisions could no longer occur.

Pushed on the potential closure of Parliament by Labour's Clive Efford (Eltham) if the situation worsens, Mr Wishart said: "Every effort is taking place to ensure that staff are kept safe and that exposure to risk is as minimal as possible."

11:05am

If you are sat at home looking for something to do why not watch the latest auction at Duke's of Dorchester which is online now.

The Art and Design sale features wonderful paintings and ceramics including the collection of the late John Noakes, the Blue Peter presenter.

To watch and bid click here

10:58am

Weymouth Town Council has cancelled the Anzac Memorial Service.

The Anzac Memorial Day Service due to be held on 25th April has unfortunately been cancelled due to the coronavirus (COVID-19) outbreak. [*https://t.co/D51k6ZslJg*](https://t.co/D51k6ZslJg)

- Weymouth Town Council (@WeymouthWTC) March 19, 2020

10:55am

The Tank Museum has postponed its Tiger Day 13 event from Saturday April 25 to Saturday August 8.

All current ticket holders have been contacted. If you have not received an email, contact [*info@tankmuseum.org*](mailto:info@tankmuseum.org)

10:45am

C'Siders Weymouth and Portland Cancer Support Group has cancelled all its regular meetings at Wyke Smugglers (1st and 3rd Mondays of the month) until futher notice;

Also cancelled are the regular Table Tennis sessions for cancer patients and carers at Wyke Regis Community Sports Centre on Mondays during term time.

The C'Fit cancer rehabilitation exercise scheme held at Osprey Leisure Centre on Wednesdays is also cancelled until further notice.

10:35am

EU's chief Brexit negotiator Michel Barnier has tested positivefor coronavirus

9:52am

We're going to step up testing for #coronavirus #COVID19 pic.twitter.com/A7cNeBOd1J

- Boris Johnson (@BorisJohnson) March 19, 2020

9:42am

Neighbourhood policing teams have cancelled all face-to-face events:

Please see the full update below relating to cancellation of our face-to-face engagement events [*https://t.co/lPQkupPOkw*](https://t.co/lPQkupPOkw)

- Weymouth & Portland Police (@WeyPortPolice) March 19, 2020

9:39am

Dorchester Men's Shed will be closed until further notice:

Because if the CORVID 19 The Dorchester Men's Shed will, with effect from 3pm on Thursday 19th, be closed until further notice.

We are pleased to have finished, ready for delivery the new noticeboard for Moreton, it just needs the blue pin board to be fitted. pic.twitter.com/E09zBXBStO

- Dorchestermensshed (@Dorchmens1) March 18, 2020

9:30am

Weymouth Town Council has taken the decision to cancel the public Planning and Licensing Committee meeting due to be held at 7pm on Tuesday 24 March. However, Councillors will meet via video conferencing to formulate a Council response to the Dorset Council planning applications.

- Weymouth Town Council (@WeymouthWTC) March 19, 2020

8:53am

BBC Director-General Lord Hall has not ruled out a further delay to the end of the free licence fee for over-75s.

The universal benefit was due to end on June 1 but was pushed back until August 1 as a result of coronavirus.

Asked whether it could be delayed further if the crisis is not over by then, Lord Hall told Radio 4's Today programme: "The board met on Sunday to take that decision, to put the implementation off until August, and the phrase is 'under review'.

"I think on all of this ... we must just keep doing what we think is right each day and keep everything under review."

8:52am

Emergency legislation to tackle the coronavirus outbreak will be published in Parliament after Prime Minister Boris Johnson announced the closure of schools and cancellation of exams.

Health Secretary Matt Hancock will table the Emergency Coronavirus Bill setting out measures aimed at slowing the spread and supporting the NHS and workers in the Commons on Thursday.

The legislation will be presented as the Army prepares to help out in the crisis and Londoners faced the prospect of greater restrictions, with the capital suffering a faster spread of Covid-19.

8:51am

The Tivoli Theatre is Wimborne is closing until Mid-August.

They  will be calling all ticket holders for shows within this period, in order to offer rescheduled dates for the new shows.

8:41am

The West of England Game Fair due to take place this weekend at the Bath and West Showground has been cancelled

8:05am

Dog Friendly Social has cancelled the Weymouth Dog Walk on Weymouth Beach on April 5.  They hope to reschedule later in the year.

8:05am

The Ideal Home Show has been cancelled.

A new date will be announced soon.

All tickets, including those received through Echo promotions, remain valid and anyone with a ticket will be contacted with full details.

7:50am

The Nothe Fort will not open for the start of the season.

James Farquharson, chairman of the Nothe Fort management committee said: "As I'm sure you've been expecting, we've taken the decision not to open the Fort at the start of the season this year due to the Covid-19 virus outbreak and in accordance with UK government advice.

"Our priority is the safety of our visitors, volunteers and staff. As it stands, we don't know when we will be able to open our doors to the public but we will update you as soon as we can."

7:43am

Weymouth FC Travel Club Easter Bingo which was due to be held on Friday, April 3, has been cancelled.

7:40am

The Sutton Poyntz Victorian Street Fayre has beeen cancelled.

Full story here

7:29am

Terminal illness charity, Marie Curie, has announced that all of its upcoming public collections in Dorset as part of its biggest annual appeal will be cancelled due to the current coronavirus (COVID-19) situation.

The Great Daffodil Appeal, which runs throughout March, sees thousands of volunteer collectors across the county hitting high streets and supermarkets to hand out the charity's iconic daffodil pins in exchange for donations.

The money raised from the Great Daffodil Appeal helps Marie Curie provide much-needed expert care to people with terminal illnesses, as well as support for their loved ones, helping them to make the most of the time they have together. The appeal also helps the charity provide practical information and support, fund research and campaigns for more people to have access to high quality, personalised care wherever and whenever they need it.

With over 2200 collections across the country cancelled with immediate effect, Marie Curie has estimated that it will lose £1 million from these vital collections alone - with further losses coming from many other cancelled fundraising activities and events. This will impact the charity's work, which is going to be more important than ever over the coming months as the NHS focuses on the coronavirus.

In light of this, the charity is urgently asking people to get involved in the appeal via other ways to help its nurses care for more people including donating online (mariecurie.org.uk/donate) or via text-to-donate (text DAFF to 70111 to donate £5\*).

If you, or someone you know, is affected by a terminal illness and concerned about coronavirus (COVID-19), our Support Line team are ready to help with the information you need when you need it. Call free 0800 090 2309\*\*. You can also find more information on our website: mariecurie.org.uk/coronavirus

6:48am

Pubs and restaurants are struggling as customers are warned to stay away but many are determined to battle through. Read the full story here

6:47am

Good morning. We will continue to keep you updated throughout the day with the latest news and advice.

We will also endeavour to highlight all the good things peole are doing to help out in their communities.

If you would like us to spread the word on what is being done to help the elderly and vulnerable in your area or if you need someone to contact for help please feel free to email us at [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

7:23pm

The Government is to launch a voucher scheme to ensure children eligible for free school meals will continue to have access to hot food while schools shut down for the foreseeable future.

Education Secretary Gavin Williamson announced in the Commons on Wednesday schools in England would close from Friday to all children except those of "key workers" and vulnerable children due to the coronavirus crisis.

It led to calls for assurances that underprivileged children would not go hungry amid fears more families might enter financial difficulties due to the economic downturn.

Mr Williamson said vouchers redeemable in shops and supermarkets would be given to schools to provide "flexibility" for eligible children, adding the Government would reimburse costs.

7:04pm

Four new cases of coronavirus confirmed in Dorset, see our story here

6:29pm

Thousands of UK holidaymakers face a race against time to return home before countries around the world shut down due to the coronavirus.

Travellers in Morocco accused airlines of leaving them stranded and demanding extortionate fees.

Thomas Reilly, the British ambassador to Morocco, said "we are trying to get as many flights in as we can" before the country's airspace closes at midnight on Thursday.

In response to a holidaymaker who sent him a Twitter message complaining that Ryanair was charging £300 for a flight back to the UK, he replied: "Buy the tickets. Get out of the country. Claim on your insurance. Do not delay."

6:27pm

Union leaders have called on the Government to ensure that working parents get paid parental leave when their child's school or nursery closes because of the coronavirus outbreak.

The TUC said many parents are already having to take time off work to care for children, or could feel forced to ask grandparents to help out with childcare, potentially risking the health of vulnerable older people.

The union body warned that working women will be hard hit because they bear a disproportionate share of caring responsibilities, and that single-parent families are especially vulnerable.

6:27pm

Emergency legislation to suspend new evictions from social or private rented accommodation during the coronavirus "national emergency" is to be introduced by the Government.

Housing Secretary Robert Jenrick announced the plans to ensure landlords cannot start proceedings to evict tenants for at least a three-month period, in a bid to ensure renters do not worry about the threat of losing their home.

The three-month mortgage payment holiday announced by the Chancellor on Tuesday will also be extended to landlords whose tenants are experiencing financial difficulties due to the Covid-19 outbreak.

6:09pm

Prime Minister Boris Johnson has been asked whether a one-year extension could be sought for the UK's Brexit implementation process.

Alliance MP Stephen Farry (North Down) said: "Defeating the coronavirus must be the top, indeed the only priority, for the foreseeable future. There's already huge anxiety across the UK, businesses are facing unprecedented challenge and uncertainty.

"So regardless of Leave or Remain, how quickly will the Prime Minister recognise the inevitable and seek at least a one-year extension to the Brexit implementation process?"

Mr Johnson responded: "Our priority is to deal with the coronavirus epidemic and the other matter that he mentions has already, as he will know, been legislated for."

5:50pm

Ryanair has announced it may suspend all flights except those providing "essential connectivity", due to the coronavirus.

More than four out of five flights will be cancelled between Thursday and March 24.

After that period "we expect that most if not all Ryanair Group flights will be grounded", the airline said.

An exception will be "a very small number of flights to maintain essential connectivity, mostly between the UK and Ireland".

Ryanair said details of the severely reduced schedule can be found on the travel advisory page on the Ryanair.com website.

Jet2.com has suspended its flying programme until at least next month.

All airlines have slashed their flights in recent days due to travel restrictions and a collapse in demand caused by the spread of the coronavirus.

Trade body the Airport Operators Association (AOA) has warned that airports will shut down "within weeks" without Government intervention.

On Tuesday, Chancellor Rishi Sunak announced that a package of measures would be agreed to alleviate the impact of Covid-19 on aviation.

5:27pm

Schools in England will close from Friday until further notice for all pupils except children of key workers and the most vulnerable, Education Secretary Gavin Williamson said. See our story here

4:59pm

All Jurassic Coast Trust events which were scheduled to take place between now and the beginning of July have been cancelled.

4:23pm

BREAKING: UK death toll rises to 104

3:09pm

All Saints Academy in Weymouth is now closing its doors to all but Year 11 students this week.

Full and updated story here

2:58pm

2,626 cases have been confirmed across the UK so far.

Full story here.

2:45pm

If you are a business such as a pub or restaurant that is delivering food during this pandemic, please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

2:44pm

Statement on schools in England expected later

A Commons statement is expected at 5pm on the situation regarding school closures in England, shadow education secretary Angela Rayner said on Twitter.

2:37pm

South Dorset RSPB meetings on March 26 and April 23 have been cancelled

2:26pm

BREAKING: Number of cases of COVID-19 in the UK has risen to 2,626

2:24pm

The following statement is from Nick Marks, volunteer Lifeboat Operations Manager for the RNLI in Lyme Regis.

"In order to protect our volunteers as much as possible  from coronavirus infection Lyme Regis Lifeboat Station has closed to visitors for the foreseeable future. The RNLI shop on the Cobb has also closed.

"Lifeboat training has been reduced to the bare minimum needed to sustain our ability to deliver a lifesaving service.

"The lifeboat crew will continue to respond to service calls as and when required."

1:51pm

Cllr Spencer Flower, Leader of Dorset Council, has said: "Thank you to communities across Dorset for pulling together during these unprecedented times. And my particular thanks to the staff of Dorset Council who are working to maintain critical services, with a focus on ensuring continuity of care, supporting our most vulnerable people and supporting our local economy. Together we will get through this."

1:48pm

Portland Town Council has announced that it will be closing the Portland Community Venue and council offices from Monday, March 23 for the 'foreseeable future'.

Portland Town Council will be working from home where possible, but the contact details remain the same should you need to get in touch.

Email: [*office@portlandtowncouncil.gov.uk*](mailto:office@portlandtowncouncil.gov.uk) or [*clerk@portlandtowncouncil.gov.uk*](mailto:clerk@portlandtowncouncil.gov.uk)

Phone: 01305 821638 or 07493 371837

For Portland Community Venue queries email [*bookings@portlandcommunityvenue.co.uk*](mailto:bookings@portlandcommunityvenue.co.uk)

1:41pm

Tomorrow's Dorset Council area planning committee which was due to be held in Dorchester has been postponed.

The meeting was to have considered two south Dorset applications - for homes on a Dorset Council-owned site off Spa Road and Roman Road, Weymouth, and for homes on a site off Putton Lane, Chickerell which was previously earmarked for a new doctors surgery.

The committee was also due to have considered a number of, smaller, applications, several of them from the Bridport area.

Threen other Dorset Council meetings next week have also been called off - an audit and governance scrutiny committee on Tuesday 24th and the harbours committee and health and wellbeing committees, both on the 25th.

Only one meeting is scheduled to still go ahead -  a staffing committee on Monday 23rd although this was expected to be held behind closed doors dealing with a job application for a senior council post.

1:21pm

Public Health England have said that the UK coronavirus pandemic will last a year.

Full story here

1:02pm

Weymouth Parkrun has shared an important message.

ANNOUNCEMENT FROM PARKRUN HQ

"All parkrun events in the United Kingdom have been suspended with immediate effect due to the ongoing COVID-19 (Coronavirus) situation. At this stage we have cancelled events up to the end of March. Please follow our communications channels for ongoing updates. parkrun's global position is published and will be updated here"

[*http://parkrun.me/covid19*](http://parkrun.me/covid19)

Stay safe everyone and keep active but please do not arrange to run the parkrun route on Saturday morning at 9am.

11:26am

C'Siders Weymouth and Portland Cancer Support Group have cancelled all their regular meetings at Wyke Smugglers (1st and 3rd Mondays of the month) until futher notice; also cancelled are the regular Table Tennis sessions for cancer patients and carers at Wyke Regis Community Sports Centre on Mondays during term time; and finally, the C'Fit cancer rehabilitation exercise scheme held at Osprey Leisure Centre on Wednesdays is also cancelled until further notice.

11:26am

Salisbury Cathedral has suspended public worship. The building remains open for prayer and reflection and the clergy will continue their pattern of daily prayer

11:23am

Weymouth and Portland Lions' charity caberet night in support of Go Girls on Friday, March 20 has been postponed to October 2.

10:23am

Weymouth Half Marathon which was due to take place this Sunday has been postponed so no temporary road closures or traffic management measures in and around the town centre will take effect.

10:20am

Symondsbury Estate's Country Fair on April 16th has been cancelled

10:18am

BREAKING: Alison Cronin, Director of Dorset attraction Monkey World, has released the following statement:

"To protect our rescued monkeys and apes and our dedicated team at the park during the ongoing coronavirus situation, we are taking steps to limit potential exposure of our primates in every way we can.

"As you are aware, the safety and wellbeing of our rescued monkeys and apes is, and always will be, our first priority.

"To this end, we have taken the decision to close the park to the public, effective from 5pm today, Tuesday 17th March 2020. All scheduled Monkey World events, guided tours and bookings are cancelled until further notice. Our office staff will be in contact with anyone who had a booking of this nature.

"We will also not be in a position to accept any donations of blankets, towels, socks, bottles or other second-hand items for enrichment until further notice.

"Whilst we apologise for the inconvenience this may cause, we hope you understand that the welfare, health and well-being of our rescued and endangered primates is of the upmost importance to us and this of course also includes reducing the contact risk to our Primate Care Staff and the rest of our team at the park.

"At present all our monkeys and apes seem fine but we are moving ahead with enhanced quarantine procedures in order to try and prevent the spread of the coronavirus throughout the park. Very little is known about how this virus will affect our non-human primates so we are doing everything we can to protect them.

"We will keep you updated as to how everyone is and hope that you will continue to support our primate rescue and rehabilitation work through our Amazon Wish List or by donating fruit and vegetables through supermarket delivery services.

Your support and understanding means the world to us. We wish you and your families the very best during this difficult time and will keep you in touch with our family."

9:57am

Quayside Music Festival at Rendezvous in Weymouth has cancelled their events due to take place on April 10-12.

A spokesman said: "It fills us with great sadness but due to the current climate Quayside Music Festival will be Postponed during the Easter Holidays.

"We hope to be back for the May festivals. Stay safe people from all of us at #Quayfest"

9:38am

BREAKING: Plaza Cinema in Dorchester has been closed until further notice.

Full story here

9:37am

Another newborn baby has tested positive for Covid-19 in the UK.

Health officials at the James Paget University Hospital in Gorleston, Norfolk, said a baby is among three new cases identified.

All patients are now being treated in isolation, the trust said on Wednesday.

A hospital spokesman said: "An extensive 'contact tracing' exercise is now under way by Public Health England to trace anyone who might have had close (face-to-face) contact.

"Close contacts will be given health advice about symptoms and what to do if they become unwell in the 14 days after they had contact with the confirmed case."

That case came after a nine-month-old baby was diagnosed with coronavirus - despite neither parent feeling unwell.

Myroslava Coates told Sky News she took her son Cassian to see a doctor in Manchester on Monday after he developed a fever, and they were told he had tested positive.

She said: "We weren't expecting that. Cassian had a fever and cold but not the cough and symptoms everyone was talking about.

"We were told to go home to self-isolate for two weeks and keep giving him Calpol as if it was a cold."

At the weekend, a mother and her newborn baby tested positive. The infant was believed to be the youngest patient to have been diagnosed in the UK.

The mother was rushed to hospital days earlier with suspected pneumonia and she and her child are being treated at separate hospitals, The Sun reported.

The newspaper said the woman was tested at North Middlesex Hospital but the result was not known until after the birth.

Both mother and baby were transferred to Guy's and St Thomas' Hospital in London at the weekend.

9:05am

BREAKING: Fayre in the Square 2020 has been cancelled.

Full story here

8:11am

Tesco has intruduced further restrictions on the number of some items you can buy.

But people are being advised to avoid panic buying.

See the full story here

8:03am

Controversial tax reforms affecting freelance workers have been postponed for 12 months due to the coronavirus outbreak.

Chief Secretary to the Treasury Steve Barclay said the move to delay reforms to IR35 legislation was designed to help businesses and individuals, but stressed they had not been cancelled.

Legislation introduced in 2000, referred to as IR35, sought to prevent the exploitation of personal service companies for tax avoidance purposes.

8:03am

If you are unsure of what exactly is meant by 'social distancing' and what the latest measures mean for you and your family read our story here

7:53am

One of Britain's biggest food and pub companies has said that sales are "getting worse by the day" as several big pub chains warned of the impact of coronavirus.

Wagamama-owner The Restaurant Group, which also runs several pub-restaurants across the country, said that like-for-like sales were down 12.5% in the last two weeks.

It was joined on Wednesday morning by Marston's, which runs 1,400 pubs and warned that Government advice to avoid eating or drinking out would cause "significantly lower sales in the coming weeks".

Mitchells & Butler, owner of Toby Carvery and All Bar One, warned that "recent trading has been severely impacted" by coronavirus, adding that the Government's advice to stay home "is now expected to lead to a further significant downturn in sales".

6:53am

Sainsbury's is the latest supermarket to announce measures to help the elderly and vulnerable during the ongoing coronavirus crisis.

See the full story here

6:38am

Criminal trials are to be put on hold as part of the ongoing efforts to delay the spread of coronavirus.

In a statement issued late on Tuesday, it was announced that the Lord Chief Justice Lord Burnett - the most senior judge in England and Wales - has decided no new trial should start in any Crown Court unless it is expected to last for three days or fewer.

As a result, cases longer than three days that were due to start before the end of April will be postponed.

The statement said any trials currently under way would continue, in the hope they could be completed.

In relation to other court hearings, including family and magistrates' courts, where no jurors are involved, the statement said steps are being taken to enable as many hearings as possible to take place - with some or all of those involved attending by telephone, videolink or online.

6:26am

Some good news on the jobs front. Morrisons is creating 3,500 jobs to deal with extra demand. For the full story click here

6:13am

Good morning. We will continue to bring you the latest news and advice today.

While the number of confirmed cases in Dorset remaains relatively low, at eight, it is estimated many more will have the virus.

However, the effects on most peeople will be relatively mild. But it is vitally important people adhere to the latest guidelines on social distancing and self-isolating where nescssary to prevent the spread to the most vulerable in our society.

A great many people are doing great things in our communities to help the elderly and vulnerable.

If you would like to spread the word about support schemes in your area please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

6:24pm

BREAKING: An eighth case of COVID-19 has been confirmed in Dorset.

The latest case has been confirmed in the Bournemouth, Chritchurch and Poole Council area.

There are now six cases in that area, plus two cases in the Dorset Council area.

5:38pm

Government-backed loans worth £330 billion will be made available to support businesses through the coronavirus crisis, the Chancellor has announced.

Rishi Sunak said the "unprecedented package" - equivalent to 15% of GDP - could go further if demand is greater, and vowed to do "whatever it takes" to help the economy.

The Chancellor, speaking at a press conference inside 10 Downing Street, also said he was extending the business rates holiday to all businesses in the hospitality sector and funding grants of up to £25,000 for smaller businesses.

And Mr Sunak said that for those in financial difficulty due to coronavirus, mortgage lenders will offer a three-month mortgage holiday.

He unveiled the measures after the Government's chief scientific adviser said around 55,000 people in the UK now have Covid-19, as the NHS moved to cancel all non-emergency surgery and 71 people are now known to have died.

Sir Patrick Vallance told MPs it is hoped the death toll can be kept to under 20,000 as he told of the huge amount of strain the health service will be under from Covid-19.

5:11pm

Covid-19 is so dangerous that without drastic action it will "overwhelm the NHS", Prime Minister Boris Johnson said as he warned that more "extreme measures" may be needed to protect lives in the future.

5:10pm

Prime Minister Boris Johnson said that the coronavirus pandemic was 'deadly' but 'beatable'

5:05pm

The Bishop of Salisbury, the Rt. Revd Nicholas Holtam has written to clergy and churches in the Diocese in light of the latest guidance that all public worship should be suspended.

5:02pm

Prime Minister Boris Johnson and Chancellor Rishi Sunak are due to speak to the press at Downing Street shortly

5:00pm

Following the latest government advice the committee of Dorchester and District U3A have decided to cancel all meetings from April to September 2020.

4:42pm

Gatwick Airport cuts 200 jobs and bosses agree to take 20% pay cut as a result of coronavirus outbreak

4:41pm

BREAKING: A further 14 people have died after being diagnosed with coronavirus in England, the Department of Health said, bringing the death toll in the UK to 71.

4:21pm

Hospitals have been told to cancel non-urgent surgery and free up beds as they prepare for large numbers of Covid-19 patients.

In a letter to senior managers and hospital trusts, NHS chief executive Sir Simon Stevens and NHS chief operating officer Amanda Pritchard said the health service will "come under intense pressure" when the virus peaks.

It said important measures are needed to "free up the maximum possible inpatient and critical care capacity; prepare for, and respond to, the anticipated large numbers of Covid-19 patients who will need respiratory support; and support staff, and maximise their availability".

The letter said the aim is to expand critical care capacity to the maximum and "free up 30,000 (or more) of the English NHS's 100,000 general and acute beds".

Hospitals are told to assume they will need to postpone all non-urgent operations from April 15 at the latest, "for a period of at least three months".

But emergency admissions, cancer treatment and other clinically urgent care should continue unaffected, the letter said.

Hospitals should also "urgently discharge all hospital inpatients who are medically fit to leave".

3:42pm

Buckingham Palace has confirmed the Queen will be moving to Windsor Castle from March 19.

3:16pm

The Poole Lighthouse will be closed from 5.30pm today, Tuesday 17 March, until Tuesday 14 April.

3:11pm

The Weymouth Town Council by-election for the Wyke Regis ward will be going ahead this Thursday.

A Dorset Council spokesman said: "Hand sanitiser will be supplied at polling stations and voters can use their own pen or pencil if they are concerned about using the supplied pencils.

"The advice to proceed with the election has come from the electoral commission and we have no powers to cancel the election as legislation will not be in place by this Thursday.

"We are advising anyone attending the polling station to follow the government guidance on social distancing."

3:08pm

Weymouth RNLI lifeboat station and its shop will be closing access to the public with immediate effect.

Weymouth Lifeboat station Lifeboat Operations Manager Nicki Ayling said: "Our priority at this time is to preserve our lifesaving service and for the well being of our volunteers and full time staff.

"If you are a water user, please be extra vigilant as our emergency services are likely to be stretched at this time. Please stay safe and look after each other as a community through this difficult period."

Lifeboat stations remain operational and will continue to respond to those in need but will not be open to visitors. Lifeboats will continue to launch to those in peril at sea.

3:06pm

The Board of Directors of three major ***agricultural*** events in the South West - Devon County Show, The Royal Bath & West Show and The Royal Cornwall Show, have today announced the postponement of their events due to the increased threat of the spread of Coronavirus (COVID-19).

The three shows all of which were scheduled to take place in Spring, will be postponed until:

31st July, 1st & 2nd August - The Royal Bath & West Show

28th, 29th & 30th August - Devon County Show

10th, 11th & 12th September - The Royal Cornwall Show

3:03pm

Around 55,000 people in the UK have coronavirus and the aim is for fewer than 20,000 people to die from it, the Government's chief scientific adviser has said.

Sir Patrick Vallance said the number of predicted deaths was "horrible" and there would still be a huge amount of strain on the health service from Covid-19.

During a hearing of the Health Select Committee, chairman Jeremy Hunt asked whether the expected death rate was one fatality for every 1,000 cases, which would mean that there are "potentially 55,000 cases" at present.

Sir Patrick said: "We've tried to get a handle on that in Sage (Scientific Advisory Group for Emergencies) and if you put all the modelling information together, that's a reasonable ballpark way of looking at it.

"It's not more accurate than that."

He said the stringent measures introduced on Monday should "have a very significant effect on the peak" and lead to a reduction in cases and deaths after two to three weeks.

Asked whether it was hoped that deaths could potentially get below 20,000, Sir Patrick said: "If we can get numbers down to 20,000 and below, that's a good outcome in terms of where we would hope to get to with this outbreak, but that's still horrible, it's still an enormous number of deaths and an enormous pressure on the health service, and having spent 20 years as an NHS consultant as well as an academic, I know what that looks and feels like."

He warned that much was still unknown about what would happen once people are released from isolation and no longer told to undertake social distancing.

Sir Patrick said "that's one of the big unknowns in this which we are going to have to think about very carefully".

2:54pm

BREAKING: 1,950 cases of COVID-19 have been confirmed in the UK, a rise of 407 in the last 24 hours. Full story here

1:25pm

Weymouth Town Council have confirmed that the Annual Town Assembly due to be held on Wednesday, March 25 has been postponed.

The presentation which was due to be given by the Town Clerk will be made available online and the public are welcome to ask questions on it when it is posted.

1:12pm

UEFA has postponed Euro 2020 until the summer of 2021 to allow European leagues more time to complete their seasons amid the coronavirus pandemic.

- Sky Sports News (@SkySportsNews) March 17, 2020

1:11pm

New guidance has been published on what you need to do to protect yourself, protect others, and protect the NHS.

Please take a few minutes to read this important advice on #COVID2019 [*https://t.co/m3AtRoVWeZ*](https://t.co/m3AtRoVWeZ)

- Professor Chris Whitty (@CMO\_England) March 17, 2020

1:10pm

#Coronavirus UPDATE:

The @ForeignOffice has advised against ALL non-essential travel overseas.

Read the guidance: [*https://t.co/dq6IK7mHjv*](https://t.co/dq6IK7mHjv)

Follow @FCOtravel for updates. pic.twitter.com/TAzLU2uSBs

- Department of Health and Social Care (@DHSCgovuk) March 17, 2020

1:05pm

Shire Hall Historic Courthouse Museum will be closed to the public from March 17

1:00pm

Pilgrim House on Hope Street, Weymouth has been closed with immediate effect 'in line with government advice'.

The building is a community asset, used by local groups for meetings and events.

12:46pm

The British Boxing Board of Control has cancelled all events under their jurisdiction due to coronavirus

12:42pm

Royal Mail workers have been told not to give customers hand-held devices to sign.

The move, applying to postal deliveries that need a signature, is part of temporary measures introduced to protect people's health and safety as coronavirus spreads.

Workers delivering post to customers will instead log the name of the person accepting the item, and can sign on their behalf.

In addition, when items are too big to fit through the letterbox, Royal Mail staff making deliveries will place them at the door and step back to a safe distance while the customer retrieves them.

Royal Mail said this will ensure items are delivered securely rather than being left outside.

If a customer is unable to come to the door at all, Royal Mail will issue a "Something for you" card, advising of other ways they can arrange to get their item.

12:37pm

The Prime Minister's father has indicated he would ignore official advice to tackle the spread of coronavirus and still go to the pub.

Stanley Johnson's comments came a day after Boris Johnson urged everyone to "avoid pubs, clubs, theatres and other such social venues".

The Prime Minister said the advice was particularly important for people over 70.

But Stanley Johnson, 79, said: "Of course I'll go to a pub if I need to go to a pub."

Speaking on ITV's This Morning, he said landlords "don't want people to be not in the pub at all".

12:34pm

Speaking in the House of Commons today, Foreign Secretary Dominic Raab has advised against "all but essential travel" outside the UK for 30 days.

12:33pm

Thousands of migrants living in desperate conditions on the French coastline while they wait to cross to the UK are at high risk from coronavirus, a charity has said.

Up to 1,000 refugees are living in Calais alone, with many seeking to try the dangerous crossing despite repeated safety warnings.

Border Force has been dealing with "a number of ongoing small boat incidents" off the coast of Kent on Tuesday, the Home Office said.

A number of suspected migrants were taken ashore in 6C temperatures at the Port of Dover and met by officials in yellow vests.

The Border Force cutter Seeker has also been active off the UK coast, the PA news agency understands.

The continued crossings - usually in unsafe inflatable dinghies - come despite the treacherous waters of the English Channel and the escalating Covid-19 outbreak.

11:53am

This year's Wessex Folk Festival has been cancelled because of the uncertainty caused by the Covid-19 Corona virus. The popular music and dance festival was due to have been held around Weymouth Harbour from May 29 to 31.

11:52am

London's public transport network could soon be massively scaled back due to the coronavirus, Sadiq Khan has said.

The London Mayor told Good Morning Britain that service frequencies could be slashed in the coming days.

"What we may do over the course of the next few days is go to a Saturday or Sunday service during the week and then maybe even scale that down even more over the course of the next few days and weeks," he said.

But he added that a "basic public transport service" is needed for frontline workers including medics, firefighters and police officers.

Transport for London figures show that the number of Tube journeys made last week was down 19% compared with the same period in 2019, while bus journeys were down 10%.

The transport body said this was due to a "significant reduction" in visitors to London, more people working from home, and consumers being "cautious about their expenditure".

11:52am

A World Health Organisation special envoy on the coronavirus welcomed Boris Johnson's decision to advise greater social distancing to tackle the pandemic.

Dr David Nabarro told BBC Radio 4's Today programme: "The thinking about the possibility of further more severe outbreaks coming later was perfectly valid, however as it became clear how quickly the virus has been advancing in other European countries a shift in position was absolutely right.

"I'm really pleased this has happened. And I would like to stress that in every other country positions are having to be shifted as we know more about the outbreak.

"We are just dealing with something that's so new with so many things we don't know that we have to be prepared for a change in tack from time to time even though it's distressing."

10:54am

Today @CMO\_England and @UKScienceChief announced new advice to help delay the spread of #coronavirus.

Read the full thread below for more details on our social distancing advice.

▶️ [*https://t.co/AWxhR996j4*](https://t.co/AWxhR996j4)

- Department of Health and Social Care (@DHSCgovuk) March 16, 2020

10:14am

Ron Shone, Chairman of Weymouth Social Volleyball League has announced that the end of season tournament has been cancelled.

He said: "As a result of the current circumstances surrounding the Corona Virus COVID-19. It is with regret that the Weymouth Social Volleyball League organisers have come to the decision to cancel the End of Season Tournament due to take place over the next two Wednesdays (18 & 25 Mar 2020) It is felt that we have a moral obligation to assist in the minimisation of the spread of this virus and that gathering for this tournament goes against that obligation. We are also indefinitely delaying the annual Presentation Evening and will provide further information in due course."

10:02am

The UK had "no time to lose" in changing tactics in order to prevent thousands of deaths and the NHS being overwhelmed, scientists have said.

The Imperial College Covid-19 response team - which is one of several scientific teams advising ministers - published a paper showing that 250,000 people could die if efforts were focused only on delaying and slowing down the spread of Covid-19.

The paper analysed the most up-to-date ***data*** from Italy and the UK and concluded that the only "viable strategy" was a Chinese-style policy of "suppression" of the virus, elements of which have now been adopted in the UK.

It said: "In the UK, this conclusion has only been reached in the last few days, with the refinement of estimates of likely ICU (intensive care unit) demand due to Covid-19 based on experience in Italy and the UK (previous planning estimates assumed half the demand now estimated) and with the NHS providing increasing certainty around the limits of hospital surge capacity.

"We therefore conclude that epidemic suppression is the only viable strategy at the current time."

However, the team warned that even suppression of the virus has risks, as "we predict that ***transmission*** will quickly rebound if interventions are relaxed" and some tactics may need to therefore stay in place until a vaccine is available, which could be 12 to 18 months away.

One of the lead authors of the study, Professor Neil Ferguson, told BBC Radio 4's Today programme it had become apparent that the previous tactics being adopted - which aimed to slow down the spread - would still result in a "very large number of deaths and the health system being overwhelmed".

10:01am

Several more events have been cancelled overnight:

\* The DASP concert on March 21 at 3pm at the United Church will instead take place in the autumn term

\* Concert of Russian music 'The Mighty Handful, Creating a Russian Tradition' by Yeovil Chamber Choir on March 25

\* The Lyme Regis and Charmouth Lifeboat Supporters annual general meeting due to take place on April 1

\* The South Dorset branch of the Somerset & Dorset Family History Society have cancelled their annual business meeting and talk on Friday, March 20 at St Aldhelm's Church Centre

\* Borderline Dance Club in Weymouth has postponed its Tuesday evening line dance classes at Weymouth Pavilion and Wednesday morning classes at WOW on Park Street

\* Sunplash at Marine Theatre, Lyme Regis on March 29

For a full list of cancelled events see here

7:22am

Self-isolate guidelines have been updated by the NHS as the Government continues to tackle the outbreak of coronavirus.

To find out more click here

6:38am

Actor Idris Elba has announced that he has tested positive for Covid-19.

The star of BBC drama Luther said on Twitter "I feel okay", and does not have any symptoms.

Elba, 47, said he has been isolated since finding out he was exposed to the virus.

"Stay home people and be pragmatic," he said. "I will keep you updated on how I'm doing. No panic."

Elba, who posted a video also featuring his wife Sabrina Dhowre, said she has not been tested and is "doing okay".

Elba said he got tested after finding out on Friday that he had been in contact with someone who had the virus.

"This is serious," he said. "Now is the time to really think about social distancing, washing your hands."

Elba told fans to remain "really vigilant".

He added: "Transparency is probably the best thing for this right now. If you're feeling ill, or you feel like you should be tested, or if you've been exposed, do something about it."

Elba said: "We live in a divided world right now, we can all feel it. But, now is the time for solidarity. Now is the time for thinking about each other.

"There are so many people whose lives have been affected, from those who have lost people they love, to people that don't even have it and have lost their livelihoods."

6:32am

Canada, Norway and Denmark are among a host of countries who have announced emergency border closures in a bid to impede the spread of the coronavirus pandemic that has killed more than 6,000 people.

The Foreign Office (FCO) has advised British nationals against "all but essential" travel to many parts of the world due to the risk posed by the virus, or the risk of being cut off as transport links are shut.

The EU has also announced plans for a 30-day ban on non-residents entering the bloc, although senior figures are keen that borders between member states remain open.

Many European countries have already announced their own containment measures to try and get a grip on the pandemic, including shutting their doors to foreign nationals.

For a rundown of the latest measures taken by countries around the world and the FCO's guidance click here

6:24am

The Covid-19 pandemic has rocked the entertainment industry, causing the cancellation of major events and leaving the future of others in doubt.

Film, television and music have all been hugely affected, with experts warning the cost of the crisis will total billions of pounds.

The Coachella music festival has been postponed, the release date of James Bond film No Time To Die has been delayed, and high-profile stars including Tom Hanks and Idris Elba have tested positive for coronavirus.

Meanwhile, Glastonbury is among the major events facing an uncertain future.

6:23am

Good morning,

We will continue to bring you the latest news and advice regarding the coronavirus situation.

If you would like to tell us of any initiative that you or someone you know is doing to help neighbours or the wider community please let us know and we can share the news.

In addition if you would like us to get the word out on events that may be cancelled please contact us.

Please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

8:10pm

Bournemouth University has decided to suspend face to face teaching for at least the next four weeks.

In a statement issued today, the University said face to face teaching will be suspended from March 23 until at least April 27.

It comes a week after a student at Bournemouth University tested positive for the virus.

The university said the person had come into contact with the virus through another individual based in the UK but not at the university.

A statement posted on the university's website today says: "The university has taken this decision now following changes in the latest Government advice, conversations with PHE on Friday, as well as the need to support students and staff."

8:07pm

Iceland stores are to hold special opening hours for older people.

Between 9am to 11am on Wednesdays, stores across the UK will exclusively be open for elderly customers.

In recent days shop shelves have been left bare as shoppers have stockpiled items such as toilet paper, nappies, paracetamol, pasta, tinned goods and other non perishable foods.

This has seen shocking images nationally of elderly people left unable to get an toilet rolls or essential items.

Following this and news that those over the age of 70 should self isolate due to their susceptibility of contracting the virus, Iceland has announced it will set time aside in the day for older residents to shop in comfort and get their shopping.

We know that many of you are worried about the impact of Covid-19, particularly for vulnerable people and the elderly.

We wanted to let you know about the action we have taken. pic.twitter.com/ttvguHPF98

- Iceland Foods ❄️ (@IcelandFoods) March 16, 2020

6:18pm

BREAKING: A second person has tested positive for Covid-19 in the Dorset Council Local Authority area.

This brings the total infected in Dorset to seven, with the number of patients in the Bournemouth, Christchurch and Poole region remaining at five.

Dorset County Hospital in Dorchester has confirmed a patient is being treated there in isloation for coronavirus.

For more on this breaking story see here

6:11pm

A total of 53 people in the UK have now died after testing positive for the coronavirus, Health Secretary Matt Hancock has said.

This is a rise of 18 deaths in a 24-hour period.

Making the announcement in the House of Commons, Health Secretary Matt Hancock called the coronavirus pandemic "the most serious public health emergency that our nation has faced for a generation".

Mr Hancock said: "Our goal is to protect life. Our actions have meant that the spread of the virus has been slowed in the UK and I want to pay tribute to the officials at Public Health England and the NHS for their exemplary approach to contact tracing and their work so far.

"However, the disease is now accelerating and 53 have sadly now died. Our hearts across this whole house go out to their families."

5:21pm

All countries must "test, test, test" people for Covid-19, the head of the World Health Organisation (WHO) has said.

Dr Tedros Adhanom Ghebreyesus, director general of the World Health Organisation (WHO), urged widespread testing to keep track of the coronavirus pandemic, saying WHO has shipped almost 1.5 millions tests to 120 countries.

The call is in contrast to what is happening in the UK, where only the most serious cases are now being followed up.

In the delay phase of trying to tackle coronavirus in the UK, Public Health England (PHE) and the Government have now moved to a more "targeted approach" to testing.

Dr Ghebreyesus told reporters: "We have a simple message for all countries: test, test, test.

"Test every suspected case. If they test positive, isolate them and find out who they have been in close contact with up to two days before they developed symptoms and test those people too.

"Every day more tests are being produced to meet the global demand."

He told reporters there had been a "rapid escalation of cases" of Covid-19 globally in the last week.

"More cases and deaths have now been reported in the rest of the world than in China," he said.

He said there had been "a rapid escalation in social distancing measures, like closing schools and cancelling sporting events and other gatherings.

"But we haven't seen an urgent enough escalation in testing, isolation and contact tracing, which is the backbone of the response."

5:18pm

All people in the UK should avoid pubs, clubs and theatres, stop all non-essential contact and travel, and work from home if they can, Boris Johnson has said.

The Prime Minister set out the need for "drastic action" to tackle the "fast growth" of coronavirus across the UK as increased social distancing measures are introduced for the population.

As part of the measures, anyone living in a household with somebody who has either a persistent cough or fever must now also isolate themselves for 14 days.

All people should avoid gatherings and crowded places, while people who are vulnerable - including those are elderly - will need to undertake even more drastic measures.

The Prime Minister said that according to the Scientific Advisory Group for Emergencies (Sage) "it looks as though we are now approaching the fast growth part of the upward curve" in the number of cases.

"Without drastic action cases could double every five or six days," he said.

Mr Johnson said that from Tuesday mass gatherings are something "we are now moving emphatically away from".

He said "if you or anyone in your household" had one of the two symptoms - a high temperature or continuous cough - "you should stay at home for 14 days.

"That means that if possible you should not go out, even to buy food or essentials, other than for exercise and in that case at a safe distance from others."

In a dramatic escalation of the Government's response, Mr Johnson said all members of the public needed to take extra action.

"Now is the time for everyone to stop non-essential contact with others and to stop all unnecessary travel," he said.

Mr Johnson said London appeared to be "a few weeks ahead" of other areas and urged people in the capital to pay special attention to the measures - including home working - suggested by the Government.

5:17pm

Prime Minister Boris Johnson said "now is the time for everyone to stop non-essential contact and to stop all non-essential travel" as he urged people to work from home and avoid pubs, clubs and theatres.

4:21pm

Condor Ferries has issued a message to customers:

Ferries: @Condor\_Ferries: "We are offering flexibility to passengers with existing bookings. If you've made a reservation for travel up to 30 April 2020, we are waiving all fees for changing your booking (a fare difference may apply) so you can defer your trip until 27 Mar 2021"

- Travel Dorset (@TravelDorset) March 16, 2020

4:11pm

Dorset's Inflatable Museum has made the decison "with great sadness" to postpone its tour in light of the coronavirus.

It said this was to "ensure the wellbeing of our visitors, staff and volunteers."

The following events have been postponed:

Dorset County Museum Music Society at the Barbican Quartet on Wednesday 18 March 2020. Inflatable Museum at Corfe Castle on Saturday 21 March 2020.  Dorset County Museum Music Society at Ugnius Pauliukonis on Wednesday 15 April 2020. Inflatable Museum at Cranborne Middle School on Saturday, 18 April 2020. Inflatable Museum at Child Okeford on Saturday 25 April 2020.

4:01pm

Portland Rotary Club is to close, with all meetings and activities cancelled.

In an emotive statement, Rotarian Dr Keith Barnard-Jones said:

"I always believed that Rotary could do anything. I was wrong.

"We have been beaten by Covid (the coronavirus).

I am sure it will not surprise anyone when I tell you that the Rotary Club is closing its doors - for the time being.

We are cancelling our meetings, Table Top Sales, VE celebrations, our Race Night etc. etc.

"Everyone knows why so I will not enlarge on the reasons.

"When will we be up and running again?  The answer is as soon as possible but we will be doing nothing as a club, in the community, or internationally until the all clear is given and it is safe for humans to meet humans again.

"Hopefully this will be very soon, but I have a feeling that nothing much is going to happen now until the summer.

All I can do is say wait and see, and we will let everyone know when we are back in action as soon as we possibly can.

Very regretfully - Keith."

3:56pm

The St Mary's Church Quiz scheduled for the evening of the 21st March at Willowbed Hall and the Spirit of Chickerell Village Cafe in the morning of the 21st March have both been cancelled.

3:55pm

Brittany Ferries has confirmed more passenger services have been suspended as a result of the coronavirus pandemic.

A statement released by the company said this is in response to changing government policy in France, Spain and Ireland, and to protect all passengers and crew members.

The Cherbourg to Poole service will be suspended until March 23 at least.

The last sailing will leave Cherbourg tonight at 9.45pm.

St Malo to Portsmouth will not sail until March 24 at the earliest, with the last sailing leaving St Malo at 8.30pm on March 17.

Roscoff to Plymouth will be suspended until March 26. The last sailing is leaving Roscoff on March 18 at 3pm.

Ships serving routes connecting Spain with the UK will continue to sail, however only carrying passengers who must return home.

3:54pm

Media briefing on #COVID19 with @DrTedros. #coronavirus [*https://t.co/VkQTd7Lud8*](https://t.co/VkQTd7Lud8)

- World Health Organization (WHO) (@WHO) March 16, 2020

3:04pm

THE first Southampton patient with coronavirus has died.

The University Hospital Southampton announced this afternoon that a 69-year-old man who tested positive for COVID-19 has died.

The hospital said that the man also had a number of underlying heath conditions.

A spokesperson for University Hospital Southampton has said:

"Sadly, we can confirm that a man who was being cared for at University Hospital Southampton and had tested positive for COVID-19, has died. The patient was aged 69 and had underlying health conditions.

His family has been informed and our thoughts and condolences are with them at this difficult and distressing time."

3:03pm

Dorset Chamber has suspended all its events until the end of April.

Ian Girling, the chamber's chief executive, said in a video posted on LinkedIn: "After great consideration, I'm really sorry to say that we think it's the most sensible thing to do to suspend our events from now up until the end of April.

"It's regrettable but it's the right thing to do and I'm sure you'll understand that.

"We're also going to be pushing the government to support small businesses.

"We realise the implications for small businesses are huge. If you're mandated to shut down, where is your income? So I'm talking to the other chambers of commerce and other business groups and we're going to be pushing the government as hard as we can for support for small businesses."

He said the crisis facing business was "unprecedented".

2:48pm

Dorset Council has issued advice on what to do with your rubbish if you have symptoms.

If you have symptoms of coronavirus (COVID-19), make sure you double-bag your black bin rubbish.

Tie these bags up and keep them in the room you are self-isolating in for 72 hours before popping the bags in your regular black wheelie bin.

More advice at [*https://t.co/khvpveQqoB*](https://t.co/khvpveQqoB) pic.twitter.com/Cz2ESTHnwO

- Dorset Council UK (@DorsetCouncilUK) March 16, 2020

2:19pm

New figures from Public Health England on the number of confirmed cases.

As of 9am on 16 March 2020, 44,105 people have been tested in the UK, of which 42,562 were confirmed negative and 1,543 were confirmed as positive.

The number of deaths is yet to be confirmed.

2:18pm

EasyJet said it is making "further significant cancellations" and could eventually ground the majority of its fleet.

The airline said in a statement: "Due to the unprecedented level of travel restrictions being imposed by governments in response to the coronavirus pandemic and significantly reduced levels of customer demand, easyJet has undertaken further significant cancellations.

"These actions will continue on a rolling basis for the foreseeable future and could result in the grounding of the majority of the easyJet fleet."

12:49pm

Repair Café Weymouth has cancelled its event on Saturday, April 11 due to the coronavirus outbreak.

12:17pm

The weeks-long market rout showed no signs of slowing today as London's top-flight companies lost another £117 billion of their combined value.

The FTSE 100 fell by as much as 8.7% shortly after trading started in the UK, as traders responded to a flurry of bad news caused by the coronavirus.

The index later settled, and was trading down by around 7.2% to 4987.07 at about midday.

12:08pm

The Government and BBC have agreed to delay the end of the free TV licence for over-75s until August 1.

A joint statement said: "The BBC and the Government have been discussing the national coronavirus situation. Changes to the TV licence for people aged over 75 had been due to come into effect on June 1. But during this time we do not want anyone to be worried about any potential change.

"The BBC's priority over the coming period will be to do everything we can to serve the nation at this uniquely challenging time. As the national broadcaster, the BBC has a vital role to play in supplying information to the public in the weeks and months ahead.

"Recognising the exceptional circumstances, the BBC Board has therefore decided to change the start date of the new policy. Our current plan is to now bring it into place on August 1. We will of course keep the issue under review as the situation continues to evolve."

12:05pm

Boris Johnson is to hold a televised press conference to update the public on the fight against coronavirus, as the UK moves towards banning mass gatherings and asking the elderly to stay at home more.

The Prime Minister will chair an emergency meeting of the Cobra committee on Monday, before holding the first of a series of daily press conferences to update the public on Covid-19.

It comes as there was confusion over exactly what elderly people will be asked to do going forward, after Health Secretary Matt Hancock said on Sunday they will be asked to stay at home for a very long time.

On Monday, Transport Secretary Grant Shapps said people over the age of 70 will be asked to self-isolate "as and when the moment is right" - but that they would still be able to go outside and "walk the dog".

11:41am

Flight schedules have been slashed by the UK's busiest airlines due to coronavirus.

EasyJet, Ryanair and British Airways have all reduced flights amid travel restrictions and a huge drop in demand.

See the full story here

11:03am

Latest NHS advice:

If you have: a new continuous cough OR a high temperature

You should stay at home for seven days.

Read the full guidance now: [*https://t.co/hmhS6y5caq*](https://t.co/hmhS6y5caq) pic.twitter.com/v8oNM0UU2I

- Boris Johnson (@BorisJohnson) March 15, 2020

10:07am

School leaders are due to meet the Education Secretary to discuss the implications of schools being closed and exams being postponed, amid the coronavirus pandemic.

Gavin Williamson is expected to meet representatives from the NAHT school leaders' union, the Association of School and College Leaders (ASCL) and the Confederation of School Trusts (CST) on Monday.

Ahead of the meeting, Leora Cruddas, chief executive officer of CST, said teachers are working in "extremely challenging circumstances" during a "very fluid situation".

"It is important to understand that all the big decisions about school closures, exams and the suspension of inspections can only be made by the Government," she said.

10:03am

Shares in Primark owner Associated British Foods were suspended at 9am after the company said it had been forced to temporarily close stores which make up one-third of its sales due to coronavirus, in another bruising day when the FTSE 100 fell as much as 8.7%.

9:53am

The Julie Dunn Electric Storm Band will no longer play at Beaminster Public Hall on Saturday, March 28

9:31am

Wimborne Choral Society have decided to abandon their concert planned for Saturday, March 28 and not to meet on the next two Thursdays.

They have also cancelled the performance of Fauré "Requiem" at St.James, Holt on Sunday, March 22.

A spokesman for the group said: "We feel we have done the right and responsible thing bearing in mind that a large number of our members are elderly, and there was a considerable amount of anxiety leading up to last night's decision. The members of Wimborne Choral Society will miss their weekly rehearsals and social interaction but this seems to be a small price to pay in this alarming situation."

9:27am

The Weymouth and Portland Ladies PROBUS Club meeting, due to take place on Wednesday, March 18 at the Crown Hotel in Weymouth has been cancelled.

9:21am

Spinning the Moon, the Dorchester community play planned for April 6-18 has been postponed until the Autumn.

It was due to take place at Thomas Hardye School during the evenings.

9:17am

The family of an 88-year-old man who died after testing positive for coronavirus have asked for acts of kindness to be carried out in his memory.

A post on the Facebook page of St Michael's Church in Middleton, Greater Manchester, called for a "wall of kindness" to be built in memory of Darrell Blackley, who died at North Manchester General Hospital (NMGH) on Friday.

The message, shared on behalf of the family, said: "We invite you to forget flowers and cards.

"Instead we would like you to give acts of kindness.

"Help someone who is lonely or struggling during this time, who needs shopping, childcare or a chat.

"Post tiny acts of kindness given and received and share.

"Build something beautiful in Darrell's memory."

8:54am

A second MP has confirmed they have tested positive for coronavirus.

Labour's Kate Osborne said she was diagnosed with Covid-19 following a period of self-isolation and subsequent testing.

Her diagnosis comes after Health Minister Nadine Dorries confirmed she had tested positive for the disease last week.

8:53am

The Teddy Rocks music festival has been postponed due to the outbreak.

Read the full story here

7:35am

EasyJet has said it is introducing "further significant cancellations" as a result of travel restrictions caused by the coronavirus pandemic.

The airline said in a statement: "Due to the unprecedented level of travel restrictions being imposed by governments in response to the coronavirus pandemic and significantly reduced levels of customer demand, easyJet has undertaken further significant cancellations.

"These actions will continue on a rolling basis for the foreseeable future and could result in the grounding of the majority of the easyJet fleet.

"EasyJet will continue to operate rescue flights for short periods where we can, in order to repatriate customers."

The Foreign Office has advised against all but essential travel to both Kenya and South Africa after restrictions imposed on people entering either place if they have come from countries affected by coronavirus, including the UK.

The measures come into effect in Kenya on Tuesday and South Africa on Wednesday.

British Airways' parent company IAG also announced plans to reduce capacity.

It said in a statement: "IAG is implementing further initiatives in response to this challenging market environment.

"Capacity, in terms of available seat kilometres, in the first quarter of 2020 is now expected to be reduced by around 7.5% compared to last year.

"For April and May, the group plans to reduce capacity by at least 75% compared to the same period in 2019.

"IAG is also taking actions to reduce operating expenses and improve cash flow. These include grounding surplus aircraft, reducing and deferring capital spending, cutting non-essential and non-cyber related IT spend, freezing recruitment and discretionary spending, implementing voluntary leave options, temporarily suspending employment contracts and reducing working hours."

Travel company Tui said: "In this rapidly changing environment the safety and welfare of our guests and employees worldwide remains of paramount importance and thus Tui Group has decided, in line with government guidelines, to suspend the vast majority of all travel operations until further notice, including package travel, cruises and hotel operations.

"This temporary suspension is aimed at contributing to global governmental efforts to mitigate the effects of the spread of the Covid-19."

7:15am

THE coronavirus outbreak has prompted a Weymouth woman to set up a group on social media where people can offer food donations and support.

Mum-of-four Natalie Williams, 29, said she started the 'Helping people around Weymouth and Portland and Dorchester 2020' Facebook group after being "shocked" by the sight of empty shelves during a recent shopping trip.

Read the full story here

7:11am

Face-to-face assessments for sickness and disability welfare payments will be suspended for three months to protect vulnerable claimants from coronavirus.

The Department of Work and Pensions said the temporary move will come into effect from Tuesday as ministers ramp up efforts to stymie the spread of Covid-19.

Claimants with face-to-face appointments booked will be contacted to discuss alternative arrangements, which could include telephone or paper-based assessments.

The plan will apply to claimants of personal independence payments, employment and support allowance, some on Universal Credit and those on industrial injuries schemes.

This is the latest change in the welfare system announced in the fight against the coronavirus.

Statutory sick pay is now payable from the first day of illness instead of the fourth in a bid to support those who are self-isolating to slow the spread.

But the Government has been facing calls to increase the payment level from £94.25 a week and ensure there is support for the two million low-paid workers who are not eligible.

6:39am

Police warning on coronavirus (COVID-19) related scams.

Please pass this information on to relatives, friends and neighbours who may be vulnerable but who may not see this warning and advice on social media.

Fraudsters are exploiting the spread of the COVID-19 coronavirus to facilitate various types of fraud and cyber crime.

Since February 2020 the National Fraud Intelligence Bureau (NFIB) has identified 21 reports of fraud where Coronavirus was mentioned, with victim losses totalling over £800,000.

Ten of these reports were made by victims that attempted to purchase protective face masks from fraudulent sellers.

Fraudsters are also sending out coronavirus-themed phishing emails in an attempt to trick people into opening malicious attachments or revealing sensitive personal and financial details.

Some of the other tactics that NFIB has identified from victim reports include:

· Fraudsters purporting to be from research organisation's affiliated with the Centers for Disease Control and Prevention (CDC) and the World Health Organisation (WHO) contact potential victims over email. They claim to be able to provide the recipient with a list of coronavirus infected people in their area. In order to access this information, the victim needs to click on a link, which leads to a malicious website, or is asked to make a payment in Bitcoin.

Watch out for scam messages:

· Don't click on the links or attachments in suspicious emails, and never respond to unsolicited messages and calls that ask for your personal or financial details.

Shopping online:

· If you're making a purchase from a company or person you don't know and trust, carry out some research first, and ask a friend or family member for advice before completing the purchase. If you decide to go ahead with the purchase, use a credit card if you have one, as most major credit card providers insure online purchases.

For more information on how to shop online safely, please visit: [*https://www.actionfraud.police.uk/shoponlinesafely*](https://www.actionfraud.police.uk/shoponlinesafely)

Protect your devices from the latest threats:

Always install the latest software and app updates to protect your devices from the latest threats. For information on how to update your devices, please visit: [*https://www.ncsc.gov.uk/guidance/securing-your-devices*](https://www.ncsc.gov.uk/guidance/securing-your-devices)

6:30am

Understandably a great many events have been cancelled.

If you would like to get the word out about your event, whether it is cancelled, postponed or, indeed, still going ahead please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

Meanwhile, you can see the latest list of cancelled events here

6:25am

Boris Johnson will discuss strengthening coronavirus-tackling measures with officials and could make a decision on shielding elderly citizens, banning mass gatherings and household isolation.

The Prime Minister will chair an emergency meeting of the Cobra committee on Monday afternoon before addressing the first of the daily press conferences being planned to update the public on Covid-19.

6:22am

Good morning,

Amidst the doom and gloom and unnecessary panic buying some people are thinking of others.

Read our uplifting story about what student Dorchester Bethan Miller is doing here

9:07pm

Visiting vulnerable people should be avoided unless you are absolutely convinced that your own health and hygiene are good enough, a professor has advised.

The advice comes after it was confirmed that people aged over 70 will be asked in the coming weeks to self-isolate for up to four months, in order to protect them from Covid-19.

Health Secretary Matt Hancock said the Government measure is "a very big ask of the elderly and the vulnerable", but that it would be for their own "self-protection".

Professor William Keevil, professor of Environmental Healthcare at University of Southampton, has suggested staying in touch with vulnerable people by telephone or Skype to prevent loneliness or depression, and to ensure they have the food and medication they need.

8:13pm

Six care home residents have been diagnosed with coronavirus.

Highgate Care Home in North Lanarkshire said it had put in place "strict infection control measures" after it identified the positive cases of Covid-19.

Staff, residents and their families are being informed.

7:41pm

A number of schools across Scotland are to close from Monday due to coronavirus outbreaks.

Dunblane High School has closed to all pupils and staff after a pupil tested positive for Covid-19.

Stirling Council said a deep clean of the school will take place immediately. All other schools in the local authority area will be open as normal.

6:43pm

The Dorset total number of confirmed cases now stands at six after a person in the Bournemouth, Christchurch & Poole council area tested positive.

More information here.

6:28pm

Another coronavirus case has been confirmed in Bournemouth & Poole, bringing the whole of Dorset total to 6. More to follow.

5:49pm

Public Health England is warning against using tests at home that claim to be able to diagnose coronavirus.

Some manufacturers are selling products for the diagnosis of Covid-19 in community settings, such as pharmacies, the PHE said.

The current view of PHE is that use of these products is "not advised".

5:24pm

A Weymouth support group for people with cancer, C'Siders, said it will continue with support meetings for the time being.

A spokesman said: "Taking ***account*** of the latest advice from the government, we are planning to continue with C'Siders meetings at present, but will be keeping this under review.

"Many of our members have compromised immunity due to their medical condition and treatment and therefore may wish to be more cautious than the general population.

"If you are feeling unwell, have a new continuous cough or high temperature, do not attend any C'Siders meetings or activities and seek advice from NHS111."

The meeting tomorrow is at 7:30pm till 9pm at the Wyke Smugglers, 76 Portland Rd, Wyke Regis.

4:18pm

14 more people in the UK have died from coronavirus, the biggest increase so far. 1,372 people have been confirmed as testing positive.

More details here

Local ***data*** hasn't been released yet. As of yesterday, the number of confirmed coronavirus cases in the wider Dorset area was five.

3:59pm

Another 14 people have died from coronavirus.

As of 9am today 40,279 people have been tested in the UK, of which 38,907 were confirmed negative and 1,372 were confirmed as positive.

3:36pm

Pubs and clubs in Irish tourist hotspot Temple Bar are to close with immediate effect amid Covid-19 fears.

Publicans in Dublin's Temple Bar have announced a complete shutdown of all bars and nightclubs with immediate effect.

The move means no bars will be open in the area for St Patrick's Day, one of the busiest days in the Irish tourism calendar.

1:57pm

Thousands of runners have taken part in the Bath Half Marathon, despite concerns over the coronavirus pandemic.

Organisers faced calls to postpone or cancel the event, including from Bath's MP, they but said it would go ahead as planned.

A total of 6,200 runners took part in the 13.1 mile race, about half the usual number expected.

Almost 1,000 people joined a Virtual Bath Half group on Facebook instead - running the distance in their own communities and posting about it online.

12:46pm

Cancelled: The Friends of Castle Cove Beach, Weymouth, has cancelled an event on the beach that was planned for April 11.

12:46pm

Prime Minister Boris Johnson will personally urge manufacturers to shift their production lines to build ventilators. Matt Hancock, health secretary has said the NHS needs ventilators now more than anything else.

Negotiations are also taking place with private health firms about access to their hospital beds.

12:44pm

Health Secretary Matt Hancock has confirmed that ministers are seeking to give police powers to arrest and forcibly quarantine people who are sick with the virus but are not self-isolating.

He said a Bill setting out emergency powers to deal with the outbreak will be published on Thursday, and details of what the powers will include will be shared on Tuesday.

12:41pm

Cancelled: Dorchester Camera Club has cancelled all indoor meetings until April 20 - and this date is under constant review in a quickly changing situation.

The club will continue with some outdoor events and will use video conferencing, interactive websites and social media to keep members involved and engaged with club activities and competitions.

Club members will be kept fully informed of proceedings and the website will be updated.

12:40pm

Cancelled: A group that runs walks in Weymouth and Portland, 'Walking for Health', said it has suspended activities until further notice.

 RSPB Radipole Lake said it had also postponed its forthcoming 'Wellbeing Walk'.

12:22pm

Postponed: Weymouth Choral Society Concert, MARCH 28 7.30 PM at St Paul's Church.

Melodie Baines, chairman, said: "We are sorry we have had to take the decision to postpone our concert.

"Refunds are available for all who have bought tickets.  Many thanks to our supporters.

"We hope to entertain you again very soon."

12:09pm

Important information for anyone who's booked onto a Ryanair flight to Spain

Customer Notice: Ryanair Group reduces flights to/from Spain from Monday 16 March to Thursday 19 March.

All affected customers will receive an email notification informing them of their options: pic.twitter.com/0R1Ib65tKb

- Ryanair (@Ryanair) March 15, 2020

10:59am

Union leaders have drawn up plans to save aviation jobs amid warnings that the industry faces an "unprecedented crisis" because of the coronavirus outbreak.

Unite said that without the Government's help, thousands of jobs were under threat.

Alongside other aviation unions across Europe, a four-point plan has been drawn up which Unite believes the Government must adopt to ensure the industry survives.

The four points are:

- The government to make contributions to cover workers' pay to ensure that the UK's aviation infrastructure remains intact, and the consideration of taking a financial stake in airlines and airports to help ensure their survival;

- The extension of loans to airlines and airports and other aviation companies to enable them to ease the pressure of the immediate pay-back of loans and to assist in the retention of staff and the preservation of routes;

- A delay in the payment of taxes and duties that airlines are obliged to pay including a temporary suspension or reduction in Air Passenger Duty (APD);

- Government to support routes through subsidies under public service obligation rules, which are tied to long-term environmental commitments as part of an integrated sustainable transport network.

Unite is engaged in negotiations throughout the aviation industry over workers taking voluntary unpaid leave, temporary lay-offs of staff and redundancies as the sector tries to contend with a huge and unprecedented drop in flights and passenger numbers, with many routes currently not being flown at all.

Other European countries including France, Germany, Italy and the Netherlands are already working on measures to support their aviation industries, Unite said.

Assistant general secretary Diana Holland said: "The Government must act decisively and act now, so that when the coronavirus crisis ends there will still be a UK aviation industry.

"Up and down the UK, Unite is working with airlines, airports and the supply chain, to preserve jobs and companies for the future and it is essential that the government plays its part.

"The challenges faced by the UK aviation industry at this moment are entirely unprecedented and all solutions to support the sector must be fully considered.

"The aviation industry employs hundreds of thousands of workers and they are all looking at the Government for immediate help, to ensure they will still have jobs in the future."

9:55am

The NHS needs ventilators now more than anything else, as it takes on the coronavirus outbreak, the Heath Secretary said.

Engineers have already been asked to draw up plans to quickly produce more ventilators in the UK, amid concerns that critical care facilities will come under intense pressure as the Covid-19 crisis intensifies.

Prime Minister Boris Johnson will personally urge manufacturers to shift their production lines to build ventilators, as the NHS prepares for a significant increase in cases of Covid-19.

On Monday Mr Johnson will urge manufacturers to join a "national effort" to produce equipment for the NHS.

Health Secretary Matt Hancock told Sophy Ridge On Sunday on Sky News: "We start with around 5,000 ventilators, we think we need many times more than that, and we are saying if you produce a ventilator then we will buy it.

"No number is too high."

He added: "They are relatively complicated pieces of kit, I couldn't make one, but they're not so complicated that the advanced manufacturing that this country is so good at now can't be able to turn its production lines over to.

"We've been talking to a whole host of companies about it and the Prime Minister is hosting a conference call today with them to say very clearly to the nation's manufacturers, ventilators are the thing that we are going to need, and frankly, right across the world, the demand for them is incredibly high, so it is not possible to produce too many.

"So anybody who can should turn production and their engineering minds over to the production of ventilators."

He added: "The thing the NHS needs now more than anything else is more ventilators.

"We've been buying as many as we can but we need to produce more too."

Mr Hancock said he could not make guarantees that everyone who requires a ventilator will get one, saying: "We don't make guarantees in healthcare."

9:54am

Cancelled: Friends of Weymouth Museum's 'Teas and Talks' due to take place tomorrow and Monday March 23 in Hope United Reformed Church, Trinity Street,Weymouth, have been cancelled due to the current coronavirus crisis.

The chairman, Pauline Carter, wishes to thank all the Friends supporters who attended this Spring Series of talks and will keep everyone informed about the Autumn Series.

9:52am

The West Dorset Alcohol Anonymous and Al Anon Convention that was due to be held in Dorchester on Saturday, March 28, has now been postponed to Saturday, May 30.

9:28am

People over 70 will have to self isolate, Health Secretary Matt Hancock has said.

Mr Hancock said coronavirus is "a very significant challenge" that will "disrupt the lives of almost everybody" in the UK.

Speaking on Ridge On Sunday on Sky News, Mr Hancock said: "The measures that we're taking, the measures that we're looking at taking are very, very significant and they will disrupt the ordinary lives of almost everybody in the country in order to tackle this virus."

Mr Hancock said that people aged over 70 will be asked in the coming weeks to self-isolate for up to four months in order to protect them from the coronavirus.

Asked if that was in the Government's plan, he told Sky's Sophy Ridge On Sunday: "That is in the action plan, yes, and we will be setting it out with more detail when it is the right time to do so because we absolutely appreciate that it is a very big ask of the elderly and the vulnerable, and it's for their own self-protection."

Pressed on when the measure will be introduced, he said: "Certainly in the coming weeks, absolutely."

Mr Hancock said a Bill setting out emergency powers to deal with the coronavirus outbreak will be published on Thursday.

Asked what the emergency powers will include, Mr Hancock said they would be shared on Tuesday: "Yes, we're going to set out the emergency powers on Tuesday and publish the Bill on Thursday."

Mr Hancock added that he has been talking to Labour's shadow health secretary Jonathan Ashworth about what the emergency powers cover.

He said: "This is a cross-party approach. He's made some suggestions of other things that should be in there which we've included. And it includes a broad range of actions, all about preparing Britain, making sure that we're ready, should we need to be."

When asked by Sophy Ridge about stocks of ventilators, Mr Hancock said: "We start with around 5,000 ventilators, we think we need many times more than that and we are saying if you produce a ventilator then we will buy it. No number is too high."

"They are relatively complicated pieces of kit, I couldn't make one, but they're not so complicated that the advanced manufacturing that this country is so good at now can't be able to turn its production lines over to.

"We've been talking to a whole host of companies about it and the Prime Minister is hosting a conference call today with them to say very clearly to the nation's manufacturers ventilators are the thing that we are going to need and frankly right across the world, the demand for them is incredibly high so it is not possible to produce too many.

"So anybody who can should turn production and their engineering minds over to the production of ventilators."

He added: "The thing the NHS needs now more than anything else is more ventilators. We've been buying as many as we can but we need to produce more too."

Mr Hancock said he could not make guarantees that everyone who requires a ventilator will get one, saying: "We don't make guarantees in healthcare".

Mr Hancock said ministers are yet to make a decision on whether to ban gatherings of over 500 people in the rest of the UK.

"We are absolutely ready to do that as necessary," he said, but he pointed towards a Cobra meeting being held on Monday when asked when the decision will be made.

"We will take these decisions at the right time but I'm absolutely prepared to take actions like that if those actions are necessary," he told Sky's Ridge On Sunday.

"We've already seen many sporting events being cancelled and lots of these big gatherings being cancelled."

He said washing hands and asking the elderly and vulnerable to stay indoors are the "really big things" to slow the spread and save lives.

"Things like the mass gatherings, actually it doesn't really matter how big the gathering is. What matters is making sure people who have the illness aren't spreading it and stay home," he added.

In Scotland, there is guidance that events of 500 people or more should be cancelled from Monday.

Shadow health secretary Jonathan Ashworth has called on Boris Johnson to hold another press conference today if the coronavirus situation has changed.

Speaking on Sky's Ridge On Sunday, Mr Ashworth said: "The World Health Organisation is saying that we should continue testing and contact tracing. They're saying that is the best way to break the chain of contagion.

"The UK have taken a different view that if you feel ill that you just stay at home for seven days and won't be tested.

"Many people are saying to me that they need a Covid-19 test if they're ill because they need to know whether they should be interacting with other people in a few weeks' time."

He added: "So I just need to understand better why the Government is taking a different approach, based on its science, from other countries and I think that's why it is so important that all the scientific modelling for example is published."

Mr Ashworth said: "If things have changed since Thursday, and things are changing quickly, if things have changed since the Prime Minister's press conference on Thursday then the Prime Minister should be doing another press conference today and explaining why things have changed."

Mr Hancock said he was "confident" shops will not run out of food but could not guarantee it and warned the Government could take further action.

Asked if food supply might be at risk, the Health Secretary told Sophy Ridge: "No, one of the things we are confident about is that the food supply will continue."

But pressed to guarantee this would not be the case, he said: "Well we are confident about it. What I can guarantee is we will work with the supermarkets to ensure that people get enough.

"I understand why people might be stocking up but people have got to behave responsibly.

"Supermarkets are right to write the letter calling on people to be responsible and to consider the impact their stocking up might have on others.

"And of course we stand ready to take further measures if that's necessary."

Former chief scientific adviser Sir Mark Walport told Sophy Ridge the country is several months away from a vaccine.

He said: "Vaccines are being developed at a very fast rate so there are a number of candidates: large companies, small companies, universities all working.

"The challenge here is to make sure the vaccine is safe and it works, and unfortunately, that takes a period of time to do so realistically.

"It's very unlikely that we are going to have a vaccine for the present round of this epidemic.

"We are talking months, up to a year."

Sir Mark added it was "quite likely" that a large percentage of the population would get coronavirus, but many would be mild or sub-clinical.

The Health Secretary defended the Government's response to the outbreak and insisted ministers will publish modelling over the pandemic "in the coming days".

He told Ridge: "It's about making sure you do the right thing at the right time. We are prepared to take, if we need to, all the sorts of measures that you discussed but we will do it based on the science.

"Of course there's a lively debate about what's the best course of action. The scientific evidence is absolutely critical in underpinning our response."

Mr Hancock was pressed on when ministers would publish their modelling so the public can assess the scale of the outbreak and scrutinise the Government's response.

"We are going to do that in the coming days," he said.

"Our scientists are extremely busy and we're working incredibly hard, but we will do that in the next couple of days."

The Health Secretary denied that achieving "herd immunity" was part of the Government's policy in tackling the coronavirus outbreak.

He responded to criticism from aspects of the scientific community, and when asked by Ridge if he was playing "roulette" with public safety Mr Hancock replied: "No, obviously."

"What we will do is listen to all the credible scientists and we will look at all the evidence," he added.

"Herd immunity is not our goal or policy, it's a scientific concept. Our policy is to protect lives and to beat this virus."

Shadow health secretary Jonathan Ashworth was also asked about panic buying and said people were not selfish for stockpiling essentials.

The Labour MP said: "People are worried and I think the broader issue and point is this: we really need a mass co-ordinated effort.

"Certainty is everything and people need advice and this virus spreads quickly and it exploits ambivalence and we don't want any ambiguity.

"The Prime Minister should be out there daily speaking to the nation and explaining why things are changing, I appreciate this is fast-moving but what we've seen with the panic buying is a reflection of the uncertainty that is out there, which is why I would really urge the Prime Minister to be more on the front foot.

"I'm not trying to be scoring points for the sake of it but people want that certainty and they want to be reassured that the Government has a grip."

9:06am

The Chesil Sailing Trust's event to celebrate the 500th anniversary of Magellan's Circumnavigation, due to be held at the Weymouth and Portland National Sailing Academy on Friday, March 20, has been cancelled as a result of the coronavirus.

Chairman John Tweed said: "Our apologies to all of those who have bought tickets - these will be refunded in full on application to the reception at the Weymouth and Portland National Sailing Academy or by phone on 01305 866000.

"It is very much hoped that this wonderful musical event can be re-arranged for the Autumn depending on the situation at the time."

7:29am

The ongoing coronavirus pandemic has affected thousands of people across the world as the World Health Organisation has reported cases in 135 countries, territories or areas.

As a result of Covid-19, the Foreign and Commonwealth Office (FCO) has issued travel advice warning people against visiting certain countries or areas.

Take a look at the current guidance, which advises against all but essential travel to 23 countries here

7:22am

An 83-year-old British national has tested positive for coronavirus after disembarking a cruise ship in Chile, local media reported.

The man, who was travelling on the Silver Explorer, is in a "good condition" in hospital in Coyhaique, Patagonia, the country's health minister Jaime Manalich said, as quoted in La Tercera.

Chile has quarantined nearly 1,300 passengers on board the Silver Explorer and another ship in the port of Chacabuco.

7:01am

As coronavirus continues to spread, the thoughts of many have turned to how they can best clean their phones and tablets.

Our story tells you how to do it without breaking your equipment here

6:37am

The UK's fight against coronavirus is set to dramatically escalate, with measures to shield the elderly from the disease and plans to isolate entire households.

In an acknowledgement of the almost wartime measures being introduced, Health Secretary Matt Hancock said: "Our generation has never been tested like this.

"Our grandparents were, during the Second World War, when our cities were bombed during the Blitz.

"Despite the pounding every night, the rationing, the loss of life, they pulled together in one gigantic national effort.

"Today our generation is facing its own test, fighting a very real and new disease."

Writing in the Sunday Telegraph, he said everyone would have to make sacrifices to protect not only themselves, but "especially those most vulnerable to the disease".

The increase in activity came after 10 more patients died in England after testing positive for Covid-19, while the US government imposed a travel ban on the UK and Ireland in response to the coronavirus pandemic.

Experts on the UK's Scientific Advisory Group for Emergencies (Sage) set out the need for extra action to slow the spread of the disease.

The panel advised that the next interventions "will need to be instituted soon".

Those measures will include steps to shield the vulnerable - including the elderly and those with existing health problems - from the virus by telling them to stay in their houses or care homes.

There could also be a shift to household isolation rather than individual self-isolation.

The 10 patients who died since Friday were being cared for in Buckinghamshire, Sandwell & West Birmingham, Wolverhampton, Leicester, Barts, London, north Middlesex and Chester, NHS England said.

A number of the patients, who were over 60, had underlying health conditions.

There have been 1,140 positive tests for coronavirus in the UK as of 9am on Saturday, up from 798 at the same time on Friday.

The UK death toll now stands at 21, with 20 in England and one in Scotland.

6:35am

Good morning,

We will continue to bring you the latest news and advice.

However, as always, people are advised not to panic and take the necessary and sensible steps to limit the chances of catching or spreading the virus.

A fifth case was confirmed in the Bournemouth-Christchurch-Poole (BCP) area yesterday but no further cases in the Dorset Council area.

11:15pm

Manufacturing firms are being tasked with ramping up production of ventilators and other medical equipment to prepare for a significant increase in the number of coronavirus cases.

The NHS could also buy up thousands of beds in private hospitals to boost capacity if Covid-19 spreads rapidly through the population.

In a conference call on Monday, Boris Johnson will urge manufacturers to join a "national effort" to tackle the virus.

Engineers have already been asked to draw up plans to quickly produce more ventilators in the UK amid concerns that critical care facilities will come under intense pressure as the Covid-19 crisis intensifies.

England's chief medical officer Professor Chris Whitty has warned that facilities for people needing oxygen and critical care beds would be the bit of the NHS that will come under pressure first as the scale of the outbreak increases.

The Government has already been working with suppliers both in the UK and around the world to increase the supply of ventilators, to ensure the NHS has the equipment it needs to cope with a significant outbreak.

9:34pm

Coronavirus testing will be prioritised for those most at risk of severe illness from the disease as the country moves into the "delay" phase of the outbreak.

Public Health England (PHE) said people in the community with a fever or cough do not usually need testing.

Patients in hospital care for pneumonia or acute respiratory illness will be given priority, which health chiefs hope will mean that those most at risk will be identified as early as possible, speeding up access to the right care and treatment.

PHE, NHS England and the Department of Health and Social Care have agreed "to prioritise testing for those most at risk of severe illness from the virus", adding: "Our aim is to save lives, protect the most vulnerable, and relieve pressure on our NHS."

Tests will primarily be given to all patients in critical care for pneumonia, acute respiratory distress syndrome (ARDS) or flu-like illness, all other patients requiring admission to hospital for pneumonia, ARDS or flu-like illness, and where an outbreak has occurred in a residential or care setting, for example long-term care facility or prisons.

PHE said all other individuals with a high temperature or new, continuous cough should stay at home for seven days.

Officials said people do not need to call NHS 111 to go into self-isolation.

"If your symptoms worsen during home isolation or are no better after seven days contact NHS 111 online. If you have no internet access, you should call NHS 111. For a medical emergency dial 999," PHE said.

8:16pm

A new case of coronavirus has been confirmed in Bournemouth & Poole - bringing the Dorset total to 5. See our story here

7:52pm

Locally, Wyke Regis WI has cancelled its Spring Fayre on March 19 and a coffee morning event on April 7.

7:37pm

Following information and advice, the Broadwey and Upwey Horticultural Spring Show which was due to take place on Saturday, March 21 at 2pm has been cancelled, organisers said tonight.

6:16pm

Here's a recap of today's breaking news:

- UK death toll rises to 21 after 10 more people die in 24 hours

- There are no new cases confirmed in Dorset: one in Dorset Council area and three in Bournemouth, Christchurch and Poole area

-  37,746 people have been tested in the UK, of which 36,606 were confirmed negative and 1,140 were confirmed as positive, according to Public Health England

- Donald Trump announces travel restrictions for UK and Ireland

- Spain announces lockdown, with the exception of buying food

- Residents advised to stay at home for 7 days if you have a high temperature or a new continuous cough

4:54pm

Poole and Swanage lifeboat stations are closed to the public in an effort to ensure they continue to provide their vital service.

4:49pm

In a press conference happening now, US Vice President Mike Pence said a decision has been made to restrict travel from the UK and Ireland from Monday night

4:44pm

President Donald Trump said a ban on flights to the US from the UK and Ireland will be announced amid the coronavirus pandemic.

4:15pm

If you have a new, continuous cough and/or a high temperature, you should:

▶️ stay at home

▶️ not leave your house for 7 days from when your symptoms started

Read our self-isolation guidance here: [*https://t.co/ynWoDNcNhE*](https://t.co/ynWoDNcNhE) pic.twitter.com/7tgPUxwCqO

- Public Health England (@PHE\_uk) March 14, 2020

3:12pm

Do you know of a local event that's been postponed as a result of the outbreak?

Or do you want to let people know your event is still going ahead?

We're keeping the community updated: click here for details of how to get in touch.

3:01pm

A Portland United football match has been called off.

Portland United's league clash at AFC Portchester today has been postponed after Blues' assistant-manager and a player were advised to self-isolate.

2:41pm

Public Health England has confirmed the latest UK COVID-19 figures, correct as of 9am this morning.

37,746 people have been tested in the UK, of which 36,606 were confirmed negative and 1,140 were confirmed as positive.

21 patients who tested positive for COVID-19 have died.

2:39pm

Aldi said it is introducing rationing on all products.

As we have seen an unprecedented demand across our range, we will be limiting customer purchases to four units on all products to ensure all of our customers have an opportunity to purchase them. We thank you all for your patience during this time. (2/2)

- Aldi Stores UK (@AldiUK) March 14, 2020

2:33pm

More details here following the news that the UK death toll has doubled in 24 hours, jumping from 11 to 21.

A number of the patients, who were over 60, had underlying health conditions, NHS England said.

The 10 patients were being cared for by nine trusts including Buckinghamshire, Sandwell & West Birmingham, Wolverhampton, Leicester, Barts, London, north Middlesex and Chester.

Professor Chris Whitty, chief medical officer for England, said: "I am sorry to confirm 10 further patients who have tested positive for Covid-19 in England have died.

"All 10 individuals were in the at risk groups. I understand this increase in the number of deaths linked to Covid-19 will be a cause for concern for many.

"The public should know every measure we are taking is seeking to save lives and protect the most vulnerable.

"Every single one of us has a role to play in achieving this. If you have a new continuous cough or high temperature, please stay at home for seven days.

"I also encourage everyone to be washing their hands for 20 seconds regularly.

"I offer my sincere condolences to the families and friends who have received this difficult news. I ask that their privacy is respected at this time."

The UK is dealing with a rising number of cases of the illness and this announcement sees the death toll in the UK double.

On Friday, the number of positive cases was 798 and there was a death toll of 11.

2:20pm

Breaking: Ten patients who tested positive for the coronavirus have died, bringing the death toll in the UK to 21, NHS England said.

2:10pm

A newborn baby in England who has tested positive for coronavirus is believed to be one of the world's youngest patients with the disease.

The infant and its mother both tested positive at a north London hospital and staff who had contact with the pair have been advised to self-isolate.

2:03pm

The National Education Union has written to PM Boris Johnson asking for clearer guidance on schools in relation to coronavirus.

The letter says:

Dear Prime Minister,

Every day we are getting increasing numbers of questions from teachers and support staff asking why the Westminster Government isn't following the pattern of other countries in calling for periods of school closure.

Those questions are increasingly asking why schools aren't closing if mass gatherings are to be suspended.

We all want to limit and delay the spread of the coronavirus and we do think medical advice and expert scientific advice is important in this regard.

But it is clear that such advice can have uncertainties, and that it could be crafted to target a variety of measures.

We now see that you may take legal powers to force schools to remain open even when heads and teachers think there is good reason to close.

In those circumstances we, as the leaders of the largest education union, believe that it is right for us to ask you for fuller disclosure of the models you have looked at, and to understand which measures you are targeting.

We do not have the medical expertise to know what the transmissibility is between children and staff in close quarters in classrooms - but your scientists will have made assumptions about that, together with some view of the certainty of those figures.

It is very important that we understand what the increased rate of infection is for staff and parents if school remain open, including obviously for those with underlying health conditions themselves, or for those they care for.

We know you've expressed concerns about children not in school being cared for by vulnerable elderly grandparents, or by NHS staff who would then not be available for work.  However, we would suggest that parents and schools would be able to work together to find solutions to that - and we would like to know if you have any modelling of such societal responses.

Most of all we think that education staff deserve to have access to modelling of the projected spread of the virus and the projected number of fatalities in a wide variety of scenarios including in scenarios where schools are closed for different periods of time.

Teachers and other staff would work to help a broader societal response to mitigate the effects of the virus. We know this is especially important in a country where public services and the NHS in particular have been run down for so long.

However it is vital that you share all of the potential models you have with us if that societal response is to be as strong as possible.

Yours sincerely

Dr Mary Bousted Kevin Courtney

Joint General Secretary Joint General Secretary

1:49pm

Ryanair said it will waive flight change fees for those changing their travel plans as a result of the outbreak.

From today (13 Mar) until Tue 31 Mar, Ryanair will waive the flight change fee for customers who wish to change their travel plans due to the current Covid-19 outbreak. This policy applies to all existing and new bookings.

- Ryanair (@Ryanair) March 13, 2020

1:48pm

AFC Bournemouth's Premier League matches against Crystal Palace and Wolves have been postponed.

1:46pm

Here's more information on Jet2 airline's decision to cancel flights:

Important update regarding travel to/from #Spain #Balearics #Canaries #Majorca #Ibiza #Menorca #GranCanaria #Lanzarote #Tenerife #Fuerteventura pic.twitter.com/3MtnmyTfxF

- Jet2tweets (@jet2tweets) March 14, 2020

1:45pm

Operations are being cancelled at Royal Bournemouth Hopsital to manage pressure related to the outbreak.

It said a "small number" of elective in patient procedures have been cancelled.

There are currently four confirmed cases of coronavirus in Dorset, with three in the BCP Council area and one in the Dorset Council area.

1:39pm

The Spanish government has announced it will put the country under lockdown.

Jet2 planes from the UK are being turned around mid-air, as the airline cancels all flights to the country.

1:22pm

A statement from Chickerell United Football Club Secreatry Jim Pitney:

"Due to the uncertainties surrounding coronavirus we have decided to cancel all foreseeable future fixtures, until we are satisfied it is safe to fulfil our fixtures.

"We have not taken this decision lightly but the health of our supporters and players is paramount.

"As a club we are concerned for our members, our families, our supporters and our players and other teams' players, and we strongly stand by this decision."

Mr Pitney said this would just affect senior games and the league is still continuing.

1:15pm

1:08pm

Wash your hands more often for 20 seconds with soap and water. Or use hand sanitiser.

- NHS (@NHSuk) March 10, 2020

1:07pm

The largest education union in Europe has written to the Prime Minister asking for full disclosure over his decision not to shut schools amid the coronavirus pandemic.

Teachers and staff are increasingly asking why the Government is not closing schools in the same way as other countries, particularly now plans are under way to ban mass gatherings, the letter from the National Education Union says.

Boris Johnson said on Thursday that closures now could do "more harm than good", hours after Ireland announced that schools and colleges would close for a fortnight.

12:01pm

Another picture from Lesley Maxwell

11:59am

Jim Perkins took this picture of the Saga Sapphire arriving at Portland this morning. While Saga has suspended its cruise operations until May 1, the Sapphire is in the middle of a cruise and Portland Port was preparing to welcome the ship today. See our story here

11:37am

The UK's approach to developing "herd immunity" against Covid-19 has been called into question by the World Health Organisation (WHO).

Spokeswoman Margaret Harris said not enough is known about the science of the coronavirus, and that while "theories" can be talked about, the current situation requires "action".

Her comments come as plans get under way to ban mass gatherings from next week as the Government looks to implement more extreme measures in the fight against Covid-19.

Boris Johnson had faced criticism for not taking such actions, despite similar steps being taken by other European countries as the pandemic worsens.

Emergency legislation bringing in beefed-up powers will be published next week and there could also be a move towards more people working from home, a Whitehall source said.

The announcement comes as the UK deals with a rising number of cases of the illness, increasing to 798, and a death toll of 11.

WHO spokeswoman Dr Harris questioned the UK's approach to developing "herd immunity" against Covid-19, telling BBC Radio 4's Today: "We don't know enough about the science of this virus, it hasn't been in our population for long enough for us to know what it does in immunological terms.

"Every virus functions differently in your body and stimulates a different immunological profile.

"We can talk theories, but at the moment we are really facing a situation where we have got to look at action."

On Friday, the UK's chief scientific adviser Sir Patrick Vallance said it is hoped the Government's approach to tackling coronavirus will create a "herd immunity" to the disease.

WHO said Europe has become the epicentre of the pandemic and Donald Trump indicated he might add the UK to a list of countries facing a US travel ban.

11:16am

Local elections in England scheduled for this May have been postponed due to the coronavirus - in Dorset this means the election for the next Police and Crime Commissioner.

Current PCC Martyn Underhill was due to stand down.

Responding to the news that the election has been postponed, Dan Hardy, independent PCC candidate in the Dorset PCC elections, said: "The news comes as a disappointment but I am pleased action is being taken to protect the public. The health of the public, local authorities and those who work in other organisations involved in local elections, must come first."

The Echo is seeking confirmation on whether the Wyke by-election in Weymouth will also have to be cancelled.

11:00am

Can our pets contract and spread coronavirus? You'll find the answer in our story here

10:52am

You can visit our website for the latest information for @DCHFT patients and visitors: [*https://t.co/9Gb0JogYpD*](https://t.co/9Gb0JogYpD) Please do not visit the hospital if you have symptoms associated with coronavirus - a new continuous cough and/or a high temperature.   [*https://t.co/IPRJLdbqGM*](https://t.co/IPRJLdbqGM)

- DorsetCountyHospital (@DCHFT) March 13, 2020

10:45am

The 2020 Virgin Money London Marathon has been postponed and is now scheduled to take place on Sunday 4 October 2020.

Full statement: [*https://t.co/Jw0EbptGgw#LondonMarathon*](https://t.co/Jw0EbptGgw#LondonMarathon) pic.twitter.com/r18eXLmZSH

- Virgin Money London Marathon (@LondonMarathon) March 13, 2020

10:44am

A vaccine for the Covid-19 illness caused by the coronavirus is on the verge of being developed, a team of scientists has said.

Researchers, led by Mucosal Infection and Immunity head Dr Robin Shattock, told the Daily Express they have successfully trialled the vaccine in mice and are hopeful it could be ready for human trials by June.

Senior researcher Dr Paul McKay, of Imperial College London, told the paper: "I've got results from a month after I injected (the mice) and the vaccine works really, really well."

The team is working with scientists in Paris to determine the vaccine's effectiveness in monkeys.

Dr McKay said they have applied for further funding from the Medical Research Council to conduct human clinical trials.

"If we get the funding for the human clinical trials, we will put it into people by June," he said.

"If British scientists here develop a vaccine it would be great if the Government supported it."

Should the human trials be successful, the team is hopeful the vaccine will be available for patients in a year.

10:27am

Has your event been cancelled or postponed due to coronavirus - or is it still going ahead? Let us know by emailing [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

10:16am

If you have coronavirus symptoms and are due to come in for an appointment please call the number on your appointment letter to let us know you won't be able to attend and follow the guidance to stay at home: [*https://t.co/jpTvlT2b1C*](https://t.co/jpTvlT2b1C)

- DorsetCountyHospital (@DCHFT) March 13, 2020

10:11am

Following a confirmed case of Coronavirus in Dorset:

➡️Risk to the general public remains low to moderate

➡️We're working to prevent the virus spreading

➡️If you have a new persistent cough or high temp, stay at home for 7 days

➡️Only contact NHS online if symptoms persist

- Public Health Dorset (@HealthyDorset) March 13, 2020

10:08am

A cruise that was set to travel from Poole to Iceland and the Northern lights has been cancelled due to the coronavirus.

Cruise & Maritime Voyages (CMV) has made the decision regarding the Astoria vessel based on the escalating pandemic outbreak of the COVID-19, updated government advisories and the impending lockdown of many ports around the world.

Passengers had already boarded the ship yesterday ahead of its departure on the 13-night trip, however it never set sail.

Closer to home, Portland Port's cruise season has taken a hit after several cruise companies made the decision to cancel trips in the wake of the coronavirus outbreak.

However, while Saga has suspended cruise operations the Saga Sapphire - which is in the middle of a trip - is due to dock at Portland Port today. See our story here

9:53am

This year's Poole Harbour Boat Show in June has been called off because of the coronavirus.

Harbour bosses said they were "regretfully" cancelling the 2020 show after last year's drew more than 30,000 people to the port.

The event is described as the biggest free-to-attend boat show on the south coast.

A statement said: "Poole Harbour Commissioners (PHC) regretfully announce the cancellation of the Poole Harbour Boat Show 2020.

9:26am

This is the official statement on the confirmed case of COVID-19 in Dorset:

Public Health England and Dorset and BCP Councils can confirm that a resident in the Dorset Council area has tested positive for coronavirus (COVID-19).

Public Health England is following up the case tracing and advising contacts according to national guidance and protocol.

Rachel Partridge Assistant Director of Public Health for Dorset and BCP Councils said: "I'd like to reassure people that the risk to the general public remains low and we are working with health colleagues to do everything we can to stop the virus spreading and ensure the people of Dorset are protected."

As per the current advice, the most important thing individuals can do to protect themselves remains washing their hands more often, for at least 20 seconds, with soap and water. Make sure you cough or sneeze into a tissue, put it in a bin and wash your hands.

Anyone who shows certain symptoms is advised to self-isolate for 7 days, regardless of whether they have travelled to affected areas. People with symptoms should stay at home and avoid all but essential contact with others for 7 days from the point of displaying mild symptoms, to slow the spread of infection.

The symptoms are:

a high temperature a new, continuous cough

You do not need to call NHS 111 to go into self-isolation. If your symptoms worsen during home isolation or are no better after 7 days contact NHS 111 online at 111.nhs.uk. If you have no internet access, you should call NHS 111. For a medical emergency dial 999.

9:23am

We run live updates for a variety of news topics including breaking news, weather and large events attended by thousands of people.

They are the most efficient way of covering a constantly developing news story, including for example, Coronavirus.

They are not intended to sensationalise information; but to get continually changing information to our readers in the fastest and most accurate way possible.

Coronavirus is being treated extremely seriously by nations across the world. The Government's medical experts are warning "many thousands of people" will contract coronavirus. This is not information intended to scare people, but is the reality of what the UK is facing.

An unprecedented situation such as this is bound to cause alarm, we understand that. But local updates on an escalating global situation is responsible journalism.

9:19am

The postponement or continuation of lower football league games has been left to individual leagues to decide - locally Weymouth FC's home game against Slough today in the Vanarama National League South has been given the go-ahead.

However, Dorchester Town's games today and next weekend in the Southern Premier South have been called off.

9:18am

On another day of dramatic developments in the spread of Covid-19 yesterday:

- The 2020 London Marathon, originally scheduled to take place on April 26, was postponed until October 4.

- The Football Association announced the Premier League will be suspended until April 4.

- Next week's Champions League and Europa League matches were also postponed as was the Wales v Scotland Six Nations rugby match. England's cricket tour of Sri Lanka was also called off.

- Disneyland closed its parks, including Disneyland Paris, until the end of the month and suspended new departures on its Disney cruises.

- A London Underground tube driver tested positive, while London's St Patrick's Day parade and celebrations this Sunday were cancelled.

- The first cases of community ***transmission*** of Covid-19 not linked to travel were detected in Northern Ireland.

- The health minister in Wales announced the suspension of non-urgent surgical procedures and outpatient appointments, and said as many as 20,000 people could die in the country in a worst-case scenario.

- The Foreign Office advised against all but essential travel to the Spanish regions of Madrid, La Rioja and the municipalities of La Bastida, Vitoria and Miranda de Ebro

- France became one of the latest European countries to close all schools, universities and nurseries, while in the US, all major sport was suspended

9:16am

Plans are under way to ban mass gatherings from next week as the Government looks to implement more extreme measures in the fight against Covid-19.

Boris Johnson had faced criticism for not taking such actions, despite similar steps being taken by other European countries as the pandemic worsens.

Emergency legislation bringing in beefed-up powers will be published next week and there could also be a move towards more people working from home, a Whitehall source said.

The announcement comes as the UK deals with a rising number of cases of the illness, increasing to 798, and a death toll of 11.

On Friday the World Health Organisation said Europe has become the epicentre of the pandemic and Donald Trump indicated he might add the UK to a list of countries facing a US travel ban.

9:15am

A number of events have been cancelled or postponed. In Dorset this includes the Chesil Rocks festival in June. See our story here

9:13am

Good morning. We've been experiencing technical issues with our website but we're back up and running now and continuing our live coverage of the coronavirus outbreak. We apologise for this break in coverage and thank you for bearing with us.

The first case of coronavirus in the Dorset Council area has been confirmed. See our story here

10:16am

In the light of developments due to the spread of COVID-19 in Europe and related decisions made by different governments, all UEFA club competitions matches scheduled next week are postponed. #UCL and #UEL quarter-final draws have also been postponed.

Full statement:

- UEFA (@UEFA) March 13, 2020

10:04am

A London Underground driver has tested positive for coronavirus, sources told PA.

9:44am

COVID-19: We've published new stay at home guidance for people with confirmed or possible #coronavirus infection: [*https://t.co/r4JAbl3o8R*](https://t.co/r4JAbl3o8R)

- Public Health England (@PHE\_uk) March 13, 2020

9:43am

Chesil Scout Group has confirmed that the jumble sale event scheduled for tomorrow has been cancelled 'as a precaution' in response to the coronavirus outbreak.

It was due to take place at Portesham Village Hall at 2.30pm.

9:41am

This country will get through this epidemic, just as it has got through many tougher experiences before. pic.twitter.com/3KfFGyRWzA

- Boris Johnson (@BorisJohnson) March 13, 2020

8:18am

Portland Port has confirmed that it expects some of the cruise ships scheduled to dock this year to be cancelled, as Princess and Saga suspend their cruise operations. Read more here.

7:37am

THE Premier League will hold an emergency meeting this morning following the news that Arsenal boss Mikel Arteta has tested positive for coronavirus.

The league announced earlier this evening that all matches this weekend would go ahead as planned, including Bournemouth's clash with Crystal Palace.

But following the news out of the Gunners, they are set to meet again to decide the best way forward.

A brief statement from the Premier League read: "In light of Arsenal's announcement tonight confirming that their first-team coach Mikel Arteta has tested positive for COVID-19, the Premier League will convene an emergency club meeting tomorrow morning regarding future fixtures.

"The Premier League will make no further comment until after that meeting."

7:32am

Saga has suspended its cruise operations until May 1 following the spread of coronavirus and warned that the move will knock its profits.

The travel and insurance specialist said the move follows updated advice from the Government advising people aged 70 and over and those with pre-existing health conditions against going on cruises.

It said that while cancellations had increased in recent weeks, demand for cruises was "very positive", with bookings of around 80% of its sales target for the year.

7:31am

Andrea Albutt, president of the Prison Governors Association, said inmates were likely to die as the spread of coronavirus worsened in the UK.

She said prison governors would "attempt to keep (family) visits going for as long as they can", while weighing up the public health risk to prisoners and managing staff shortages due to employees self-isolating or being off with illness.

Ms Albutt told BBC Radio 4's Today programme: "We have approximately 85,000 people in our prisons and prisons are overcrowded, so when you have a lot of people in a small area, ***transmission*** of disease will obviously be easier.

"Coupled with that, we have a significant ageing population - the vulnerable groups, the people the Government keeps telling us will be more susceptible and more ill with this virus.

7:30am

For information on how long it takes to show symptoms and what to do if you are feeling unwell click here

7:19am

New measures to delay the spread of coronavirus in the UK have come into full force as officials tackle the "worst health crisis in a generation".

Up to 10,000 people are thought to be infected with Covid-19 already and, in a stark warning to the public, Boris Johnson said families will continue to "lose loved ones before their time" as the outbreak worsens.

High-profile people to be diagnosed with the disease include Arsenal head coach Mikel Arteta and BT boss Philip Jansen, and the situation has been branded a "national emergency" by former health secretary Jeremy Hunt.

The latest Government approach has seen measures introduced to try to protect the elderly and those most vulnerable to the disease, with Mr Johnson warning that the precautions will mean severe disruption across the country "for many months".

It comes as:

- The number of people who have tested positive for the virus in the UK rose to 596 while the death toll is 10.

- Mr Jansen, chief executive of BT Group, tested positive for Covid-19 on Thursday, becoming the first publicly confirmed case of a FTSE 100 chief executive.

- The Premier League announced it would hold an emergency club meeting on Friday morning regarding future fixtures after Arteta tested positive for the virus. It was later confirmed Arsenal and Brighton's match set for Saturday has been postponed.

- The FTSE 100 closed the day down by more than one 10th as fears over Covid-19 sparked the index's worst bloodbath since 1987.

- The World Health Organisation said it was "deeply concerned" some countries are not handling the pandemic with "the level of political commitment needed to control it".

- The Electoral Commission recommended local elections in May be postponed.

7:12am

Good morning. We will continue to bring you updates on measures being put in place to deal with the coronavirus outbreak, useful advice and news on how local events are being affected.

If you would like to get the word out about your event-whether it has been cancelled or you want peole to know it is going ahead-please email [*newsdesk@dorsetecho.co.uk*](mailto:newsdesk@dorsetecho.co.uk)

6:06pm

A meeting Brexit negotiation meeting that was due to take place next week has been cancelled, in a joint decision by UK and EU negotiators.

6:04pm

Here's a recap on today's announcement by PM Boris Johnson:

The UK has moved onto the next stage of its response to the coronavirus outbreak as experts and politicians accepted it could no longer be contained.

Coronavirus "is the worst public health crisis for a generation", the Prime Minister has said as he set out measures that could "cause severe disruption for many months".

Boris Johnson said anyone with coronavirus symptoms, however mild, such as a continuous cough or high temperature, must now stay at home for seven days.

He said school trips abroad should be stopped, while people over 70 with serious medical conditions should not go on cruises.

But Mr Johnson said there was no need to close schools now as the scientific advice "is that this could do more harm than good".

He said this tactic may change at some point, while in the future anybody living with somebody who is taken ill will also be told to self-isolate for seven days.

The move came as two more deaths were announced in British hospitals and the number of people who had tested positive for coronavirus reached almost 600.

Ten people have now died in the UK after testing positive for Covid-19 and 596 people are known to have contracted the virus.

The latest deaths were of an 89-year-old at Charing Cross Hospital in London and a woman in her sixties at Queen's Hospital in Romford. Both had underlying health conditions.

5:54pm

In the USA, the annual St Patrick's Day reception at the White House has been cancelled.

5:53pm

In the Netherlands, gatherings of 100 people or more have been banned.

Older people and those considered to be vulnerable have been told to avoid public transport.

The Netherlands has 614 confirmed infections

5:41pm

England's Chief Medical Officer Professor Chris Whitty said maximum ***transmission*** of the virus happens when the first symptoms emerge and for two or three days afterwards.

He said: "By seven days the great majority of people are not infectious and it is fine for them to go back into society."

5:13pm

The FTSE 100 has closed the day down by more than a 10th as fears over coronavirus sparked the index's worst bloodbath since 1987.

Investors ran scared from London's shares as the index closed on Thursday down by 639.04 points to 5237.48.

It wiped more than £160 billion off the value of the index's 100 companies.

The 10.87% fall is the biggest on London's top index since October 20, 1987, the day after Black Monday, when the FTSE 100 fell 12.2%.

It is also the second worst day in the FTSE's history, ahead of the 10.84% fall on Black Monday itself.

It throws the index down to its lowest closing point since 2011.

It came after the World Health Organisation upgraded Covid-19 to a global pandemic, US President Donald Trump ended travel from Europe to the US, and the European Central Bank unveiled a package to tackle the infection's effect on the economy which did not include interest rate cuts.

"It is hard to keep coming up with new metaphors for the scale of disaster facing the global markets," Spreadex analyst Connor Campbell said.

5:12pm

Sir Patrick Vallance, the Government's chief scientific adviser, said the actual number of people infected in the UK at the moment could be between 5,000 and 10,000.

5:09pm

The government and NHS have updated the advice on #COVID19.

If you have: a new continuous cough OR high temperature (37.8 degrees or higher) you should stay at home for 7 days.

Read the full guidance now:

▶️ [*https://t.co/4d2pO8A8ru*](https://t.co/4d2pO8A8ru) pic.twitter.com/13Wi1jHyz4

- Dept for Transport (@transportgovuk) March 12, 2020

5:05pm

Chief scientific officer Sir Patrick Vallance says more than 20 people in UK currently in intensive care

5:03pm

Johnson: 'This disease is more dangerous' than flu; families will lose loved ones before their time.

5:02pm

Boris Johnson urged people to use the internet to access information on the NHS website, instead of calling 111, where possible.

5:01pm

The government is not closing schools now. Mr Johnson said scientific advice suggests this could make things worse.

5:00pm

Today we are moving forward with our plan.

From tomorrow, anyone with symptoms of high temperature or continuous cough should stay at home for at least 7 days.

Anyone with serious illnesses is advised not to go on a cruise.

All school trips are advised to be postponed.

The Government is considering a ban of major public events, such as sporting events.

4:58pm

"We have a clear plan and are now getting on to the next phase to delay spread."

Boris Johnson says the next phase aims to delay the peak of the virus spread to relieve pressure on NHS.

"The most important task is to protect elderly and vulnerable over the next few weeks."

4:57pm

Boris Johnson now making live announcement: "We have done what can be done to contacin this disease - but this is the worst public health crisis we have seen for a generation"

4:55pm

The Government has advised anyone with symptoms - however mild - should stay at home and self-isolate for 7 days.

4:55pm

The Green party has cancelled its Spring conference.

The conference was due to take place in Brighton on the weekend of 20-22 March.

4:52pm

La Liga, the Spanish football league, has postponed matches for two weeks after Real Madrid announced their players had been told to go into quarantine.

4:52pm

La Liga, the Spanish football league, has postponed matches for two weeks after Real Madrid announced their players had been told to go into quarantine.

4:46pm

Princess Cruises, which calls at Portland Port, has announced it is suspending all cruises for 60 days.

4:42pm

We've updated our #Coronavirus (#COVID19) ***data*** dashboard, including new cases and cases by upper tier local authority. The link includes mobile and desktop versions: [*https://t.co/CV6X7bFbhA*](https://t.co/CV6X7bFbhA) pic.twitter.com/CVwoVaGYT7

- Public Health England (@PHE\_uk) March 12, 2020

4:40pm

The Electoral Commission has recommended that the UK Government postpones local elections due to be held this May.

4:32pm

Here's what you can do to protect yourself and others:

➡️ Wash your hands more often

➡️ Use soap and water for 20 seconds

➡️ Or use hand sanitiser

Advice here: [*https://t.co/SkCoecbJWC#Covid\_19*](https://t.co/SkCoecbJWC#Covid_19) pic.twitter.com/zWQoe0LVIx

- NHS (@NHSuk) March 12, 2020

4:27pm

Boris Johnson is expected to make an announcement at 4.30pm to announce that the UK is moving from the containment phase to the delay phase.

Stay tuned for live updates on this blog.

4:22pm

Two more coronavirus deaths were announced in the UK today

Professor Chris Whitty, chief medical officer for England, said: "I am sorry to confirm two further people have sadly died in England who tested positive for Covid-19. This takes the total in England to 10.

"I offer my sincere condolences to their families and friends and ask that their privacy is respected.

"They both had underlying health conditions. The patients were at Barking, Havering and Redbridge University Trust and Imperial College Healthcare NHS Trust."

There are still no reported deaths in Dorset, and the number of confirmed cases in the county remains at three.

4:21pm

More than 127,000 people in more than 110 countries have been infected.

The vast majority are in just four countries: China and South Korea - where new cases are declining - and Iran and Italy, where they are not.

The spread has slowed so much in China that the government offered to send a medical crew to Italy and surplus supplies to Iran and other countries in need.

More than 4,700 people have died worldwide.

4:20pm

The FTSE 100 index has lost 10% of its value - the biggest fall since the 2008 financial crisis.

4:19pm

The European Union has hit out at President Donald Trump's "unilateral" decision to restrict travel from Europe to the United States over the coronavirus, saying that the illness does not respect borders.

Mr Trump has called the disease a "foreign virus" and claimed that US clusters were "seeded" by European travellers.

4:18pm

Canadian Prime Minister Justin Trudeau and his wife are self isolating after his wife began to exhibit 'mild symptoms' of the virus.

4:08pm

The Labour party has cancelled a special conference for the leadership bid due to take place on April 4 to protect public health.

4:02pm

Public Health Dorset has confirmed there are still just three cases of coronavirus in Dorset.

3:59pm

The London School of Economics is the first UK university to go virtual as a result of coronavirus and will move all teaching online later this month.

3:46pm

The Public Health Agency says there are 20 confirmed cases of coronavirus in Northern Ireland.

3:45pm

Matt Hancock, Secretary of State for Health & Social Care, has just released a message of thanks to NHS nurses:

I have a message from the government, which I offer on behalf of the whole nation, to every single nurse in the NHS.

That message consists of 2 heartfelt words. That message is 'thank you'.

It's normal to thank you ‒ our nation's nurses ‒ for the work that you do. But I want to add another thank you which is more poignant now.

I want to thank you for the work that you will be called upon to do as we get through coronavirus together.

Nursing is the lifeblood of the NHS, pure and simple. Without nursing, the NHS dies.

My grandmother was a nurse at the Boston Pilgrim, so I know that what you do is not just a job. That there's a reason you put up with night shifts, giving up weekends, being on your feet for 12 hours a time.

That in spite of all the daily frustrations ‒ the unreasonable demands, the bodily fluids, the patient's family asking for a doctor to come and go through a care plan that you've literally just explained ‒ that you don't just keep going, that you love this job, because you want to help people in their time of need.

It's a level of patience and kindness and coolness under pressure that, to anyone outside the NHS looks superhuman, but which to any nurse in the NHS is all part of a day's work.

Faced with the threat of coronavirus, we need you to draw on those deep reserves of compassion and determination, because the situation facing the country is serious.

This storm that's approaching, we do not know exactly how hard it will hit or how long it will last. Our response is to plan for the worst and work for the best.

Last week we set out our 4-part action plan to contain, delay, research and mitigate the virus.

Contain has bought us time to ramp up our preparations and NHS nurses have been at forefront of this approach, testing over 25,000 members of the public, treating patients already, assisting those we've returned from affected areas in supported isolation.

I pay tribute to all those involved. We will always be guided by the science and by the recommendations of experts including our brilliant Chief Nursing Officer. But we will not succeed if the NHS is left to shoulder this burden alone. It's a national effort.

Yes, that means government and yes the NHS. It also means each and every one of us washing our hands more often and following the public health advice.

It means backing the 3 million volunteers who give up their own time to support the NHS. It's businesses prioritising the welfare of employees. It's the media reporting the facts straight. It's everyone looking out for the most vulnerable in our society.

Next week I will be bringing a bill before Parliament. It will give us the powers that we need to help people and services respond to this outbreak.

These measures will be temporary and proportionate. They are built on clinical advice. And, of course, in all of this, in this war against coronavirus, nurses are on the frontline. Not just in hospitals treating the most seriously ill, but right across the system: in communities, in general practice, in mental health and social care, helping people in their time of need as the NHS comes under increasing pressure.

And my commitment to you, and the commitment I've received from the very top of government, is that the NHS will have the money, the resources and the powers it needs to withstand that pressure.

However tough the weeks and months ahead, our resolve will not break.

I understand that people are worried. I know that people are paying more attention to the news than usual.

But I know this too: if we work through our plan and we follow the science, if we act decisively with level heads, if we all play our part and we all look out for each other, then with clean hands and calm heads, we will get through this.

And when we do, I'm determined to repay the debt that we will owe the NHS.

That means delivering on our goal of making the NHS one of the best employers in the country. A place where all are supported to do their best possible work, operating right at the top of their licence. Where people can challenge without fear. Where we look after the mental and physical wellbeing of our staff as much as our patients. This is what we must do together afterwards.

It starts with your workload. Yes, we have a record number of nurses employed in the NHS, and 8,700 more than this time last year, but we need more.

Most of my department is working flat out on the response to COVID-19. One major exception is the team working on our manifesto commitment to deliver 50,000 more nurses over the next 5 years. It's just too important to put on the back burner.

We've taken action already with our new financial support package. From September, we're bringing back the bursary and I want to see record applications for nursing degrees.

But delivering on that target requires a whole-system approach. We need to retain and return existing staff, we need more international recruitment and, crucially, we need to attract more young people into nursing in the first place.

I've asked Helen Whately, my brilliant new care minister, to personally chair the programme board tasked with this commitment, with Baroness Dido Harding as her deputy.

That board is currently developing and stress-testing project plans for each of those 3 elements. When we publish the NHS People Plan we will set those out in detail.

But it's not just about nursing numbers, important though they are. When I spoke at this summit last year, I said we needed to drag the media and public perception of nursing into line with reality. That the old, sentimentalised 'lady with the lamp' idea of nursing is a hopelessly outdated stereotype.

That nursing may be a vocation, but it's also a skilled profession with deep knowledge and expertise in everything from technology to long-term disease management.

Thanks in large part to the work of Ruth May, we've made huge progress on bringing this aspect of nursing into the foreground.

Take technology. I've seen for myself how some of the best innovations in healthcare are being led by nurses, midwives and health visitors.

If you want to engage but don't know where to start, I strongly recommend becoming a member of the Digital Nurse Network at NHSX.

And I'm delighted to welcome Natasha Philips as Chief Nursing Information Officer at NHSX, who will drive this agenda forward at national level.

Last, but by no means least, we need an NHS that cares for its carers. That means a positive, inclusive, supportive and compassionate culture, empowering people to always speak up for the best possible standards of patient care and patient experience.

The NHS People Plan will set out a 'new offer' for NHS staff, including the support that all nurses can expect to receive throughout the careers. This will include a major focus on health and wellbeing and a minimum standard for occupational health. It's about respect for your service.

I've done a few night shifts in this role and I tell you this: when it's 2 in the morning and people are running around and tempers are fraying and it's all kicking off in A&E, the most reassuring sight in the world is the blue and white uniform of an NHS nurse.

I know that millions of people in this country feel the same. And not just in A&E but in general practice, mental health, rapid response or community care. In any time of crisis there is always a nurse to apply the skills, the expertise the knowledge and reassurance that is the hallmark of your profession.

So, once again, I say it on their behalf: thank you for what you've done.

Thank you for being there and for being those who our nation will look to and the challenge that I know you will rise to in the weeks and months to come.

Thank you for your service. Let us all play our part in this national effort.

3:41pm

There are 60 confirmed cases of coronavirus in Scotland.

Announcements from Boris Johnson are due to follow.

3:40pm

Scotland's First Minister Nicola Sturgeon has also advised against mass gatherings of over 500 people, from the start of next week.

3:37pm

Scotland's First Minister Nicola Sturgeon has just announced that Scotland has now entered the delay phase - but that schools will not close.

However she advises overseas school trips should not to go ahead.

3:21pm

Entertainment

The Who have postponed their UK tour due to concerns around fan safety amid the coronavirus outbreak.

The band were due to kick off their tour in Manchester next week.

Roger Daltrey said the shows will "definitely happen and it may be the last time we do a tour of this type, so keep those tickets, as the shows will be fantastic".

Pete Townshend said that the band have not "reached this decision easily, but given the concerns about public gatherings, we couldn't go ahead".

They will also be unable to appear at the Royal Albert Hall as part of the Teenage Cancer Trust shows on March 28, but they intend to reschedule the performance.

Disney has cancelled the red carpet for the European premiere of the live action version of Mulan "in an abundance of caution" over the outbreak of coronavirus.

The screening of the film will still go ahead as a "contained inside screening event".

John Krasinski has announced the release of A Quiet Place 2 will be delayed amid the coronavirus outbreak.

The director wrote on Twitter: "One of the things I'm most proud of is that people have said our movie is one you have to see all together.

"Well due to the ever-changing circumstances of what's going on in the world around us, now is clearly not the right time to do that.

"As insanely excited as we are for all of you to see this movie... I'm gonna wait to release the film til we CAN all see it together!

"So here's to our group movie date! See you soon!"

3:09pm

In the UK, the PM is holding an emergency Cobra meeting where ministers are expected to agree to move into the "delay" stage of the process.

Moving to delay would mean social distancing measures could be brought in, such as restricting public gatherings and issuing more widespread advice to stay at home.

Downing Street said it was taking a UK-wide approach, indicating that Northern Ireland would not be following the steps taken in Ireland, where schools have been closed.

"We have been in regular dialogue with Irish counterparts," the Prime Minister's official spokesman said.

"In terms of our own response, we have said that we want it to be a UK-wide response and we have been working with the four chief medical officers and devolved administrations."

3:04pm

NHS England says two more patients have died from coronavirus in the UK - taking the total to 10.

The latest deaths were of an 89-year-old at Charing Cross Hospital in London and a woman in her sixties at Queen's Hospital in Romford. Both had underlying health conditions.

3:03pm

The situation in Scotland

Mass gatherings are to be cancelled to delay the outbreak of coronavirus as the number of confirmed cases in Scotland almost doubled from 36 to 60.

The Scottish Government said the latest daily figures, released at 2pm on Thursday, showed 2,892 tests have been carried out so far, with 2,832 tests confirmed negative.

2:54pm

The Director-General of the World Health Organisation says it is working 'day and night' to support countries

.@WHO is working day and night and stands ready to support all countries to fight #COVID19.

Here is my full briefing from today: [*https://t.co/uX9xaatAcN*](https://t.co/uX9xaatAcN)

- Tedros Adhanom Ghebreyesus (@DrTedros) March 12, 2020

2:51pm

The ATP has announced a six-week suspension of the men's professional tennis tour due to public health & safety concerns over COVID-19.

- ATP Tour (@atptour) March 12, 2020

2:39pm

The total number of confirmed cases in the South West of England has decreased from 44 to 42

2:30pm

UPDATE on coronavirus (#COVID19) testing in the UK:

As of 9am 12 March 2020, a total of 29,764 people have been tested:

29,174 negative

590 positive

8 patients who tested positive for coronavirus have sadly died.

The digital dashboard will be updated later today. pic.twitter.com/6hPeNlUU7f

- Department of Health and Social Care (@DHSCgovuk) March 12, 2020

2:27pm

This is an increase of 134 new cases, after yesterday's figures of 456.

The latest figures at local level have not yet been confirmed.

2:26pm

BREAKING: Total number of confirmed coronavirus cases in UK rises to 590

2:16pm

People who wear face masks could be putting themselves more at risk of contracting coronavirus, England's deputy chief medical officer has warned.

Dr Jenny Harries said it is "not a good idea" for the average member of the public to put on a face mask unless they have been advised to by a healthcare worker.

Speaking to BBC News on Thursday, she warned the virus could even become trapped in face masks, resulting in the wearer breathing it in.

Dr Harries said: "For the average member of the public walking down a street, it is not a good idea.

"What tends to happen is people will have one mask. They won't wear it all the time, they will take it off when they get home, they will put it down on a surface they haven't cleaned.

"Or they will be out and they haven't washed their hands, they will have a cup of coffee somewhere, they half hook it off, they wipe something over it.

"In fact, you can actually trap the virus in the mask and start breathing it in."

Asked if people are putting themselves more at risk by wearing masks, Dr Harries said: "Because of these behavioural issues, people can adversely put themselves at more risk than less."

Dr Harries said people should wear masks when they are advised to by healthcare workers, particularly if they have tested positive for Covid-19, as it can "prevent any virus from coming out".

The World Health Organisation (WHO) said healthy individuals only need to wear a mask if they are taking care of a person with a suspected coronavirus infection.

WHO said masks are only effective when used in combination with frequent hand washing, and must be disposed of properly.

2:05pm

Closing schools could increase the risks for elderly grandparents and reduce the number of NHS workers available for the frontline fight against coronavirus, an expert has said.

Keith Neal, emeritus professor of the epidemiology of infectious diseases at the University of Nottingham, said it was still too early to say whether steps taken in Ireland were a "sensible precaution or an overreaction for the current stage of the epidemic".

He added: "Different countries are at different stages of the epidemic so what one country should do will not apply to others, we need to be guided by the local epidemiology and the science.

"This is why currently the UK has not followed these measures. Schools will close soon for the Easter holidays which will give some idea of the impact of this measure. Parents have already planned for childcare during these weeks.

"Closing schools has a number of known consequences. It might make the epidemic or ability to manage the consequences worse."

He said closing schools could lead to a reduction in the health and social care workforce as people have to look after children.

It could also lead to an increase in grandparents delivering childcare.

"This age group is at much greater risk," he said.

He added that closing schools may lead to the increased movement of children to different places across the UK.

"Children do not seem to get serious illness with Covid-19 and we do not yet know what role they play in significantly spreading the virus," he said.

"The UK should adopt UK-appropriate measures and not give in to the demand for something to be done otherwise this will result in inappropriate actions at the wrong time."

2:02pm

The FTSE 100 continued on its downward trajectory by midday today, having hit its lowest point in four years when it closed yesterday.

At 1200, the index fell 5.7%, losing 334 points to reach 5,541.77 as the UK implements its 'delay' plan in response to the coronavirus and the US suspends all travel from Europe for the next 30 days.

1:55pm

Back in Dorset, a family science fair scheduled to take place this weekend in Dorset has been cancelled due to coronavirus. Read more here:

1:48pm

Meanwhile, ***data*** published on Thursday suggests the NHS 111 system is coming under increasing pressure.

There were 1.6 million calls to NHS 111 in England in February, an average of 56,000 a day.

This is up from 1.4 million calls in February 2019, which was an average of 50,000 a day.

Only 70% of calls were answered within 60 seconds, the lowest for any calendar month on record, and down from 74% in February 2019.

The proportion of calls abandoned after waiting longer than 30 seconds was 8%, up from 5% in February 2019.

1:48pm

The Who have postponed their UK tour due to concerns around fan safety amid the coronavirus outbreak.

The band were due to kick off their tour in Manchester next week.

Roger Daltrey said the shows will "definitely happen and it may be the last time we do a tour of this type, so keep those tickets, as the shows will be fantastic".

1:46pm

The UK's Chief Medical Officer, Professor Chris Whitty, has called for more support for doctors during the outbreak

As COVID-19 puts pressure on services doctors will have to work differently for their patients. The UK CMOs, medical director NHS, Royal Colleges and GMC are clear that in emergencies doctors must be supported to work in new and unfamiliar ways. This letter is for all doctors. pic.twitter.com/jDVvZR0iLs

- Professor Chris Whitty (@CMO\_England) March 12, 2020

1:43pm

SPORT UPDATES

The Prime Minister will chair a Cobra meeting at lunchtime on Thursday where ministers are expected to agree to move into the 'delay' stage of the process.

Moving to the delay stage would mean social distancing measures could be brought in, such as restricting public gatherings like major sporting events and issuing more widespread advice to stay at home.

The Players Championship golf event is due to start on schedule despite the global coronavirus pandemic.

The event, which is staged in Florida, is one of the most prestigious tournaments on the PGA Tour and is often referred to as the sport's 'fifth major'.

The decision to press ahead comes after five European Tour events have so far been postponed as a result of the Covid-19 outbreak.

A PGA Tour statement read: "With the information currently available, The Players Championship will continue as scheduled, although we will absolutely continue to review recommendations from the Centers for Disease Control, World Health OrganiSation and local health administrations.

"This is obviously a very fluid situation that requires constant review, communication and transparency, and we are dedicated to all three aspects. The PGA Tour will provide an additional update by 12pm ET (5pm UK time) on Thursday.

"In the meantime, players in the field have been notified to be prepared to play round one, as scheduled."

Juventus' Champions League match against Lyon next week is in serious doubt after one of their players, Daniele Rugani, tested positive for Covid-19.

Rugani wrote on Twitter: "You will have read the news and that's why I want to reassure all those who are worrying about me, I'm fine.

"I urge everyone to respect the rules, because this virus makes no distinctions! Let's do it for ourselves, for our loved ones and for those around us. #grazie"

European football's governing body UEFA is yet to issue an update on whether the last-16 match will go ahead, after Juventus said it was activating isolation procedures around all those who may have had contact with Rugani.

The Serie A season has been suspended following the outbreak, with Italy the worst-hit country in Europe.

The Danish football federation (DBU) said in a statement on Thursday that it expected the friendly against England at Wembley later this month would be cancelled.

The Football Association has said it will be led by advice from the British Government concerning that match on March 31, and the one against Italy due to take place on March 27.

The DBU announced that all football activity in Denmark would cease until at least March 29 following advice from the national government and added: "The men's friendly matches against the Faroe Islands in Herning on March 27 and against England at Wembley on March 31 are expected to be cancelled."

The PA news agency understands the Bosnian football federation has contacted UEFA requesting a postponement of their Euro 2020 play-off match against Northern Ireland on March 26.

A statement on the Bosnian association website on Wednesday night said: "The FF BH administration is in constant contact with UEFA, and according to the latest information the play-off matches will not be postponed due to the impossibility of setting new dates in the competition calendar.

"Accordingly, the FF BH expects further instructions from UEFA and will respect all recommendations, orders and instructions of the competent authorities regarding holding public events in Bosnia and Herzegovina."

EuroLeague Basketball announced it has suspended its competitions until further notice due to the outbreak, while the sport's international governing body FIBA has suspended its competitions from Friday onwards.

Manchester United has announced it will reimburse supporters who bought tickets through the club to the tune of £350 each to cover travel costs after a decision was taken at short notice by their Austrian opponents LASK to move tonight's Europa League match behind closed doors.

The move is understood to mean money will be paid to almost 700 supporters, and is separate from the automatic refund of their match tickets.

LASK made the decision following advice from the Austrian health ministry.

Motherwell manager Stephen Robinson is focusing on Friday's visit of Aberdeen rather than worrying about the financial impact of a potential ban on major gatherings.

The Scottish football authorities this week urged clubs to check insurance policies in case games have to be postponed or played behind closed doors.

"I suppose that's always a worry," Robinson said. "I haven't thought too far down the line about it.

"I have just focused on what's ahead of us, which is Aberdeen on Friday night as it stands.

"The rest of that I think we have to worry about when it happens. It hasn't happened yet so it's all hearsay at the moment."

Real Madrid players have been told to go into quarantine after a member of the club's basketball team tested positive for coronavirus, the LaLiga side have announced.

The two squads share facilities, which have been closed, with Euroleague basketball temporarily suspending all matches until further notice.

Manchester City were due to face Real Madrid in the second leg of their Champions League last-16 tie at the Etihad Stadium next Tuesday.

LaLiga has announced it has suspended "at least the next two rounds of matches" as a result of the quarantine in place at Madrid.

A statement read: "Given the circumstances known this morning, referring to the quarantine established at Real Madrid and the possible positives in players from other clubs, LaLiga considers that the circumstances are already in place to continue with the next phase of the protocol of action against COVID- 19.

"Consequently, in accordance with the measures established in Royal Decree 664/1997 of May 12, agrees to suspend at least the next two rounds of matches.

"Said decision will be re-evaluated after the completion of the quarantines decreed in the affected clubs and other possible situations that may arise.

"LaLiga, as organiser of the competition, has proceeded to communicate it to the RFEF (Royal Spanish Football Federation), the CSD (National Sports Council) and the clubs."

McLaren have announced they have withdrawn from the Australian Grand Prix after a staff member tested positive for coronavirus.

The team personnel, believed to be a mechanic, was placed in quarantine in Melbourne on Wednesday after reporting symptoms related to the virus.

The opening race of the season is now in doubt with at least four other members of Formula One's travelling circus also tested for the illness which has claimed more than 4,600 lives around the world.

A statement from the British team read: "McLaren Racing has confirmed this evening in Melbourne that it has withdrawn from the 2020 Formula One Australian Grand Prix, following the positive test of a team member for the coronavirus.

"The team member was tested and self-isolated as soon as they started to show symptoms and will now be treated by local healthcare authorities.

"The team has prepared for this eventuality and has ongoing support in place for its employee who will now enter a period of quarantine."

Sheffield United boss Chris Wilder would prefer the football season was delayed for a period to help contain Covid-19, rather than have matches played behind closed doors.

Denmark, Italy, Spain and Switzerland have already taken the decision to suspended football, while games have been played in empty stadia across Europe this week. A decision has yet to be made in England but the Football Association are expected to follow suit.

Wilder thinks it would be disappointing if matches went ahead without any supporters in attendance.

"I would (prefer a delay). The game is nothing without supporters," said the Blades boss ahead of his side's Premier League fixture against Newcastle at St James' Park on Saturday.

"The biggest reason is to play in front of supporters - the buzz and excitement they bring to the game. A delay, an extension would be my preferred option. But if it is behind closed doors we'll have to accept that."

Scottish sporting events are set to be postponed or played behind closed doors following an announcement by First Minister Nicola Sturgeon.

She told the Scottish Parliament she would recommend the cancellation of gatherings of more than 500 people from Monday.

Speaking ahead of a Cobra meeting with other UK leaders, Ms Sturgeon said: "Mass gatherings are required to be policed, they require to have emergency ambulance cover, they require the services of our voluntary health services, and at a time when we need to be reducing the pressures on these front-line workers in order to free them up on the significant challenge that lies ahead, I do think it is inappropriate that we continue as normal."

In the wake of McLaren's withdrawal, Formula One said in a statement on Twitter: "Formula 1 and the FIA have have been coordinating with all the relevant authorities on the next steps.

"Our priority is the safety of the fans, the teams and all personnel at the race."

Reports from Spain suggested the Champions League and Europa League competitions would be suspended following the developments of the last 24 hours.

But it is understood that Thursday's Europa League games - those that had not already been postponed - will go ahead.

Celtic captain Scott Brown insists the leaders should be crowned champions if coronavirus measures forced the Ladbrokes Premiership season to be abandoned.

Brown's side are 13 points clear of Rangers ahead of their trip to Ibrox as they look to tie up a ninth consecutive title.

The midfielder said: "If it ends, it stays at it is. We are in a good position but we just need to focus on this game on Sunday.

"The main thing is we make sure everyone is OK, they are all safe and we try and catch this on the head as soon as we can. But obviously we still want to play football and win as many games as we can whether it's in front of fans or not.

"It will be sad if there's no fans there because that's what football is all about. It would be weird playing behind closed doors but if it gets the league done and dusted and we managed to keep up with the fixtures as well, it helps everybody."

UEFA announced it was convening an emergency meeting next Tuesday, where discussions would include the future of all domestic and European competitions, plus Euro 2020.

The statement read: "In the light of the ongoing developments in the spread of Covid-19 across Europe and the changing analysis of the World Health Organisation, UEFA has today invited representatives of its 55 member associations, together with the boards of the European Club Association and the European Leagues and a representative of FIFPro, to attend meetings by videoconference on Tuesday March 17 to discuss European football's response to the outbreak.

"Discussions will include all domestic and European competitions, including Euro 2020.

"Further communication will be made following those meetings."

1:35pm

If you suffer from asthma you can find useful advice here

1:34pm

Princess Cruises will keep its 18 cruise ships in dock for the next two months, it said, as the company deals with the global spread of coronavirus.

The business, which is owned by London-listed Carnival, has seen several cases of the infectious disease reported on its cruise ships.

It said that all new journeys were being cancelled up until May 10 "in an abundance of caution".

Princess Cruises president Jan Swartz said: "Princess Cruises is a global vacation company that serves more than 50,000 guests daily from 70 countries as part of our diverse business and it is widely known that we have been managing the implications of Covid-19 on two continents.

"By taking this bold action of voluntarily pausing the operations of our ships, it is our intention to reassure our loyal guests, team members and global stakeholders of our commitment to the health, safety and well-being of all who sail with us, as well as those who do business with us, and the countries and communities we visit around the world."

Passengers who are onboard a Princess trip that is meant to end within the next five days will be able to continue as planned. Those who are meant to be onboard for longer will have to get off at a place that suits them best.

1:30pm

President Donald Trump has suspended travel between the US and Europe, but excluding the UK and Ireland. To read more, click here.

1:24pm

 The Department for Health is still saying that the best advice is the simplest: wash your hands with soap for 20 seconds

Heading out on your lunch break? ️

Whether you're eating in the workplace or at home, make sure to wash your hands thoroughly with soap for 20 seconds.#coronavirus | #COVID2019

- Department of Health and Social Care (@DHSCgovuk) March 12, 2020

1:20pm

Boris Johnson is expected to move to the delay phase of tackling the UK spread of Covid-19 as Ireland announced the closure of schools and tourist attractions.

Irish premier Leo Varadkar said schools, colleges and childcare facilities will close until March 29 as a result of the coronavirus outbreak, which is now regarded as a global pandemic.

Museums, galleries and other tourist destinations will also close as a result of the action.

Boris Johnson (Picture: PA)

Mr Varadkar said: "I know that some of this is coming as a real shock and it is going to involve big changes in the way we live our lives.

"I know that I am asking people to make enormous sacrifices. We're doing it for each other."

The total number of Covid-19 cases in the Republic stands at 43 and there has been one death.

In contrast, UK cases stand at 460 and there have been eight deaths in British hospitals.

1:15pm

For information about what we mean by the 'delay' phase, check out our story here: [*https://www.dorsetecho.co.uk/news/18300242.coronavirus-uk-set-move-delay-phase-heres-means/*](https://www.dorsetecho.co.uk/news/18300242.coronavirus-uk-set-move-delay-phase-heres-means/)

1:15pm

We run live updates for a variety of news topics including breaking news, weather and large events attended by thousands of people.

They are the most efficient way of covering a constantly developing news story, including for example, Coronavirus.

They are not intended to sensationalise information; but to get continually changing information to our readers in the fastest and most accurate way possible.

Coronavirus is being treated extremely seriously by nations across the world. The Government's medical experts are warning "many thousands of people" will contract coronavirus. This is not information intended to scare people, but is the reality of what the UK is facing.

An unprecedented situation such as this is bound to cause alarm, we understand that. But local updates on an escalating global situation is responsible journalism.

1:12pm

Hi, welcome to our live coverage of the coronavirus outbreak. Follow here for updates as the UK prepares to enter the 'delay' phase

**Load-Date:** April 25, 2020

**End of Document**



[***Victoria reports 51 new cases and seven deaths as NSW records seven cases - as it happened; Greg Hunt says Melbourne curfew should be lifted if 'there is no medical basis' for it as two more Sydney healthcare workers test positive. This blog is now closedThere are 51 new cases of Covid in Victoria and seven deathsFollow our global coronavirus live blogAustralian stats interactiveNSW cases map ; NSW hotspots listQueensland hotspots listSign up for Guardian Australia's coronavirus email***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:60T3-C9W1-F021-60P0-00000-00&context=1516831)

The Guardian (London)

September 9, 2020 Wednesday 10:28 PM GMT

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**Section:** AUSTRALIA NEWS; Version:24

**Length:** 43635 words

**Byline:** Calla Wahlquist and Amy Remeikis

**Highlight:** Greg Hunt says Melbourne curfew should be lifted if 'there is no medical basis' for it as two more Sydney healthcare workers test positive. This blog is now closedThere are 51 new cases of Covid in Victoria and seven deathsFollow our global coronavirus live blogAustralian stats interactiveNSW cases map ; NSW hotspots listQueensland hotspots listSign up for Guardian Australia's coronavirus email

**Body**

block-time published-time 10.00am BST

How things stand

That's where we will leave our live coverage of the coronavirus situation in Australia. As always you can follow our global rolling coverage [*here.*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

Here's where things stand:

* The death toll from Covid-19 in Victoria passed 700. Seven more people died in the past 24 hours, bringing the total number of deaths linked to the virus since 1 January to 701. There were 51 new cases recorded in Victoria today.

1. Victorian premier Daniel Andrews has defended the introduction of an 8pm-to-5am curfew in Melbourne, after both the chief health officer and the police commissioner said the idea did not come from them. Andrews was asked to provide the evidence behind the reason to introduce a curfew and said he was "free to go beyond" the advice provided. The federal government has leapt on the suggestion that Andrews was not following medical advice in implementing the curfew.
2. NSW recorded seven new cases.
3. The NSW government is in chaos after the National party, coalition partners with premier Gladys Berejiklian' s Liberal party, announced they were moving to the crossbench over legislation to protect koalas but would keep their ministerial portfolios. ( They do not agree with protecting the koalas.) Berejiklian has given them until 9am tomorrow to declare whether they whether they want to sit on the crossbench or remain in the ministry - if the former, she will go to Government House to swear in new ministry.
4. Prime minister Scott Morrison criticised Queensland for not giving a Canberra nurse permission to attend her father's funeral. Morrison called premier Annastacia Palaszczuk about the case this morning, and shed a tear talking about it on his favourite Sydney radio station. Palaszucuk said she would not be "bullied" by Canberra. Queensland's chief health officer later relented and allowed the woman to attend the viewing, but not the funeral itself.
5. The case revealed that the Australian Capital Territory remains a declared Covid-19 hotspot in Queensland, despite not having any new cases for two months.
6. The head of virus manufacturer AstraZeneca Australia said there was no change to the planned timetable for delivering the vaccine to Australia, despite the human trials being paused this week after one participant had a serious adverse reaction.
7. There were no "consequences" for people who were in charge of the health aspects of Victoria's hotel quarantine program, the inquiry heard. It also heard that chief health officer Brett Sutton wanted to be made state controller in response to the pandemic, but was overruled by the health department.

We'll see you tomorrow.

block-time updated-timeUpdated at 10.06am BST

block-time published-time 9.21am BST

As mentioned previously, Victorian premier Daniel Andrews was asked today to provide the evidence behind the 8pm-5am curfew that is in place under stage four lockdown in Melbourne.

He did not - though said he would later, so watch this space - but appeared to indicate in a press conference today that the curfew was [*introduced in a captain's call*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe).

He said:

If you want to put it to the prime minister, has he ever acted beyond, in any sense, the advice that [health department secretary Prof] Brendan Murphy or [chief medical officer Prof] Paul Kelly have given him, I think the answer will be he has.

You always have to reserve the right to operationalise and deliver the advice of the medical experts and the principles that they want achieved.

Read more from Melissa Davey here:

Related: [*Daniel Andrews defiant on Melbourne curfew after police chief denies responsibility*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 9.52am BST

block-time published-time 9.02am BST

Proof that Twitter really is a hive mind.

enltrIf this koala legislation isn't referred to as the Blinky Bill I'm going to be quite disappointed.

- Lucy Carter (@lucethoughts) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

enltrTwo very serious questions. 1) Is this the most disappointing story of all the possible stories that could conceivably carry the headline KOALAS LEAVE STATE GOVERNMENT IN RUINS? 2) Can we please describe the koala bill from now on as the Blinky Bill? Thanks. [*pic.twitter.com/uhrGO0GUDS*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- jonathan jb webb (@jjbw) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

enltrHopefully one of the Coalition partners blinks. Just for the headline writers and cartoonists. Looking forward to various versions of "Blinky Bill" to describe the koala legislation [*https://t.co/2O3RJg9Qzi*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Peter Cohen (@PeterBCohen) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 9.04am BST

block-time published-time 8.51am BST

Here's the full report from Anne Davies on what is going on in NSW right now.

Related: [*Gladys Berejiklian gives NSW Nationals deadline to reverse threat to sit on crossbench*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 8.43am BST

While we await the outcome of that urgent NSW Nationals party meeting, here's a reminder of the make-up of the 93-seat NSW lower house.

The Berejiklian government this morning controlled 48 seats - a two seat majority. That's made up of 35 Liberal MPs and 13 Nationals MPs.

Labor has 36 seats, and then there's three each for the Greens, the Shooters, Fishers and Farmers Party, and independents.

So, if the Nationals do stick to their guns and go to the crossbench, Berejiklian would need 12 other votes to guarantee supply.

block-time updated-timeUpdated at 8.48am BST

block-time published-time 8.36am BST

While NSW sorts itself out, let's turn to Western Australia, where the government has hosed down a request from the mining industry for fly-in, fly-out (FIFO) workers to be allowed to spend less time in quarantine.

From AAP:

WA's Chamber of Minerals and Energy has called for greater flexibility for fly-in, fly-out workers, most of whom are required to spend 14 days in hotel quarantine.

But the McGowan government on Thursday said there were no plans to ease the 14-day period for FIFO workers entering the state.

A government spokeswoman said:

WA's chief health officer and the Australian health protection principal committee all agree that 14 days of quarantine is an essential requirement.

This important health requirement will continue for the foreseeable future.

The sacrifices many people throughout the industry have had to make has been enormous, and we thank them for that.

Mining giants BHP and Rio Tinto have both committed to preferencing Western Australians for operational jobs in the Pilbara but FIFO workers are expected to continue to be needed to fulfil positions across the state's mining industry.

WA recorded one new case on Thursday after a man in his 30s tested positive on returning from overseas.

The state has four active cases, all in hotel quarantine.

Haulage trucks at a mine in the Pilbara. The WA government has turned down an industry request to ease quarantine restrictions on FIFE workers. Photograph: Reuters

block-time updated-timeUpdated at 8.47am BST

block-time published-time 8.13am BST

The NSW Nationals have called an emergency party room meeting for 5.15pm, according to the Australian's state politics reporter Yoni Bashan.

enltrBreaking: The NSW Nationals have called an emergency partyroom Zoom meeting for 17:15pm.

- Yoni Bashan (@yoni\_bashan) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 8.10am BST

A former Australian ambassador to China says the relationship has deteriorated to its worst point in decades and the government needs to "work out how we manage these very complex issues".

Geoff Raby, who was Australia's ambassador from 2007 to 2011, has been an outspoken critic of how the Turnbull and Morrison governments have handled the relationship over the last few years. In recent years he has headed a Beijing-based business advisory firm.

In an interview with the ABC's Patricia Karvelas this afternoon, Raby said he agreed with Kevin Rudd's comments yesterday that the relationship was at the lowest point in at least 35 years. He said:

Absolutely, and Kevin and I were in the embassy together in 1986, so we have been through the whole thing, and I was in Beijing during Tiananmen Square ... and I did the foreign-policy response to Tiananmen Square afterwards ... It hasn't been as bad as this. I am worried... that we are now in a tit-for-tat downward spiral in the relationship with no strategy, just tactics.

Raby said Australia would go nowhere if it sought to be "tough on China for the sake of being tough on China". While he conceded that the Australian government needed to respond to issues like aggressive behaviour in the South China Sea and foreign interference in Australia, the question was exactly how to respond, and needed to be "smart" and "agile".

Raby likened the Chinese authorities' handling of the questioning of the ABC and AFR journalists to "a Keystone cops episode" but said it "wasn't anything like what has happened to my good friend Cheng Lei, and how she has disappeared. That is something much more sinister and much more worrying".

block-time updated-timeUpdated at 8.14am BST

block-time published-time 8.02am BST

Meanwhile, Jamie Lowe, the CEO of the National Native Title Council, has told ABC24 that he wants Rio Tinto to sack some of the executives involved in the Juukan Gorge decision.

The Rio board is [*meeting this week to discuss the fate of CEO Jean-Sébastien Jacques*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), following [*pressure from major global investors*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), although superannuation fund Hesta says that [*"a change in the ranks of Rio's senior leadership won't mitigate this risk for investors".*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

Jean-Sebastien Jacques, CEO of Rio Tinto Group. Photograph: Hannah McKay/Reuters

Absolutely. I think we've all been involved in workplaces whether culture can be quite toxic, doing business on Aboriginal land and is no Aboriginal people and decision-making, so yes, we need to see people go.

Fortescue Metal Group (FMG) is also facing a shareholder resolution, similar to that put to BHP last month, demanding it halt all mining activity which could damage or desecrate Aboriginal cultural sties until stronger legislation is introduced.

The Australasian Centre for Corporate Responsibility's Brynn O'Brien said:

In engagement with us, FMG has been clear that it is happy for business to continue as usual. Shareholders, in the wake of Juukan Gorge, know that business as usual is absolutely unacceptable.

FMG has a dubious history of engagement with Pilbara native title holders, specifically the Yindjibarndi people. Comments as recently as last year, coming from the chairman saying 'that is not a community I'm going to empower with tens of millions of your cash' demonstrate that the company and board have a long way to go in understanding and valuing the intricacies of cultural heritage and the agency of traditional owners.

You can read more about that [*here.*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 8.12am BST

block-time published-time 7.51am BST

enltrIf there is any policies the NSW Liberals want to dust off regarding climate change, water transparency or anything else, now might be the time...

- Gabrielle Chan (@gabriellechan) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 7.47am BST

Berejiklian warns Nationals MPs she will strip them of portfolios if they move to crossbench

New South Wales premier Gladys Berejiklian has issued an ultimatum to National party MPs, saying they can either sit in cabinet or be on the crossbench.

"They cannot do both," she says.

And if they do not comply, she will swear in a new ministry.

Ultimatum: NSW premier Gladys Berejiklian. Photograph: Ryan Pierse/Getty Images

Here's Berejiklian's full statement:

A government serving the people of NSW must respect cabinet and parliamentary processes.

This is more important now than ever before given the challenges facing our citizens.

I have already made clear to the deputy premier that his policy concerns are listed for discussion at an upcoming cabinet meeting and will be considered by the joint party room.

It is long established convention that members of cabinet must support Government legislation.

It is not possible to be the deputy premier or a minister of the Crown and sit on the crossbench.

I am and always have been a strong Coalitionist and deeply respect the National Party and all it stands for.

It is my strong preference that existing Coalition arrangements stay in place.

However, I have just made it clear to the deputy premier that he and his Nationals colleagues who are members of the NSW cabinet have until 9am Friday 11 September to indicate to me whether they wish to remain in my cabinet or else sit on the crossbench.

They cannot do both.

If required, I will attend Government House tomorrow and swear in a new ministry.

block-time updated-timeUpdated at 8.25am BST

block-time published-time 7.38am BST

The animal welfare spokeswoman for the Australian Greens, Senator Mehreen Faruqi, has pointedly tapped her calendar following [*the federal government's response to the national horse traceability inquiry*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe). Faruqi established the senate inquiry back in 2018.

She said:

Ten months have passed since the committee reported, and six months have passed since the working group was announced. That group hasn't even been established, let alone met.

The states and territories have an important role to play but this is no reason for the federal government to distance itself from this issue. A national register requires national leadership. It's time for the [federal ***agriculture***] minister to drive this process.

Greens Senator Dr Mehreen Faruqi. Photograph: Sam Mooy/Getty Images

block-time updated-timeUpdated at 8.03am BST

block-time published-time 7.32am BST

Let's dig in a bit to the daily case numbers from Victoria. There were 51 new cases reported today, bringing the rolling 14-day average to 70.1 cases per day in metropolitan Melbourne, and 4.5 in regional Victoria.

Remember, we're aiming for a 14-day average of lower than 50 by 28 September to keep pace with the roadmap.

There are 1,483 active cases of Covid-19 in Victoria at the moment, of which only 72 are in regional areas that are currently under stage three restrictions.

Some 251 of the active cases are in healthcare workers, 763 are in aged care facilities, and 16 are in residential disability accomodation, split between six residents and 10 staff.

Other than aged care homes, the largest current outbreaks are:

* Bulla Dairy Foods in ColacL 17 active cases;

1. Peninsula Health Frankston Hospital: 16 active cases;
2. Dandenong Police Station: 12 active cases;
3. Vawdrey Australia Truck Manufacturer: 11 active cases.

block-time published-time 7.20am BST

Brett Sutton objected to decision not to put him in charge of Victoria's Covid response

The Victorian chief health officer, Prof Brett Sutton, was not appointed as the state controller of the state's response to coronavirus - despite him wanting the job - in the early stages of the virus outbreak.

Under Victoria's prepared response plan to outbreaks, the chief health officer is presumed to take on the role of state controller, but this was overruled by a deputy secretary of the health department against Sutton's wishes.

Chief health officer Prof Brett Sutton was not impressed when he didn't get the role of state controller of the virus. Photograph: Daniel Pockett/Getty Images

Melissa Skillbeck, a deputy secretary who was in charge of emergency management at the time, testified before the inquiry into hotel quarantine on Thursday.

Under Victoria's state health emergency response plan, known as the Sherp, the chief health officer of the state is presumed to take on the role of state controller.

However, after Covid-19 arrived in Australia in February, Skillbeck said she made the decision not to have Sutton in the role because of the demands on his time, and because his expertise was best used in other roles.

She revealed that Sutton disagreed with her decision.

Skillbeck said the state controller role involved a lot of "programming and logistics" rather than public health, and that Sutton was already extremely busy dealing with the outbreak. She said:

Already on 1 February, the chief health officer was engaged with the AHPPC ... [and] as the response nationally evolved, the reasons I cite were only reinforced.

In particular the personal time requirement on the chief health officer... his expertise needs to be in AHPPC... in communications. The key tool we have to respond to a pandemic, particularly a novel virus, is educating and changing behaviour in the community. And that is essentially a communications task.

Counsel assisting the inquiry, Ben Ihle, asked Skillbeck whether Sutton was "in agreement" with her decision.

No he was not.

block-time updated-timeUpdated at 8.30am BST

block-time published-time 7.17am BST

Karvelas asked if this is an appropriate tactic to take at this time as the NSW government is still working to control the Covid-19 pandemic and has been called, by former Coalition leaders, the best government in Australia.

Joyce:

What does that have to do with koalas?

Karvelas:

Quite a lot! I will help you out. Obviously there is a crisis going on. Is blowing up the government during one of the biggest crises we have seen in this country appropriate, good timing?

Joyce:

No! They are blowing up their own government because they had ample warning to deal with this issue, ample... This issue has been under the surface; they have known all about it, and now they say this is a big surprise. The only big surprise is that you didn't deal with this way back, and the only big surprise, don't worry about the Nationals, keep pushing and pushing and bluffing, they will always fold.

I am glad they are not folding. No, you are not treating us with respect. You think we have to fold because we have to, when you put a guilt trip, be the best government. The best government would have dealt with this a long time ago, and the best government would have realised it should not have come to this point, and the best government would have brought into the room (planning) minister Rob Stokes and said, 'Mate, forget it, drop the idea, stop it, it will cause more harm than it is worth.' That is what the best government would have done.

Calling the pandemic a guilt trip is extreme Barnaby Joyce areas.

block-time updated-timeUpdated at 7.20am BST

block-time published-time 7.11am BST

Barnaby Joyce is on ABC24 now to add some grist to the chaos mill that is the NSW National party today.

Joyce said he supports the position of NSW Nationals leader and deputy premier, John Barilaro, but hasn't spoken to him about it.

Nationals MP Barnaby Joyce. Photograph: Lukas Coch/AAP

I think it is really important that the National party stands up and says enough is enough... Basically the property rights. We have had to deal with fishing regulations, we have to deal with permits so we can't control kangaroos, we cannot shoot a snake that is in the yard and will bite [my children]. I have to remove it. I don't know how - charm it out of the yard.

We are sick and tired and it is like the straw that broke the camel's back... None of us wanted koalas to die. There is not a person who wants anything but the best outcome for koalas, and we live with them.

He said the proposed NSW legislation was a "bureaucratic nightmare, and its bullish pugnacious overlord is by Sydney and we have had enough".

Is it an issue worth breaking up a successful government, host Patrica Karvelas asked?

Joyce said:

I think this is an issue which premier Gladys Berejiklian has been doing a great job, to recognise it is not just an issue by itself, but a combination of so many issues that have come in and arrive at this issue. This is just the last straw and she should say, 'Look, I think we have to really listen to them.' This is not something that is a surprise. It has been discussed for quite some time. Remember, it was a regulation that would have been disallowed... This is the only alternative John Barilaro has left."

So Berejiklian should just fold to all their demands, basically?

Basically yes, says Joyce.

Is it acceptable for the Nationals MPs to say they will keep their ministerial portfolios despite moving to the crossbench?

I am absolutely certain that Gladys Berejiklian will still be getting supply... Y ou have to get something for the right of the Liberals to be the government, and that means the share of portfolios. If you don't want the portfolios maybe you don't want supply.

block-time updated-timeUpdated at 7.16am BST

block-time published-time 6.58am BST

While we're talking about the evidence behind implementing a night-time curfew in Melbourne under stage four restrictions, it's worth noting that police fined 46 people for breaching curfew in the past 24 hours.

As with all lockdown breaches (except not wearing a mask, which is $200) the penalty is a $1,600 on-the-spot fine.

Police also fined 23 people for not wearing face masks, and 28 people were fined at vehicle checkpoints - meaning they allegedly did not have an adequate reason for being out and about.

block-time updated-timeUpdated at 7.00am BST

block-time published-time 6.52am BST

In a bit of other news, the federal government has released its response to the recommendations of a Senate inquiry which called for the establishment of a national horse tracking scheme.

The inquiry was called off the back of [*this Guardian Australia report about ex-racehorses in the Echuca horse sales.*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

The response says the Australian government supports the establishment of a national working group to design a national horse traceability register. That working group was established following a Coag meeting in February (remember Coag? Remember February??).

The Australian government supports the establishment of a national horse register and notes that establishing a national register for all horses will require policy and regulatory design work to be undertaken by racing and animal welfare portfolios in each state and territory.

It is expected that the working group will report its progress to develop a register to racing and ***agricultural*** ministers via state and territory government racing officials and the ***agriculture*** senior officials committee.

But it says the federal government does not want to pay for it, and notes:

A national horse registration and traceability system could have substantial resourcing impact for states and territories, industry groups, farmers, and others with horses, such as pet owners and riding schools.

The Australian government agrees that the adoption of a co-investment model is desirable, however decisions about how a register is funded is likely to be a matter for state and territory racing ministers and racing agencies."

You can read the full response [*here,*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 6.58am BST

block-time published-time 6.35am BST

Hello campers. Thanks to Amy Remeikis for taking us through the morning's news.

I hope you are doing well this Thursday afternoon. Remember: do it for them.

Eight-month-old koala joey Jasper being weighed at Wild Life Sydney zoo in July. Photograph: Don Arnold/WireImage

block-time updated-timeUpdated at 6.40am BST

block-time published-time 6.28am BST

On that note, I am going to hand you over to the wonderful Calla Wahlquist for the afternoon.

I'll be back tomorrow morning. You can reach me [*here*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) and [*here*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) if you still have questions.

In the meantime, please, as always, take care of you. Ax

block-time updated-timeUpdated at 6.29am BST

block-time published-time 6.27am BST

Dr Jeannette Young finishes taking questions and the press conference ends.

So the main takeaway there: you can apply to enter Queensland under any of the exemptions which include work, as well as personal exemptions (and no one will be turned away in an emergency medical situation), but you have to quarantine.

You have to spend two weeks in hotel quarantine. Some exemptions have been granted for people to quarantine somewhere else - their own homes, or another compound - but you have to quarantine if you enter Queensland from a hotspot.

Young basically said it was because when someone (or someones) didn't, the state ended up with new clusters.

block-time updated-timeUpdated at 6.30am BST

block-time published-time 6.24am BST

Jeannette Young hopes to open aged care homes soon

When will aged care homes have their restrictions lifted in Queensland?

Dr Jeannette Young:

As soon as possible.

So, as soon as we can declare this recent cluster over, which will take a while longer, I would suggest at least another week, then we will be able to open up aged care.

Now, I am just so glad we did that because I think we should be OK in that aged-care facility at Laidley.

We not had any cases in the residents. It is not over yet. They are not through that risky period just yet, but we have not had any to date.

That is only because we closed down our aged-care facilities early on with this recent cluster and we asked staff to wear PPE and to be very careful and the staff member who tested positive was excellent, absolutely excellent.

I couldn't have asked more. He followed the absolute text book process and wore PPE and kept himself separate and he was just fantastic.

So, we were, maybe I could say lucky there, but also we are just so careful in Queensland and I am so grateful that Queenslanders have gone along that journey and by being careful every single time I am absolutely convinced we have saved lives in Queensland.

block-time updated-timeUpdated at 6.35am BST

block-time published-time 6.22am BST

Dr Jeannette Young is asked again whether there is double standards for "normal" people:

No, no, because I will always give an exemption to someone who needs to come into the state because of a family reason and I have done that regularly and that will continue to happen under that new team.

So I have had many, many exemptions from people who are wanting to come up to support their grandchildren who are having children and they haven't got parents here and they need to support them because they have got to go into hospital and look after other children.

So there are lots and lots and lots of exemption requests to support family, to support close friends, and they are always granted, but they are granted with a need for quarantine. No different to all of these other exemptions.

block-time updated-timeUpdated at 6.23am BST

block-time published-time 6.21am BST

Why can Tom Hanks gets an exemption and other people can't?

Tom Hanks Photograph: Matt Licari/Invision/AP

Dr Jeannette Young:

Anyone can come into Queensland who has got a reason to come in that meets one of our requirements.

So, anyone can come to Queensland if they wish to see a dying relative or, indeed, a dying close friend.

Then the next part of that exemption is what they need to do when they come - and that is the same.

I have given exemptions to people in the sporting industry for a whole range of codes because it is important that we start that work, but they all go into quarantine.

I have given exemptions for people in entertainment and film because that is bringing a lot of money into this state and, can I say, we need every single dollar in our state.

We need to make sure that our economy is going ahead as much as it can, as long as it is safe.

So my first - the first thing the - thing I do before I make a decision about anything is: it safe to the Queensland population?

If it is safe, I look at how it can be done and whether that is the AFL, the NRL, whether it is swimming, tennis - all of the sports - cricket recently because we are coming know that season. Whether it is any of those, whether it is entertainment industry, film industry, whether it is ***agricultural***, whether it is are sources and mining, construction.

Anything that will benefit our community because I actually believe that the economy has an enormous role in determining health and the health outcomes for Queenslanders, but before I agree to anything it is whether it is safe.

block-time updated-timeUpdated at 6.29am BST

block-time published-time 6.19am BST

Why is it Jeannette Young standing up and addressing the media and not the Queensland premier, Annastacia Palaszczuk ?

Queensland premier Annastacia Palaszczuk. Photograph: Dan Peled/AAP

I just wanted to give some information this afternoon. I haven't stood up for the last few days because I have actually been very, very busy trying to work through these clusters and so it was offered to me that I might like to stand up and give some information and an update where we are because, in actual fact, I think we have done exceptionally well, far, far better than I had even hoped, knowing that everyone always does do well at start of this most recent cluster and I think I can now see light at the end of the tunnel, which will be good because we have got a lot of places locked down at the moment. All of our aged-care facilities, disability facilities, hospitals and that is causing, I know, a lot of problems for people."

Asked if the premier's or her office asked or directed her to stand up for a press conference, Dr Young says:

No, the premier's office didn't. My team here did."

block-time updated-timeUpdated at 6.22am BST

block-time published-time 6.17am BST

ACT a hotspot for Queensland despite no cases for two months

Q: Why is the ACT, which has had no cases for two months, still a hotspot as far as Queensland is concerned?

Dr Jeannette Young says it is all about staying two weeks ahead of any potential infections:

Canberra is defined as a hotspot because it is in the middle of New South Wales. We know there are cases around them. The other part is, you might remember there were a lot of cases in Batemans Bay, and a lot of Canberra have weekend residences they go to in Batemans Bay.

We have seen it happen.

Unfortunately for people who live in Canberra, they are deemed as being in a hotspot, need to be managed as such.

What we have to remember is exposures two weeks ago that will then lead to the problem.

We are always trying to project two weeks in advance, which makes it very difficult.

It is very hard. I can understand that for people who live in Canberra, to understand why they can't freely travel into Queensland.

block-time updated-timeUpdated at 6.34am BST

block-time published-time 6.15am BST

There is a question about the family who have said they are unable to visit a father who has terminal cancer, because of the restrictions.

Dr Jeannette Young:

I can't go into specifics of any individual case. I'm sure you know me well enough by now I'm not going to cause even more heartache to someone to have private information discussed publicly.

What I can say is exemptions are given for people to come to Queensland, to see dying relatives or close friends, but they need to go into quarantine if they come from one of the hotspots, to do that, and then, they are supported to go and visit their relative, or friend, if it's in a hospital, that are supervised by the hospital, the hospital provides PPE, if it's at the person's home, they need to organise someone to assist them because we will provide them the PPE but we need to organise someone to give assistance on how to use that PPE.

block-time published-time 6.14am BST

Dr Jeannette Young is not usually this strong. She must be quite agitated by today's commentary:

We have now had several outbreaks in aged care facilities in Queensland that we have been able to control, thank goodness, because we have now seen that Australia's numbers who have died as a result of Covid-19 have reached over 700 Australians, and we know a lot of those have happened in the last month, a lot of them have happened in aged care facilities.

That's something I'm absolutely adamant about. I will do everything I possibly can to stop that happening in Queensland because every single death is a really difficult death for someone, including me.

I don't want to see a Queenslander dying from Covid-19 that I could have prevented. I can't prevent every single death, but those that I can prevent, I'm absolutely adamant, I make no apologies, I will do my best to prevent.

Having said that, I also understand the awful situation for people coming into Queensland from interstate and overseas that can't attend a funeral to mourn their loved one.

So we do have some processes in place to try and help with that. Of course, if they wish to, and the funeral home can support it and a large number have, then they can go and have a private farewell with a loved one in the funeral home.

That can be done, and has been done a number of times very safely due to the support of the funeral home, but they do need to wait 14 days before they can attend.

block-time updated-timeUpdated at 6.18am BST

block-time published-time 6.12am BST

Queensland's chief health officer continues:

One thing I have always felt that has kept Queensland safer, and we are able to continue to have that increased risk of 100 people at a funeral is that I have always been very, very careful in making sure that anybody at a higher risk of having Covid-19 does not attend a funeral.

Those are people who come from hot spots, interstate, or anybody who comes from overseas. Although I understand the enormous toll this is taking on people who are coming here, to Queensland to attend a funeral of a loved one, whether that be a relative, or a friend, they can't do that until they have been in quarantine for 14 days.

Because the last thing I would want to happen is to have an outbreak at a funeral, and by definition, there are always older people attending funerals. They are the people, we know, will always attend funerals.

There are very risky environment for spread of the virus because the nature of the service and what happens, and secondly because of the people that tend to attend those funerals.

So I do not want to see, in Queensland, any risk of people attending a funeral, getting exposed, getting Covid-19, and then going back to a vulnerable setting. Because people are able to - one of the exemptions for leaving an aged care facility is to attend a funeral.

block-time updated-timeUpdated at 6.13am BST

block-time published-time 6.10am BST

On funerals specifically, Dr Jeannette Young says:

There is one I would like to discuss specifically. That is exemptions for funerals. Right at the start of this pandemic, that was one of the hardest things that I had to face, because we know that funerals are very, very high risk, for ***transmission*** of the virus. Right at the start of this pandemic, the Australian health protection principle committee put forward a protocol for funerals. Initially we only allowed 10 people to attend a funeral, I'm sure everybody remembers that. Then we expanded that to 20. Now, in Queensland we allow 100 people because we know how important it is that families and their friends can grieve together as a group, that is extremely important.

But by doing that we have introduced a significant risk.

We know that and most recently we have seen in Sydney, several clusters related to funerals down there. So we know, having 100 people at a funeral is a risk. Most recently, when we bought back those tightening of restrictions, people can only gather in groups of 10, limiting visitors to aged care facilities, disability care facilities, and hospitals, and increasing use of PPE is, we did not change the restrictions for funerals. Knowing though that that is a risk.

block-time published-time 6.09am BST

Dr Jeannette Young on the unit looking at quarantine exemptions:

The other thing I did want to briefly talk about, is the development and the fact we have stood up, a specialist healthcare support Centre, for people who need to apply for exceptions.

When we first went into this pandemic, it was thought that we would need to provide exemptions, for various people, to do things that were important, that weren't allowed for under our directions.

At that stage was there would be maybe one or two of these a day. So I did them all personally myself because they were very important, because we know providing exemptions, results in a risk, to the general Queensland population, and I am extremely risk averse, and I'm not going to ever do anything that puts the Queensland population at risk.

So I took on that role, doing all of those exemptions myself. Once we got up to a 100 of those a day, I realised that was no longer feasible, although very, very important, just as important now, as at the start of the pandemic, I believe that other people need to take on that role, we have now stood up that team, there are 80 people in that team, who are providing that support, to look at every single request for an exemption.

We are now getting thousands a day. Because people are wanting to come to Queensland, or to be exempt from some of those directions within Queensland. And every single one of those exemption request is taken extremely seriously.

block-time published-time 6.07am BST

Then we get to the nub.

Dr Jeannette Young

All of these, I do unfortunately need to remind people, go back to one, possibly two young women who contracted the infection in Melbourne and brought it back into Queensland. That's the most likely scenario, and that's even more likely now that we have done so much testing out there, and not found in other chains of ***transmission***."

A couple of weeks ago, Young said it was impossible to either prove or not prove the women who visited Melbourne and allegedly lied on their border entry forms (it's in court).

Nek minnit.

block-time updated-timeUpdated at 6.10am BST

block-time published-time 6.05am BST

Qld chief health officer Jeannette Young speaks to media

Queensland's chief health officer, Dr Jeannette Young, is holding a press conference - it's late, so it is in response to today's story about the woman who was not allowed to attend her father's funeral.

Queensland's chief health officer Dr Jeannette Young. Photograph: Dan Peled/AAP

We have not had any new cases in Queensland overnight, which is exceptionally good news, we are not out of the risk. Yet.

But we are doing much better than I thought we would when I first was notified of this cluster. Brisbane youth detention centre cluster looks like it is well and truly in hand. Should be able to declare that over in the next few days.

It looks as if none of the children who were in that centre, have contracted the virus, which is very good, and it looks as if all of the staff have now been managed and we haven't seen any more spread. Then we had the academy cluster, and again that one is not complete yet, but we are getting more confident we have managed to control that.

Then we had the Arthur Gorrie centre cluster with a number of staff who were positive. Again we are hopeful none of the prisoners have contracted that infection there, so that is good news.

More recently of course, we had those staff at Ipswich hospital, who tested positive, now we have got a school of their associated with that, so we are working through that. It is really good news that today we have had no new cases.

block-time updated-timeUpdated at 6.33am BST

block-time published-time 5.53am BST

So now we have a hung(ish) parliament.

enltrNationals MP Leslie Williams is not joining the revolt to the crossbench, giving Libs 36 votes (against ALP 36). Williams is MP for Port Macquarie, home of the koala hospital [*#nswpol*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*#koalas*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Linda Silmalis (@LindaSilmalis) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 5.55am BST

block-time published-time 5.39am BST

Here's the official update from NSW Health:

enltrSeven new cases of [*#COVID19*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) were diagnosed in the 24 hours to 8pm last night, bringing the total number of cases in NSW to 3,953. Of the seven new cases: Two are returned overseas travellers in hotel quarantine Five are linked to a known case or cluster [*pic.twitter.com/MmSE82FFKf*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- NSW Health (@NSWHealth) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 5.51am BST

block-time published-time 5.22am BST

I am still not sure how you can sit in cabinet and make government policy, and then sit apart from the government and abstain from voting on that policy you passed in cabinet, but here we are.

enltr12 Nationals (or 13 if Port Macquarie MP Leslie Williams has joined them) holding 35 Liberals hostage in a mass revolt over koala policy ?? [*#Nswpol*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*#koalas*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Linda Silmalis (@LindaSilmalis)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 5.28am BST

block-time published-time 5.11am BST

The Productivity Commission chair, Michael Brennan, has appeared at the Covid-19 Senate inquiry.

Brennan [*presented to national cabinet in July*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) about what sort of temporary deregulation during the Covid pandemic should be extended, and senators were keen to hear about what he'd advised.

Brennan set out his general view that the "flexibility of the economy" is an important determinant to the pace of economic recovery, and that economies with "light" regulation of labour and product markets have recovered quicker. While "not all regulation is bad" and the GFC was arguably caused by a lack of regulation, Brennan said Australia is "likely to face the opposite problem" and needs to encourage a greater "risk appetite" to get business investing.

He said states should consider extending some measures like relaxation on shop trading hours, rules relating to curfews of delivery of goods to retail outlets and the times that are available to conduct construction activity.

Many of these were put in place for six months but the disruption from Covid had gone on "longer than thought initially". Likewise, the Commonwealth should consider the "strong case" to extend flexibility around electronic AGMs and signatures for lodging documents.

Liberal senator James Paterson. Photograph: Mike Bowers/The Guardian

On industrial relations, Brennan said that emergency provisions to allow changes to enterprise agreements on short notice would "possibly not" become a core part of the IR system, and the "threshold would be much higher" to continue temporary flexibility like that, because it was put in to deal with the "immediate reality of shutdowns".

He suggested that enterprise agreements could become more flexible if the interpretation of the "better off overall" test was changed. Over time it had shifted closer and closer towards "prescriptive" awards rather than allowing employers and employees to do things differently, while preserving "decent pay and minimum conditions".

This inflexibility had "dulled the enthusiasm for genuine innovative enterprise bargaining" and there is now a challenge about how to "re-enliven the original intent".

Liberal James Paterson asked about the Melbourne road map, but Brennan was very cautious. He said it was imprudent to express a view, and he wouldn't comment on the "optimality" of the plan.

block-time updated-timeUpdated at 5.27am BST

block-time published-time 5.09am BST

Australian politics is really covering itself in glory today.

Nature must be healing.

(Via AAP)

Australia Post has admitted contacting the city of Melbourne and Pauline Hanson after more than 100 One Nation-branded stubby holders were not delivered to locked-down public housing tower residents.

But the agency denies its chief executive threatened the council or contacted Hanson directly about the hold-up.

Hanson sent 114 stubby holders in July with a note that read: "No hard feelings." Days earlier she had called residents of the Melbourne towers drug addicts and alcoholics, claiming they were from war-torn countries and English was probably their second language.

Council officials overseeing the government-enforced lockdowns intercepted the parcels and decided against delivering them, concerned they could further inflame tensions.

Australia Post chief executive Christine Holgate. Photograph: Mick Tsikas/AAP

In an email first published by the Nine newspapers, Australia Post warned the council it would notify the police unless the parcels were delivered without delay.

Australia Post claimed this did not amount to a threat and denied chief executive Christine Holgate personally intervened.

At the time, One Nation senators were considering whether to vote in parliament in favour of overturning a temporary relaxation of postal delivery rules.

"Australia Post confirms that Holgate did not speak to Hanson or One Nation on this matter, nor did she threaten Melbourne city council," it said in.

But it confirmed it contacted both the city of Melbourne and Hanson about the matter.

Australia Post said the agency took its obligation to deliver mail seriously.

"Upon subsequently being made aware the items did not reach their ultimate destination, we raised it with the city of Melbourne and engaged with the sender in good faith to resolve the matter," it said.

"Commonwealth laws prohibit any conduct which interferes with the mail, and make it clear that Australia Post is obliged to complete the delivery of Australians' mail to the designated address."

Hanson dismissed the controversy and used it to market more One Nation merchandise: "Talk about a storm in a stubby cooler."

block-time updated-timeUpdated at 5.13am BST

block-time published-time 4.49am BST

There will be quite a few people who read these comments from Peter Dutton on the border closure who may have trouble picking their jaw up off the floor.

\*cough Priya, Nadesalingam, Kopika and Tharunicaa COUGH\*

Home affairs minister Peter Dutton. Photograph: Mike Bowers/The Guardian

Dutton:

I mean there needs to be an application of common sense and compassion here, and both of those ingredients are missing at the moment from premier Palaszczuk's approach.

There are families who are just being treated like criminals and it's unacceptable and at the same time you've got exemptions for sporting people and for business people etc that don't have to do the quarantine or do the quarantine in a less onerous way.

Just the inconsistency of the approach and the way in which they're applying these rules to some people but not to others just goes against our grain, and people are right to be angry and it needs to stop.

The premier needs to intervene in these cases. I'm sure the police are pulling their hair out having to implement these stupid rules that are dictated to them by health officials that are sitting in rooms that, you know, we'll never know the names of, or never know who they are - these faceless bureaucrats - and making these decisions that are negatively impacting on people's lives and scarring people at a time when we should be helping them, not hurting them."

block-time updated-timeUpdated at 4.54am BST

block-time published-time 4.47am BST

Peter Dutton says Queensland premier is 'pigheaded'

This was Peter Dutton on the Queensland border, and the case of the woman who couldn't attend her father's funeral (she has now been allowed to attend a private viewing) on Sydney radio 2GB this morning:

The bureaucrats who are involved should have the discretion, should have the ability to look at these cases, to pull them aside and that should be the direction that's given to them.

It's also unnecessary. I mean coming from Canberra - where there are no cases; there have been less cases in Canberra than in Queensland - if you're coming from northern New South Wales where there have been no cases, it just doesn't make any sense and unfortunately, people are really suffering.

I mean the government's job is to take care of people's health, to make sure that they do everything they can to keep people safe and healthy. The mental health impacts on people - I mean this young lady tragically will be scarred for life - she's missed her father's dying moments, she's going to miss the funeral and these are obviously moments that you can't get back and the premier here in Queensland is just so pigheaded and people are suffering because of it. I really find it quite disturbing and it's got to stop.

I mean this is Australia in the 21st century. There can be border restrictions put in place if there are good health reasons for it, but there's no health reason, there's no argument from the doctors here in Queensland for the borders to be shut. We've spoken about it over recent weeks; it's all for political reasons and unfortunately a lot of people are suffering and feel the consequences of this action. People [inaudible] easily forget it. It's a very bad outcome in many instances and we've been dealing with a number of cases in my own constituency where we're just up against a wall with the Queensland government and they won't explain why."

block-time updated-timeUpdated at 5.15am BST

block-time published-time 4.36am BST

We have a joint finance ministers' statement (the leaders have been chatting, but so have the finance ministers, both domestically and internationally).

NZ finance minister Grant Robertson hosted a call on zoom with his counterparts from Australia, Canada, the UK and the US. Photograph: Hagen Hopkins/Getty Images

From Josh Frydenberg's office:

New Zealand finance minister Hon Grant Robertson today hosted\* a call with his counterparts from Australia, Canada, the United Kingdom and the United States.

We shared experiences of using monetary and fiscal policy in our respective countries, as part of our governments' economic responses to Covid-19. All nations have undertaken significant fiscal stimulus programs to protect households, support businesses and build a base for recovery. This is being complemented by major monetary policy interventions from independent central banks to support the functioning of the financial system and the flow of credit.

The meeting was highly productive, and highlighted similar economic challenges our countries are facing as a result of the ongoing pandemic. In particular, we acknowledged the importance of mutually reinforcing monetary and fiscal policies to support our responses to Covid-19. We agreed that these were working well together in our respective responses.

The meeting was the fourth in a series of regular calls between the five finance ministers, which focus on economic issues associated with Covid-19.

The sharing of experiences between like-minded partners is valuable, particularly as we collectively face common economic challenges caused by the global pandemic, which require monetary and fiscal responses. We will continue to discuss our respective responses and experiences as we rebuild our economies from Covid-19."

\*hosted on zoom.

block-time updated-timeUpdated at 4.45am BST

block-time published-time 4.32am BST

Greg Hunt has developed a habit of finishing his press conferences with sweeping "WE CAN DO IT" statements.

Today is no different, as he dons his best statesman's voice to say:

Thank you everybody, and as I say, it is a day for hope and support. Six out of eight states and territories with zero cases within the community, numbers are very low in NSW, the trends are down in Victoria but there are still some agonising days ahead and there will be up days and down days, but today we focus on mental health and support, today we focus on providing compassionate support for all Australians everywhere.

But what I hear is:

We must move forward, not backward; upward, not forward; and always twirling, twirling, twirling towards freedom!

block-time updated-timeUpdated at 4.38am BST

block-time published-time 4.28am BST

Q: Firstly, do you think a royal commission into the Covid outbreaks in aged care would be warranted given there are now been more than 500 deaths in aged care due to the coronavirus? And on a separate matter - there are reports today that [there is] an error in Doherty Institute modelling the federal government used in formulating the early Covid responses. Did that error result in an overestimation of the potential threat of the spread of the virus?

Hunt:

Firstly in relation to the aged care, the current royal commission has already been addressing, so we have a standing royal commission into aged care and they have specifically been addressing the Covid-19 response as part of their work and that will, I understand, continue to be the case and we have made it clear that we believe that that's an appropriate part of their work. So we're in the fortunate position that that's standing, existing, empowered and, in fact, has been under way.

Secondly, in relation to the Doherty modelling, my advice, my very, very clear advice from the department is that the underlying modelling had no error.

I think there was apparently one chart which was public-facing which had curve drawn in a particular place. That hasn't affected our actions at all.

It wouldn't have affected the actions at all because the underlying modelling and all of the work was correct and that hasn't had an impact. So I got clear advice from my department on that.

I would say this: one of Australia's great achievements, when you think our task was twofold - to contain the virus and in a world of extraordinary numbers, in a world of 27.8m cases and 900,000 lives lost, the world does look at Australia, an extraordinary outcome but obviously with a challenge in Victoria.

At the same time as containing, we built the capacity for 7,500 ventilation units, at a time when we saw the chaos and tragedy in Italy and Spain, France and the UK and New York and so many other places, provided that protection for Australia and it's been an immensely important protection. It also allows us to be able to support the broader region around Australia."

block-time updated-timeUpdated at 4.41am BST

block-time published-time 4.21am BST

I just saw Greg Hunt laugh.

2020 is full of surprises.

One Nation leader senator Pauline Hanson. Photograph: Mick Tsikas/AAP

Q: Pauline Hanson believes she was being helpful by sending One Nation's stubby holders to lockdown public housing tower residents. Isn't this trolling by One Nation? Is it inappropriate during a pandemic?

Hunt:

Look, I'm sorry, I was completely unaware of that, I have to say. I would suspect that most people would not be influenced in any direction either way by the arrival of a stubby holder. Sorry, that is one of the more unusual things I have heard during the course of what has been a very serious pandemic, but in terms of those, I would say that people wouldn't be particularly influenced in either direction by a stubby holder. I'm not sure whether the people in the towers were using stubby holders."

block-time updated-timeUpdated at 4.24am BST

block-time published-time 4.20am BST

On the Victorian curfew, Greg Hunt says:

So with regards to the Victorian restrictions, I'll let the Victorian government speak to the source and the origin of them, although we were somewhat surprised to learn that not all of the restrictions were based on medical advice.

Against that background, I think they should continue to review those restriction which is are not based on medical advice.

I think that is very important. I do know, of course, that Victoria has a strong human rights charter. I believe the freedom of movement provision, might be section 12 - others will know it better than me - but that Victorian human rights charter sets out under the relevant section that freedom of movement is a fundamental right in Victoria and so I am sure that that would only ever, ever be impinged upon if they have the strongest reasons.

It is important to review these. We review all of the federal restrictions - which have been limited and few in nature and number - on a frequent basis.

block-time updated-timeUpdated at 4.22am BST

block-time published-time 4.17am BST

Greg Hunt says there is no change to the timetable Australia is part of, in terms of the vaccine:

In particular, the advice that I had from the head of AstraZeneca Australia is that there is no change to the timetable for the delivery of the vaccine in Australia and they have no belief that it will be changed in terms of its nature, form or delivery, but they are always subject to the medical advice and in this case it's what is known as an independent medical expert panel."

block-time updated-timeUpdated at 4.19am BST

block-time published-time 4.13am BST

Greg Hunt gives update on AstraZeneca vaccine

Greg Hunt is holding a press conference. He opens with an update on the AstraZeneca vaccine:

The health minister Greg Hunt. Photograph: Mick Tsikas/AAP

At about 7.30 this morning I received a call from the Australian head of AstraZeneca.

The advice that I have, as of that time, is that the patient who had an adverse event is recovering and recovering quickly.

They are likely to be discharged from hospital within the next 24 hours. The best advice that AstraZeneca Australia has from the global firm and from Oxford University is at this stage the illness, although neurological in nature, is undiagnosed in terms of its specific form, and nor is the source known.

They indicated that two months ago there was another event where the trial was paused temporarily where somebody had an adverse event.

The medical expert panel reviewed it and it turned out that it was entirely unrelated to the trial. So the best advice is that the medical expert panel will now consider the patient's case. Undiagnosed at this point in time and undetermined as to the cause of the particular event, but that this is part of the highest and most rigorous of safety oversight programs imaginable."

block-time updated-timeUpdated at 4.38am BST

block-time published-time 3.57am BST

The woman who was at the centre of Scott Morrison's plea today will be allowed to attend a private viewing of her father to say goodbye after her family has held their funeral.

She will be escorted to the funeral home, and then escorted back, a spokeswoman has confirmed.

block-time updated-timeUpdated at 3.59am BST

block-time published-time 3.37am BST

John Barilaro, who is rumoured to have his eye set on Canberra and the federal Nationals leadership, has effectively removed the Nationals from the NSW coalition, plunged the Berejiklian government into minority after vowing to abstain from government votes (unless its to do with regional NSW), and removed itself from joint party room and leadership meetings - unless the koala protection legislation is scrapped.

NSW deputy premier and Nationals leader John Barilaro. Photograph: Mark Kolbe/Getty Images

But he wants the NSW Nats MPs to keep their ministerial portfolios and stay in cabinet, and stay on as deputy premier.

Cool, cool, cool.

I'd add him to my list of Australia's greatest thinkers, but I already broke twitter with that yesterday, and I don't think it has recovered yet.

block-time updated-timeUpdated at 3.46am BST

block-time published-time 3.33am BST

"This is all over a koala protection policy," is maybe the most Australian reason for a political party blowing up the show.

block-time published-time 3.31am BST

I would actually pay Disney premium streaming prices to watch this.

enltrIt's understood the Premier [*@GladysB*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) has called the Dep Premier [*@JohnBarilaroMP*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) to a meeting today to explain the Nationals decision... [*#nswpol*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*@7NewsSydney*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Alex Hart (@alexhart7) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 3.32am BST

block-time published-time 3.27am BST

Qld CHO gives exemption for woman to go to funeral viewing after PM plea

The funeral was to be held at 2pm.

enltrQld's Chief Health Officer, Jeannette Young, will give a Canberra woman an exemption from hotel quarantine to have a private viewing after her father's funeral today. The CHO does not normally grant exemptions for funerals and the woman complained of being locked out.

- Sean Parnell (@seanparnell)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 3.45am BST

block-time published-time 3.27am BST

A travel agency was asked to conduct welfare checks on people in Victoria's hotel quarantine in the weeks before a man took his own life.

The state's inquiry into its hotel quarantine program has heard that welfare checks were "not sufficient" and not frequent enough after a man killed himself in the program in mid-April.

Earlier the inquiry was shown a review that said the man did not receive a welfare check until five days into his detention. Another report from 29 April, shown to the inquiry, also said that reviewers were "concerned" that welfare checks were being conducted by unqualified people who worked in a travel agency.

It said: "Team concerned these are not sufficient (only two required across 14 days) they are completed by non-clinical people - either at [health department office at] 50 Lonsdale or via Hello World [travel agency]."

Prof Euan Wallace, the CEO of Safercare Victoria, the organisation which conducted the review, confirmed that Hello World conducted some welfare checks, but defended the practice.

"Hello World had been engaged by the department of health to conduct a series of welfare checks, with pre-approved scripts," he told the inquiry. He then said they performed "excellently".

Earlier the inquiry heard that the welfare check team fell behind schedule because "they did not have enough staff to match the required workload".

The man received only one welfare check in the nine days he was in hotel quarantine before he took his own life.

* Support services are available at:Kids Helpline - 1800 55 1800 (all day, every day)Suicide Callback Service - 1300 659 467 (all day, every day)eHeadspace - 1800 650 890 (9am-1am daily)Lifeline - 13 11 14 (all day, every day. Online support 7pm-4am daily)Beyond Blue - 1300 22 4636 (all day, every day. Online support 3pm-midnight every day)In the UK and Ireland, Samaritans can be contacted on 116 123 or email [*jo@samaritans.org*](mailto:jo@samaritans.org) or [*jo@samaritans.ie*](mailto:jo@samaritans.ie) In the US, the National Suicide Prevention Lifeline is 1-800-273-8255. In Australia, the crisis support service Lifeline is 13 11 14. Other international helplines can be found at [*www.befrienders.org*](http://www.befrienders.org).

block-time updated-timeUpdated at 3.31am BST

block-time published-time 3.25am BST

enltrThe people of Queensland are with you Sarah. As is Prime Minister [*@ScottMorrisonMP*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)Share your support for Sarah and her family. There has not been a COVID-19 case in Canberra for over 60 days. [*pic.twitter.com/ZtlqXi6Ed4*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Karen Andrews MP (@karenandrewsmp)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 3.19am BST

Not just the cabinet. NSW's deputy premier is on the crossbench.

enltrI don't understand how you are on the cross bench and in cabinet [*#StopTheKoalas*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Katharine Murphy (@murpharoo) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 3.20am BST

block-time published-time 3.18am BST

This is good news: the Juukan Gorge parliamentary inquiry is going ahead after it was forced to postpone hearings because of quarantine issues.

Liberal MP and committee chair Warren Entsch. Photograph: Mike Bowers/The Guardian

From the committee:

The committee will soon commence a new series of remote access public hearings involving a cross section of stakeholders.

Committee chair [*Warren Entsch*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) assured all stakeholders of the committee's resolve to visit Western Australia at the earliest possible date.

'It is vital for the committee to see the destruction first hand and share the experience - and the consequences - of this policy failure with the traditional owners,' Entsch said. 'It is vital that we hear directly from those most affected, the traditional owners of this country, and that can only be done in a meaningful way on country.'

In the meantime, the committee has urged all stakeholders to be aware of the potential consequences of proceeding with actions that could cause irreversible damage to heritage sites.

'No government and no company wants another Juukan Gorge on its conscience,' Entsch said. 'If nothing else, the ongoing damage to Rio Tinto's reputation should give pause for thought for all concerned.'

Further details of the inquiry, including [*terms of reference*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), can be found on the [*committee's website*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)."

block-time updated-timeUpdated at 3.23am BST

block-time published-time 3.17am BST

Looking outside Australia for a moment - Save the Children has launched its "protect a generation" report, which is the largest survey of children and their caregivers since the pandemic was declared six months ago.

It surveyed more than 25,000 children and caregivers from 35 nations.

As you would expect, those from the poorest households have suffered the most, missing out on education, losing family incomes and at greater risk of violence at home.

Save the Children Australia CEO Paul Ronalds said the pandemic was making inequality worse:

The poor have become poorer. Children are missing out on accessing even basic health services. The digital divide means kids are losing their education.

Governments must prioritise the rights and needs of the most deprived and marginalised children as they prepare to rebuild. For Australia, that means supporting its neighbours.

While Australia has responded to the global Covid-19 crisis by deploying health experts, providing medical supplies and financial support to Pacific Islands governments, the scale of the crisis has not been matched by the type of vision and action needed.

Even though there is so much happening at home, we must look beyond our shores. Our Pacific neighbours are in crisis. Not only would strong intervention by Australia protect our own interests, but it will literally save lives and livelihoods among our neighbours.

Covid-19 doesn't respect borders or boundaries, and it won't be over for anyone until it's over for everyone."

[*You can read the report here*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 3.28am BST

block-time published-time 3.12am BST

NSW Nationals withdraw support from Liberals

The NSW Nationals have withdrawn their support for government legislation over their objections to koala protections, which came into force in March, saying that the Liberals will need "to earn their votes" on legislation, rather than having guaranteed support.

National Party leader and deputy premier, John Barilaro, said his party would abstain from voting on government legislation except when it was legislation that affected the regions or which the Nationals deem important.

Without the Nationals, it will not be possible for the NSW government to pass legislation without support from Labor.

"We will not green light just anything the government puts up," Barilaro said.

He said his ministers would continue to attend cabinet and expenditure review committee but would not no longer automatically support the Liberals.

"We are equal partners; we are not a junior partner and we will fight for the regions, "Barilaro said.

The Nationals insist they have not pulled out of the coalition, and its MPs remain on the front bench.

Premier Gladys Berejiklian is still to respond to Barilaro's declaration. Barilaro has ruled out voting with Labor to bring down the government or block supply.

The breakdown in the coalition - at least at a working level - is the most serious crisis to hit Berejiklian's government at time when she is grappling to keep the coronavirus pandemic under control.

Barilaro said he would not be lectured to by city-centric people over koala protections.

"Today the National party is standing up for regional NSW" he said, adding that the new koala Sepp added more green tape.

block-time updated-timeUpdated at 3.19am BST

block-time published-time 3.11am BST

The ABS has also looked at the number of people with disabilities in aged care, and the number of carers. The ***data*** tells its own story:

Disability

* In 2018 there were 4.4 million Australians with disability, 17.7% of the population, down from 18.3% in 2015.

1. The prevalence of disability increased with age - one in nine (11.6%) people aged 0-64 and one in two (49.6%) people aged 65 and over had disability.
2. Disability prevalence was similar for males (17.6%) and females (17.8%).
3. 5.7% of all Australians had a profound or severe disability.
4. Almost one-quarter (23.2%) of all people with disability reported a mental or behavioural disorder as their main condition, up from 21.5% in 2015.

Of those with disability (living in households):

* one-third (33.4%) of those aged 15 and over had completed year 12 or equivalent, up from 31.4% in 2015

1. one in six (16.1%) aged 15 and over had a bachelor degree or above, up from 14.9% in 2015
2. 37.9% of those aged 15-64 said their main source of personal income was a government pension or allowance, down from 41.9% in 2015
3. 59.7% of people had their need for assistance fully met, down from 62.1% in 2015
4. one in 10 (9.6%) aged 15 and over had experienced discrimination in the previous 12 months because of their disability, up from 8.6% in 2015
5. labour force participation for those aged 15-64 has remained stable since 2015 at 53.4%, in contrast to an increase in the participation rate for people without disability (84.1%)
6. 11.4% of those with a profound or severe disability (aged 15-64) were working full-time up from 7.9% in 2015.

Older people

* One in every six Australians (15.9% or 3.9 million people) was aged 65 and over (up from 15.1% in 2015).

1. Most older Australians (persons aged 65 years and over) were living in households (95.3%), with 4.6% living in cared accommodation.
2. Half (49.6%) of all older Australians had disability (similar to 2015).
3. 1.3 million older Australians living at home needed some assistance with everyday activities, and of these, almost two-thirds (65.9%) had their need fully met (down from 69.2% in 2015).
4. Two-thirds (68.1%) of older Australians (who reported income) lived in a low income household (a household earning less than $756 a week).
5. Almost all older Australians had participated in social activities at home (97.4%) or outside their home (94.4%) in the previous three months.

Carers

* There were 2.65m carers, representing 10.8% of all Australians (down from 11.6% in 2015).

1. Females were more likely to be carers (12.3% of all females) than males (9.3% of all males).
2. There were 235,300 young carers (under the age of 25), down from 274,700 in 2015.
3. 3.5% of all Australians were primary carers.
4. Seven in 10 (71.8%) primary carers were women.
5. More than one-third (37.4%) of primary carers had disability, twice the rate of non-carers (15.3%).
6. The most common reason primary carers gave for taking on a caring role was a sense of family responsibility (70.1% of all primary carers).
7. Half (50.2%) of all carers lived in a household in the lowest two equivalised gross income quintiles, twice that of non-carers (25.6%).

block-time updated-timeUpdated at 3.49am BST

block-time published-time 3.10am BST

The ABS has looked at who owns Australian businesses. It has put together this report, based on information from Dfat.

[*You can find the whole report here:*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

In 2018-19, there were 275 Australian parent enterprises with a controlling interest (ie more than 50% of the voting power in the direct investment enterprise) in 5,176 Australian-owned foreign affiliates. Of the 5,176 Australian-owned foreign affiliates:

* 4,622 were small-to-medium businesses (with 0-199 employees);

1. 554 were large businesses (with 200 or more employees).

In terms of the location of Australian-owned foreign affiliates (by country):

* US had 932 operating affiliates or 18% of the total number;

1. UK had 608 operating affiliates or 12% of the total number;
2. New Zealand had 561 operating affiliates or 11% of the total number.

Number of employees

The total number of employees of Australian owned foreign affiliates were 412,000 in 2018-19.

With regard to the number of employees of the Australian-owned foreign affiliate, by industry:

* Manufacturing had 77,000 employees or 19% of the total number of employees;

1. Financial and insurance services had 74,000 employees or 18% of the total number;
2. Mining had 59,000 employees or 14% of the total number;
3. Professional, scientific and technical services had 49,000 employees or 12% of the total number.

In terms of the number of employees of the Australian-owned foreign affiliate, by location (country):

* New Zealand had 66,000 employees or 16% of the total number of employees;

1. US had 62,000 employees or 15% of the total number;
2. UK had 44,000 employees or 11% of the total number.

block-time updated-timeUpdated at 3.41am BST

block-time published-time 3.09am BST

Andrew Giles [*has responded to the extraordinary story the SMH and Age ran this morning,*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) containing allegations the Australia Post CEO Christine Holgate intervened to have Pauline Hanson stubby holders sent to residents of a public housing tower under police lockdown, at the same time she was attempting to win Hanson's support for a Senate vote.

Labor MP Andrew Giles Photograph: James Ross/AAP

Giles:

The Australia Post CEO has serious questions to answer, following bizarre and disturbing revelations that she intervened to help Pauline Hanson send divisive material to public housing residents in lockdown in Melbourne.

Senator Hanson's wrong and hateful remarks about public housing tenants saw her get sacked from morning TV.

At the same time, Australia Post was prepared to help Hanson add injury to insult to vulnerable people, while they were battling coronavirus.

The truth is, Scott Morrison and the Australia Post CEO, Christine Holgate, relied on a dodgy Senate voting deal with Pauline Hanson to cut postal services, which Labor opposed from the outset.

It's extraordinary that instead of prioritising prompt and reliable delivery of mail and parcels, Ms Holgate was more concerned with assisting Pauline Hanson push her inflammatory and divisive agenda.

We need to get to the bottom of why the Australia Post CEO was working so hard to please Pauline Hanson."

block-time updated-timeUpdated at 3.43am BST

block-time published-time 3.06am BST

No consensus on hotel quarantine, inquiry told

There was no "consensus" on who had responsibility for health in Victoria's hotel quarantine, and it "fundamentally undermined governance and decisions", an inquiry has heard.

The inquiry has just been shown an email sent by the CEO of Safercare Victoria, Euan Wallace, to a deputy secretary of the health department, Melissa Skillbeck.

Wallace earlier told the inquiry that Safercare had written a series of reviews of the program.

In the email, from 1 May, Wallace wrote that the program was confused over who had "overall responsibility" over detainees.

"The reviews are throwing up a number of issues," he wrote. "Who is responsible for the quarantined detainees? There is not a consensus on this and a lack of consensus/clarity fundamentally undermines governance and decisions."

block-time updated-timeUpdated at 3.58am BST

block-time published-time 3.04am BST

The House Economics Committee hearing on superannuation seems to be going well:

enltrThe Liberals' war on superannuation continues. The House Economics Committee is meant to be following up on Royal Commission misconduct. Yet today the Liberals have called 5 industry fund bodies, mostly not mentioned by the Royal Commission. It's a bizarre witch hunt. [*#auspol*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*pic.twitter.com/oioOTdLBEE*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Andrew Leigh (@ALeighMP)

[*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 3.03am BST

A man who took his own life in hotel quarantine in Victoria did not receive a welfare check until five days into his detention due to a lack of staff, an inquiry has heard.

Victoria's inquiry into hotel quarantine is continuing today, and has revealed that the man only received one welfare check in nine days before he killed himself.

A review, conducted by Safercare Victoria, found the welfare check team was "unable to undertake welfare check calls to the planned schedule as they did not have enough staff to match the required workload".

On the day of his death in mid-April, staff made at least five missed calls to the man. However, there was a delay of 24 hours from his last answered call until staff entered his room and found he had died.

The inquiry heard from Prof Euan Wallace, the CEO of Safercare Victoria, who said that nurses called detainees every day to check for their systems, and the welfare checks were a supplementary call.

"The initial plan was they would get a welfare check on day three and day nine," he said. "By day five he had five phone calls from the nurse."

The inquiry also heard there were more than 3,000 people in hotel quarantine by mid-April, and the system was set-up "extraordinarily quickly" which contributed to the workload for staff.

Support services are available at:

* Kids Helpline - 1800 55 1800 (all day, every day)

1. Suicide Callback Service - 1300 659 467 (all day, every day)
2. eHeadspace - 1800 650 890 (9am-1am daily)
3. Lifeline - 13 11 14 (all day, every day. Online support 7pm-4am daily)
4. Beyond Blue - 1300 22 4636 (all day, every day. Online support 3pm-midnight every day)
5. In the UK and Ireland, Samaritans can be contacted on 116 123 or email [*jo@samaritans.org*](mailto:jo@samaritans.org) or [*jo@samaritans.ie*](mailto:jo@samaritans.ie) In the US, the National Suicide Prevention Lifeline is 1-800-273-8255. In Australia, the crisis support service Lifeline is 13 11 14. Other international helplines can be found at [*www.befrienders.org*](http://www.befrienders.org).

block-time updated-timeUpdated at 3.09am BST

block-time published-time 3.01am BST

Meanwhile, Victorian Nationals senator Bridget McKenzie continues to put out her own statements on the border closures:

Victorian Nationals senator Bridget McKenzie. Photograph: Mick Tsikas/AAP

The human toll is mounting. State and territory leaders need to work in the interest of the nation, not their own political agendas, and use the federal chief medical officer's advice to promptly set an agreed hotspot definition.

It is in times of crisis that the wheat is sorted from the chaff, and state and territory leaders must make difficult decisions based on the best information available to them and ensure they do no harm to the people, communities and industries that are affected by their decisions."

block-time updated-timeUpdated at 3.12am BST

block-time published-time 2.59am BST

NSW records seven new cases

And then back over the border to NSW - it has recorded seven new cases of Covid today. Two are in hotel quarantine and five are linked to known clusters.

block-time updated-timeUpdated at 3.16am BST

block-time published-time 2.58am BST

Back to Victoria.

Why is all of regional Victoria being treated as one zone, given the low number of cases?

Daniel Andrews:

If we were gonna be leaving regional Victoria in its current settings for eight or nine or 10 weeks, then we would have divided regional Victoria up into half a dozen regions, for instance. Or even more.

But I just say to every regional Victorian, if you do that, if you start drawing boundaries, you have to defend those. You have to have police at checkpoints.

Otherwise communities that are open, where quite close by the community is not open because it has more cases, that community that's got no cases, they are jealously guarding that, there's a point of pride for those communities.

I have regular correspondence from at least one of those communities multiple times per day. I don't always pick up the phone, because I'm sometimes doing other things.

But I have a unique understanding of how frustrating it is for those who don't have much, or any, virus, and the fact that rules apply to them. If we were asking those communities to wait a long period of time, then we would have divvied up the state into lots of different zones.

As it stands now - and I can't guarantee that this is the case - but if the trend continues, and the numbers are very promising, we'll be able to take a step, or steps, as early as toward the end of next week.

And that then avoids having to divide the state up into regions, have police enforce all of those boundaries, and potentially have... Because that's the other thing too.

If you've got certain venues open here, a community not too far away that's closed, people will go where the hotels are open, where the restaurants are open, where a group of settings that are closer to normal apply.

Common sense just tells you that. Again, if we were asking people to wait months, then we would have done a different set of rules.

But we're not asking that at all, and it could be as early as next week that those triggers are met.

If circumstances were to change - and this is the point of saying that Geelong was on - was not on notice, it was on close watch. We were carefully watching the numbers there, as we have been for a long time.

Those numbers are stable. Those numbers are, at this stage, not holding regional Victoria back from moving as one set of the rules, moving as one - uh, moving in one or two steps, that's every single part of regional Victoria

block-time published-time 2.57am BST

It's allegedly over koalas, by the way.

Gladys Berejiklian wants new environmental protection laws for koalas. The Nats don't want to see farms rezoned.

So the Nats have decided to effectively push the Berejiklian government into a minority government.

block-time published-time 2.53am BST

NSW Nationals to leave Coalition over koala legislation

Meanwhile - the NSW Nationals have followed through on their threats to leave the coalition (effectively)

They won't be attending joint party room meetings, or parliamentary leadership meetings, and will abstain from voting on government bills, unless it involves regional NSW

enltrThe NSW Nationals party room has today agreed they will no longer attend joint party room or parliamentary leadership meetings and will abstain from voting on government bills but reserves the right to support bills and motions important to regional NSW [*#nswpol*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*pic.twitter.com/0SgLKGkYHj*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Political Alert (@political\_alert) [*September 10, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

Never underestimate the Nationals ability to make something all about them.

Remember when the federal team decided to have a leadership spill on the day the parliament was holding a day of reflection over the summer bushfires?

block-time updated-timeUpdated at 3.01am BST

block-time published-time 2.52am BST

Q: Modelling shows Melbourne stands to lose $110bn over the next five years. The lord mayor says you need to start getting the balance right between lives and livelihoods. Do you have [a plan]?

Premier Daniel Andrews and Melbourne's lord mayor, Sally Capp, share a meal in June. Photograph: James Ross/AAP

Daniel Andrews:

I've had many conversations with the lord mayor and we work very closely together, and we'll be making some announcements quite soon about a shared effort for the city of Melbourne.

There's no question that there's very significant costs associated with this global pandemic, whether it be in our capital city or in the smallest of country towns in our state, and the same goes for every other state, and indeed every other country across the world.

The real challenge here is let's get the numbers down. Let's open up and stay open, and then let's begin what's gonna have to be the biggest repair job that our state, and indeed our nation, has ever seen.

And the government that I lead stands ready to play a massive part in that rebuilding exercise. But you can't get to the economic recovery until you've dealt with the health challenge.

Otherwise you're just bouncing in and out of lockdowns, and nobody can plan with any certainty, no one can rebuild and repair. We have to try and avoid that, and that's what we're doing."

block-time updated-timeUpdated at 2.56am BST

block-time published-time 2.51am BST

Q: Community legal centres that I've spoken to, they've not had a single public health infringement overturned. Now bearing in mind that they represent the most vulnerable in the community, they represent Aboriginal and Torres Strait Islanders, they represent people who speak English as a second language, they've not had a single fine overturned. They take on cases where they think the fine has been issued inappropriately, or without good reason. Is that a concern? Is there a real concern that the most vulnerable are being disproportionately affected by this policing?

Daniel Andrews:

No. Ultimately, those matters, whether they're overturned or not... That's not a political judgment, that's not a policy judgment.

Each of those matters are dealt with on their merits, and despite the types of clients that would typically be assisted by a community legal service, that has no bearing on the matter.

The facts of the matter will be looked at, the circumstances of the matter, and a proper, impartial judgment will be made about whether the issuance of that fine was fair. That's a process that's well at arm's length from the government, is independent in nature, and is based in facts, and nothing else.

Ultimately, if you want to put it to me that those vulnerabilities, which are well understood, are somehow more important than the overall vulnerability of many, many hundreds of thousands of Victorians, who, if they get this virus will either be gravely ill or die, I don't think they are in any way equal.

I think there is a much greater vulnerability here. And the best way to avoid a fine is to follow the rules. If, however, though, for whatever reason, you were completely unaware of those rules or you had a legitimate case to make, then there's an impartial process to work that through."

block-time updated-timeUpdated at 3.01am BST

block-time published-time 2.50am BST

Q: Is that cases per day that you're looking for to lift the curfew? Is there a threshold that you want?

Daniel Andrews:

The plan talks about the 28th. It may go beyond that. We will look at the ***data***, we'll look at where we're at, we'll look at how close we are to achieving the very low case numbers that are essential to opening the place up. It's no more complex than that."

block-time updated-timeUpdated at 3.01am BST

block-time published-time 2.48am BST

Has the Victorian government looked at whether there is an increase of concentration of people at supermarkets, because everyone is hemmed in to the same hours?

Lining up at a supermarket hours in Melbourne. Photograph: Erik Anderson/AP

Daniel Andrews:

Pre the curfew, the number of big supermarkets were not trading anywhere near their normal hours. I stand to be corrected, and I don't have the exact closing times.

But they weren't operating. Many are 24-hour stores, many go to midnight, and many of them weren't doing that. There was already a concentration.

The other point is I think it's highly unlikely that it's increased in any meaningful way the concentration of people in a given space at a given time, because, of course, there are rules about shopping for what you need, when you need it, shopping one person from each household, once a day.

All of those things, I think they have a cumulative effect and probably a much bigger effect than what a number of people who might have to shop in hours that are different to their normal pattern.

The curfew will be on for no longer than it needs to be on.

That is to say, once there is no longer a clear imperative to drive down movement, and therefore contact with other people, and therefore the potential ***transmission*** of this virus, there won't be a need for a curfew. We're not at that point yet."

block-time updated-timeUpdated at 3.04am BST

block-time published-time 2.45am BST

If Daniel Andrews says curfew is a "loaded term", why doesn't he remove it?

Andrews:

Well, again, I've tried to be frank and acknowledge the fact that it perhaps has a meaning that goes beyond the practical effect that it has.

But we're not removing it because it works. And if we remove it and make the job of police even harder - because it's not easy to make sure that people are doing the right thing - then that will just mean we potentially have more cases, and opening up safely and steadily is further away than it should be.

This is the right decision. It is limiting movement, it is making the very challenging work of Victoria police just that little bit easier. And on that basis, limit movement, limit the virus. It's no more or less complex than that. And when we get down to numbers that are low enough for us to begin taking those really significant steps towards opening up, a curfew will not be needed."

block-time updated-timeUpdated at 2.46am BST

block-time published-time 2.43am BST

How many other captain's calls has Daniel Andrews made?

Andrews:

I wouldn't describe it in those terms. If you want to describe it that way, then that's entirely a matter for you.

Q: It has been described as that. You said it was ultimately your decision yesterday. How many other calls have you made without the advice of the chief health officer?

Andrews :

No, see, this is not the thing. This is not the issue. The government reserves the right to make decisions to operationalise advice from the chief health officer.

The notion that the government can't do anything whatsoever unless the chief health officer provides it in detailed advice, that doesn't make any sense. And that's not the principle that operates here, or New South Wales, or any other Australian state, or at a national level.

If you want to put it to the prime minister, has he ever acted beyond, in any sense, the advice that Brendan Murphy or Paul Kelly have given him, I think the answer will be he has.

You always have to reserve the right to operationalise and deliver the advice of the medical experts and the principles that they want achieved. So, for instance, limit movement.

OK, how might we do that? What are the different ways in which we can do that?

And a curfew, as challenging and as difficult as it is to make a decision to impose something that has not been imposed before, there is simply no denying that it has played a part in limiting movement, and that limits the number of cases, and that gets us open sooner and it allows us to stay open.

Because we drive those numbers down so low. How you want to describe that is entirely a matter for you."

block-time updated-timeUpdated at 2.48am BST

block-time published-time 2.41am BST

But some people do just want to be able to go for a jog when they want to.

Jogging in Melbourne. Photograph: Speed Media/REX/Shutterstock

Daniel Andrews:

I apologise for the fact that it is not possible for us to be... this is the whole thing.

There will, from time to time - and we saw this prior to the curfew - there will be people who decide to make decisions, trying to assume, trying to assert that they have the right to make whatever decisions they like, even though those decisions aren't just about them, they're about risking the health and wellbeing of everybody.

And every exemption, every, every avenue that you give to people to be as close to normal as possible, there will be some people who will try and take advantage of that.

And that gets really challenging. It gets really challenging for Victoria police. This is binary, I know that.

It's not the decision that was made easily. It's not a decision that anyone enjoys making.

But it is effective, because it drives down movement. It will come off at a point. And then people will be able to not just go for a jog at 11, but the total number of reasons to leave your home will also expand.

We'll get much closer to, firstly, the four reasons to leave, then almost unlimited movement. And at that point, there will be no need for a curfew, and at that point the curfew will come off."

block-time updated-timeUpdated at 2.50am BST

block-time published-time 2.40am BST

Daniel Andrews asks - what is being limited by the curfew:

You can leave your home, one person, one hour per day, to go shopping for the things you need when you need them. That can only happen within curfew hours.

So that means going to the supermarket at 8.30pm or 10.30pm or 2 in the morning, that's not an option.

So that's a down side. The other reasons you can leave your home, you can leave your home to exercise for one hour, soon to be two hours, and for some rec activity, to sit in a park, for instance.

Obviously that's not allowed outside curfew hours. So you wouldn't be able to go for a jog at 8.30pm, 9.30, 10.30, midnight.

OK, that's also a down side. The down side of not being able to do those two things in the dead of night is far outweighed, in my judgment, far outweighed by the fact that we are seeing case numbers fall, and those arrangements will be able to change. We'll be able to remove that curfew.

The only things, apart from those two, apart from those two examples, the only thing the curfew makes almost impossible is illegal activity - leaving your home for reasons you are not lawfully allowed to do so.

That's the key point that I'm making."

block-time updated-timeUpdated at 2.52am BST

block-time published-time 2.37am BST

But shouldn't people be allowed to see the ***data***, given Daniel Andrews has said all the decisions are being driven by science and ***data***?

Victoria's chief health officer, Prof Brett Sutton. Daniel Andrews says the government is free to make its own decisions after considering his advice. Photograph: James Ross/AAP

Andrews:

I'm more than happy to try and get you some comparisons of some of the enforcement activity, pre-curfew and post-curfew. I think that will show there are significantly less fines being issued for people gathering against the law in other people's homes.

But let me get you that ***data***. I'm more than happy to do that. I think it's important, though, not to fall into this trap where the only decisions the government can ever make about any matter are those that have been considered and advised by the chief health officer.

The chief health officer wants and provides, in many ways, very detailed advice, and that's when those matters relate directly to public health.

Matters of enforcement, matters of... In many different areas, the government is free to go beyond, the government is free to make some administrative decisions that make the enforcement of the principles that the chief health officer has put forward much more achievable.

For instance, again, if you limit movement, if you limit movement, then you limit the spread of this virus."

block-time updated-timeUpdated at 2.42am BST

block-time published-time 2.34am BST

Q: Police say it wasn't their idea, and the CHO said it wasn't his idea. Whose idea was it?

Daniel Andrews:

As I said before, if people find fault with the rule, they can take it up with me...

Q : I'm just asking whose decision was.

Andrews : Decisions are made by groups of people. And I can't necessarily pinpoint for you the exact individual and the exact moment that it was suggested that we put a curfew on. What I'm saying to you is, anyone who's displeased with that or doesn't think that's a proportionate measure, well, that's a decision that I've made.

All these decisions are ultimately decisions that the government has made. And as the leader of the government, I'll be ***accountable*** for that. But there's no denying - simply no denying - that those measures have made the job of police never easy, but it has made it clearer-cut, it has made it somewhat simpler, and driving down movement... There's no denying less movement means less virus. That's what all of these rules are about. And the curfew will come off when it is appropriate. And we've already foreshadowed that."

block-time updated-timeUpdated at 2.43am BST

block-time published-time 2.33am BST

We are on to the questions. Daniel Andrews is asked about the need for the curfew, given that the CHO and the police commissioner have both said it wasn't their idea:

Well, the police commissioner and police command have, throughout all of our decisions, been really clear with us that they need rules that are as easily enforced as possible.

The curfew, together with 5km rules, there's a very long list of different decision that is we've made since the beginning of the pandemic; it's always been clear to us that we need to make the job of police, the amazing work that they do, as simple as possible.

And I'll go back to the point I made off the top: there are very few lawful reasons that you can leave your home at any hour of the day.

The curfew doesn't change that. It simply means that it is much easier, much easier, for Victoria police to make that assessment about whether someone should, or should not be, out of their home.

And it does send a very clear message to people that there is a very real risk that if you are out of your home for an unlawful reason between 8pm and 5am, or soon to be 9pm and 5am, there's every chance that police will catch you and police will fine you.

And what that's done is it's limited the amount of unlawful movement. That's the key point here.

Unlawful movement. Movement that is against the rules. And movement that does nothing but potentially spread this virus.

So police are doing an amazing job, an amazing job. And with the rules that we have in place, and any decisions we make in the weeks and months ahead, we'll always be [looking] to make sure that they are as simple and as enforceable as they possibly can be."

block-time updated-timeUpdated at 2.45am BST

block-time published-time 2.30am BST

There are 30 workplace investigations at the moment but no prosecutions as yet (the investigations need to be completed first).

block-time updated-timeUpdated at 2.45am BST

block-time published-time 2.30am BST

But of course, there is a mental health toll to all of this.

Jill Hennessy:

In terms of Workcover claims, we've had about 297.

It's interesting to note that a bit under half of those are not people that have tested positive for corona, but it has related to things like mental health and wellbeing, other issues associated with working in this environment as well.

And every single claim has been accepted and, again, WorkSafe is working hard with employers to make sure that some of the new frontiers of what the workplace looks like in a corona environment - and for many people that's working at home - supporting employers and managers looking at trying to work out how we do that in a way that's safe, both from a physical perspective from also from the perspective of mental health and wellbeing.

Again, I want to thank everyone, particularly the WorkSafe inspectors out there doing this work, and I want to encourage employers and employees to ring WorkSafe or the police assistance line if you have concerns or queries about a safe system of work."

block-time updated-timeUpdated at 2.32am BST

block-time published-time 2.29am BST

The Victorian workplace safety minister, Jill Hennessy, gives a run down of 'covid safe' workplaces:

There was a blitz to make sure workplaces were complying (workplaces are still one of the biggest sites of the virus spread)

Victoria's workplace safety minister, Jill Hennessy. Photograph: Scott Barbour/AAP

In terms of where we've issued notices of improvement to employers, I'll just step you through the kind of issues that WorkSafe have been working very hard to ensure reduced and addressed quickly in workplaces.

There's been some examples of employers not allowing workers to work from home where that's possible.

There's been some cases of missing and inadequate personal protective equipment. There's been examples - and there is surveillance occurring - of failing to maintain appropriate social distancing in some of those workplaces.

In some circumstances, inadequate hygiene controls, a lack of health screening and not having procedures to deal with a worker testing positive.

Those have been at a very high level the sorts of issues that WorkSafe have been responding to in terms of the work that they've been doing in the course of the blitz.

And in terms of what some of the more granular examples of those things. An example is a transport and logistics company where reusable gloves are being used and they're not being laundered properly; examples where in the construction industry there are administrative staff that could equally and effectively do their work from home. Those are the sorts of examples.

There's, I think, a very great desire by employers and employees to ensure that their workplaces are as safe as possible and I want to thank and acknowledge all of the leaders from representatives of workers to industry leaders for the incredible commitment that they're bringing to try and make sure that where we do have people back in workplaces that they're as safe as possible."

block-time updated-timeUpdated at 2.35am BST

block-time published-time 2.24am BST

On the modelling, Prof Cheng says:

It's got a lot of commentary and just to say that modelling is only one piece of information that we're using to decide on these thresholds that we're doing.

And there is going to be a lot of judgment as we get to low levels.

Clearly in regional Victoria at the moment things are looking fairly good. We're not seeing many unknown source cases.

The cases that we have, we know where they are. Colac is probably a good example of this. There has been an outbreak, so one case that arrived in Colac resulted in 30 secondary cases.

But we know where they are. We think we've got that under control and they didn't have any cases yesterday. But obviously a situation that we're keeping a very close eye on and these are the sort of factors that we're going to look into as we make that judgment about whether we can transition to that third step to relax some of those restrictions.

But in terms of, you know, the five cases a day is not an absolute hard and fast rule and the date is not a hard and fast date.

We need to look at this every day. We're going to look at, you know, the improvements that have been made to case management and contact management.

I thought I'd give you some comparisons about where other places were at a similar stage. So in New Zealand on 27 April, as they started to open up, they had five cases a day.

New South Wales on 15 May had 3.8 cases a day.

And in metropolitan Melbourne on 1 June we had six cases a day, but we had more unknown-source cases at that time.

So really this points to we need a substantially lower number of cases than we have at the moment - but we are getting there. You know, it wasn't that long ago that we were talking about 500 and 700 cases a day and now we're at 51 cases for yesterday.

block-time updated-timeUpdated at 2.30am BST

block-time published-time 2.22am BST

Deputy chief health officer Prof Allen Cheng echoes that regional Victoria could see itself free of stage restrictions very soon:

Deputy chief health officer Prof Allen Cheng. Photograph: Erik Anderson/AAP

The average number of cases has come down in metro Melbourne to 70 per day over the last 14 days, with 154 that are unknown source in total over the last 14 days, and in regional, 4.5, as mentioned, and eight of those are unknown source.

We're still looking, obviously, into the last of those cases to work out when the 14 days will be up, but obviously - and I'm sure all my friends in regional Victoria will be holding their breath and making sure that nothing else comes up in the next week or so but we hope that that will be some time later next week.

block-time updated-timeUpdated at 2.28am BST

block-time published-time 2.20am BST

He finishes on that point with:

I want to thank every single Victorian who is playing their part, and that is the vast majority, who are following the rules, doing the right thing, and that's why case numbers continue to fall and that's why, for instance, in regional Victoria we are close to being able to take substantial steps towards that Covid normal.

That's not by accident. It's the product of having rules in place, making them easy to defend, easy to enforce and the collective efforts of literally millions and millions of people all doing their part.

There are some who don't but let's not see the actions or the conduct of a very small number of people in any way detract from the amazing sacrifice that so many Victorians are making. That sacrifice must count for something.

Opening up too much too soon will mean it counts for exactly nothing. That's not fair, that's not right and that's not the strategy that I will put in place."

block-time updated-timeUpdated at 2.36am BST

block-time published-time 2.19am BST

Daniel Andrews:

People are, of course, free to have different views. The term 'curfew' is rather loaded but, at the end of the day, it is effective, just as all of these rules - as regrettable as they are - they are effective in reducing movement.

And if you don't reduce movement, and the number of people that you come in contact with, then of course you don't reduce the risk of this virus spreading. And of course, whilst ever you have a high risk of the virus spreading, then the rules stay on for longer. And you can't open up.

That's the basic logic of this. Common sense tells you we won't need a curfew forever. We will need it for so long as it serves a useful purpose in helping police to enforce rules that are making it more likely that we can open and stay open.

Those rules will come off as we have indicated through that safe and steady road map. I know some people, many people, myself included, would like all of those rules to go away as soon as possible, tomorrow, the next day, but that would not be steady or safe or the responsible thing to do."

block-time updated-timeUpdated at 2.38am BST

block-time published-time 2.19am BST

Daniel Andrews then addresses the curfew issue, ahead of questions.

Chief health officer, Prof Brett Sutton, said the curfew in Melbourne was not his idea. Andrews said it helped police do their job, enforcing the health advice which was to limit movement. Police commissioner Shane Patton said the curfew was not something he had asked for.

Victoria police on curfew duty. Photograph: Erik Anderson/AAP

So here we are.

Andrews reiterates that the curfew makes it easier to limit movement and allow police to enforce it - and given the restrictions, the curfew wouldn't really change anything except when you would be allowed outside for an hour's exercise:

Andrews:

I want to make a couple of comments in relation to some of the rules that we have in place.

As I said yesterday the key to driving down case numbers is driving down movement.

If you don't limit movement across the community, you won't limit case numbers. We won't have 51. We won't have 41. We won't have a falling number each and every day. We won't get to the point where we can open up.

So whether it be the curfew or the 5km rule or rules around how often you can leave the home to go shopping and how many people can leave the home to go shopping - all of these rules are about limiting movement.

Some of them limit movement in and of themselves and some of them make the job of enforcing the rules in a broader context easier and simpler.

If a curfew was removed tonight, the only change would be potentially that can you could jog at 11 last night.

You could maybe go shopping at 11 tonight if the supermarket were open.

That's not been the case. Supermarkets, whether there was a curfew or not, have limited their trading hours. That's a decision for them. But ultimately having the curfew simply makes the difficult and critically important job of Victoria police - and I will thank Victoria police, every member and their families, who are all contributing to the enforcement of these rules and it's our job to make sure that that task - it never ends - but we've got to make it as simple as we can.

There are no lawful reasons to leave your home other than to go to work if you're a permitted worker - to which the curfew does not apply - and to get care if you need urgent care and then the curfew does not apply to you.

The only limitations other than conducting gatherings in homes - which are unlawful - would be doing your exercise within the inside curfew hours, so exercising between 5am and 8pm, soon to be 9pm, or going shopping and having to go shopping during the day or the early evening as opposed to going shopping for the things you need when you need them very late at night.

Now that is a sacrifice but I would simply say I think that is worth it when it comes to limiting movement and limiting case numbers."

block-time updated-timeUpdated at 2.25am BST

block-time published-time 2.14am BST

No new cases in regional Victoria overnight

The rolling average is also down.

Daniel Andrews:

There are 1,483 active cases in Victoria, so the number of active cases continues to fall.

That is very pleasing news.

In terms of the regional-metro split, there are 72 active cases in areas under stage 3, in regional Victoria.

That's again pleasing to see those numbers from a very high base; they've stabilised, they've steadily fallen, and now we're pleased to be able to report that there were no new cases in regional Victoria overnight.

Colac has 29 active cases, greater Geelong has 11 active cases, greater Bendigo just two active cases and Ballarat no active cases, so communities that were of some concern to us a few weeks ago, those communities have done a mighty job in following the rules, getting tested - indeed all regional Victorians have, from the smallest of country towns to some of these bigger regional cities, these numbers are low and that is in large part due to the amazing efforts that regional Victorians have made.

The rolling averages from 27 August to 9 September: metro Melbourne is 70.1, regional Victoria 4.5.

What that shows us is that regional Victoria are quite close to being able to take perhaps not just one step, but two. We have to be heavily caveated in terms of that. We need to make sure that we continue that trend going forward, but we're confident that those numbers are low and getting lower and that means there will be an opportunity for us quite soon to take a step or steps towards that Covid normal for regional Victoria.

block-time updated-timeUpdated at 2.26am BST

block-time published-time 2.10am BST

Daniel Andrews press conference

The Victorian premier has stepped up for his 70th press conference in a row. He starts, as always, with the daily ***data***:

Victoria's premier Daniel Andrews. Photograph: James Ross/AAP

I'm sad to say there have now been 701 Victorians who have passed away as a result of this global pandemic.

That's an increase of seven since yesterday's report.

Four males in their 70s, two males in their 80s, one male in his 80s. Four those deaths are linked to outbreaks in aged care.

Of course we send our best wishes and our sincere condolences, our sympathies, to each of those seven families.

There are 169 Victorians in hospital; 17 of those are receiving intensive care and 11 of those 17 are on a ventilator.

There have been a total new of 2,443,583 tests that have been received, 14,805 additional results received since yesterday.

On that point those numbers obviously are higher than we had earlier in the week, but still we'd always like to see them up as high as possible, so everybody who's got symptoms, even the mildest symptoms, please come forward and get tested.

block-time updated-timeUpdated at 2.14am BST

block-time published-time 2.07am BST

Not being able to get where you need to be in the face of personal tragedies is awful. But it is worth pointing out that the Australian borders are shut as well which is stopping people from being able to return home, to the country.

There are still 23,000 stranded Australians; 4,000 are being accepted back each week. There are estimates that more than 100,000 Australians will need or want to get home as the pandemic continues.

Border closures are heartbreaking for so many reasons. Including the international closure.

block-time updated-timeUpdated at 2.10am BST

block-time published-time 2.04am BST

Individual tragedies are shaping the Queensland border closures.

The decisions are being made by the chief health officer, Dr Jeannette Young, but the discussion is centered around the Queensland government.

block-time published-time 2.02am BST

Both Ray Hadley and Scott Morrison became emotional talking about the loss of their fathers in that interview.

block-time published-time 1.58am BST

PM gets emotional over Qld woman locked out of father's funeral

Scott Morrison is speaking to Sydney radio 2GB (which also broadcasts into Brisbane) [*about this story.*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

Sarah missed seeing her father before he died because of the quarantine restrictions Queensland has put in place, and now is asking for an exemption to attend his funeral.

Queensland premier Annastacia Palaszczuk says: 'I will not be bulllied.' Photograph: Dan Peled/AAP

And look, this isn't about the premier of Queensland and me or anyone else...

Surely, in the midst of all of this in Covid, in everything that everyone's going through. Surely just this once.

This can be done. It can be done. There's been no Covid cases in the ACT for more than 60 days.

I just hope they change their mind and I hope they let Sarah go to the funeral. I've done all I can; there's obviously been discussions between our chief medical officer and raising that with him and health ministers, and I have these conversations with premiers on a range of issues all the time.

And I don't seek to make them public I didn't seek to make this one public. I rang the premier this morning, and I hope she will reconsider before two o'clock today.

Morrison gets emotional as he talks about the death of his father and says his plea is for an exemption to be made in this one case:

I just think that inside of everybody in the midst of what is an, awful year that we can provide at least on one occasion, hope to a family who just desperately needs the whole country to put their arms around them today because their families like so many others who've gone through the same heartache, there'll be people listening to this call today, who have already had to go through this.

And that's just awful. And as long as these types of things go on then these things are still going to keep happening but just today please. That's my plea.

The Queensland premier, Annastacia Palaszczuk, addressed the issue in parliament today, and said she had received a call from the PM today but would not be "bullied". She said it was the chief health officer's decision.

Ray Hadley, who spoke to Morrison for the interview, said the prime minister was "incapable of bullying anyone".

block-time updated-timeUpdated at 2.09am BST

block-time published-time 1.39am BST

Covid really has turned most states into that town that banned dancing in Footloose. (I have never seen Footloose, but I get the general gist.)

AAP has compiled what you can and can't do at weddings, depending on where you live. In most jurisdictions - no dancing.

It's part of a wider focus on what the pandemic has done to the wedding industry which is one of the sectors which has not received a lot of attention during the pandemic but is suffering under the restrictions.

In most jurisdictions there's no dancing at weddings. Photograph: Tetra Images, LLC/Alamy

\* In Queensland 100 people can attend at a venue with a Covid-safe plan, 30 without a Covid-safe plan (backyard wedding), and the cap for people who live in restricted council areas is 10.

\* In NSW 150 people can attend a wedding but the total number of people can't exceed one person per four square metres.

\* In the ACT up to 100 people can attend subject to the four square metre rule.

\* In Victoria weddings in metropolitan Melbourne are banned and limited to five people in regional areas.

\* In South Australia 150 people can attend a wedding.

\* In Western Australia weddings are permitted so long as a one-person per two square metres rule is observed.

\* There is no limit on the number of guests in the Northern Territory.

\* Up to 500 people can gather for an outdoor wedding in Tasmania and 250 people can gather indoors, subject to the one person per two-square metre rule.

\* There are restrictions on dancing in NSW, Queensland, Tasmania and South Australia.

block-time updated-timeUpdated at 1.49am BST

block-time published-time 1.36am BST

Roy Morgan [*has released its latest poll on the Victorian lockdown.*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

As always, the usual caveats to polls apply.

enltr70% of Victorians approve of the way Premier Andrews is handling is job, but 76% say the Victorian Government should compensate small business. The third Roy Morgan Snap SMS survey on Victoria's Stage 4 restrictions shows 70% approval of Premier... [*#vicpol*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*https://t.co/Xbo3koiFAJ*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*pic.twitter.com/qAw37jnKDU*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Roy Morgan (@roymorganonline) [*September 9, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 1.23am BST

Daniel Andrews to speak at 11am

It's 11am for Daniel Andrews.

Victoria police chief commissioner Shane Patton. Photograph: Daniel Pockett/Getty Images

Today the questions will most likely be focused on Melbourne's curfew given that chief health officer Prof Brett Sutton says he didn't ask for it, and police commissioner Shane Patton said he didn't ask for it either.

block-time updated-timeUpdated at 1.29am BST

block-time published-time 1.22am BST

Queensland has now carried out 1m Covid tests.

Queensland's deputy premier and health minister, Steven Miles. Photograph: Glenn Hunt/AAP

Steven Miles, the health minister and deputy premier, told the parliament:

"It took almost six months to reach 500,000 tests, but [it] only took six weeks for us to double that and reach the magic million mark."

block-time updated-timeUpdated at 1.28am BST

block-time published-time 1.19am BST

We are still waiting to hear when Daniel Andrews will hold his press conference.

We should learn that soon.

block-time published-time 12.42am BST

No new cases in Queensland

Queensland has recorded no new cases of Covid in the past 24 hours.

block-time updated-timeUpdated at 12.45am BST

block-time published-time 12.40am BST

Did anyone have "Nationals threaten to quit NSW coalition over koalas" on their 2020 bingo card?

Via AAP:

NSW Liberal Catherine Cusack has blasted National party leader John Barilaro over threats that some of his MPs were willing to quit the government and sit on the cross bench over koala guidelines.

Cusack said he was disloyal to the government and is called for his resignation.

Barilaro said on Wednesday that four Nationals MPs intended to move to the cross bench - a move that would force the Berejiklian government into minority government - over recent changes to protect koala habitat.

Cusack told Sydney radio 2GB on Thursday the move would "tear the government down".

NSW deputy premier and Nationals leader John Barilaro. Photograph: Joel Carrett/AAP

"This is an excellent government... but we can't continue on this track that he's put us on," she said. "I don't believe that he is reflecting the views of country people on this issue."

The Nationals were due to hold a virtual meeting on Thursday morning to decide what to do after recent changes were made to the state's koala protection policy.

National MPs are concerned it will limit land use on farms and the ability to rezone areas for development as more trees are classed as koala habitat.

Even ***agriculture*** minister Adam Marshall and education minister Sarah Mitchell have spoken out over the issue.

Meanwhile, Cusack admitted she had sent angry texts to key rebels Wes Fang and Sam Farraway on Wednesday night telling the pair to "enjoy your short careers" and "the show will go on and be better without you".

"I just feel that if these National party MPs don't wish to sit with the government they should return their seats to the Liberal party," she told 2GB.

"It's so disappointing that these people could even think about using their position to move to the cross bench."

block-time updated-timeUpdated at 12.51am BST

block-time published-time 12.31am BST

The finance department interviews should be very interesting.

enltrThe COVID-19 Select Committee is holding a public hearing this morning Live: [*https://t.co/9Lgw5iXAcZ*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)More information: [*https://t.co/kjFKySmpCI*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*pic.twitter.com/nVgPGsiU2z*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- Australian Senate (@AuSenate) [*September 9, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 12.33am BST

block-time published-time 12.29am BST

Clear as mud.

enltrHe says it wasn't a decision he was involved with.

- Bridget Rollason (@bridgerollo) [*September 9, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time updated-timeUpdated at 12.33am BST

block-time published-time 12.22am BST

It is no secret that women's employment has been hit harder by the pandemic - women tend to work in lower-paid, insecure and casual jobs, which were among the first to be hit.

The ABS ***statistics*** show women's employment dropped by 7.4% compared with men's which dropped by 5.6% between February and March.

Associate Prof [*Elizabeth Hill*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), from the University of Sydney's [*department of political economy*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), has done some analysis and come up with ways to improve both the economy and work security for women:

While economic stimulus has traditionally focused on large-scale physical infrastructure projects (which largely employ men), new research shows that there are more employment-intensive and gender equitable forms of stimulus.

For example, a study of seven OECD countries shows that public investment equal to 1% of GDP in labour-intensive care industries generates more total employment than investment in construction. If applied to the Australian market, it is estimated that this employment ratio would be nearly five to one.

This is not to suggest that stimulus should not be made in construction; only that government should take a more balanced approach to fiscal policy, Hill said.

She argued that greater investment in ECEC is a "triple-win" strategy that will:

* generate billions of dollars in national wealth and boost GDP while supporting women's employment;

1. increase demand for the sector's services, creating more jobs;
2. allow for universal access, promoting all children's education, wellbeing and life chances.

"They must be supported by two further measures: women's inclusion in recovery planning leadership, and gendered employment analyses of all recovery policy options, including the impact of policy on unpaid work.

"Unpaid work must be included given its massive contribution to economic growth and productivity. Failure to do so will distort policy making."

block-time updated-timeUpdated at 12.32am BST

block-time published-time 12.15am BST

This went out yesterday, but for those who missed it:

NSW Health is alerting the public after two confirmed cases of Covid visited the Eastern Suburbs Legion Club at Waverley on a number of occasions while infectious.

Anyone who attended the club between 5pm and 6.30pm on Friday 28 August is being directed to immediately get tested for Covid and isolate until they receive a negative result.

A coronavirus testing clinic in Sydney. Photograph: Loren Elliott/Reuters

The cases also attended the club while infectious on the following evenings:

* Tuesday 1 September

1. Friday 4 September
2. Saturday 5 September
3. Sunday 6 September.

Anyone who attended the club during these times must monitor for symptoms and get tested immediately if they develop. After testing, they must remain in isolation until a negative test result is received.

NSW Health is working with the club to contact and assess the exposure risk to members and guests.

block-time updated-timeUpdated at 12.22am BST

block-time published-time 11.52pm BST

Tony Higgins and Derek Robinson, two friends who went missing of the South Australian coast while sailing a boat from Coffin Bay to Goolwa late last week, have been rescued.

You can see both men on the boat. Excellent news.

block-time updated-timeUpdated at 12.09am BST

block-time published-time 11.48pm BST

Helen Sullivan has all your international Covid news, including the latest on Donald Trump admitting he deliberately played down the seriousness of the coronavirus.

The US president, Donald Trump. Photograph: Jonathan Ernst/Reuters

[*You'll find that here*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe).

block-time updated-timeUpdated at 12.13am BST

block-time published-time 11.39pm BST

We all need a bit of good news today, I think. This looks like it:

Two men feared dead after going missing in waters off the South Australian coast a week ago are alive.

Tony Higgins, 57, and Derek Robinson, 48, left Coffin Bay on the Eyre Peninsula in a 10-metre wooden-hulled fishing boat called the Margrel, bound for Goolwa, a week ago.

They reported engine trouble to a friend on Friday night saying they were going to divert to Kangaroo Island.

When no more was heard from the men, the friend raised the alarm on Sunday, prompting a large-scale four-day aerial search covering more than 103,000 square kilometres south of Port Lincoln.

SA police called off the search around 8pm on Wednesday but two hours later the men made contact with police, who worked overnight to work out where the boat was. It was stranded in Salt Creek.

A water operations unit headed out on Thursday morning to the south-east coast to help the men, who will likely be towed to Goolwa.

Alexandrina mayor Keith Parkes, who's council area takes in Goolwa, told the ABC: "They're so lucky."

(via AAP)

block-time updated-timeUpdated at 12.18am BST

block-time published-time 11.22pm BST

Once again we need to know how many tests that result came from.

The seven-day average is coming down. Regional Victoria is close to meeting the targets the government has set but we will learn a little more today.

block-time updated-timeUpdated at 11.32pm BST

block-time published-time 11.21pm BST

Victoria records 51 new cases and seven deaths

No more ***data*** will be available until Dan Andrews's press conference a little later this morning

enltr [*#COVID19VicData*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) for 10 September, 2020. Yesterday there were 51 new cases reported and sadly 7 lives lost. Our thoughts go out to all those affected. More information will be available later today. [*pic.twitter.com/xgriowNMS1*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- VicGovDHHS (@VicGovDHHS) [*September 9, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 11.09pm BST

Catherine King wants to remind you that Australia's troubled airlines means troubles for regional communities:

Reports that Virgin Australia will cease flying 10 routes to regional centres across Australia are a devastating blow to communities already struggling though the first recession in 30 years.

These cuts, along with previously announced job losses, are the direct result of the Morrison Government's decision to allow Virgin Australia to fall into administration and his government's complete failure to come up with a plan for aviation.

The regional centres to lose services are Uluru, Tamworth, Port Macquarie, Albury, Hervey Bay, Cloncurry and Mildura.

Fewer routes will mean higher fares and fewer services to these regional communities. This will lead to fewer tourists and fewer visitors, costing more jobs in communities doing it tough.

While devastating, these route cuts are not unforseen. Appearing on [*Four Corners*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) in June, Virgin Australia chief executive Paul Scurra h revealed that there is "zero doubt" the reborn airline will fly to fewer places. Labor has been warning of cuts to regional services since before the airline entered administration.

It is essential that Australia maintains two strong, competitive airlines as we emerge from this recession. The Government has paid lip service to this fact, but have failed to take any decisive action.

The Prime Minister is responsible for these route losses and any further job losses that come as a result.

block-time published-time 11.02pm BST

ABC says JBS meat processor will sack 600 workers

The ABC reports that Australia's largest meat processor, JBS, [*will sack 600 workers at its Ipswich plant*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe).

It has blamed the drought, livestock shortages, Covid and inequity in the jobkeeper scheme for the position it finds itself in.

block-time updated-timeUpdated at 12.22am BST

block-time published-time 10.56pm BST

We're drinking more during the pandemic

Humans are going to human.

From AAP:

Two in five Australians have been drinking more alcohol during the coronavirus pandemic, a new study shows.

The Global Drug Survey Covid-19 special edition results released on Wednesday showed cannabis use has also increased.

Two in five Australian survey respondents reported drinking more alcohol since February, while about half of the cannabis-users surveyed said they increased their consumption over the same period.

About half of both samples said they were partaking in their vices alone more often than before the pandemic.

"Drinkers who reported having a diagnosed mental health condition were more likely to report increasing their drinking compared to February, before COVID-19 restrictions," co-lead researcher Dr Monica Barratt from RMIT University said.

However, the survey also showed two in five Australians were also drinking less, and MDMA and cocaine use had decreased.

The decrease in illegal party drug consumption was largely attributed to the lack of access to settings like nightclubs, festivals and parties.

"Drug market shifts were reported too, including half of the Australian respondents saying availability of illegal drugs had decreased, one third reporting increases in drug prices, and one in five reporting decreased drug purity," Ms Barratt said.

Over 55,000 people were surveyed across the globe, with the Australian trends fitting with larger international trends.

Forty-three per cent of all respondents reported higher alcohol consumption during the pandemic, with 39 per cent of cannabis-users also partaking more often.

The biggest increases in cannabis usage were recorded in Australia at 49 per cent, and the US at 46 per cent.

block-time updated-timeUpdated at 12.25am BST

block-time published-time 10.49pm BST

The Sydney Morning Herald and the Age [*have one of the stories of the day today*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) :

Australia Post chief executive Christine Holgate. Photograph: Mick Tsikas/AAP

Australia Post chief executive Christine Holgate threatened to call police unless the City of Melbourne delivered more than 100 of Pauline Hanson's One Nation-branded stubby holders to every apartment in a locked-down suburban public housing tower in July.

Holgate's written ultimatum, through her senior legal counsel, came days after Hanson had [*labelled residents of the Melbourne towers "drug addicts" and "alcoholics"*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), and at the same time Australia Post was attempting to win over One Nation's vote to ensure a temporary relaxation in daily postal services was not overturned by the Senate.

block-time updated-timeUpdated at 12.26am BST

block-time published-time 10.46pm BST

Murph has a story on some of the first moves Victoria Labor is making in response to branch stacking:

Steve Bracks and Jenny Macklin - the Labor veterans installed as administrators in the Victorian branch after an extraordinary federal intervention - have recommended the ALP ban cash payments for memberships and renewals as part of efforts to stamp out industrial-scale branch-stacking.

Labor's national executive in June [*appointed Bracks and Macklin as administrators*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) of the Victorian branch, and suspended all state committees, as the party grappled with the damaging fallout of [*the Adem Somyurek branch-stacking scandal*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe).

As the first steps in their review of the branch, the two have recommended banning cash payments and the insertion of a mechanism within party rules to ensure that branch membership is comprised of "consenting and self-funding members, and that members act consistently with the values of the party".

In a discussion paper circulated to members, Bracks and Macklin characterise those rule changes as a critical first step, and flag they will be "the first of many".

Related: [*Labor branch stacking: Victoria administrators make 'first of many' recommendations*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

block-time published-time 10.43pm BST

Julia Gillard was on ABC News Breakfast speaking about R U OK day on behalf of Beyond Blue.

She was also asked about the interest in her 2012 misogyny speech in the UK after the appointment of Tony Abbott to the UK trade commission.

Yes, the speech has been getting a fair old outing in the United Kingdom and, you know, I stand by that speech, I'm obviously proud of that speech and I'm very proud of the fact that many women, including young women, have used it in their lives as their own kind of personal battle anthem, but I'm not in the business of commenting on what Tony Abbott might do next in his life.

block-time updated-timeUpdated at 11.27pm BST

block-time published-time 10.41pm BST

Today is R U OK day, which is a tough day for many, many people.

enltrIt's [*#RUOKDay*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe), a reminder that every day is a day to start a conversation that could change a life. Today, learn what to say after [*#RUOK*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) so you can keep the conversation going when someone says they're not OK: [*https://t.co/ZgxxUnuUVx*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*#theresmoretosay*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) [*pic.twitter.com/DeGpdGoqSX*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

- R U OK? (@ruokday) [*September 9, 2020*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe)

Having conversations about mental health is very important. But there are also a lot of people out there who don't appreciate being asked on a particular day if they are doing all right when they have been struggling for quite some time. [*Learning how to approach these conversations is a good thing to do.*](https://www.theguardian.com/world/live/2020/sep/10/coronavirus-live-news-trump-says-he-perhaps-misled-americans-as-infections-rise-across-europe) But there also needs to be a follow-up. And if someone says they aren't OK, saying you hope they feel better soon is not it.

Learn and listen. This has been a tough year for a lot of reasons but for some people it's one in a long line of tough years.

Be gentle on yourself and others.

Support services are available at:

* Kids Helpline - 1800 55 1800 (all day, every day)

1. Suicide Callback Service - 1300 659 467 (all day, every day)
2. eHeadspace - 1800 650 890 (9am-1am daily)
3. Lifeline - 13 11 14 (all day, every day. Online support 7pm-4am daily)
4. Beyond Blue - 1300 22 4636 (all day, every day. Online support 3pm-midnight every day)
5. In the UK and Ireland, Samaritans can be contacted on 116 123 or email [*jo@samaritans.org*](mailto:jo@samaritans.org) or [*jo@samaritans.ie*](mailto:jo@samaritans.ie) In the US, the National Suicide Prevention Lifeline is 1-800-273-8255. In Australia, the crisis support service Lifeline is 13 11 14. Other international helplines can be found at [*www.befrienders.org*](http://www.befrienders.org)

block-time updated-timeUpdated at 11.27pm BST

block-time published-time 10.28pm BST

Here is how the Greg Hunt comments played out in that Sky interview:

Q: Now you mentioned the situation in Victoria, your home state. The most draconian measure that premier Daniel Andrews has put in place to try and contain the virus in Victoria is the curfew in Melbourne. People locked in their homes effectively from eight o'clock at night to five o'clock in the morning.

Are you surprised by the revelations yesterday that the chief medical officer in Victoria did not recommend this? This was not a health recommendation; that the curfew is something that Daniel Andrews just decided to put in place for law and order reasons.

Hunt:

Look, I was somewhat surprised because until now, we'd understood that all of the actions taken had been taken on medical advice. I will respectfully leave that to the Victorians.

Most significantly though, the importance of having - whether it's the vaccine or the contact tracing, is they are health protections. Strengthening contact tracing protects Victorians and protects the health of Australians, and in seven out of eight states and territories, that's been incredibly strong and then.

Q: But minister - but minister, in the state of Victoria now, people are living under this curfew. By the time it's lifted on current projections, that curfew will have been in place for three months. There was no medical advice that advised the curfew.

Shouldn't Daniel Andrews lift it now for the social sake, for the mental health benefits of Victorians because it's just not a medical initiative?

Hunt:

Well, as you know, in the recent days, the prime minister, myself, the treasurer Josh Frydenberg have been very, very clear that we want to see the health safeguards put in place so as these restrictions, all of the different restrictions can be lifted as quickly as possible, and there has to be a medical basis for any restriction because our normal state of being.

Q: Well, exactly. There's no medical basis for the curfew. Should the curfew go now?... I'm just saying there is no medical basis for the curfew. Daniel Andrews has admitted that. The chief medical officer has confirmed that. Should the curfew go now because it's a draconian restriction and there is no medical basis for it?

Hunt:

So we would like to see all and as many of the restrictions lifted as soon as the medical conditions allow, and if there's no medical basis for something, then obviously, that's then something entirely within the remit of the Victorian government to address and we'd encourage them to consider that in the coming days.

block-time updated-timeUpdated at 11.26pm BST

block-time published-time 10.26pm BST

Good morning

Victoria's curfew is once again being questioned. It's not due to be entirely lifted until the end of October, which means Melbourne will have been under a curfew for three months.

The state's chief health officer, Prof Brett Sutton, told Melbourne radio 3AW that the curfew wasn't at his behest.

"No not against my advice, you know, the curfew came in as part of the state of disaster, for example, it wasn't a state-of-emergency requirement.

"So you know, that was something that was introduced, but it wasn't something I was against from a public health perspective."

I had been under the assumption the entire time that it was something the police had asked for, which Daniel Andrews confirmed on Wednesday.

A curfew that says 'unless you've got a lawful reason to be outside after 8:00pm soon 9:00pm out to 5:00am then you can't be' is much easier for Victoria police," he said.

But Greg Hunt has waded in, saying if it was not based on health advice then it should be lifted. He told Sky News:

We would like to see all and as many of the restrictions lifted as soon as the medical conditions allow, and if there's no medical basis for something, then obviously, that's then something entirely within the remit of the Victorian government to address and we'd encourage them to consider that in the coming days."

Daniel Andrews says it is about making the health advice enforceable:

It's not a matter for Brett [Sutton], that's not health advice, that's about achieving a health outcome. His advice is, "Do whatever you can to limit movement." Police then say, "We need rules we can enforce." These are decisions ultimately made by me ... What it means is no one's sneaking out going to their mate's place. No one's going and doing things that they are by law not allowed to do.

You will hear a lot more about that today as the federal government ramps up its attacks on the Victorian government.

Meanwhile, Queensland and NSW continue to be at loggerheads over the border closure. There are more and more stories of people unable to visit sick and dying relatives, or see children, because of the restrictions.

Yesterday the NSW health minister, Brad Hazzard, accused Queensland of playing "loopy politics". Queensland has set up a dedicated unit within its health department to look at exemptions but the complaints keep piling up.

We'll bring you all the day's events as they come. You have Amy Remeikis with you for most of the day.

Ready?

block-time updated-timeUpdated at 11.23pm BST

20650 2020-09-10T05:30:00Z true 2020-09-09T21:28:47Z false false 2020-09-10T09:43:50Z false AUS theguardian.com [*https://gu.com/p/enyvq*](https://gu.com/p/enyvq) false true [*https://media.guim.co.uk/e0a7579adbe4a88a39791f296b5310d8ac21bdaa/0\_129\_4962\_2977/500.jpg*](https://media.guim.co.uk/e0a7579adbe4a88a39791f296b5310d8ac21bdaa/0_129_4962_2977/500.jpg) false en true That's where we will leave our live coverage of the coronavirus situation in Australia. As always you can follow our global rolling coverage here. Here's where things stand: The death toll from Covid-19 in Victoria passed 700. Seven more people died in the past 24 hours, bringing the total number of deaths linked to the virus since 1 January to 701. There were 51 new cases recorded in Victoria today. Victorian premier Daniel Andrews has defended the introduction of an 8pm-to-5am curfew in Melbourne, after both the chief health officer and the police commissioner said the idea did not come from them. Andrews was asked to provide the evidence behind the reason to introduce a curfew and said he was "free to go beyond" the advice provided. The federal government has leapt on the suggestion that Andrews was not following medical advice in implementing the curfew. NSW recorded seven new cases. The NSW government is in chaos after the National party, coalition partners with premier Gladys Berejiklian's Liberal party, announced they were moving to the crossbench over legislation to protect koalas but would keep their ministerial portfolios. (They do not agree with protecting the koalas.) Berejiklian has given them until 9am tomorrow to declare whether they whether they want to sit on the crossbench or remain in the ministry - if the former, she will go to Government House to swear in new ministry. Prime minister Scott Morrison criticised Queensland for not giving a Canberra nurse permission to attend her father's funeral. Morrison called premier Annastacia Palaszczuk about the case this morning, and shed a tear talking about it on his favourite Sydney radio station. Palaszucuk said she would not be "bullied" by Canberra. Queensland's chief health officer later relented and allowed the woman to attend the viewing, but not the funeral itself. The case revealed that the Australian Capital Territory remains a declared Covid-19 hotspot in Queensland, despite not having any new cases for two months. The head of virus manufacturer AstraZeneca Australia said there was no change to the planned timetable for delivering the vaccine to Australia, despite the human trials being paused this week after one participant had a serious adverse reaction. There were no "consequences" for people who were in charge of the health aspects of Victoria's hotel quarantine program, the inquiry heard. It also heard that chief health officer Brett Sutton wanted to be made state controller in response to the pandemic, but was overruled by the health department. We'll see you tomorrow. As mentioned previously, Victorian premier Daniel Andrews was asked today to provide the evidence behind the 8pm-5am curfew that is in place under stage four lockdown in Melbourne. He did not - though said he would later, so watch this space - but appeared to indicate in a press conference today that the curfew was introduced in a captain's call. He said: If you want to put it to the prime minister, has he ever acted beyond, in any sense, the advice that [health department secretary Prof] Brendan Murphy or [chief medical officer Prof] Paul Kelly have given him, I think the answer will be he has. You always have to reserve the right to operationalise and deliver the advice of the medical experts and the principles that they want achieved. Read more from Melissa Davey here: Proof that Twitter really is a hive mind. Here's the full report from Anne Davies on what is going on in NSW right now. While we await the outcome of that urgent NSW Nationals party meeting, here's a reminder of the make-up of the 93-seat NSW lower house. The Berejiklian government this morning controlled 48 seats - a two seat majority. That's made up of 35 Liberal MPs and 13 Nationals MPs. Labor has 36 seats, and then there's three each for the Greens, the Shooters, Fishers and Farmers Party, and independents. So, if the Nationals do stick to their guns and go to the crossbench, Berejiklian would need 12 other votes to guarantee supply. While NSW sorts itself out, let's turn to Western Australia, where the government has hosed down a request from the mining industry for fly-in, fly-out (FIFO) workers to be allowed to spend less time in quarantine. From AAP: WA's Chamber of Minerals and Energy has called for greater flexibility for fly-in, fly-out workers, most of whom are required to spend 14 days in hotel quarantine. But the McGowan government on Thursday said there were no plans to ease the 14-day period for FIFO workers entering the state. A government spokeswoman said: WA's chief health officer and the Australian health protection principal committee all agree that 14 days of quarantine is an essential requirement. This important health requirement will continue for the foreseeable future. The sacrifices many people throughout the industry have had to make has been enormous, and we thank them for that. Mining giants BHP and Rio Tinto have both committed to preferencing Western Australians for operational jobs in the Pilbara but FIFO workers are expected to continue to be needed to fulfil positions across the state's mining industry. WA recorded one new case on Thursday after a man in his 30s tested positive on returning from overseas. The state has four active cases, all in hotel quarantine. The NSW Nationals have called an emergency party room meeting for 5.15pm, according to the Australian's state politics reporter Yoni Bashan. A former Australian ambassador to China says the relationship has deteriorated to its worst point in decades and the government needs to "work out how we manage these very complex issues". Geoff Raby, who was Australia's ambassador from 2007 to 2011, has been an outspoken critic of how the Turnbull and Morrison governments have handled the relationship over the last few years. In recent years he has headed a Beijing-based business advisory firm. In an interview with the ABC's Patricia Karvelas this afternoon, Raby said he agreed with Kevin Rudd's comments yesterday that the relationship was at the lowest point in at least 35 years. He said: Absolutely, and Kevin and I were in the embassy together in 1986, so we have been through the whole thing, and I was in Beijing during Tiananmen Square ... and I did the foreign-policy response to Tiananmen Square afterwards ... It hasn't been as bad as this. I am worried... that we are now in a tit-for-tat downward spiral in the relationship with no strategy, just tactics. Raby said Australia would go nowhere if it sought to be "tough on China for the sake of being tough on China". While he conceded that the Australian government needed to respond to issues like aggressive behaviour in the South China Sea and foreign interference in Australia, the question was exactly how to respond, and needed to be "smart" and "agile". Raby likened the Chinese authorities' handling of the questioning of the ABC and AFR journalists to "a Keystone cops episode" but said it "wasn't anything like what has happened to my good friend Cheng Lei, and how she has disappeared. That is something much more sinister and much more worrying". Meanwhile, Jamie Lowe, the CEO of the National Native Title Council, has told ABC24 that he wants Rio Tinto to sack some of the executives involved in the Juukan Gorge decision. The Rio board is meeting this week to discuss the fate of CEO Jean-Sébastien Jacques, following pressure from major global investors, although superannuation fund Hesta says that "a change in the ranks of Rio's senior leadership won't mitigate this risk for investors". Absolutely. I think we've all been involved in workplaces whether culture can be quite toxic, doing business on Aboriginal land and is no Aboriginal people and decision-making, so yes, we need to see people go. Fortescue Metal Group (FMG) is also facing a shareholder resolution, similar to that put to BHP last month, demanding it halt all mining activity which could damage or desecrate Aboriginal cultural sties until stronger legislation is introduced. The Australasian Centre for Corporate Responsibility's Brynn O'Brien said: In engagement with us, FMG has been clear that it is happy for business to continue as usual. Shareholders, in the wake of Juukan Gorge, know that business as usual is absolutely unacceptable. FMG has a dubious history of engagement with Pilbara native title holders, specifically the Yindjibarndi people. Comments as recently as last year, coming from the chairman saying 'that is not a community I'm going to empower with tens of millions of your cash' demonstrate that the company and board have a long way to go in understanding and valuing the intricacies of cultural heritage and the agency of traditional owners. You can read more about that here. New South Wales premier Gladys Berejiklian has issued an ultimatum to National party MPs, saying they can either sit in cabinet or be on the crossbench. "They cannot do both," she says. And if they do not comply, she will swear in a new ministry. Here's Berejiklian's full statement: A government serving the people of NSW must respect cabinet and parliamentary processes. This is more important now than ever before given the challenges facing our citizens. I have already made clear to the deputy premier that his policy concerns are listed for discussion at an upcoming cabinet meeting and will be considered by the joint party room. It is long established convention that members of cabinet must support Government legislation. It is not possible to be the deputy premier or a minister of the Crown and sit on the crossbench. I am and always have been a strong Coalitionist and deeply respect the National Party and all it stands for. It is my strong preference that existing Coalition arrangements stay in place. However, I have just made it clear to the deputy premier that he and his Nationals colleagues who are members of the NSW cabinet have until 9am Friday 11 September to indicate to me whether they wish to remain in my cabinet or else sit on the crossbench. They cannot do both. If required, I will attend Government House tomorrow and swear in a new ministry. The animal welfare spokeswoman for the Australian Greens, Senator Mehreen Faruqi, has pointedly tapped her calendar following the federal government's response to the national horse traceability inquiry. Faruqi established the senate inquiry back in 2018. She said: Ten months have passed since the committee reported, and six months have passed since the working group was announced. That group hasn't even been established, let alone met. The states and territories have an important role to play but this is no reason for the federal government to distance itself from this issue. A national register requires national leadership. It's time for the [federal ***agriculture***] minister to drive this process. Let's dig in a bit to the daily case numbers from Victoria. There were 51 new cases reported today, bringing the rolling 14-day average to 70.1 cases per day in metropolitan Melbourne, and 4.5 in regional Victoria. Remember, we're aiming for a 14-day average of lower than 50 by 28 September to keep pace with the roadmap. There are 1,483 active cases of Covid-19 in Victoria at the moment, of which only 72 are in regional areas that are currently under stage three restrictions. Some 251 of the active cases are in healthcare workers, 763 are in aged care facilities, and 16 are in residential disability accomodation, split between six residents and 10 staff. Other than aged care homes, the largest current outbreaks are: Bulla Dairy Foods in ColacL 17 active cases; Peninsula Health Frankston Hospital: 16 active cases; Dandenong Police Station: 12 active cases; Vawdrey Australia Truck Manufacturer: 11 active cases. The Victorian chief health officer, Prof Brett Sutton, was not appointed as the state controller of the state's response to coronavirus - despite him wanting the job - in the early stages of the virus outbreak. Under Victoria's prepared response plan to outbreaks, the chief health officer is presumed to take on the role of state controller, but this was overruled by a deputy secretary of the health department against Sutton's wishes. Melissa Skillbeck, a deputy secretary who was in charge of emergency management at the time, testified before the inquiry into hotel quarantine on Thursday. Under Victoria's state health emergency response plan, known as the Sherp, the chief health officer of the state is presumed to take on the role of state controller. However, after Covid-19 arrived in Australia in February, Skillbeck said she made the decision not to have Sutton in the role because of the demands on his time, and because his expertise was best used in other roles. She revealed that Sutton disagreed with her decision. Skillbeck said the state controller role involved a lot of "programming and logistics" rather than public health, and that Sutton was already extremely busy dealing with the outbreak. She said: Already on 1 February, the chief health officer was engaged with the AHPPC ... [and] as the response nationally evolved, the reasons I cite were only reinforced. In particular the personal time requirement on the chief health officer... his expertise needs to be in AHPPC... in communications. The key tool we have to respond to a pandemic, particularly a novel virus, is educating and changing behaviour in the community. And that is essentially a communications task. Counsel assisting the inquiry, Ben Ihle, asked Skillbeck whether Sutton was "in agreement" with her decision. No he was not. Karvelas asked if this is an appropriate tactic to take at this time as the NSW government is still working to control the Covid-19 pandemic and has been called, by former Coalition leaders, the best government in Australia. Joyce: What does that have to do with koalas? Karvelas: Quite a lot! I will help you out. Obviously there is a crisis going on. Is blowing up the government during one of the biggest crises we have seen in this country appropriate, good timing? Joyce: No! They are blowing up their own government because they had ample warning to deal with this issue, ample... This issue has been under the surface; they have known all about it, and now they say this is a big surprise. The only big surprise is that you didn't deal with this way back, and the only big surprise, don't worry about the Nationals, keep pushing and pushing and bluffing, they will always fold. I am glad they are not folding. No, you are not treating us with respect. You think we have to fold because we have to, when you put a guilt trip, be the best government. The best government would have dealt with this a long time ago, and the best government would have realised it should not have come to this point, and the best government would have brought into the room (planning) minister Rob Stokes and said, 'Mate, forget it, drop the idea, stop it, it will cause more harm than it is worth.' That is what the best government would have done. Calling the pandemic a guilt trip is extreme Barnaby Joyce areas. Barnaby Joyce is on ABC24 now to add some grist to the chaos mill that is the NSW National party today. Joyce said he supports the position of NSW Nationals leader and deputy premier, John Barilaro, but hasn't spoken to him about it. I think it is really important that the National party stands up and says enough is enough... Basically the property rights. We have had to deal with fishing regulations, we have to deal with permits so we can't control kangaroos, we cannot shoot a snake that is in the yard and will bite [my children]. I have to remove it. I don't know how - charm it out of the yard. We are sick and tired and it is like the straw that broke the camel's back... None of us wanted koalas to die. There is not a person who wants anything but the best outcome for koalas, and we live with them. He said the proposed NSW legislation was a "bureaucratic nightmare, and its bullish pugnacious overlord is by Sydney and we have had enough". Is it an issue worth breaking up a successful government, host Patrica Karvelas asked? Joyce said: I think this is an issue which premier Gladys Berejiklian has been doing a great job, to recognise it is not just an issue by itself, but a combination of so many issues that have come in and arrive at this issue. This is just the last straw and she should say, 'Look, I think we have to really listen to them.' This is not something that is a surprise. It has been discussed for quite some time. Remember, it was a regulation that would have been disallowed... This is the only alternative John Barilaro has left." So Berejiklian should just fold to all their demands, basically? Basically yes, says Joyce. Is it acceptable for the Nationals MPs to say they will keep their ministerial portfolios despite moving to the crossbench? I am absolutely certain that Gladys Berejiklian will still be getting supply... You have to get something for the right of the Liberals to be the government, and that means the share of portfolios. If you don't want the portfolios maybe you don't want supply. While we're talking about the evidence behind implementing a night-time curfew in Melbourne under stage four restrictions, it's worth noting that police fined 46 people for breaching curfew in the past 24 hours. As with all lockdown breaches (except not wearing a mask, which is $200) the penalty is a $1,600 on-the-spot fine. Police also fined 23 people for not wearing face masks, and 28 people were fined at vehicle checkpoints - meaning they allegedly did not have an adequate reason for being out and about. In a bit of other news, the federal government has released its response to the recommendations of a Senate inquiry which called for the establishment of a national horse tracking scheme. The inquiry was called off the back of this Guardian Australia report about ex-racehorses in the Echuca horse sales. The response says the Australian government supports the establishment of a national working group to design a national horse traceability register. That working group was established following a Coag meeting in February (remember Coag? Remember February??). The Australian government supports the establishment of a national horse register and notes that establishing a national register for all horses will require policy and regulatory design work to be undertaken by racing and animal welfare portfolios in each state and territory. It is expected that the working group will report its progress to develop a register to racing and ***agricultural*** ministers via state and territory government racing officials and the ***agriculture*** senior officials committee. But it says the federal government does not want to pay for it, and notes: A national horse registration and traceability system could have substantial resourcing impact for states and territories, industry groups, farmers, and others with horses, such as pet owners and riding schools. The Australian government agrees that the adoption of a co-investment model is desirable, however decisions about how a register is funded is likely to be a matter for state and territory racing ministers and racing agencies." You can read the full response here, Hello campers. Thanks to Amy Remeikis for taking us through the morning's news. I hope you are doing well this Thursday afternoon. Remember: do it for them. On that note, I am going to hand you over to the wonderful Calla Wahlquist for the afternoon. I'll be back tomorrow morning. You can reach me here and here if you still have questions. In the meantime, please, as always, take care of you. Ax Dr Jeannette Young finishes taking questions and the press conference ends. So the main takeaway there: you can apply to enter Queensland under any of the exemptions which include work, as well as personal exemptions (and no one will be turned away in an emergency medical situation), but you have to quarantine. You have to spend two weeks in hotel quarantine. Some exemptions have been granted for people to quarantine somewhere else - their own homes, or another compound - but you have to quarantine if you enter Queensland from a hotspot. Young basically said it was because when someone (or someones) didn't, the state ended up with new clusters. When will aged care homes have their restrictions lifted in Queensland? Dr Jeannette Young: As soon as possible. So, as soon as we can declare this recent cluster over, which will take a while longer, I would suggest at least another week, then we will be able to open up aged care. Now, I am just so glad we did that because I think we should be OK in that aged-care facility at Laidley. We not had any cases in the residents. It is not over yet. They are not through that risky period just yet, but we have not had any to date. That is only because we closed down our aged-care facilities early on with this recent cluster and we asked staff to wear PPE and to be very careful and the staff member who tested positive was excellent, absolutely excellent. I couldn't have asked more. He followed the absolute text book process and wore PPE and kept himself separate and he was just fantastic. So, we were, maybe I could say lucky there, but also we are just so careful in Queensland and I am so grateful that Queenslanders have gone along that journey and by being careful every single time I am absolutely convinced we have saved lives in Queensland. Dr Jeannette Young is asked again whether there is double standards for "normal" people: No, no, because I will always give an exemption to someone who needs to come into the state because of a family reason and I have done that regularly and that will continue to happen under that new team. So I have had many, many exemptions from people who are wanting to come up to support their grandchildren who are having children and they haven't got parents here and they need to support them because they have got to go into hospital and look after other children. So there are lots and lots and lots of exemption requests to support family, to support close friends, and they are always granted, but they are granted with a need for quarantine. No different to all of these other exemptions. Why can Tom Hanks gets an exemption and other people can't? Dr Jeannette Young: Anyone can come into Queensland who has got a reason to come in that meets one of our requirements. So, anyone can come to Queensland if they wish to see a dying relative or, indeed, a dying close friend. Then the next part of that exemption is what they need to do when they come - and that is the same. I have given exemptions to people in the sporting industry for a whole range of codes because it is important that we start that work, but they all go into quarantine. I have given exemptions for people in entertainment and film because that is bringing a lot of money into this state and, can I say, we need every single dollar in our state. We need to make sure that our economy is going ahead as much as it can, as long as it is safe. So my first - the first thing the - thing I do before I make a decision about anything is: it safe to the Queensland population? If it is safe, I look at how it can be done and whether that is the AFL, the NRL, whether it is swimming, tennis - all of the sports - cricket recently because we are coming know that season. Whether it is any of those, whether it is entertainment industry, film industry, whether it is ***agricultural***, whether it is are sources and mining, construction. Anything that will benefit our community because I actually believe that the economy has an enormous role in determining health and the health outcomes for Queenslanders, but before I agree to anything it is whether it is safe. Why is it Jeannette Young standing up and addressing the media and not the Queensland premier, Annastacia Palaszczuk? I just wanted to give some information this afternoon. I haven't stood up for the last few days because I have actually been very, very busy trying to work through these clusters and so it was offered to me that I might like to stand up and give some information and an update where we are because, in actual fact, I think we have done exceptionally well, far, far better than I had even hoped, knowing that everyone always does do well at start of this most recent cluster and I think I can now see light at the end of the tunnel, which will be good because we have got a lot of places locked down at the moment. All of our aged-care facilities, disability facilities, hospitals and that is causing, I know, a lot of problems for people." Asked if the premier's or her office asked or directed her to stand up for a press conference, Dr Young says: No, the premier's office didn't. My team here did." Q: Why is the ACT, which has had no cases for two months, still a hotspot as far as Queensland is concerned? Dr Jeannette Young says it is all about staying two weeks ahead of any potential infections: Canberra is defined as a hotspot because it is in the middle of New South Wales. We know there are cases around them. The other part is, you might remember there were a lot of cases in Batemans Bay, and a lot of Canberra have weekend residences they go to in Batemans Bay. We have seen it happen. Unfortunately for people who live in Canberra, they are deemed as being in a hotspot, need to be managed as such. What we have to remember is exposures two weeks ago that will then lead to the problem. We are always trying to project two weeks in advance, which makes it very difficult. It is very hard. I can understand that for people who live in Canberra, to understand why they can't freely travel into Queensland. There is a question about the family who have said they are unable to visit a father who has terminal cancer, because of the restrictions. Dr Jeannette Young: I can't go into specifics of any individual case. I'm sure you know me well enough by now I'm not going to cause even more heartache to someone to have private information discussed publicly. What I can say is exemptions are given for people to come to Queensland, to see dying relatives or close friends, but they need to go into quarantine if they come from one of the hotspots, to do that, and then, they are supported to go and visit their relative, or friend, if it's in a hospital, that are supervised by the hospital, the hospital provides PPE, if it's at the person's home, they need to organise someone to assist them because we will provide them the PPE but we need to organise someone to give assistance on how to use that PPE. Dr Jeannette Young is not usually this strong. She must be quite agitated by today's commentary: We have now had several outbreaks in aged care facilities in Queensland that we have been able to control, thank goodness, because we have now seen that Australia's numbers who have died as a result of Covid-19 have reached over 700 Australians, and we know a lot of those have happened in the last month, a lot of them have happened in aged care facilities. That's something I'm absolutely adamant about. I will do everything I possibly can to stop that happening in Queensland because every single death is a really difficult death for someone, including me. I don't want to see a Queenslander dying from Covid-19 that I could have prevented. I can't prevent every single death, but those that I can prevent, I'm absolutely adamant, I make no apologies, I will do my best to prevent. Having said that, I also understand the awful situation for people coming into Queensland from interstate and overseas that can't attend a funeral to mourn their loved one. So we do have some processes in place to try and help with that. Of course, if they wish to, and the funeral home can support it and a large number have, then they can go and have a private farewell with a loved one in the funeral home. That can be done, and has been done a number of times very safely due to the support of the funeral home, but they do need to wait 14 days before they can attend. Queensland's chief health officer continues: One thing I have always felt that has kept Queensland safer, and we are able to continue to have that increased risk of 100 people at a funeral is that I have always been very, very careful in making sure that anybody at a higher risk of having Covid-19 does not attend a funeral. Those are people who come from hot spots, interstate, or anybody who comes from overseas. Although I understand the enormous toll this is taking on people who are coming here, to Queensland to attend a funeral of a loved one, whether that be a relative, or a friend, they can't do that until they have been in quarantine for 14 days. Because the last thing I would want to happen is to have an outbreak at a funeral, and by definition, there are always older people attending funerals. They are the people, we know, will always attend funerals. There are very risky environment for spread of the virus because the nature of the service and what happens, and secondly because of the people that tend to attend those funerals. So I do not want to see, in Queensland, any risk of people attending a funeral, getting exposed, getting Covid-19, and then going back to a vulnerable setting. Because people are able to - one of the exemptions for leaving an aged care facility is to attend a funeral. On funerals specifically, Dr Jeannette Young says: There is one I would like to discuss specifically. That is exemptions for funerals. Right at the start of this pandemic, that was one of the hardest things that I had to face, because we know that funerals are very, very high risk, for ***transmission*** of the virus. Right at the start of this pandemic, the Australian health protection principle committee put forward a protocol for funerals. Initially we only allowed 10 people to attend a funeral, I'm sure everybody remembers that. Then we expanded that to 20. Now, in Queensland we allow 100 people because we know how important it is that families and their friends can grieve together as a group, that is extremely important. But by doing that we have introduced a significant risk. We know that and most recently we have seen in Sydney, several clusters related to funerals down there. So we know, having 100 people at a funeral is a risk. Most recently, when we bought back those tightening of restrictions, people can only gather in groups of 10, limiting visitors to aged care facilities, disability care facilities, and hospitals, and increasing use of PPE is, we did not change the restrictions for funerals. Knowing though that that is a risk. Dr Jeannette Young on the unit looking at quarantine exemptions: The other thing I did want to briefly talk about, is the development and the fact we have stood up, a specialist healthcare support Centre, for people who need to apply for exceptions. When we first went into this pandemic, it was thought that we would need to provide exemptions, for various people, to do things that were important, that weren't allowed for under our directions. At that stage was there would be maybe one or two of these a day. So I did them all personally myself because they were very important, because we know providing exemptions, results in a risk, to the general Queensland population, and I am extremely risk averse, and I'm not going to ever do anything that puts the Queensland population at risk. So I took on that role, doing all of those exemptions myself. Once we got up to a 100 of those a day, I realised that was no longer feasible, although very, very important, just as important now, as at the start of the pandemic, I believe that other people need to take on that role, we have now stood up that team, there are 80 people in that team, who are providing that support, to look at every single request for an exemption. We are now getting thousands a day. Because people are wanting to come to Queensland, or to be exempt from some of those directions within Queensland. And every single one of those exemption request is taken extremely seriously. Then we get to the nub. Dr Jeannette Young All of these, I do unfortunately need to remind people, go back to one, possibly two young women who contracted the infection in Melbourne and brought it back into Queensland. That's the most likely scenario, and that's even more likely now that we have done so much testing out there, and not found in other chains of ***transmission***." A couple of weeks ago, Young said it was impossible to either prove or not prove the women who visited Melbourne and allegedly lied on their border entry forms (it's in court). Nek minnit. Queensland's chief health officer, Dr Jeannette Young, is holding a press conference - it's late, so it is in response to today's story about the woman who was not allowed to attend her father's funeral. We have not had any new cases in Queensland overnight, which is exceptionally good news, we are not out of the risk. Yet. But we are doing much better than I thought we would when I first was notified of this cluster. Brisbane youth detention centre cluster looks like it is well and truly in hand. Should be able to declare that over in the next few days. It looks as if none of the children who were in that centre, have contracted the virus, which is very good, and it looks as if all of the staff have now been managed and we haven't seen any more spread. Then we had the academy cluster, and again that one is not complete yet, but we are getting more confident we have managed to control that. Then we had the Arthur Gorrie centre cluster with a number of staff who were positive. Again we are hopeful none of the prisoners have contracted that infection there, so that is good news. More recently of course, we had those staff at Ipswich hospital, who tested positive, now we have got a school of their associated with that, so we are working through that. It is really good news that today we have had no new cases. So now we have a hung(ish) parliament. Here's the official update from NSW Health: I am still not sure how you can sit in cabinet and make government policy, and then sit apart from the government and abstain from voting on that policy you passed in cabinet, but here we are. The Productivity Commission chair, Michael Brennan, has appeared at the Covid-19 Senate inquiry. Brennan presented to national cabinet in July about what sort of temporary deregulation during the Covid pandemic should be extended, and senators were keen to hear about what he'd advised. Brennan set out his general view that the "flexibility of the economy" is an important determinant to the pace of economic recovery, and that economies with "light" regulation of labour and product markets have recovered quicker. While "not all regulation is bad" and the GFC was arguably caused by a lack of regulation, Brennan said Australia is "likely to face the opposite problem" and needs to encourage a greater "risk appetite" to get business investing. He said states should consider extending some measures like relaxation on shop trading hours, rules relating to curfews of delivery of goods to retail outlets and the times that are available to conduct construction activity. Many of these were put in place for six months but the disruption from Covid had gone on "longer than thought initially". Likewise, the Commonwealth should consider the "strong case" to extend flexibility around electronic AGMs and signatures for lodging documents. On industrial relations, Brennan said that emergency provisions to allow changes to enterprise agreements on short notice would "possibly not" become a core part of the IR system, and the "threshold would be much higher" to continue temporary flexibility like that, because it was put in to deal with the "immediate reality of shutdowns". He suggested that enterprise agreements could become more flexible if the interpretation of the "better off overall" test was changed. Over time it had shifted closer and closer towards "prescriptive" awards rather than allowing employers and employees to do things differently, while preserving "decent pay and minimum conditions". This inflexibility had "dulled the enthusiasm for genuine innovative enterprise bargaining" and there is now a challenge about how to "re-enliven the original intent". Liberal James Paterson asked about the Melbourne road map, but Brennan was very cautious. He said it was imprudent to express a view, and he wouldn't comment on the "optimality" of the plan. Australian politics is really covering itself in glory today. Nature must be healing. (Via AAP) Australia Post has admitted contacting the city of Melbourne and Pauline Hanson after more than 100 One Nation-branded stubby holders were not delivered to locked-down public housing tower residents. But the agency denies its chief executive threatened the council or contacted Hanson directly about the hold-up. Hanson sent 114 stubby holders in July with a note that read: "No hard feelings." Days earlier she had called residents of the Melbourne towers drug addicts and alcoholics, claiming they were from war-torn countries and English was probably their second language. Council officials overseeing the government-enforced lockdowns intercepted the parcels and decided against delivering them, concerned they could further inflame tensions. In an email first published by the Nine newspapers, Australia Post warned the council it would notify the police unless the parcels were delivered without delay. Australia Post claimed this did not amount to a threat and denied chief executive Christine Holgate personally intervened. At the time, One Nation senators were considering whether to vote in parliament in favour of overturning a temporary relaxation of postal delivery rules. "Australia Post confirms that Holgate did not speak to Hanson or One Nation on this matter, nor did she threaten Melbourne city council," it said in. But it confirmed it contacted both the city of Melbourne and Hanson about the matter. Australia Post said the agency took its obligation to deliver mail seriously. "Upon subsequently being made aware the items did not reach their ultimate destination, we raised it with the city of Melbourne and engaged with the sender in good faith to resolve the matter," it said. "Commonwealth laws prohibit any conduct which interferes with the mail, and make it clear that Australia Post is obliged to complete the delivery of Australians' mail to the designated address." Hanson dismissed the controversy and used it to market more One Nation merchandise: "Talk about a storm in a stubby cooler." There will be quite a few people who read these comments from Peter Dutton on the border closure who may have trouble picking their jaw up off the floor. \*cough Priya, Nadesalingam, Kopika and Tharunicaa COUGH\* Dutton: I mean there needs to be an application of common sense and compassion here, and both of those ingredients are missing at the moment from premier Palaszczuk's approach. There are families who are just being treated like criminals and it's unacceptable and at the same time you've got exemptions for sporting people and for business people etc that don't have to do the quarantine or do the quarantine in a less onerous way. Just the inconsistency of the approach and the way in which they're applying these rules to some people but not to others just goes against our grain, and people are right to be angry and it needs to stop. The premier needs to intervene in these cases. I'm sure the police are pulling their hair out having to implement these stupid rules that are dictated to them by health officials that are sitting in rooms that, you know, we'll never know the names of, or never know who they are - these faceless bureaucrats - and making these decisions that are negatively impacting on people's lives and scarring people at a time when we should be helping them, not hurting them." This was Peter Dutton on the Queensland border, and the case of the woman who couldn't attend her father's funeral (she has now been allowed to attend a private viewing) on Sydney radio 2GB this morning: The bureaucrats who are involved should have the discretion, should have the ability to look at these cases, to pull them aside and that should be the direction that's given to them. It's also unnecessary. I mean coming from Canberra - where there are no cases; there have been less cases in Canberra than in Queensland - if you're coming from northern New South Wales where there have been no cases, it just doesn't make any sense and unfortunately, people are really suffering. I mean the government's job is to take care of people's health, to make sure that they do everything they can to keep people safe and healthy. The mental health impacts on people - I mean this young lady tragically will be scarred for life - she's missed her father's dying moments, she's going to miss the funeral and these are obviously moments that you can't get back and the premier here in Queensland is just so pigheaded and people are suffering because of it. I really find it quite disturbing and it's got to stop. I mean this is Australia in the 21st century. There can be border restrictions put in place if there are good health reasons for it, but there's no health reason, there's no argument from the doctors here in Queensland for the borders to be shut. We've spoken about it over recent weeks; it's all for political reasons and unfortunately a lot of people are suffering and feel the consequences of this action. People [inaudible] easily forget it. It's a very bad outcome in many instances and we've been dealing with a number of cases in my own constituency where we're just up against a wall with the Queensland government and they won't explain why." We have a joint finance ministers' statement (the leaders have been chatting, but so have the finance ministers, both domestically and internationally). From Josh Frydenberg's office: New Zealand finance minister Hon Grant Robertson today hosted\* a call with his counterparts from Australia, Canada, the United Kingdom and the United States. We shared experiences of using monetary and fiscal policy in our respective countries, as part of our governments' economic responses to Covid-19. All nations have undertaken significant fiscal stimulus programs to protect households, support businesses and build a base for recovery. This is being complemented by major monetary policy interventions from independent central banks to support the functioning of the financial system and the flow of credit. The meeting was highly productive, and highlighted similar economic challenges our countries are facing as a result of the ongoing pandemic. In particular, we acknowledged the importance of mutually reinforcing monetary and fiscal policies to support our responses to Covid-19. We agreed that these were working well together in our respective responses. The meeting was the fourth in a series of regular calls between the five finance ministers, which focus on economic issues associated with Covid-19. The sharing of experiences between like-minded partners is valuable, particularly as we collectively face common economic challenges caused by the global pandemic, which require monetary and fiscal responses. We will continue to discuss our respective responses and experiences as we rebuild our economies from Covid-19." \*hosted on zoom. Greg Hunt has developed a habit of finishing his press conferences with sweeping "WE CAN DO IT" statements. Today is no different, as he dons his best statesman's voice to say: Thank you everybody, and as I say, it is a day for hope and support. Six out of eight states and territories with zero cases within the community, numbers are very low in NSW, the trends are down in Victoria but there are still some agonising days ahead and there will be up days and down days, but today we focus on mental health and support, today we focus on providing compassionate support for all Australians everywhere. But what I hear is: We must move forward, not backward; upward, not forward; and always twirling, twirling, twirling towards freedom! Q: Firstly, do you think a royal commission into the Covid outbreaks in aged care would be warranted given there are now been more than 500 deaths in aged care due to the coronavirus? And on a separate matter - there are reports today that [there is] an error in Doherty Institute modelling the federal government used in formulating the early Covid responses. Did that error result in an overestimation of the potential threat of the spread of the virus? Hunt: Firstly in relation to the aged care, the current royal commission has already been addressing, so we have a standing royal commission into aged care and they have specifically been addressing the Covid-19 response as part of their work and that will, I understand, continue to be the case and we have made it clear that we believe that that's an appropriate part of their work. So we're in the fortunate position that that's standing, existing, empowered and, in fact, has been under way. Secondly, in relation to the Doherty modelling, my advice, my very, very clear advice from the department is that the underlying modelling had no error. I think there was apparently one chart which was public-facing which had curve drawn in a particular place. That hasn't affected our actions at all. It wouldn't have affected the actions at all because the underlying modelling and all of the work was correct and that hasn't had an impact. So I got clear advice from my department on that. I would say this: one of Australia's great achievements, when you think our task was twofold - to contain the virus and in a world of extraordinary numbers, in a world of 27.8m cases and 900,000 lives lost, the world does look at Australia, an extraordinary outcome but obviously with a challenge in Victoria. At the same time as containing, we built the capacity for 7,500 ventilation units, at a time when we saw the chaos and tragedy in Italy and Spain, France and the UK and New York and so many other places, provided that protection for Australia and it's been an immensely important protection. It also allows us to be able to support the broader region around Australia." I just saw Greg Hunt laugh. 2020 is full of surprises. Q: Pauline Hanson believes she was being helpful by sending One Nation's stubby holders to lockdown public housing tower residents. Isn't this trolling by One Nation? Is it inappropriate during a pandemic? Hunt: Look, I'm sorry, I was completely unaware of that, I have to say. I would suspect that most people would not be influenced in any direction either way by the arrival of a stubby holder. Sorry, that is one of the more unusual things I have heard during the course of what has been a very serious pandemic, but in terms of those, I would say that people wouldn't be particularly influenced in either direction by a stubby holder. I'm not sure whether the people in the towers were using stubby holders." On the Victorian curfew, Greg Hunt says: So with regards to the Victorian restrictions, I'll let the Victorian government speak to the source and the origin of them, although we were somewhat surprised to learn that not all of the restrictions were based on medical advice. Against that background, I think they should continue to review those restriction which is are not based on medical advice. I think that is very important. I do know, of course, that Victoria has a strong human rights charter. I believe the freedom of movement provision, might be section 12 - others will know it better than me - but that Victorian human rights charter sets out under the relevant section that freedom of movement is a fundamental right in Victoria and so I am sure that that would only ever, ever be impinged upon if they have the strongest reasons. It is important to review these. We review all of the federal restrictions - which have been limited and few in nature and number - on a frequent basis. Greg Hunt says there is no change to the timetable Australia is part of, in terms of the vaccine: In particular, the advice that I had from the head of AstraZeneca Australia is that there is no change to the timetable for the delivery of the vaccine in Australia and they have no belief that it will be changed in terms of its nature, form or delivery, but they are always subject to the medical advice and in this case it's what is known as an independent medical expert panel." Greg Hunt is holding a press conference. He opens with an update on the AstraZeneca vaccine: At about 7.30 this morning I received a call from the Australian head of AstraZeneca. The advice that I have, as of that time, is that the patient who had an adverse event is recovering and recovering quickly. They are likely to be discharged from hospital within the next 24 hours. The best advice that AstraZeneca Australia has from the global firm and from Oxford University is at this stage the illness, although neurological in nature, is undiagnosed in terms of its specific form, and nor is the source known. They indicated that two months ago there was another event where the trial was paused temporarily where somebody had an adverse event. The medical expert panel reviewed it and it turned out that it was entirely unrelated to the trial. So the best advice is that the medical expert panel will now consider the patient's case. Undiagnosed at this point in time and undetermined as to the cause of the particular event, but that this is part of the highest and most rigorous of safety oversight programs imaginable." The woman who was at the centre of Scott Morrison's plea today will be allowed to attend a private viewing of her father to say goodbye after her family has held their funeral. She will be escorted to the funeral home, and then escorted back, a spokeswoman has confirmed. John Barilaro, who is rumoured to have his eye set on Canberra and the federal Nationals leadership, has effectively removed the Nationals from the NSW coalition, plunged the Berejiklian government into minority after vowing to abstain from government votes (unless its to do with regional NSW), and removed itself from joint party room and leadership meetings - unless the koala protection legislation is scrapped. But he wants the NSW Nats MPs to keep their ministerial portfolios and stay in cabinet, and stay on as deputy premier. Cool, cool, cool. I'd add him to my list of Australia's greatest thinkers, but I already broke twitter with that yesterday, and I don't think it has recovered yet. "This is all over a koala protection policy," is maybe the most Australian reason for a political party blowing up the show. I would actually pay Disney premium streaming prices to watch this. The funeral was to be held at 2pm. A travel agency was asked to conduct welfare checks on people in Victoria's hotel quarantine in the weeks before a man took his own life. The state's inquiry into its hotel quarantine program has heard that welfare checks were "not sufficient" and not frequent enough after a man killed himself in the program in mid-April. Earlier the inquiry was shown a review that said the man did not receive a welfare check until five days into his detention. Another report from 29 April, shown to the inquiry, also said that reviewers were "concerned" that welfare checks were being conducted by unqualified people who worked in a travel agency. It said: "Team concerned these are not sufficient (only two required across 14 days) they are completed by non-clinical people - either at [health department office at] 50 Lonsdale or via Hello World [travel agency]." Prof Euan Wallace, the CEO of Safercare Victoria, the organisation which conducted the review, confirmed that Hello World conducted some welfare checks, but defended the practice. "Hello World had been engaged by the department of health to conduct a series of welfare checks, with pre-approved scripts," he told the inquiry. He then said they performed "excellently". Earlier the inquiry heard that the welfare check team fell behind schedule because "they did not have enough staff to match the required workload". The man received only one welfare check in the nine days he was in hotel quarantine before he took his own life. Support services are available at: Kids Helpline - 1800 55 1800 (all day, every day) Suicide Callback Service - 1300 659 467 (all day, every day) eHeadspace - 1800 650 890 (9am-1am daily) Lifeline - 13 11 14 (all day, every day. Online support 7pm-4am daily) Beyond Blue - 1300 22 4636 (all day, every day. Online support 3pm-midnight every day) In the UK and Ireland, Samaritans can be contacted on 116 123 or email [*jo@samaritans.org*](mailto:jo@samaritans.org) or [*jo@samaritans.ie*](mailto:jo@samaritans.ie) In the US, the National Suicide Prevention Lifeline is 1-800-273-8255. In Australia, the crisis support service Lifeline is 13 11 14. Other international helplines can be found at [*www.befrienders.org*](http://www.befrienders.org). Not just the cabinet. NSW's deputy premier is on the crossbench. This is good news: the Juukan Gorge parliamentary inquiry is going ahead after it was forced to postpone hearings because of quarantine issues. From the committee: The committee will soon commence a new series of remote access public hearings involving a cross section of stakeholders. Committee chair Warren Entsch assured all stakeholders of the committee's resolve to visit Western Australia at the earliest possible date. 'It is vital for the committee to see the destruction first hand and share the experience - and the consequences - of this policy failure with the traditional owners,' Entsch said. 'It is vital that we hear directly from those most affected, the traditional owners of this country, and that can only be done in a meaningful way on country.' In the meantime, the committee has urged all stakeholders to be aware of the potential consequences of proceeding with actions that could cause irreversible damage to heritage sites. 'No government and no company wants another Juukan Gorge on its conscience,' Entsch said. 'If nothing else, the ongoing damage to Rio Tinto's reputation should give pause for thought for all concerned.' Further details of the inquiry, including terms of reference, can be found on the committee's website." Looking outside Australia for a moment - Save the Children has launched its "protect a generation" report, which is the largest survey of children and their caregivers since the pandemic was declared six months ago. It surveyed more than 25,000 children and caregivers from 35 nations. As you would expect, those from the poorest households have suffered the most, missing out on education, losing family incomes and at greater risk of violence at home. Save the Children Australia CEO Paul Ronalds said the pandemic was making inequality worse: The poor have become poorer. Children are missing out on accessing even basic health services. The digital divide means kids are losing their education. Governments must prioritise the rights and needs of the most deprived and marginalised children as they prepare to rebuild. For Australia, that means supporting its neighbours. While Australia has responded to the global Covid-19 crisis by deploying health experts, providing medical supplies and financial support to Pacific Islands governments, the scale of the crisis has not been matched by the type of vision and action needed. Even though there is so much happening at home, we must look beyond our shores. Our Pacific neighbours are in crisis. Not only would strong intervention by Australia protect our own interests, but it will literally save lives and livelihoods among our neighbours. Covid-19 doesn't respect borders or boundaries, and it won't be over for anyone until it's over for everyone." You can read the report here The NSW Nationals have withdrawn their support for government legislation over their objections to koala protections, which came into force in March, saying that the Liberals will need "to earn their votes" on legislation, rather than having guaranteed support. National Party leader and deputy premier, John Barilaro, said his party would abstain from voting on government legislation except when it was legislation that affected the regions or which the Nationals deem important. Without the Nationals, it will not be possible for the NSW government to pass legislation without support from Labor. "We will not green light just anything the government puts up," Barilaro said. He said his ministers would continue to attend cabinet and expenditure review committee but would not no longer automatically support the Liberals. "We are equal partners; we are not a junior partner and we will fight for the regions, "Barilaro said. The Nationals insist they have not pulled out of the coalition, and its MPs remain on the front bench. Premier Gladys Berejiklian is still to respond to Barilaro's declaration. Barilaro has ruled out voting with Labor to bring down the government or block supply. The breakdown in the coalition - at least at a working level - is the most serious crisis to hit Berejiklian's government at time when she is grappling to keep the coronavirus pandemic under control. Barilaro said he would not be lectured to by city-centric people over koala protections. "Today the National party is standing up for regional NSW" he said, adding that the new koala Sepp added more green tape. The ABS has also looked at the number of people with disabilities in aged care, and the number of carers. The ***data*** tells its own story: Disability In 2018 there were 4.4 million Australians with disability, 17.7% of the population, down from 18.3% in 2015. The prevalence of disability increased with age - one in nine (11.6%) people aged 0-64 and one in two (49.6%) people aged 65 and over had disability. Disability prevalence was similar for males (17.6%) and females (17.8%). 5.7% of all Australians had a profound or severe disability. Almost one-quarter (23.2%) of all people with disability reported a mental or behavioural disorder as their main condition, up from 21.5% in 2015. Of those with disability (living in households): one-third (33.4%) of those aged 15 and over had completed year 12 or equivalent, up from 31.4% in 2015 one in six (16.1%) aged 15 and over had a bachelor degree or above, up from 14.9% in 2015 37.9% of those aged 15-64 said their main source of personal income was a government pension or allowance, down from 41.9% in 2015 59.7% of people had their need for assistance fully met, down from 62.1% in 2015 one in 10 (9.6%) aged 15 and over had experienced discrimination in the previous 12 months because of their disability, up from 8.6% in 2015 labour force participation for those aged 15-64 has remained stable since 2015 at 53.4%, in contrast to an increase in the participation rate for people without disability (84.1%) 11.4% of those with a profound or severe disability (aged 15-64) were working full-time up from 7.9% in 2015. Older people One in every six Australians (15.9% or 3.9 million people) was aged 65 and over (up from 15.1% in 2015). Most older Australians (persons aged 65 years and over) were living in households (95.3%), with 4.6% living in cared accommodation. Half (49.6%) of all older Australians had disability (similar to 2015). 1.3 million older Australians living at home needed some assistance with everyday activities, and of these, almost two-thirds (65.9%) had their need fully met (down from 69.2% in 2015). Two-thirds (68.1%) of older Australians (who reported income) lived in a low income household (a household earning less than $756 a week). Almost all older Australians had participated in social activities at home (97.4%) or outside their home (94.4%) in the previous three months. Carers There were 2.65m carers, representing 10.8% of all Australians (down from 11.6% in 2015). Females were more likely to be carers (12.3% of all females) than males (9.3% of all males). There were 235,300 young carers (under the age of 25), down from 274,700 in 2015. 3.5% of all Australians were primary carers. Seven in 10 (71.8%) primary carers were women. More than one-third (37.4%) of primary carers had disability, twice the rate of non-carers (15.3%). The most common reason primary carers gave for taking on a caring role was a sense of family responsibility (70.1% of all primary carers). Half (50.2%) of all carers lived in a household in the lowest two equivalised gross income quintiles, twice that of non-carers (25.6%). The ABS has looked at who owns Australian businesses. It has put together this report, based on information from Dfat. You can find the whole report here: In 2018-19, there were 275 Australian parent enterprises with a controlling interest (ie more than 50% of the voting power in the direct investment enterprise) in 5,176 Australian-owned foreign affiliates. Of the 5,176 Australian-owned foreign affiliates: 4,622 were small-to-medium businesses (with 0-199 employees); 554 were large businesses (with 200 or more employees). In terms of the location of Australian-owned foreign affiliates (by country): US had 932 operating affiliates or 18% of the total number; UK had 608 operating affiliates or 12% of the total number; New Zealand had 561 operating affiliates or 11% of the total number. Number of employees The total number of employees of Australian owned foreign affiliates were 412,000 in 2018-19. With regard to the number of employees of the Australian-owned foreign affiliate, by industry: Manufacturing had 77,000 employees or 19% of the total number of employees; Financial and insurance services had 74,000 employees or 18% of the total number; Mining had 59,000 employees or 14% of the total number; Professional, scientific and technical services had 49,000 employees or 12% of the total number. In terms of the number of employees of the Australian-owned foreign affiliate, by location (country): New Zealand had 66,000 employees or 16% of the total number of employees; US had 62,000 employees or 15% of the total number; UK had 44,000 employees or 11% of the total number. Andrew Giles has responded to the extraordinary story the SMH and Age ran this morning, containing allegations the Australia Post CEO Christine Holgate intervened to have Pauline Hanson stubby holders sent to residents of a public housing tower under police lockdown, at the same time she was attempting to win Hanson's support for a Senate vote. Giles: The Australia Post CEO has serious questions to answer, following bizarre and disturbing revelations that she intervened to help Pauline Hanson send divisive material to public housing residents in lockdown in Melbourne. Senator Hanson's wrong and hateful remarks about public housing tenants saw her get sacked from morning TV. At the same time, Australia Post was prepared to help Hanson add injury to insult to vulnerable people, while they were battling coronavirus. The truth is, Scott Morrison and the Australia Post CEO, Christine Holgate, relied on a dodgy Senate voting deal with Pauline Hanson to cut postal services, which Labor opposed from the outset. It's extraordinary that instead of prioritising prompt and reliable delivery of mail and parcels, Ms Holgate was more concerned with assisting Pauline Hanson push her inflammatory and divisive agenda. We need to get to the bottom of why the Australia Post CEO was working so hard to please Pauline Hanson." There was no "consensus" on who had responsibility for health in Victoria's hotel quarantine, and it "fundamentally undermined governance and decisions", an inquiry has heard. The inquiry has just been shown an email sent by the CEO of Safercare Victoria, Euan Wallace, to a deputy secretary of the health department, Melissa Skillbeck. Wallace earlier told the inquiry that Safercare had written a series of reviews of the program. In the email, from 1 May, Wallace wrote that the program was confused over who had "overall responsibility" over detainees. "The reviews are throwing up a number of issues," he wrote. "Who is responsible for the quarantined detainees? There is not a consensus on this and a lack of consensus/clarity fundamentally undermines governance and decisions." The House Economics Committee hearing on superannuation seems to be going well: A man who took his own life in hotel quarantine in Victoria did not receive a welfare check until five days into his detention due to a lack of staff, an inquiry has heard. Victoria's inquiry into hotel quarantine is continuing today, and has revealed that the man only received one welfare check in nine days before he killed himself. A review, conducted by Safercare Victoria, found the welfare check team was "unable to undertake welfare check calls to the planned schedule as they did not have enough staff to match the required workload". On the day of his death in mid-April, staff made at least five missed calls to the man. However, there was a delay of 24 hours from his last answered call until staff entered his room and found he had died. The inquiry heard from Prof Euan Wallace, the CEO of Safercare Victoria, who said that nurses called detainees every day to check for their systems, and the welfare checks were a supplementary call. "The initial plan was they would get a welfare check on day three and day nine," he said. "By day five he had five phone calls from the nurse." The inquiry also heard there were more than 3,000 people in hotel quarantine by mid-April, and the system was set-up "extraordinarily quickly" which contributed to the workload for staff. Support services are available at: Kids Helpline - 1800 55 1800 (all day, every day) Suicide Callback Service - 1300 659 467 (all day, every day) eHeadspace - 1800 650 890 (9am-1am daily) Lifeline - 13 11 14 (all day, every day. Online support 7pm-4am daily) Beyond Blue - 1300 22 4636 (all day, every day. Online support 3pm-midnight every day) In the UK and Ireland, Samaritans can be contacted on 116 123 or email [*jo@samaritans.org*](mailto:jo@samaritans.org) or [*jo@samaritans.ie*](mailto:jo@samaritans.ie) In the US, the National Suicide Prevention Lifeline is 1-800-273-8255. In Australia, the crisis support service Lifeline is 13 11 14. Other international helplines can be found at [*www.befrienders.org*](http://www.befrienders.org). Meanwhile, Victorian Nationals senator Bridget McKenzie continues to put out her own statements on the border closures: The human toll is mounting. State and territory leaders need to work in the interest of the nation, not their own political agendas, and use the federal chief medical officer's advice to promptly set an agreed hotspot definition. It is in times of crisis that the wheat is sorted from the chaff, and state and territory leaders must make difficult decisions based on the best information available to them and ensure they do no harm to the people, communities and industries that are affected by their decisions." And then back over the border to NSW - it has recorded seven new cases of Covid today. Two are in hotel quarantine and five are linked to known clusters. Back to Victoria. Why is all of regional Victoria being treated as one zone, given the low number of cases? Daniel Andrews: If we were gonna be leaving regional Victoria in its current settings for eight or nine or 10 weeks, then we would have divided regional Victoria up into half a dozen regions, for instance. Or even more. But I just say to every regional Victorian, if you do that, if you start drawing boundaries, you have to defend those. You have to have police at checkpoints. Otherwise communities that are open, where quite close by the community is not open because it has more cases, that community that's got no cases, they are jealously guarding that, there's a point of pride for those communities. I have regular correspondence from at least one of those communities multiple times per day. I don't always pick up the phone, because I'm sometimes doing other things. But I have a unique understanding of how frustrating it is for those who don't have much, or any, virus, and the fact that rules apply to them. If we were asking those communities to wait a long period of time, then we would have divvied up the state into lots of different zones. As it stands now - and I can't guarantee that this is the case - but if the trend continues, and the numbers are very promising, we'll be able to take a step, or steps, as early as toward the end of next week. And that then avoids having to divide the state up into regions, have police enforce all of those boundaries, and potentially have... Because that's the other thing too. If you've got certain venues open here, a community not too far away that's closed, people will go where the hotels are open, where the restaurants are open, where a group of settings that are closer to normal apply. Common sense just tells you that. Again, if we were asking people to wait months, then we would have done a different set of rules. But we're not asking that at all, and it could be as early as next week that those triggers are met. If circumstances were to change - and this is the point of saying that Geelong was on - was not on notice, it was on close watch. We were carefully watching the numbers there, as we have been for a long time. Those numbers are stable. Those numbers are, at this stage, not holding regional Victoria back from moving as one set of the rules, moving as one - uh, moving in one or two steps, that's every single part of regional Victoria It's allegedly over koalas, by the way. Gladys Berejiklian wants new environmental protection laws for koalas. The Nats don't want to see farms rezoned. So the Nats have decided to effectively push the Berejiklian government into a minority government. Meanwhile - the NSW Nationals have followed through on their threats to leave the coalition (effectively) They won't be attending joint party room meetings, or parliamentary leadership meetings, and will abstain from voting on government bills, unless it involves regional NSW Never underestimate the Nationals ability to make something all about them. Remember when the federal team decided to have a leadership spill on the day the parliament was holding a day of reflection over the summer bushfires? Q: Modelling shows Melbourne stands to lose $110bn over the next five years. The lord mayor says you need to start getting the balance right between lives and livelihoods. Do you have [a plan]? Daniel Andrews: I've had many conversations with the lord mayor and we work very closely together, and we'll be making some announcements quite soon about a shared effort for the city of Melbourne. There's no question that there's very significant costs associated with this global pandemic, whether it be in our capital city or in the smallest of country towns in our state, and the same goes for every other state, and indeed every other country across the world. The real challenge here is let's get the numbers down. Let's open up and stay open, and then let's begin what's gonna have to be the biggest repair job that our state, and indeed our nation, has ever seen. And the government that I lead stands ready to play a massive part in that rebuilding exercise. But you can't get to the economic recovery until you've dealt with the health challenge. Otherwise you're just bouncing in and out of lockdowns, and nobody can plan with any certainty, no one can rebuild and repair. We have to try and avoid that, and that's what we're doing." Q: Community legal centres that I've spoken to, they've not had a single public health infringement overturned. Now bearing in mind that they represent the most vulnerable in the community, they represent Aboriginal and Torres Strait Islanders, they represent people who speak English as a second language, they've not had a single fine overturned. They take on cases where they think the fine has been issued inappropriately, or without good reason. Is that a concern? Is there a real concern that the most vulnerable are being disproportionately affected by this policing? Daniel Andrews: No. Ultimately, those matters, whether they're overturned or not... That's not a political judgment, that's not a policy judgment. Each of those matters are dealt with on their merits, and despite the types of clients that would typically be assisted by a community legal service, that has no bearing on the matter. The facts of the matter will be looked at, the circumstances of the matter, and a proper, impartial judgment will be made about whether the issuance of that fine was fair. That's a process that's well at arm's length from the government, is independent in nature, and is based in facts, and nothing else. Ultimately, if you want to put it to me that those vulnerabilities, which are well understood, are somehow more important than the overall vulnerability of many, many hundreds of thousands of Victorians, who, if they get this virus will either be gravely ill or die, I don't think they are in any way equal. I think there is a much greater vulnerability here. And the best way to avoid a fine is to follow the rules. If, however, though, for whatever reason, you were completely unaware of those rules or you had a legitimate case to make, then there's an impartial process to work that through." Q: Is that cases per day that you're looking for to lift the curfew? Is there a threshold that you want? Daniel Andrews: The plan talks about the 28th. It may go beyond that. We will look at the ***data***, we'll look at where we're at, we'll look at how close we are to achieving the very low case numbers that are essential to opening the place up. It's no more complex than that." Has the Victorian government looked at whether there is an increase of concentration of people at supermarkets, because everyone is hemmed in to the same hours? Daniel Andrews: Pre the curfew, the number of big supermarkets were not trading anywhere near their normal hours. I stand to be corrected, and I don't have the exact closing times. But they weren't operating. Many are 24-hour stores, many go to midnight, and many of them weren't doing that. There was already a concentration. The other point is I think it's highly unlikely that it's increased in any meaningful way the concentration of people in a given space at a given time, because, of course, there are rules about shopping for what you need, when you need it, shopping one person from each household, once a day. All of those things, I think they have a cumulative effect and probably a much bigger effect than what a number of people who might have to shop in hours that are different to their normal pattern. The curfew will be on for no longer than it needs to be on. That is to say, once there is no longer a clear imperative to drive down movement, and therefore contact with other people, and therefore the potential ***transmission*** of this virus, there won't be a need for a curfew. We're not at that point yet." If Daniel Andrews says curfew is a "loaded term", why doesn't he remove it? Andrews: Well, again, I've tried to be frank and acknowledge the fact that it perhaps has a meaning that goes beyond the practical effect that it has. But we're not removing it because it works. And if we remove it and make the job of police even harder - because it's not easy to make sure that people are doing the right thing - then that will just mean we potentially have more cases, and opening up safely and steadily is further away than it should be. This is the right decision. It is limiting movement, it is making the very challenging work of Victoria police just that little bit easier. And on that basis, limit movement, limit the virus. It's no more or less complex than that. And when we get down to numbers that are low enough for us to begin taking those really significant steps towards opening up, a curfew will not be needed." How many other captain's calls has Daniel Andrews made? Andrews: I wouldn't describe it in those terms. If you want to describe it that way, then that's entirely a matter for you. Q: It has been described as that. You said it was ultimately your decision yesterday. How many other calls have you made without the advice of the chief health officer? Andrews: No, see, this is not the thing. This is not the issue. The government reserves the right to make decisions to operationalise advice from the chief health officer. The notion that the government can't do anything whatsoever unless the chief health officer provides it in detailed advice, that doesn't make any sense. And that's not the principle that operates here, or New South Wales, or any other Australian state, or at a national level. If you want to put it to the prime minister, has he ever acted beyond, in any sense, the advice that Brendan Murphy or Paul Kelly have given him, I think the answer will be he has. You always have to reserve the right to operationalise and deliver the advice of the medical experts and the principles that they want achieved. So, for instance, limit movement. OK, how might we do that? What are the different ways in which we can do that? And a curfew, as challenging and as difficult as it is to make a decision to impose something that has not been imposed before, there is simply no denying that it has played a part in limiting movement, and that limits the number of cases, and that gets us open sooner and it allows us to stay open. Because we drive those numbers down so low. How you want to describe that is entirely a matter for you." But some people do just want to be able to go for a jog when they want to. Daniel Andrews: I apologise for the fact that it is not possible for us to be... this is the whole thing. There will, from time to time - and we saw this prior to the curfew - there will be people who decide to make decisions, trying to assume, trying to assert that they have the right to make whatever decisions they like, even though those decisions aren't just about them, they're about risking the health and wellbeing of everybody. And every exemption, every, every avenue that you give to people to be as close to normal as possible, there will be some people who will try and take advantage of that. And that gets really challenging. It gets really challenging for Victoria police. This is binary, I know that. It's not the decision that was made easily. It's not a decision that anyone enjoys making. But it is effective, because it drives down movement. It will come off at a point. And then people will be able to not just go for a jog at 11, but the total number of reasons to leave your home will also expand. We'll get much closer to, firstly, the four reasons to leave, then almost unlimited movement. And at that point, there will be no need for a curfew, and at that point the curfew will come off." Daniel Andrews asks - what is being limited by the curfew: You can leave your home, one person, one hour per day, to go shopping for the things you need when you need them. That can only happen within curfew hours. So that means going to the supermarket at 8.30pm or 10.30pm or 2 in the morning, that's not an option. So that's a down side. The other reasons you can leave your home, you can leave your home to exercise for one hour, soon to be two hours, and for some rec activity, to sit in a park, for instance. Obviously that's not allowed outside curfew hours. So you wouldn't be able to go for a jog at 8.30pm, 9.30, 10.30, midnight. OK, that's also a down side. The down side of not being able to do those two things in the dead of night is far outweighed, in my judgment, far outweighed by the fact that we are seeing case numbers fall, and those arrangements will be able to change. We'll be able to remove that curfew. The only things, apart from those two, apart from those two examples, the only thing the curfew makes almost impossible is illegal activity - leaving your home for reasons you are not lawfully allowed to do so. That's the key point that I'm making." But shouldn't people be allowed to see the ***data***, given Daniel Andrews has said all the decisions are being driven by science and ***data***? Andrews: I'm more than happy to try and get you some comparisons of some of the enforcement activity, pre-curfew and post-curfew. I think that will show there are significantly less fines being issued for people gathering against the law in other people's homes. But let me get you that ***data***. I'm more than happy to do that. I think it's important, though, not to fall into this trap where the only decisions the government can ever make about any matter are those that have been considered and advised by the chief health officer. The chief health officer wants and provides, in many ways, very detailed advice, and that's when those matters relate directly to public health. Matters of enforcement, matters of... In many different areas, the government is free to go beyond, the government is free to make some administrative decisions that make the enforcement of the principles that the chief health officer has put forward much more achievable. For instance, again, if you limit movement, if you limit movement, then you limit the spread of this virus." Q: Police say it wasn't their idea, and the CHO said it wasn't his idea. Whose idea was it? Daniel Andrews: As I said before, if people find fault with the rule, they can take it up with me... Q: I'm just asking whose decision was. Andrews: Decisions are made by groups of people. And I can't necessarily pinpoint for you the exact individual and the exact moment that it was suggested that we put a curfew on. What I'm saying to you is, anyone who's displeased with that or doesn't think that's a proportionate measure, well, that's a decision that I've made. All these decisions are ultimately decisions that the government has made. And as the leader of the government, I'll be ***accountable*** for that. But there's no denying - simply no denying - that those measures have made the job of police never easy, but it has made it clearer-cut, it has made it somewhat simpler, and driving down movement... There's no denying less movement means less virus. That's what all of these rules are about. And the curfew will come off when it is appropriate. And we've already foreshadowed that." We are on to the questions. Daniel Andrews is asked about the need for the curfew, given that the CHO and the police commissioner have both said it wasn't their idea: Well, the police commissioner and police command have, throughout all of our decisions, been really clear with us that they need rules that are as easily enforced as possible. The curfew, together with 5km rules, there's a very long list of different decision that is we've made since the beginning of the pandemic; it's always been clear to us that we need to make the job of police, the amazing work that they do, as simple as possible. And I'll go back to the point I made off the top: there are very few lawful reasons that you can leave your home at any hour of the day. The curfew doesn't change that. It simply means that it is much easier, much easier, for Victoria police to make that assessment about whether someone should, or should not be, out of their home. And it does send a very clear message to people that there is a very real risk that if you are out of your home for an unlawful reason between 8pm and 5am, or soon to be 9pm and 5am, there's every chance that police will catch you and police will fine you. And what that's done is it's limited the amount of unlawful movement. That's the key point here. Unlawful movement. Movement that is against the rules. And movement that does nothing but potentially spread this virus. So police are doing an amazing job, an amazing job. And with the rules that we have in place, and any decisions we make in the weeks and months ahead, we'll always be [looking] to make sure that they are as simple and as enforceable as they possibly can be." There are 30 workplace investigations at the moment but no prosecutions as yet (the investigations need to be completed first). But of course, there is a mental health toll to all of this. Jill Hennessy: In terms of Workcover claims, we've had about 297. It's interesting to note that a bit under half of those are not people that have tested positive for corona, but it has related to things like mental health and wellbeing, other issues associated with working in this environment as well. And every single claim has been accepted and, again, WorkSafe is working hard with employers to make sure that some of the new frontiers of what the workplace looks like in a corona environment - and for many people that's working at home - supporting employers and managers looking at trying to work out how we do that in a way that's safe, both from a physical perspective from also from the perspective of mental health and wellbeing. Again, I want to thank everyone, particularly the WorkSafe inspectors out there doing this work, and I want to encourage employers and employees to ring WorkSafe or the police assistance line if you have concerns or queries about a safe system of work." The Victorian workplace safety minister, Jill Hennessy, gives a run down of 'covid safe' workplaces: There was a blitz to make sure workplaces were complying (workplaces are still one of the biggest sites of the virus spread) In terms of where we've issued notices of improvement to employers, I'll just step you through the kind of issues that WorkSafe have been working very hard to ensure reduced and addressed quickly in workplaces. There's been some examples of employers not allowing workers to work from home where that's possible. There's been some cases of missing and inadequate personal protective equipment. There's been examples - and there is surveillance occurring - of failing to maintain appropriate social distancing in some of those workplaces. In some circumstances, inadequate hygiene controls, a lack of health screening and not having procedures to deal with a worker testing positive. Those have been at a very high level the sorts of issues that WorkSafe have been responding to in terms of the work that they've been doing in the course of the blitz. And in terms of what some of the more granular examples of those things. An example is a transport and logistics company where reusable gloves are being used and they're not being laundered properly; examples where in the construction industry there are administrative staff that could equally and effectively do their work from home. Those are the sorts of examples. There's, I think, a very great desire by employers and employees to ensure that their workplaces are as safe as possible and I want to thank and acknowledge all of the leaders from representatives of workers to industry leaders for the incredible commitment that they're bringing to try and make sure that where we do have people back in workplaces that they're as safe as possible." On the modelling, Prof Cheng says: It's got a lot of commentary and just to say that modelling is only one piece of information that we're using to decide on these thresholds that we're doing. And there is going to be a lot of judgment as we get to low levels. Clearly in regional Victoria at the moment things are looking fairly good. We're not seeing many unknown source cases. The cases that we have, we know where they are. Colac is probably a good example of this. There has been an outbreak, so one case that arrived in Colac resulted in 30 secondary cases. But we know where they are. We think we've got that under control and they didn't have any cases yesterday. But obviously a situation that we're keeping a very close eye on and these are the sort of factors that we're going to look into as we make that judgment about whether we can transition to that third step to relax some of those restrictions. But in terms of, you know, the five cases a day is not an absolute hard and fast rule and the date is not a hard and fast date. We need to look at this every day. We're going to look at, you know, the improvements that have been made to case management and contact management. I thought I'd give you some comparisons about where other places were at a similar stage. So in New Zealand on 27 April, as they started to open up, they had five cases a day. New South Wales on 15 May had 3.8 cases a day. And in metropolitan Melbourne on 1 June we had six cases a day, but we had more unknown-source cases at that time. So really this points to we need a substantially lower number of cases than we have at the moment - but we are getting there. You know, it wasn't that long ago that we were talking about 500 and 700 cases a day and now we're at 51 cases for yesterday. Deputy chief health officer Prof Allen Cheng echoes that regional Victoria could see itself free of stage restrictions very soon: The average number of cases has come down in metro Melbourne to 70 per day over the last 14 days, with 154 that are unknown source in total over the last 14 days, and in regional, 4.5, as mentioned, and eight of those are unknown source. We're still looking, obviously, into the last of those cases to work out when the 14 days will be up, but obviously - and I'm sure all my friends in regional Victoria will be holding their breath and making sure that nothing else comes up in the next week or so but we hope that that will be some time later next week. He finishes on that point with: I want to thank every single Victorian who is playing their part, and that is the vast majority, who are following the rules, doing the right thing, and that's why case numbers continue to fall and that's why, for instance, in regional Victoria we are close to being able to take substantial steps towards that Covid normal. That's not by accident. It's the product of having rules in place, making them easy to defend, easy to enforce and the collective efforts of literally millions and millions of people all doing their part. There are some who don't but let's not see the actions or the conduct of a very small number of people in any way detract from the amazing sacrifice that so many Victorians are making. That sacrifice must count for something. Opening up too much too soon will mean it counts for exactly nothing. That's not fair, that's not right and that's not the strategy that I will put in place." Daniel Andrews: People are, of course, free to have different views. The term 'curfew' is rather loaded but, at the end of the day, it is effective, just as all of these rules - as regrettable as they are - they are effective in reducing movement. And if you don't reduce movement, and the number of people that you come in contact with, then of course you don't reduce the risk of this virus spreading. And of course, whilst ever you have a high risk of the virus spreading, then the rules stay on for longer. And you can't open up. That's the basic logic of this. Common sense tells you we won't need a curfew forever. We will need it for so long as it serves a useful purpose in helping police to enforce rules that are making it more likely that we can open and stay open. Those rules will come off as we have indicated through that safe and steady road map. I know some people, many people, myself included, would like all of those rules to go away as soon as possible, tomorrow, the next day, but that would not be steady or safe or the responsible thing to do." Daniel Andrews then addresses the curfew issue, ahead of questions. Chief health officer, Prof Brett Sutton, said the curfew in Melbourne was not his idea. Andrews said it helped police do their job, enforcing the health advice which was to limit movement. Police commissioner Shane Patton said the curfew was not something he had asked for. So here we are. Andrews reiterates that the curfew makes it easier to limit movement and allow police to enforce it - and given the restrictions, the curfew wouldn't really change anything except when you would be allowed outside for an hour's exercise: Andrews: I want to make a couple of comments in relation to some of the rules that we have in place. As I said yesterday the key to driving down case numbers is driving down movement. If you don't limit movement across the community, you won't limit case numbers. We won't have 51. We won't have 41. We won't have a falling number each and every day. We won't get to the point where we can open up. So whether it be the curfew or the 5km rule or rules around how often you can leave the home to go shopping and how many people can leave the home to go shopping - all of these rules are about limiting movement. Some of them limit movement in and of themselves and some of them make the job of enforcing the rules in a broader context easier and simpler. If a curfew was removed tonight, the only change would be potentially that can you could jog at 11 last night. You could maybe go shopping at 11 tonight if the supermarket were open. That's not been the case. Supermarkets, whether there was a curfew or not, have limited their trading hours. That's a decision for them. But ultimately having the curfew simply makes the difficult and critically important job of Victoria police - and I will thank Victoria police, every member and their families, who are all contributing to the enforcement of these rules and it's our job to make sure that that task - it never ends - but we've got to make it as simple as we can. There are no lawful reasons to leave your home other than to go to work if you're a permitted worker - to which the curfew does not apply - and to get care if you need urgent care and then the curfew does not apply to you. The only limitations other than conducting gatherings in homes - which are unlawful - would be doing your exercise within the inside curfew hours, so exercising between 5am and 8pm, soon to be 9pm, or going shopping and having to go shopping during the day or the early evening as opposed to going shopping for the things you need when you need them very late at night. Now that is a sacrifice but I would simply say I think that is worth it when it comes to limiting movement and limiting case numbers." The rolling average is also down. Daniel Andrews: There are 1,483 active cases in Victoria, so the number of active cases continues to fall. That is very pleasing news. In terms of the regional-metro split, there are 72 active cases in areas under stage 3, in regional Victoria. That's again pleasing to see those numbers from a very high base; they've stabilised, they've steadily fallen, and now we're pleased to be able to report that there were no new cases in regional Victoria overnight. Colac has 29 active cases, greater Geelong has 11 active cases, greater Bendigo just two active cases and Ballarat no active cases, so communities that were of some concern to us a few weeks ago, those communities have done a mighty job in following the rules, getting tested - indeed all regional Victorians have, from the smallest of country towns to some of these bigger regional cities, these numbers are low and that is in large part due to the amazing efforts that regional Victorians have made. The rolling averages from 27 August to 9 September: metro Melbourne is 70.1, regional Victoria 4.5. What that shows us is that regional Victoria are quite close to being able to take perhaps not just one step, but two. We have to be heavily caveated in terms of that. We need to make sure that we continue that trend going forward, but we're confident that those numbers are low and getting lower and that means there will be an opportunity for us quite soon to take a step or steps towards that Covid normal for regional Victoria. The Victorian premier has stepped up for his 70th press conference in a row. He starts, as always, with the daily ***data***: I'm sad to say there have now been 701 Victorians who have passed away as a result of this global pandemic. That's an increase of seven since yesterday's report. Four males in their 70s, two males in their 80s, one male in his 80s. Four those deaths are linked to outbreaks in aged care. Of course we send our best wishes and our sincere condolences, our sympathies, to each of those seven families. There are 169 Victorians in hospital; 17 of those are receiving intensive care and 11 of those 17 are on a ventilator. There have been a total new of 2,443,583 tests that have been received, 14,805 additional results received since yesterday. On that point those numbers obviously are higher than we had earlier in the week, but still we'd always like to see them up as high as possible, so everybody who's got symptoms, even the mildest symptoms, please come forward and get tested. Not being able to get where you need to be in the face of personal tragedies is awful. But it is worth pointing out that the Australian borders are shut as well which is stopping people from being able to return home, to the country. There are still 23,000 stranded Australians; 4,000 are being accepted back each week. There are estimates that more than 100,000 Australians will need or want to get home as the pandemic continues. Border closures are heartbreaking for so many reasons. Including the international closure. Individual tragedies are shaping the Queensland border closures. The decisions are being made by the chief health officer, Dr Jeannette Young, but the discussion is centered around the Queensland government. Both Ray Hadley and Scott Morrison became emotional talking about the loss of their fathers in that interview. Scott Morrison is speaking to Sydney radio 2GB (which also broadcasts into Brisbane) about this story. Sarah missed seeing her father before he died because of the quarantine restrictions Queensland has put in place, and now is asking for an exemption to attend his funeral. And look, this isn't about the premier of Queensland and me or anyone else... Surely, in the midst of all of this in Covid, in everything that everyone's going through. Surely just this once. This can be done. It can be done. There's been no Covid cases in the ACT for more than 60 days. I just hope they change their mind and I hope they let Sarah go to the funeral. I've done all I can; there's obviously been discussions between our chief medical officer and raising that with him and health ministers, and I have these conversations with premiers on a range of issues all the time. And I don't seek to make them public I didn't seek to make this one public. I rang the premier this morning, and I hope she will reconsider before two o'clock today. Morrison gets emotional as he talks about the death of his father and says his plea is for an exemption to be made in this one case: I just think that inside of everybody in the midst of what is an, awful year that we can provide at least on one occasion, hope to a family who just desperately needs the whole country to put their arms around them today because their families like so many others who've gone through the same heartache, there'll be people listening to this call today, who have already had to go through this. And that's just awful. And as long as these types of things go on then these things are still going to keep happening but just today please. That's my plea. The Queensland premier, Annastacia Palaszczuk, addressed the issue in parliament today, and said she had received a call from the PM today but would not be "bullied". She said it was the chief health officer's decision. Ray Hadley, who spoke to Morrison for the interview, said the prime minister was "incapable of bullying anyone". Covid really has turned most states into that town that banned dancing in Footloose. (I have never seen Footloose, but I get the general gist.) AAP has compiled what you can and can't do at weddings, depending on where you live. In most jurisdictions - no dancing. It's part of a wider focus on what the pandemic has done to the wedding industry which is one of the sectors which has not received a lot of attention during the pandemic but is suffering under the restrictions. \* In Queensland 100 people can attend at a venue with a Covid-safe plan, 30 without a Covid-safe plan (backyard wedding), and the cap for people who live in restricted council areas is 10. \* In NSW 150 people can attend a wedding but the total number of people can't exceed one person per four square metres. \* In the ACT up to 100 people can attend subject to the four square metre rule. \* In Victoria weddings in metropolitan Melbourne are banned and limited to five people in regional areas. \* In South Australia 150 people can attend a wedding. \* In Western Australia weddings are permitted so long as a one-person per two square metres rule is observed. \* There is no limit on the number of guests in the Northern Territory. \* Up to 500 people can gather for an outdoor wedding in Tasmania and 250 people can gather indoors, subject to the one person per two-square metre rule. \* There are restrictions on dancing in NSW, Queensland, Tasmania and South Australia. Roy Morgan has released its latest poll on the Victorian lockdown. As always, the usual caveats to polls apply. It's 11am for Daniel Andrews. Today the questions will most likely be focused on Melbourne's curfew given that chief health officer Prof Brett Sutton says he didn't ask for it, and police commissioner Shane Patton said he didn't ask for it either. Queensland has now carried out 1m Covid tests. Steven Miles, the health minister and deputy premier, told the parliament: "It took almost six months to reach 500,000 tests, but [it] only took six weeks for us to double that and reach the magic million mark." We are still waiting to hear when Daniel Andrews will hold his press conference. We should learn that soon. Queensland has recorded no new cases of Covid in the past 24 hours. Did anyone have "Nationals threaten to quit NSW coalition over koalas" on their 2020 bingo card? Via AAP: NSW Liberal Catherine Cusack has blasted National party leader John Barilaro over threats that some of his MPs were willing to quit the government and sit on the cross bench over koala guidelines. Cusack said he was disloyal to the government and is called for his resignation. Barilaro said on Wednesday that four Nationals MPs intended to move to the cross bench - a move that would force the Berejiklian government into minority government - over recent changes to protect koala habitat. Cusack told Sydney radio 2GB on Thursday the move would "tear the government down". "This is an excellent government... but we can't continue on this track that he's put us on," she said. "I don't believe that he is reflecting the views of country people on this issue." The Nationals were due to hold a virtual meeting on Thursday morning to decide what to do after recent changes were made to the state's koala protection policy. National MPs are concerned it will limit land use on farms and the ability to rezone areas for development as more trees are classed as koala habitat. Even ***agriculture*** minister Adam Marshall and education minister Sarah Mitchell have spoken out over the issue. Meanwhile, Cusack admitted she had sent angry texts to key rebels Wes Fang and Sam Farraway on Wednesday night telling the pair to "enjoy your short careers" and "the show will go on and be better without you". "I just feel that if these National party MPs don't wish to sit with the government they should return their seats to the Liberal party," she told 2GB. "It's so disappointing that these people could even think about using their position to move to the cross bench." The finance department interviews should be very interesting. Clear as mud. It is no secret that women's employment has been hit harder by the pandemic - women tend to work in lower-paid, insecure and casual jobs, which were among the first to be hit. The ABS ***statistics*** show women's employment dropped by 7.4% compared with men's which dropped by 5.6% between February and March. Associate Prof Elizabeth Hill, from the University of Sydney's department of political economy, has done some analysis and come up with ways to improve both the economy and work security for women: While economic stimulus has traditionally focused on large-scale physical infrastructure projects (which largely employ men), new research shows that there are more employment-intensive and gender equitable forms of stimulus. For example, a study of seven OECD countries shows that public investment equal to 1% of GDP in labour-intensive care industries generates more total employment than investment in construction. If applied to the Australian market, it is estimated that this employment ratio would be nearly five to one. This is not to suggest that stimulus should not be made in construction; only that government should take a more balanced approach to fiscal policy, Hill said. She argued that greater investment in ECEC is a "triple-win" strategy that will: generate billions of dollars in national wealth and boost GDP while supporting women's employment; increase demand for the sector's services, creating more jobs; allow for universal access, promoting all children's education, wellbeing and life chances. "They must be supported by two further measures: women's inclusion in recovery planning leadership, and gendered employment analyses of all recovery policy options, including the impact of policy on unpaid work. "Unpaid work must be included given its massive contribution to economic growth and productivity. Failure to do so will distort policy making." This went out yesterday, but for those who missed it: NSW Health is alerting the public after two confirmed cases of Covid visited the Eastern Suburbs Legion Club at Waverley on a number of occasions while infectious. Anyone who attended the club between 5pm and 6.30pm on Friday 28 August is being directed to immediately get tested for Covid and isolate until they receive a negative result. The cases also attended the club while infectious on the following evenings: Tuesday 1 September Friday 4 September Saturday 5 September Sunday 6 September. Anyone who attended the club during these times must monitor for symptoms and get tested immediately if they develop. After testing, they must remain in isolation until a negative test result is received. NSW Health is working with the club to contact and assess the exposure risk to members and guests. Tony Higgins and Derek Robinson, two friends who went missing of the South Australian coast while sailing a boat from Coffin Bay to Goolwa late last week, have been rescued. You can see both men on the boat. Excellent news. Helen Sullivan has all your international Covid news, including the latest on Donald Trump admitting he deliberately played down the seriousness of the coronavirus. You'll find that here. We all need a bit of good news today, I think. This looks like it: Two men feared dead after going missing in waters off the South Australian coast a week ago are alive. Tony Higgins, 57, and Derek Robinson, 48, left Coffin Bay on the Eyre Peninsula in a 10-metre wooden-hulled fishing boat called the Margrel, bound for Goolwa, a week ago. They reported engine trouble to a friend on Friday night saying they were going to divert to Kangaroo Island. When no more was heard from the men, the friend raised the alarm on Sunday, prompting a large-scale four-day aerial search covering more than 103,000 square kilometres south of Port Lincoln. SA police called off the search around 8pm on Wednesday but two hours later the men made contact with police, who worked overnight to work out where the boat was. It was stranded in Salt Creek. A water operations unit headed out on Thursday morning to the south-east coast to help the men, who will likely be towed to Goolwa. Alexandrina mayor Keith Parkes, who's council area takes in Goolwa, told the ABC: "They're so lucky." (via AAP) Once again we need to know how many tests that result came from. The seven-day average is coming down. Regional Victoria is close to meeting the targets the government has set but we will learn a little more today. No more ***data*** will be available until Dan Andrews's press conference a little later this morning Catherine King wants to remind you that Australia's troubled airlines means troubles for regional communities: Reports that Virgin Australia will cease flying 10 routes to regional centres across Australia are a devastating blow to communities already struggling though the first recession in 30 years. These cuts, along with previously announced job losses, are the direct result of the Morrison Government's decision to allow Virgin Australia to fall into administration and his government's complete failure to come up with a plan for aviation. The regional centres to lose services are Uluru, Tamworth, Port Macquarie, Albury, Hervey Bay, Cloncurry and Mildura. Fewer routes will mean higher fares and fewer services to these regional communities. This will lead to fewer tourists and fewer visitors, costing more jobs in communities doing it tough. While devastating, these route cuts are not unforseen. Appearing on Four Corners in June, Virgin Australia chief executive Paul Scurrah revealed that there is "zero doubt" the reborn airline will fly to fewer places. Labor has been warning of cuts to regional services since before the airline entered administration. It is essential that Australia maintains two strong, competitive airlines as we emerge from this recession. The Government has paid lip service to this fact, but have failed to take any decisive action. The Prime Minister is responsible for these route losses and any further job losses that come as a result. The ABC reports that Australia's largest meat processor, JBS, will sack 600 workers at its Ipswich plant. It has blamed the drought, livestock shortages, Covid and inequity in the jobkeeper scheme for the position it finds itself in. Humans are going to human. From AAP: Two in five Australians have been drinking more alcohol during the coronavirus pandemic, a new study shows. The Global Drug Survey Covid-19 special edition results released on Wednesday showed cannabis use has also increased. Two in five Australian survey respondents reported drinking more alcohol since February, while about half of the cannabis-users surveyed said they increased their consumption over the same period. About half of both samples said they were partaking in their vices alone more often than before the pandemic. "Drinkers who reported having a diagnosed mental health condition were more likely to report increasing their drinking compared to February, before COVID-19 restrictions," co-lead researcher Dr Monica Barratt from RMIT University said. However, the survey also showed two in five Australians were also drinking less, and MDMA and cocaine use had decreased. The decrease in illegal party drug consumption was largely attributed to the lack of access to settings like nightclubs, festivals and parties. "Drug market shifts were reported too, including half of the Australian respondents saying availability of illegal drugs had decreased, one third reporting increases in drug prices, and one in five reporting decreased drug purity," Ms Barratt said. Over 55,000 people were surveyed across the globe, with the Australian trends fitting with larger international trends. Forty-three per cent of all respondents reported higher alcohol consumption during the pandemic, with 39 per cent of cannabis-users also partaking more often. The biggest increases in cannabis usage were recorded in Australia at 49 per cent, and the US at 46 per cent. The Sydney Morning Herald and the Age have one of the stories of the day today: Australia Post chief executive Christine Holgate threatened to call police unless the City of Melbourne delivered more than 100 of Pauline Hanson's One Nation-branded stubby holders to every apartment in a locked-down suburban public housing tower in July. Holgate's written ultimatum, through her senior legal counsel, came days after Hanson had labelled residents of the Melbourne towers "drug addicts" and "alcoholics", and at the same time Australia Post was attempting to win over One Nation's vote to ensure a temporary relaxation in daily postal services was not overturned by the Senate. Murph has a story on some of the first moves Victoria Labor is making in response to branch stacking: Steve Bracks and Jenny Macklin - the Labor veterans installed as administrators in the Victorian branch after an extraordinary federal intervention - have recommended the ALP ban cash payments for memberships and renewals as part of efforts to stamp out industrial-scale branch-stacking. Labor's national executive in June appointed Bracks and Macklin as administrators of the Victorian branch, and suspended all state committees, as the party grappled with the damaging fallout of the Adem Somyurek branch-stacking scandal. As the first steps in their review of the branch, the two have recommended banning cash payments and the insertion of a mechanism within party rules to ensure that branch membership is comprised of "consenting and self-funding members, and that members act consistently with the values of the party". In a discussion paper circulated to members, Bracks and Macklin characterise those rule changes as a critical first step, and flag they will be "the first of many". Julia Gillard was on ABC News Breakfast speaking about R U OK day on behalf of Beyond Blue. She was also asked about the interest in her 2012 misogyny speech in the UK after the appointment of Tony Abbott to the UK trade commission. Yes, the speech has been getting a fair old outing in the United Kingdom and, you know, I stand by that speech, I'm obviously proud of that speech and I'm very proud of the fact that many women, including young women, have used it in their lives as their own kind of personal battle anthem, but I'm not in the business of commenting on what Tony Abbott might do next in his life. Today is R U OK day, which is a tough day for many, many people. Having conversations about mental health is very important. But there are also a lot of people out there who don't appreciate being asked on a particular day if they are doing all right when they have been struggling for quite some time. Learning how to approach these conversations is a good thing to do. But there also needs to be a follow-up. And if someone says they aren't OK, saying you hope they feel better soon is not it. Learn and listen. This has been a tough year for a lot of reasons but for some people it's one in a long line of tough years. Be gentle on yourself and others. Support services are available at: Kids Helpline - 1800 55 1800 (all day, every day) Suicide Callback Service - 1300 659 467 (all day, every day) eHeadspace - 1800 650 890 (9am-1am daily) Lifeline - 13 11 14 (all day, every day. Online support 7pm-4am daily) Beyond Blue - 1300 22 4636 (all day, every day. Online support 3pm-midnight every day) In the UK and Ireland, Samaritans can be contacted on 116 123 or email [*jo@samaritans.org*](mailto:jo@samaritans.org) or [*jo@samaritans.ie*](mailto:jo@samaritans.ie) In the US, the National Suicide Prevention Lifeline is 1-800-273-8255. In Australia, the crisis support service Lifeline is 13 11 14. Other international helplines can be found at [*www.befrienders.org*](http://www.befrienders.org) Here is how the Greg Hunt comments played out in that Sky interview: Q: Now you mentioned the situation in Victoria, your home state. The most draconian measure that premier Daniel Andrews has put in place to try and contain the virus in Victoria is the curfew in Melbourne. People locked in their homes effectively from eight o'clock at night to five o'clock in the morning. Are you surprised by the revelations yesterday that the chief medical officer in Victoria did not recommend this? This was not a health recommendation; that the curfew is something that Daniel Andrews just decided to put in place for law and order reasons. Hunt: Look, I was somewhat surprised because until now, we'd understood that all of the actions taken had been taken on medical advice. I will respectfully leave that to the Victorians. Most significantly though, the importance of having - whether it's the vaccine or the contact tracing, is they are health protections. Strengthening contact tracing protects Victorians and protects the health of Australians, and in seven out of eight states and territories, that's been incredibly strong and then. Q: But minister - but minister, in the state of Victoria now, people are living under this curfew. By the time it's lifted on current projections, that curfew will have been in place for three months. There was no medical advice that advised the curfew. Shouldn't Daniel Andrews lift it now for the social sake, for the mental health benefits of Victorians because it's just not a medical initiative? Hunt: Well, as you know, in the recent days, the prime minister, myself, the treasurer Josh Frydenberg have been very, very clear that we want to see the health safeguards put in place so as these restrictions, all of the different restrictions can be lifted as quickly as possible, and there has to be a medical basis for any restriction because our normal state of being. Q: Well, exactly. There's no medical basis for the curfew. Should the curfew go now?... I'm just saying there is no medical basis for the curfew. Daniel Andrews has admitted that. The chief medical officer has confirmed that. Should the curfew go now because it's a draconian restriction and there is no medical basis for it? Hunt: So we would like to see all and as many of the restrictions lifted as soon as the medical conditions allow, and if there's no medical basis for something, then obviously, that's then something entirely within the remit of the Victorian government to address and we'd encourage them to consider that in the coming days. Victoria's curfew is once again being questioned. It's not due to be entirely lifted until the end of October, which means Melbourne will have been under a curfew for three months. The state's chief health officer, Prof Brett Sutton, told Melbourne radio 3AW that the curfew wasn't at his behest. "No not against my advice, you know, the curfew came in as part of the state of disaster, for example, it wasn't a state-of-emergency requirement. "So you know, that was something that was introduced, but it wasn't something I was against from a public health perspective." I had been under the assumption the entire time that it was something the police had asked for, which Daniel Andrews confirmed on Wednesday. A curfew that says 'unless you've got a lawful reason to be outside after 8:00pm soon 9:00pm out to 5:00am then you can't be' is much easier for Victoria police," he said. But Greg Hunt has waded in, saying if it was not based on health advice then it should be lifted. He told Sky News: We would like to see all and as many of the restrictions lifted as soon as the medical conditions allow, and if there's no medical basis for something, then obviously, that's then something entirely within the remit of the Victorian government to address and we'd encourage them to consider that in the coming days." Daniel Andrews says it is about making the health advice enforceable: It's not a matter for Brett [Sutton], that's not health advice, that's about achieving a health outcome. His advice is, "Do whatever you can to limit movement." Police then say, "We need rules we can enforce." These are decisions ultimately made by me ... What it means is no one's sneaking out going to their mate's place. No one's going and doing things that they are by law not allowed to do. You will hear a lot more about that today as the federal government ramps up its attacks on the Victorian government. Meanwhile, Queensland and NSW continue to be at loggerheads over the border closure. There are more and more stories of people unable to visit sick and dying relatives, or see children, because of the restrictions. Yesterday the NSW health minister, Brad Hazzard, accused Queensland of playing "loopy politics". Queensland has set up a dedicated unit within its health department to look at exemptions but the complaints keep piling up. We'll bring you all the day's events as they come. You have Amy Remeikis with you for most of the day. Ready? 120442 false false Calla Wahlquist

and Amy Remeikis Victorian premier Daniel Andrews during a press conference in Melbourne on Thursday as the state records 51 new cases of coronavirus and 11 deaths in the past 24 hours. Haulage trucks at a mine in the Pilbara. The WA government has turned down an industry request to ease quarantine restrictions on FIFE workers. Jean-Sebastien Jacques, CEO of Rio Tinto Group. Ultimatum: NSW premier Gladys Berejiklian. Greens Senator Dr Mehreen Faruqi. Chief health officer Prof Brett Sutton was not impressed when he didn't get the role of state controller of the virus. Nationals MP Barnaby Joyce. Eight-month-old koala joey Jasper being weighed at Wild Life Sydney zoo in July. Tom Hanks Queensland premier Annastacia Palaszczuk. Queensland's chief health officer Dr Jeannette Young. Liberal senator James Paterson. Australia Post chief executive Christine Holgate. Home affairs minister Peter Dutton. NZ finance minister Grant Robertson hosted a call on zoom with his counterparts from Australia, Canada, the UK and the US. One Nation leader senator Pauline Hanson. The health minister Greg Hunt. NSW deputy premier and Nationals leader John Barilaro. Liberal MP and committee chair Warren Entsch. Labor MP Andrew Giles Victorian Nationals senator Bridget McKenzie. Premier Daniel Andrews and Melbourne's lord mayor, Sally Capp, share a meal in June. Lining up at a supermarket hours in Melbourne. Jogging in Melbourne. Victoria's chief health officer, Prof Brett Sutton. Daniel Andrews says the government is free to make its own decisions after considering his advice. Victoria's workplace safety minister, Jill Hennessy. Deputy chief health officer Prof Allen Cheng. Victoria police on curfew duty. Victoria's premier Daniel Andrews. Queensland premier Annastacia Palaszczuk says: 'I will not be bulllied.' In most jurisdictions there's no dancing at weddings. Victoria police chief commissioner Shane Patton. Queensland's deputy premier and health minister, Steven Miles. NSW deputy premier and Nationals leader John Barilaro. A coronavirus testing clinic in Sydney. The US president, Donald Trump. Australia Post chief executive Christine Holgate.

**Load-Date:** September 10, 2020

**End of Document**



[***Don’t open the floodgates to a nuisance claim; Simon Blackburn and Venetia Taylor look at where landowner responsibilities lie in relation to flood***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YY5-63X1-DYX4-702C-00000-00&context=1516831)

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**Body**

February 2020 was the UK’s wettest February on record, with many areas experiencing more than twice the average rainfall for that month. There is widespread concern that this change heralds a permanent shift in patterns of rainfall and that the country needs to prepare itself for intense storms and prolonged rainfall each year, resulting in flooding on a scale that has not previously been reasonably expected.

This is a notoriously complex area of law because lines of responsibility must be drawn, even though the ultimate cause of damage cannot be put at the door of any person or entity: the rain has to fall somewhere. There is some interplay between the common law and statute; broadly the effect of this is that neighbours can hold each other ***accountable*** for their action or inaction in the law of nuisance, but statutory bodies governed by regulatory regimes operate largely outside of this system.

The law treats floodwater as a “common enemy”: it attempts to find pragmatic solutions to the problem of balancing the competing interests of neighbouring landowners. Courts have described the task as a “daunting multifactorial assessment” in which the obligations of statutory bodies, the duties of neighbours to each other and the self-interest of the private landowner jostle together against the common enemy which cannot itself be held to ***account***.

Rights and responsibility of landowners

Landowners are responsible for the maintenance and protection of their own land and may construct flood defences to achieve this. In Arscott v Coal Authority [2004] EWCA Civ 892; [2004] PLSCS 171, Royce J stated that “an owner or occupier of land is entitled to use or develop his land so as to prevent flood waters coming onto his land you are entitled to protect yourself against the common enemy’s incursions”.

The common enemy of floodwater is one of a class of natural nuisances, and the legal rights of private landowners to protect themselves against natural occurrences are governed by the law of nuisance. The entitlement of every landowner to protect his land against the common enemy is balanced by an obligation not to cause nuisance to his neighbour by doing so. The remedies offered by the courts are damages and/or an injunction to stop the offending activity.

The law distinguishes between “natural nuisance” and an “unnatural” use of the land. In Rylands v Fletcher [1868] UKHL 1, for example, damage was caused by the creation of an “unnatural” reservoir, which burst and caused damage to a nearby mine. The defendant was found guilty of commissioning a nuisance because the water would not have been there other than for his intervention. There is now, of course, a whole statutory regime surrounding the construction, use and maintenance of “large raised reservoirs”, which subject was brought to the fore by the near collapse of the dam at Toddbrook Reservoir.

Obligation to act

Where natural nuisance is concerned, the original common law position was that a landowner could not be liable for inaction. This position has been modified by the courts so that the landowner must now take “reasonable measures” to prevent natural occurrences on his land from causing damage to neighbouring property. The sorts of measures envisaged are mundane, such as keeping drains clear of blockages. The landowner is not obliged to undertake extensive procedures or ones that are not cost-effective or reasonable in his own circumstances.

Furthermore, the duty only arises at all when the landowner becomes (or should have become) aware that a hazard exists. In Sedleigh-Denfield v O’Callaghan [1940] AC 880, the landowners were held liable for an escape of water which they could have prevented by taking the “simple and obvious step” of fixing a drain cover.

Plan ahead

The rights of landowners to protect their land have been further modified by the courts in a somewhat arbitrary way, so that a landowner is only entitled to defend his land against a theoretical future risk, not a present or imminent one. In Arscott, Royce J stated that “if the incursion upon your land has already happened or is about to happen, you may not export it to your neighbour. This is a pragmatic drawing of the line there is a great difference between a right for a landowner to protect his property against a common enemy, and a right to pass such an enemy on to the land of a neighbour”.

So, flood defences that are created in anticipation of future floods can lawfully impact on a neighbour in a way that would not be lawful if the flood were imminent or present.

This is indeed a pragmatic drawing of the line but the message to landowners is clear:  flood defences that necessarily route water onto neighbouring land should be constructed well in advance.

Deals with the devil

The Environment Agency has certain powers to make agreements with landowners to use land for flood storage. In these circumstances the landowners would be compensated, usually by way of upfront payment.

Watercourses

The same legal principles apply to riparian owners, that is, anyone whose property contains or abuts a watercourse. Riparian owners are entitled to protect their property from flooding by, for example, heightening the banks on their land, even if this diverts flood water onto a neighbour’s land (although permits and permissions might be required, depending on the circumstances). Balancing these rights are obligations to keep the watercourse clear of obstruction and maintain the bed and banks, so that the natural flow of water is maintained.

Responsibility of statutory bodies

The Environment Agency in England and Natural Resources Wales have general supervisory roles. They do have powers to remove obstructions and maintain flood defences, but are under no statutory obligation to do so. Their remit is to identify and assess methods of reducing flood risk and put in place those which pass their cost-benefit analyses. Their priorities might only rarely coincide with those of private landowners, whose concerns are immediate, local and personal.

Local authorities are responsible for flood risk management in their area. This involves issuing land drainage consents and planning permissions that are consistent with their flood management plans. They keep registers of flood risks and lead community recovery.

The Highways Agency is responsible for maintaining highways only; it must keep drains and culverts clear of blockages and ensure trunk roads do not become flooded.

There is usually no recourse against statutory bodies in common law as they are governed instead by regulatory regimes. In Marcic v Thames Water Utilities Ltd [2003] UKHL 66, Mr Marcic attempted to bring a case against Thames Water in negligence when the inadequate capacity of its systems resulted in flooding to his garden. The court decided that Thames Water was not liable in common law, because it was governed instead by a regulatory regime whose purpose was to balance private and public interests.

Rounding up

Flood damage is a natural nuisance and one that cannot be put at the door of an individual or entity. However, landowners do have a duty to take reasonable steps to prevent natural occurrences on their land from causing damage to neighbouring properties.

Top tips for landowners

Dos

Protect your land – you are entitled to and it is nobody else’s responsibility to do so

Maintain flood defences year-round in preparation for winter flooding

Take reasonable steps to prevent damage to your neighbour’s land

Don’ts

Wait until your property is on the brink of flooding before acting

Simply divert water onto your neighbour’s land

Simon Blackburn is a partner and Venetia Taylor is a solicitor at Payne Hicks Beach

JOURNAL : Farmers Weekly

Kuhn's Mergemaxx burst onto the scene at Agritechnica 2017, offering farmers an alternative method for rowing up crops in front of foragers and balers.

One of the first to put in an order was Norfolk contractor Dick Barnes, who swapped a twin rotor rake for a 9.5m Mergemaxx.

The machine is now going into its second season with the busy contracting outfit, so we asked Mr Barnes how it has fitted in and if he has any regrets about buying one.

Farm facts: D H Barnes, Forncett St Peter, Norfolk

Contracting, plus 100ha home farm

1,200ha grass for dairy and beef herds

200ha whole crop

1,000ha maize harvesting

520ha maize drilling

40,000 square bales

800ha sugar beet

What did you have before?

We had a Kuhn twin rotor 9.5m rake that was a good machine and served us well, but due to our flinty soil, there were quite a few stones creeping into the swath.

This was not only having a negative impact on the quality of the crop, but the annual bill for wearing forager parts was alarmingly high.

See also: Video: Abimac front rake helps solve contractor’s labour shortage

The flints were really tearing the internals to bits. We were going through multiple sets of knives per season along with shear bars and spout liners.

Why did you look at a merger?

The land we farm and contract on is a 25-mile radius around Forncett St Peter in south Norfolk, so we encounter everything from light land full of flints to reclaimed marsh on the Norfolk Broads. Our main aim was to stop pulling stones into the swath.

I’d been on the search for an alternative to a rake for around three years, and after seeing the Mergermaxx at Agritechnica in 2017, I put in my order.

Kuhn didn’t think there would be much interest from the UK and my eagerness must have caught them out as I didn’t actually get the machine until early 2019.

Did you look at anything else?

Yes, we looked at a four-rotor rake before buying the merger. We wanted something bigger than our twin-rotor to make meatier swaths on the lighter second and third cuts, as the chopper was working below its capacity.

However, the extra rotors meant the length of the machine increased quite a bit and we felt this would have been awkward when travelling along some of the narrow lanes.

Though the merger hasn’t got a steering axle like the four-rotor rake, we don’t feel it needs it. The beds are 3.5m long so, including the drawbar, it's far shorter than a big rake.

How was the first season?

We carried out a lot of work for energy companies last year, so the merger was kept busy. This season we have dropped a bit of that work to focus more on beef and dairy farms.

The biggest thing we have benefitted from is the merger’s versatility. We can easily bring 9.5m of crop into one row on heavy 6t/ha first cuts, which is more than enough for the Claas Jaguar 970.

For lighter second and third cuts, as well as lucerne crops, we can bring the width down to 7.5m to form a continuous belt and throw one pass from each side into a 3m row, effectively raking 18m into one swath.

We also merge straw in front of balers at harvest and shutting it down to a 7.5m row seems to work well.

Does it take some getting used to?

The only time you have to be on your game is the short works as the merger moves grass sideways rather than just out the back.

I’m the main driver and I sometimes have to think about how the land work will meet with the headland to avoid having odd strips. It doesn’t take long for it to become second nature, though.

We contract nearly 300ha of marshland on the Norfolk Broads which is very undulating. We mow and merge through dry ditches and the suspension system on the merger seems to cope with it fine.

It is a little heavier than the rake, but is mounted on the lower link arms and we’ve yet to find the extra bulk an issue.

See also: How rolling road test can help keep trailer brakes shipshape

We still have a rake for times when we need the merger in two places, such as straw baling and later silage cuts.

How does output compare to a rake?

Tractors burn a bit more fuel running the merger, as they have to power the belts and pickup reels. That said, our John Deere 6155 is more than adequate and we could probably get away with 120hp.

The extra fuel use is offset by the increased output. We can happily glide along at up to 8ha/hour with the merger, whereas the 9.5m rake would be flat out at 4ha/hour.

It's most noticeable in lurcerne – the merger will fly along at 12kph and doesn’t miss a leaf as the reels act just like a forager, while the rake would have to plod along at 6kph to pick it all up.

We’ve noticed that drying times of the swaths are a little more uniform. The windrow is slightly fluffier due to the grass being laid down from above, rather than forced together from either side.

And, because the rows aren’t as tight, the air can pass through them better.

Have forager repairs reduced?

In the first cut of grass we saved a set and a half of blades, which equates to nearly £7,000 in parts. Throw in labour and downtime and the merger is already saving us money. Running one chopper, we can’t afford downtime when the weather is good.

Being able to keep the forager fully fed by making bigger rows has also meant the merger can comfortably stay in front of the chopping team.

What are maintenance and wearing parts like?

Maintenance is similar to a rake, with skids and pick up tines the main items. We had it in the workshop this winter and after 1,500ha we only needed a couple of skid covers and 9 pickup tines.

One gripe is that there are a few awkward grease points on the belts, but luckily these are only 50-hour intervals.

Kuhn added a few modifications this year to stop grass build-up between the belts and tines. The crop had a tendency to drag on the tines and not make it onto the belts, particularly in damper crops, but they fitted a plate in the gap so hopefully this won’t be an issue this year.

LIkes and gripes

Likes

E Multiple merging widths depending on crop

E Vastly reduced forager repairs and downtime

E Cleaner crops and increased output

Gripes

E Awkward greasing points on belts

E Modification needed to stop wet crop bridging

E High purchase price

Specifications

Make

Kuhn

Model

Mergemaxx 950

Width

9.5m centre swath or 7.5m side discharge

Average speed

12-15kph

Crops merged

Grass, wheat and barley straw, lucerne

Output

8ha/hr

List price

£72,619

JOURNAL : Farmers Weekly

Abstraction licence holders who are experiencing cashflow problems because of coronavirus are being offered the opportunity to set up a payment plan with the Environment Agency (EA).

Farmers with water abstraction licences typically expect to receive their annual bill, or the first-part charge if they have a two-part tariff billing agreement, in April.

However, the agency is writing to customers offering changes to payment terms if they are experiencing problems paying their bills on time because of the lockdown.

See also: How irrigation is changing on an AHDB potato demo farm

Other amendments to normal rules include a delay on the winter or all-year abstraction returns, which are usually requested at the end of March.

Growers still need to make sure they are complying with the terms of their abstraction licences, but will not be asked to supply details of their abstractions during the period 1 April 2019 to 31 March 2020 until later in the year.

The EA will write to them to formally notify them of the new arrangements, although growers who already are registered to submit details of their abstractions online can continue to do so.

Paul Hammett, NFU water specialist, said farmers who were able to submit their returns online were likely to carry on as normal and use the digital service to get the job done while it was fresh in their minds.

“But I think the important thing is that for those who are struggling, it is an important signal from the Environment Agency that it is trying to be helpful where it can.”

Irrigation prospects

Meanwhile, the EA has revised its irrigation prospects forecasts to take ***account*** of the lack of rainfall in April throughout England.

Prospects in many areas remain “good”, but in the North West and North East of England they are now ”moderate”.

Yorkshire, East Anglia and the South East are classified as “moderate to good”.

Good status means that water levels are average or above average and supplies are expected to be safe.

Moderate prospects mean that water levels are low and so some controls on surface water abstraction are possible by midsummer if the weather is hot and dry. Controls on abstraction from groundwater are also possible in small, sensitive groundwater areas.

Mr Hammett said the irrigation season had started early for some after a dry April.

According to Met Office ***data***, this April was the sunniest on record for the UK.

Rain in the last week of the month increased the rainfall totals in many places, but overall the UK still received only 40% of average April rainfall.

It was the third driest April on record for Scotland.

“Fortunately, as a result of widespread heavy winter rainfall which was a problem for many farms, reservoirs are full and there is generally good water availability from both groundwater and surface water sources,” Mr Hammett said.

“Farmers are closely following predictions of possible hot, dry spells in the weeks ahead and what they could mean for water availability as the irrigation season builds.”

Advice on annual returns

Completing an annual abstraction returns is about more than just filling in a form, according to water resource specialist Envireau Water.

The company, which has experience of working with businesses across the ***agricultural*** and horticultural sectors, says the process should also involve forward planning.

It offers the following advice:

Quality-check all returns ***data*** to ensure consistency with licence conditions.

Know the history of your abstraction and think strategically about your future requirements.

If you have over-abstracted, then you will need to prepare a clear justification of why and create a plan for bringing abstraction back within your licensed limits. In some cases, it may be necessary to apply for additional volumes.

If there has been under-abstraction for many years, then the “use it or lose it” approach may be an issue, so anyone with a time-related licence needs to be prepared to justify retaining existing volumes at licence renewal.

JOURNAL : Farmers Weekly

The EU could set a target of one-quarter of ***agricultural*** land in Europe to be farmed organically by 2030, with an additional goal of reducing the use of chemical pesticides by 50%.

The plan to increase the amount of organic farming in Europe is understood to be included in the latest draft of the EU’s Biodiversity Strategy to 2030, scheduled to be published later this month.

The proposal to reduce the use of pesticides and nitrogen, while increasing the use of integrated pest management methods, has been included in a draft of a Farm to Fork (F2F) strategy, which will sit alongside the biodiversity strategy.

See also: Switch to organic farming would increase greenhouse gas

According to Brussels insiders, the latest draft text of the plans suggests that transformative change is “urgently required” to reverse the trend of biodiversity losses.

It says organic farming is the “best-known and best-regulated agro-ecological practice”, but acknowledges there would also be a need for measures to increase demand for organic produce through a commission action plan.

The document also suggests that at least 10% of the ***agricultural*** area in use should be restored as high-diversity landscapes.

Organic progress

 Although there has been strong growth in organic farming in Europe over the past decade, the extent of the sector varies considerably across EU regions, so such a target would be a significant change.

Across the whole of the EU-28 in 2018, organic farming ***accounted*** for just 7.5% of the total used ***agricultural*** area, or 13.4m hectares.

According to ***Eurostat***, the total organic area in the EU rose by 25% between 2012 and 2017.

The highest share of organic farming was reported in the Salzburg region of Austria, where about half (52%) of the total  ***agricultural*** area was used for organic farming in 2016 (the latest year for which regional ***data*** are available).

There were a further seven regions where organic farming ***accounted*** for upwards of one-quarter of total used ***agricultural*** area: Severozápad in the Czech Republic (30%), Norra Mellansverige in Sweden (29%), Calabria in Italy (29%), Mellersta Norrland in Sweden (28%), Burgenland in Austria (27%), Sicilia in Italy (26%), and Moravskoslezsko in the Czech Republic (25%).

Latest UK figures show that organic farming represents less than 3% of the total farmed area on ***agricultural*** holdings.

Next steps

Publication of the F2F and Biodiversity Strategy has already been pushed back because of the Covid-19 pandemic.

The most likely dates for publication at present are 20 or 29 May.

JOURNAL : Farmers Weekly

Growers are set to focus more on profit when managing their wheat variety choices, as they adapt to the post-Brexit landscape, according to the results from an exclusive Farmers Weekly survey.

As farmers respond to reductions in direct subsidy payments through the Basic Payment Scheme and make changes to their businesses, margin performance is expected to drive the demand for easy-to-manage varieties that require fewer inputs.

Some 48% of survey respondents expect that future variety choices will reflect their financial contribution to the farm’s bottom line, with 39% saying they will increasingly be looking for varieties that need minimal intervention .

About the survey

The Farmers Weekly wheat variety survey had 587 respondents. Of these, 41% were owner occupiers, 38% were tenanted farms, 9% were farm managers and 12% were farm workers.

The average farm size was 346ha and the average area of wheat grown was 210 ha.

Representing all regions of the UK, the survey explored growers’ attitudes to choosing wheat varieties, both now and in the future.

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See also: Tips on getting the most from clubroot-resistant OSR varieties

Main survey findings

Agronomist advice and the AHDB Recommended List are the two most important sources of information

Greater focus on profit/margin post Brexit

Final decisions on variety choice typically take place in July

Two-thirds of respondents plan to start winter wheat drilling in October 2020

Seed from 2019 remains on two out of three farms

Opinion is evenly split on considering varieties not on the Recommended List

Given this finding, it is not surprising that two-thirds of participants expect varietal disease resistance to become even more important to them over the next few years.

Loss of chemistry and highly dynamic pathogen populations are also behind the move to more-resistant varieties; a trend that started a few years ago and is now expected to accelerate.

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However, for one-third of respondents, growing less wheat is on the cards in the post-Brexit period, while another 17% intend to target specialist/niche markets and look for new contract opportunities.

Variety characteristics

Growers give greatest prominence to yield and disease resistance when choosing their wheat varieties – reflecting that recent variety introductions can offer both.

More than three-quarters of our survey participants ranked them as very important, with local markets, harvest date and grain quality also considered important. Factors such as plant height and speed of development were less prominent.

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Septoria resistance was very important to 76% of the respondents – with a closer look at the responses show that a variety’s Septoria rating was more important to larger farms and to those situated in the south of the country.

In the north, a variety’s regional performance was a more important consideration than in other areas, while sowing date suitability was given greater focus in the Midlands.

In the last three years, there has been a significant change in the way that varieties are considered. Disease resistance has come to the fore, with the loss of chlorothalonil prompting greater interest in septoria scores.

Information sources

Agronomist advice and the AHDB Recommended List are the two most important sources of information on varieties, according to the survey results.

Some 82% of respondents mentioned their agronomist’s advice as a key source, putting it just ahead of the Recommended List. Previous experience with the variety, local trials and asking other farmers were also highly rated.

Local trials results were mentioned more by growers in East Anglia and the Midlands, while industry events such as technical events and shows were given greater importance by growers in the South East and South West.

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Farming publications are doing their bit too; some 56% of the survey respondents saw them as an important source of information for choosing their varieties.

In contrast, websites and social media were held in lower regard, due to uncertainty about the integrity of the posts. Other sources of information mentioned by farmers included end users and independent agronomy organisations.

The future

Plant breeding is expected to continue to deliver the progress that growers have got used to.

Asked about the traits that will be important to them in the future, 59% of our survey respondents would like to be able to select varieties on the basis of growth habit.

Other important future selection criteria were waterlogging/drought-tolerance, nitrogen-fixation and root-development characteristics.

In contrast, hybrid wheat was only mentioned by 9%. Despite its success in other crop species, it seems as though hybridisation will be a much harder sell in wheat.

The role of the Recommended List

While growers value the AHDB Recommended List as a trusted source of independent information on varieties and how they can be expected to perform, the survey suggests it is not held in such high regard as it used to be.

No longer the most important source of information on winter wheat varieties – coming behind agronomist’s advice - there is also far greater reliance being put on local trials results and other farmers' experience.

Expansion of the Recommended List in recent years means there are currently 35 recommended winter wheat varieties – a number considered to be far too many.

Likened to a brochure by one participant, there was a feeling that it had lost its focus and was not as useful as before.

Our survey also revealed a willingness to grow varieties that aren’t on the Recommended List. By that, respondents meant both older varieties that have come off the list, as well as those that hadn’t made the grade.

It was a fairly even split: some 54% of our survey respondents said they would consider growing a variety that wasn’t recommended, compared with 46% that said they wouldn’t (see graph).

Within that, younger farmers were more likely to go "against the grain" and opt for varieties they felt had something different to offer than their older counterparts.

The reasons given for that were matching varieties to local growing conditions, the narrow criteria for recommendation and constraints imposed by a national testing system.

For information on these varieties, growers said they were reliant on neighbouring farmers, local merchants and the ***agricultural*** press.

However, of the 46% who wouldn’t consider varieties that weren’t on the Recommended List, there was a familiar feel to their reasons.

Independent information, proven performance and confidence in a variety were important, as was a reluctance to take on any more risk.

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Autumn 2020

Two-thirds of our survey respondents plan to start drilling their winter wheat in October this year – which, for a significant proportion (42%), is earlier than usual.

After such a wet autumn and winter in 2109, it is not surprising to see that the weather is one of the most cited reasons for this (see graphs 4a and 4b).

Pest and disease pressure is also up there as a key reason for the choice of October as a start date – with greater use of cultural control measures being made to help manage the threat of barley yellow dwarf virus, septoria and other issues.

Not surprisingly, blackgrass control remains a reason for delaying drilling into October, with a greater proportion of larger farms mentioning it as a key factor.

Overall, some 67% of our participants will start drilling in October, compared with 27% planning a September start and only 2% willing to delay until November.

The desire to start a bit earlier this autumn is understandable, as growers look to get their rotations back on track and restore farm profitability.

It is also interesting to note that two in three of our survey respondents still have seed of winter wheat varieties remaining on their farm following the disruption to drilling plans caused by autumn/winter 2019.

Where they intend to buy new seed, growers are most likely to make their final decision in July.

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Sponsor's message

KWS UK has been providing growers with innovative new varieties to meet varied end-market needs for over 25 years. We use a range of technologies to ensure improved consistency in crop performance to benefit all; merchant, farmer, processor and ultimately end-user customer. Higher yields, superior disease and pest resistance and improved performance in adverse conditions are all key criteria we seek to establish in our product portfolio.”

Thanks to KWS whose sponsorship made it possible to conduct the wheat variety survey. Farmers Weekly had full editorial control of this feature.

JOURNAL : Farmers Weekly

Apprenticeships are mutually beneficial arrangements between an employer and an employee that allow practical skills to be built up alongside an educational programme.

Employers enjoy being able to mould young workers to best fit their business and passing on their knowledge, while ensuring key assets stay in the ***agriculture*** sector.

Apprentices can measure their progress in a real life environment and combine a paid job with a qualification.

See also: Coronavirus: How employers can get help with statutory sick pay

What is an apprenticeship?

An apprenticeship is a practical training programme alongside a full-time job, which allows participants aged 16 or over to earn as they learn.

It combines day-to-day work in the sector of the apprentice’s choosing with evidence-based assessment and leads to different levels of qualification.

In ***agriculture***, this covers an increasingly wide area of skills and levels, which could range from stockperson or a management course to a science and surveying degree.

The individual programme is employer-led and should result in a fully-competent apprentice who also has good people and employability skills, such as accurate timekeeping and a strong work ethic.

What apprenticeships are available?

Different courses and levels are available from training departments, educational facilities and organisations such as the AHDB, which offers Level 2 and Level 3 apprenticeships in ***agriculture***.

Bridgwater & Taunton College runs Level 2, 3 and 4 apprenticeships, as Mark Nash, trainer and assessor explains.

The Level 2 stockperson is a 12- to 18-month programme for a general farmworker role in a beef, sheep, dairy or pig enterprise.

Pros and cons of apprenticeships

Benefits

E Provide skilled workers for the future

E Increase staff loyalty and retention

E Free-up existing employees' time

E Can revitalise a company

E Apprentice is learning in real-life situations while earning a wage and seeing the highs and lows of ***agriculture***

Pitfalls

E Takes a committed, tenacious person to be able to learn on the job while studying, to stick to a long-term plan and stay motivated when their peers may be having the university experience

E Remember you are dealing with young people so expect bumps along the way

Source: Clare Keegan and Mark Nash

Requirements include English and maths at GCSE grade 2 or above, or functional skills at level 1.

The Level 3 advanced apprenticeship is geared towards students with a little more responsibility on the farm, such as rearing calves or setting up the drill and drilling crops, in addition to a level of basic record keeping.

English and maths requirements here are GCSE grade 4 or above, or functional skills at level 2.

The Level 4 is run over 30 months and is aimed at students coming into ***agricultural*** management who have more responsibility on farm.

This could include interacting with the vet, nutritionist, agronomist or bank manager, to make some managerial decisions.

At Bridgwater & Taunton, students also get to compete in groups to tender for a farm and present their projects to a team of bank managers for scrutiny.

Harper Adams University delivers degree apprenticeships up to Level 7, which is a five-year course.

Course options include: food and drink advanced engineer degree apprenticeship; chartered surveyor (rural) degree apprenticeship; and food industry technical professional degree apprenticeship.

How does it work?

At all apprenticeship levels, the students come in to college once a week on a day-release basis, says Mr Nash.

This theory learning also covers part of the mandatory 20% off-the-job training.

Employers commit to providing or organising about 10% of this, which can be in the form of training new skills, regular staff meetings, vet talks or farm walks.

“We try to support the employers with the ongoing process of keeping apprentices on track,” says Mr Nash.

“We also want to ensure the apprentices are being involved in the full aspect of business and not just being left with menial jobs.”

The college’s apprenticeships are generally assessment-based rather than exam-based.

Students are observed by their employers and college trainer assessors throughout their course and gather evidence to store on an electronic portfolio.

The final examiner has access to this portfolio, and when the apprentice is ready, they are put forward for an assessment through Lantra, which includes three practical tasks, an online test and a professional discussion.

At Harper Adams, the degree apprenticeships run for multiple years with blocks on and off campus.

These are assessed through exams, assignments and work-based projects.

What are the employer and apprentice’s obligations?

Clare Keegan, business development manager at Harper Adams, says obligations include: a contract for the life of the apprenticeship; commitment statements; regular reviews; and the employer must be committed to developing the right person for a specific job.

Apprentices should be treated like any other employee and are subject to the same regulations such as working time, health and safety, equality laws, and they should be given at least 20 days’ annual paid holiday a year, as well as bank holidays.

How much do apprentices get paid?

Apprentices must be paid at least the minimum wage by the employer.

This starts at £4.15/hour for apprentices and increases depending on age and progress through course.

Are there any funding opportunities?

Employers with a pay bill of more than £3m/year must pay the apprenticeship levy, and will receive funds to spend on training and assessing apprentices.

Those who do not pay the levy, pay 5% towards the cost of training and assessing the apprentice.

The government will pay the remainder, up to the funding band maximum, directly to the training organisation.

Incentive payments are available in certain circumstances, such as employing a 16-18 year old, employing fewer than 50 staff, or working in specific sectors.

How can I get involved?

Employers can contact their nearest ***agricultural*** college if they are interested in taking on an apprentice.

Potential apprentices can look on the National Apprenticeship Service website for jobs in their area or they can apply to do an apprenticeship and the facility will then assist them to find a job.

Apprenticeships can also be completed on family farms, if appropriate.

Case study: Michael and Tony Ball

Brothers Michael and Tony Ball are AHDB Strategic Dairy Farmers in Derbyshire and have worked with apprentice George Ball (no relation) since 2013.

Farm facts

Coton Wood Farm

304ha

500 cows

All year round system

Eight robot milkers

Supplying Freshways

49ha of winter wheat

20ha of miscanthus

George, whose family are also in farming, was studying a GCSE in ***agriculture*** locally, which involved one day a week spent on farm.

This was run by Dart Training, an organisation that also offered apprenticeships.

When George left school, he was keen to start working on a farm, so Michael and Tony offered him a full-time job and he moved on to an apprenticeship.

While working at Coton Wood Farm, George has completed Level 2 and Level 3 diplomas in work-based ***agriculture***, and a Level 4 Higher Level apprenticeship in ***agricultural*** business management.

George, who also built up a flock of about 100 ewes on rented land, said: “The best part for me was the hands-on approach.

“I really enjoyed being able to follow the progress of things you have done throughout the days, weeks, seasons and years, and I think being able to see and do what you’re being taught is a good way of learning.

“The worst bit is it can be quite challenging to do a full-time job and keep up with coursework and have a social life away from the farm, which is probably the main thing you miss out on by not going to college or university.”

Tony, who also employs another Level 3 apprentice, said: “For us, the main benefit is that you are employing someone at the start of their career, who – hopefully – comes with no preconceived ideas of how things should be done, so we can mould them into our way of working and it makes it easier for them to work to our standards.

“The one drawback is the time and supervisory input required at the outset with someone who has little experience.”

The team have worked so well together that they are planning to continue doing so by way of a joint venture.

Tony and Michael are in the process of buying another farm with the intention of milking a new autumn block calving herd this summer, and George will be running this unit under a contract farming agreement.

George said: “I am looking forward to getting to realise my dream of milking my own cows and putting my own ideas into practice.

“Coton Wood Farm has undergone a lot of changes over the past seven years, going from a 200-cow dairy unit with a parlour to a 500-cow unit with eight robots milking the cows, which was great for me while doing the apprenticeships, as it gave me the chance to see the latest technology in the industry.”

George would recommend apprenticeships to anyone who wants to get stuck in, earn as they learn, achieve qualifications and gain hands-on experience.

JOURNAL : Farmers Weekly

Farm leaders have urged people exercising in the countryside to follow the rules to protect themselves and farmers who are helping to feed the nation during the coronavirus pandemic.

With farmers turning livestock out and using machinery in fields and farmyards, there are reminders that many of the rural areas people are visiting during the lockdown are working environments.

The Country Land and Business Association (CLA) has asked people to stay on the footpaths near farms to reduce the risk of accidents.

See also: Coronavirus: Game shooting season faces uncertainty

CLA president Mark Bridgeman said: “We urge members of the public to be vigilant and aware in the vicinity of livestock and large machinery, when taking their daily exercise.

“For those walking with young children, please ensure they are kept close to you.”

The CLA has asked people to keep dogs under control near livestock and to close gates and not block farm entrances, many of which are used regularly.

Dog attacks

The Farmers’ Union of Wales (FUW) has also urged walkers to keep dogs on a lead after reports of attacks on livestock, something the union said is “avoidable and unnecessary”.

Ian Lloyd, the FUW’s animal health and welfare committee chairman, said livestock worrying was yet another stress for farmers already working flat out in difficult circumstances.

“We are reminding those taking respite in the countryside to also remember our farmers, who are key workers producing our food at this very difficult time.

“Many family farms in Wales have been hit hard by the closure of restaurants, cafes and other service outlets during the current pandemic.”

The FUW said it will continue to push for tougher legislation around dog attacks on livestock, to help reduce the welfare and financial consequences for farmers.

Police fines

Meanwhile, North Yorkshire Police has revealed it issued 61 fines last week to people who were not following government guidance by making unnecessary journeys.

On Saturday 25 April, 17 fines were issued in the rural village Malham. In total, the force issued 31 fines on Saturday to people visiting from West Yorkshire, Lancashire, Cumbria and Kent.

A further 30 fines were issued on Sunday (26 April), with officers fining six people in Brotherton who had travelled to the small village to go off-road biking.

Advice for land managers

Keeping paths clear and waymarks and signs in good order and up to date will help people stick to the right routes and access points. Contact your local authority or National Park Authority to find out what help is available.

Where there is public access through a boundary feature, such as a fence or hedge, create a gap if you can – or use an accessible gate or, if absolutely necessary, a stile. When installing completely new gates and stiles, make sure you have the permission of the local authority.

Encourage people to respect your wishes by giving clear, polite guidance where it is needed. For example, telling visitors about your land management work helps them to avoid getting in your way.

Source: The Countryside Code

JOURNAL : Farmers Weekly

Farmers tend to gradually wind down their work as they reach old age, but no one told Devonshire farmer Alec Burrough.

Despite being classed as very high risk to coronavirus, the 86-year-old is working every day to keep Britain farming and help #FeedTheNation.

He is still using the same 54-year-old red Nuffield 10/60 tractor to carry out a range of daily tasks on the organic family dairy farm he moved to as a young boy in Cullompton, Devon.

He has been farming full-time for the past 71 years.

See also: Coronavirus: Prince praises farmers who #FeedTheNation

As one of the 1.5 million classed as “extremely vulnerable” by the UK government, this has not deterred him from carrying out the essential role he plays as a key worker during the crisis that has gripped Britain.

At a time when there is a shortage of farmworkers in the UK, Mr Burrough, an avid Farmers Weekly reader, is a true inspiration.

His list of daily jobs includes work in the yard, on the tractor in the fields and calf rearing.

Mr Burrough, who has suffered from chronic obstructive pulmonary disorder (COPD) for many years, said: “I’m just doing what I’ve always done and making sure people stay fed.

“People with a serious lung condition like mine are told to try to stay active, and I’m definitely doing that.

“If someone had told me I’d still be using the same Nuffield tractor to do my job 54 years on, I’d say that was a good investment.”

Hard work and frugality

Mr Burrough said his childhood spent farming during the Second World War instilled in him an appreciation of hard work, frugality and working together for the common good.

“During the war, we had to work together and make the most of everything we had,” he explained.

“We didn’t take anything for granted.

“I don’t understand how people throw things away so easily now, whereas I was always brought up to make the most of what I had – like my tractor.”

The older generations are capable of great things, as shown by NHS fundraising hero Captain Thomas Moore.

The 99-year-old war veteran has raised more than £27m by completing 100 laps of his garden before his 100th birthday

Mr Burrough will celebrate his 87th birthday in July.

He farms with his son Jonathan and daughter-in-law Louise, and has three grandchildren aged 7, 9 and 11.

JOURNAL : Farmers Weekly

A Welsh cattle farmer has died after being trapped against the wall by the bucket of a JCB machine, an inquest has heard.

Dewi Jones, 68, suffered crush injuries and died following the incident at Ty Celyn Farm, in Llanfwrog, Denbighshire, on Tuesday 21 April.

An inquest was opened and adjourned into Mr Jones’ death at Ruthin coroner’s court on Monday (27 April).

See also: Advice on first aid when there’s a farm accident

John Gittins, coroner for North Wales East and Central, was told Mr Jones had been moving hay with his brother into a heifer pen when he was trapped by the shovel of a JCB Bobcat.

Although he managed to wriggle free, he collapsed and an air ambulance was called to the scene.

A post-mortem examination gave the provisional cause of death as an abdominal bleed and liver laceration after blunt-force trauma.

HSE investigation

The Health and Safety Executive (HSE) is also investigating the circumstances surrounding Mr Jones’ death.

Farming continues to be the UK’s deadliest occupation. In 2018-19, 39 people suffered fatal injuries while working in ***agriculture***.

Fourteen of these deaths involved being struck by a moving vehicle, including tractors, trailers, telescopic handlers, farm vehicles, ATVs, and nearly half of the workers killed were aged 60 or over.

JOURNAL : Farmers Weekly

A farmer has died and his son was badly injured after they were attacked by a water buffalo in Monmouthshire.

Father-of-three Ralph Jump, 57, was pronounced dead at the farm in Gwehelog on Tuesday afternoon (5 May).

His 19-year-old son, who has not been named, was critically injured and his 22-year-old daughter, Isabel, suffered a serious leg injury.

See also: Coronavirus: Yellow Wellies issues mental health support for farmers

Mr Ralph’s son was flown by air ambulance to the University Hospital of Wales, in Cardiff, and his daughter was taken by land ambulance to the Royal Gwent Hospital for treatment. Her injuries are not thought to be critical.

We were called to a commercial address near Usk, after reports of a water buffalo attacking two men and a woman.

A 57-year-old man was sadly pronounced dead at the scene.

A 19-year-old man and a 22-year-old woman are receiving hospital treatment.

"-- [*https://t.co/dChRL3DZUe*](https://t.co/dChRL3DZUe) pic.twitter.com/2kNICJJvoj

Gwent Police (@gwentpolice) May 5, 2020

Paramedics received assistance from the National Police Air Service at the scene following the attack, which happened shortly before 3pm.

The water buffalo was humanely destroyed.

The attack took place at the premises of the Bufalina Soap Company, in Usk, a family business that manufactures handmade luxury soap from the milk of their herd of Mediterranean water buffalo in the Welsh Marshes.

Water buffalo are native to Asia, but a number of farms across the UK keep herds.

JOURNAL : Farmers Weekly

A Yorkshire arable farmer was left shocked after discovering fly-tipped waste on his land containing sensitive childcare details.

Tim Braithwaite, who farms in Sprotbrough, near Doncaster, found bags of toys strewn across the entrance to a field of winter barley over the weekend.

The bags contained folders that revealed sensitive records written by a childminder about children headed “Little Puffins Childcare”.

See also: What to do if you’re a victim of fly-tipping

Mr Braithwaite contacted South Yorkshire Police and Doncaster Council, which came and removed the rubbish within 24 hours without charge.

A former owner of the childcare company has since come forward and apologised over the incident.

The woman, who did not want to be named, said she contacted Doncaster-based firm L&C Rubbish Removals on Facebook and paid £40 for the rubbish to be collected.

She told Sheffield newspaper The Star: “Their Facebook page says that these people are fully licensed, so I stupidly went ahead with this.

“I paid the £40 via bank transfer and the guys came to take away my rubbish.

“I had absolutely no idea of the fly-tipping incident until a friend sent me the link via Facebook.

“I closed my business in 2017 due to my daughter’s Illness, which sadly left her disabled.”

She added: “When I closed, I organised and cleared away any paperwork and I honestly did not know that there could be anything left in these files.

“I will pay any price for my mistake and I fully take any responsibility if there was actually any personal ***data*** within these files, which I think is unlikely due to previous organisations.”

'Major problem'

Mr Braithwaite told Farmers Weekly: “Fly-tipping is a major problem and it has been getting worse in this area since coronavirus has forced the closure of all the local tips.

“People should dispose of their rubbish only through legitimate sources. Fly-tipping wastes the valuable time of police, council officers and causes huge costs and inconvenience for farmers.”

An investigation involving police and the council is under way.

Farmers Weekly has contacted L&C Rubbish Removals for a comment. The company says on Facebook it is “fully insured, fully licensed, open seven days a week and cheaper than a skip”.

JOURNAL : Farmers Weekly

The dry weather in Aberdeenshire has continued throughout April, with the annual total to date amounting to only 33% of average. This allowed spring barley drilling to start early on 20 March – early for us – and with a great effort by the whole team we were able to drill 808ha in 23 days.

Now that the crop is established, we desperately need some decent rainfall. We had 6mm last night, and a few showers are forecast later in the week, but really we could do with an inch or so over a few days.

See also: Herts grower puts hoe to the test in narrow-row cereals

While the spring barley still has some moisture at seed depth and has not yet been impacted by the dry conditions, the wheat is certainly suffering. When a plant is pulled up, the soil just falls off the roots and any damper parts of the field show how pale and thin the majority of the crop is.

With the 2018 drought still fresh in my mind, I have held back some nitrogen for now on both the wheat and spring barley. The rainfall over the next 10 days will determine how much, if any, of this will be applied.

It has been a strange spell with lockdown for coronavirus.  During drilling, we were lucky to be relatively unaffected, being able to get on with our jobs with only minor changes to working practices.

One of these was that I often took my bike when moving the loader and seed trailer. Cycling back really showed up how bad many of our road surfaces are and also, despite the reduced amount of traffic, how many bottles and other rubbish is being thrown into the verges. If only some of the many extra walkers out and about would pick some of it up!

During this time it is also frustrating to see some supermarkets importing beef, particularly steaks, when local processors need to find new markets for these cuts. Is this a failure of the supply chain, or an excuse to drive the price down? Either way it is not helping the UK beef sector and drives farmer mistrust of retailers.

JOURNAL : Farmers Weekly

It has been a surreal month since I last wrote an article. Apart from the odd conference call, the diary is a complete whiteout which at least means I have knuckled down to farm work and kept busy.

Social distancing comes naturally to those of us spending long days in tractor cabs.

Forage maize has been planted in good time and is up in rows. We are trying to establish more maize using minimum tillage which definitely gives a more stable, resilient seed-bed.

Pewsey Vale scored big in the catchy game of "rain roulette" with two bouts of 40mm helping to evenly establish spring cropping, which now looks promising.

See also: Tips on getting the most from clubroot-resistant OSR varieties

On a personal level, to immense relief, all members of my family who had coronavirus symptoms have fully recovered and the farm team remain in good health.

For me the only lasting souvenir has been not recovering my sense of smell. This came in handy when we were clearing out the slurry pit!

Mistakes will always happen and unfortunately we had an incident recently when AdBlue was put in the wrong fuel tank causing significant engine damage to a tractor.

Please remind your teams to never top up this additive while the engine is running, and that even a tiny misplaced quantity in the fuel line will cause problems. Thanks to TH Whites for sorting us out.

The decimation of the wider economy by lockdown measures is truly horrifying and will have repercussions for a generation.

I can understand why some have asked whether the cure is worse than the disease. A primary concern for agribusiness is how on earth will this be paid for?

Beyond income and VAT taxation adjustments I would suggest this is a good time for families to have frank discussions about farm succession; changes to ***Agricultural*** Property Relief seem likely when the government weighs up radical land and property taxation options.

Time is running out for a post-Brexit trade deal with the EU. Simultaneously discussions continue for a free trade deal with the US for which the main danger is that ongoing food supply disruption is used as an excuse to flood markets with cheap imports, leaving our own production standards undermined.

With one voice the industry must apply maximum pressure to ensure this never happens.

JOURNAL : Farmers Weekly

Sleeping is cheating. There’s been little chance to nap here of late.

What a difference eight weeks makes. We have gone from “gripping” (draining) water off with a 14 tonne hoe, to maximum moisture retention.

Spring barley drilling started off like ‘riding on the skin of a rice pudding’, and has gone to rock hard dry conditions. The better land has emerged and rocketed away, the “strong” has emerged, but is struggling and is in need of a drink.

See also: Call to back British beef as retailers buy Polish mince

Maize drilling is well under way and to conserve moisture we are running the Watkins tri-till through the mucked stubble, followed by the power harrow, with the maize drill following in convoy.

All of us operate in the same block of land and then move onto the next. The key is not to get too far ahead, otherwise the moisture disappears in front of your eyes.

Half the acreage is down to grain maize and the other half down to our old favourite LG Ambition which I regard as a dual-purpose grain or forage crop.

Now I have to get my head around the beef monitor program. If we do a diet tweak, we can now see the implications in real time.

I liken it to looking in the bulk milk tank and seeing a response to the diet nearly immediately.

Now we know the baseline growth rate we can monitor the effects of the diet change. Obviously, you have to ignore the first couple of days because the cattle have to acclimatise to the different taste and texture of the feed, but we then need to be back on the rising curve of growth matching the previous ***data***.

The fat cattle job at the moment is hard work. We have had a 5-10p/kg reduction in the deadweight price due to the knock-on effects of Covid-19.

Saying that, the liveweight price has not dropped proportionally to the deadweight price, and I would suggest the local butchers are doing a right trade.

I hope the consumer doesn’t revert back to supermarket shopping and shows the local shops some loyalty when the current crisis is over.

Doug Dear is a Farmer Focus writer from Yorkshire. Read his biography.

JOURNAL : Farmers Weekly

I am feeling in a much better place than I have been for a number of months, finally being caught up. After a marathon effort we got a vastly increased spring cereal area into the ground in some surprisingly good conditions. I now look forward to what seems likely to be a later-than-normal harvest workload.

As luck would have it, youngest son managed to get back from New Zealand just as the coronavirus restrictions started to take hold and we were really getting going. Thinking it unwise for him to mix with others for a while, he got landed with the night shift. After all, his body clock was still on New Zealand time, which suited us all fine.

See also: Top tips on managing late disease in potatoes after diquat

Potato planting has proceeded apace, again into good conditions. Despite it appearing dry we are finding enough moisture at depth which has resulted in prompt and timely emergence.

Our pre-emergence herbicide programme remains largely unchanged although we are getting used to managing without diquat. I feel the greater learning opportunity will be when we come to haulm management later in the season.

I have access to an impressive haulm topping outfit through a local contractor, but I feel the cost will be considerably more than simply spraying a desiccant.

We have just added an additional tractor to the fleet, but in a different way. We have tended to buy in a fairly traditional way, but this is our first contract hire. I am keen to see how this compares with our usual route, given that we now have a relatively fixed cost per hour for maintenance, repairs and depreciation.

Having done the sums I felt that there is no right or wrong, cheaper or dearer way. It is more about what you want to achieve.

Depreciation costs are significant for our business and they are hard to calculate with any degree of certainty. The contract hire route does at least give some cost clarity right from the start, which will aid budgeting.

I am also pleased to see the fall in the price of fuel. Normally when we get to a busy period it seems to increase. We are unable to stockpile as we only have our regular tanks, but it is a small positive benefit.

JOURNAL : Farmers Weekly

Spring drilling was all wrapped up by early April – this year has already provided most of the drilling conditions possible going from very difficult to very easy in a relatively short time.

Crops have established well and on the whole are now benefiting from the minimal disturbance drilling method and the moisture it helped retain. Sugar beet is presently an unfortunate reminder on how spring cultivations in a year like this can be a bad move, with varying germination.

See also: How ethylene can help control sprouting in potato stores

While coronavirus is hindering progress with my mid-tier capital works, and making other jobs more complicated we have been very lucky that the impact has been minimal so far.

I cannot imagine being stuck at home for weeks without the usual freedom we all take for granted, and while the extra people out walking does bring some issues, it is also a huge opportunity for engagement and to show off what, why and how we do things.

Some simple signs explaining what crops are grown for, and what field margins, wild bird mixes and beetle banks are planted for, and the wildlife they are there to encourage and support will go a lot further in keeping people to footpaths and produce a positive result for farming all round in future; than ones that say only "Keep out".

There are always exceptions, but a lot of lost walkers are innocently ignorant. Footpath signs aren’t always visible, clear, or even present, and to untrained eyes a wide strip of grass around a field for a footpath looks the same as a field margin, especially if half has recently been cut as part of its management.

We need to give people a positive experience on the land we manage while everything else is upside down and not so great. As customers we support businesses that give us good service and a positive experience – the people walking the footpath are our customers and we keep asking for their support – maybe we need to earn it a bit more?

I found some small signs produced by CFE when it was the Campaign for the Farmed Environment that were designed to educate walkers about field margins and ground nesting birds.

Maybe industry organisations, such as the "new" Championing the Farmed Environment could help with some simple infographic style signs to help show people what different parts of the farmed landscape are for.

Matt Redman farms 370ha just north of Cambridge and operates a contracting business specialising in spraying and direct drilling. He also grows cereals on a small area of tenancy land and was Farm Sprayer Operator of the Year in 2014. Read more from Matt Redman.

JOURNAL : Farmers Weekly

We have been in a nationwide lockdown for four weeks, with only “essential services” allowed to operate.

We are fortunate in that we have been able to go about the normal farm programme while being supported by our associated service industries and processors.

It could be argued that had we closed the borders earlier, we may have preserved the operation of the domestic economy.

That said, it appears that a drastic lockdown is, thus far, seeing our case numbers fall quickly with our government now pursuing an “elimination” strategy. Covid19 is such a nasty bug, it would be very unwise to think we have beaten it yet.

See also: How to make sure you hit protein target for milling wheat

Tourism has been wiped off the map for the foreseeable future with an effect on the economy comparable to a complete collapse of the dairy industry.

Added to that, our hospitality sector is taking a hiding from the lockdown and will suffer both from an ongoing lack of tourists, but also from the reduction in domestic discretionary spending going forward.

There is no doubt grim times are ahead for many in New Zealand. Our economy has been shattered in the past six weeks.

Primary production is now, more than ever, the key source of foreign earnings for our wee country. The last few years it has been politically expedient to cast farmers and growers as public enemy number one.

Now it seems our politicians, business leaders and economists are giving us a smile and a wink, and a bit of a pat on the back.

Our own economic future is fragile as we are selling into world markets that themselves have taken a pummelling, so caution is needed.

But in the meantime, we are needed more than ever, both to produce safe, nutritious food to export, but also to support our friends in other sectors who are hurting.

Our builders, contractors, trucking firms, local retailers, everyone downstream that we deal with desperately need our help.

Now is our time to bring forward maintenance or development projects, or anything else we can find to get those guys and girls back to work and help them back onto their feet. Take care.

David Clark runs a 463ha fully irrigated mixed farm with his wife Jayne at Valetta, on New Zealand’s South Island. He grows 400ha of cereals, pulses, forage and vegetable seed crops, runs 1,000 Romney ewes and finishes 8,000 lambs annually.

JOURNAL : Farmers Weekly

It’s business as normal in very abnormal times. I could easily write this piece 10 times over full of sentiments of gratitude, despair and condolence and likely resonate with the majority of people in one way or another.

However, social media is awash with Covid-19 stories good and bad, so I’ll try to stick with ‘normal’ and hope you are all keeping safe.

We are well into our second grazing round on the farm, with pre-grazing covers of 2,500kg DM/ha to 2,700kg DM/ha. Grass growth last week was a shade under 50kg DM a day and above our demand for the farm.

See also: How to maintain butterfats during spring/summer grazing

As a result, concentrates have been eased back with a view to feeding 3kg a head a day and grass intakes of circa 15kg DM a day. The cows are loving the dry weather and high dry matter content of the grass and are exceptionally content, even when working to hit residuals and clean up fields.

Bulling activity is excellent. Large bulling groups are clear to be seen every day and production is running at about 2.1kg milk solids a day.

Most of our field work has been completed in good time, with some fodder beet going in for next winter.

Last year’s wintering ground has been worked down and reseeded and the dirty water has been spread on some of the grazing. Having soil tested the farm, the benefit of the dirty water is evident in the P and K levels, so we are trying to spread it on some different fields.

This meant running the umbilical across the yard. It was working fine until a lost articulated lorry arrived in a blind panic having been stuck on narrow lanes for an hour. The lorry dragged the five-inch pipe across the yard and out of the ramp ready for the next car to arrive to try and cross it and put a gash right through it.

Serving is less than two weeks away as I write. Preparation work is complete with metri-checking done.

Prostaglandin has been given to 30 cows to help them clean naturally and no antibiotics (Cefapirin) have been given. We are trying to limit antibiotics use generally and particularly that one, as it is a first-generation cephalosporin antibiotic.

Johnjo Roberts is a Farmer Focus writer on Anglesey. Read his biography.

JOURNAL : Farmers Weekly

We really are very lucky to work in the industry we do – producing food.

I know we all moan about the weather and the prices we get for our barley or beef or milk, but unlike many other industries the world can’t function without us, the food producers.

Life hasn’t even changed that much for most of us in the current crisis.

I know I am very fortunate to still be out and about delivering to shops and houses and as I pass so many businesses shut down with the coronavirus pandemic you can’t help but wonder about the poor people behind these businesses, who are either furloughed or who have already lost their jobs.

See also: OFC 2020: Expert to rebuff red meat claims and EAT-Lancet report

Many of these businesses may never open again.

Our little business is still very busy with home deliveries and we’ve seen a huge increase in footfall. We’ve been shipping orders all over the country, but we have hit a major snag this week as our insulated box supplier is struggling to get us more supplies.

We all know the world is going to be a very different place after this, but maybe there will be some good to come out of it.

Maybe people will realise they need to spend less time in their cars or on planes and more time at home with their families. Maybe they will realise it was the cars and planes destroying the planet and not the cows. Maybe people will continue to shop locally and maybe people will realise that they need to value our great British food producers.

Lambing has now finished and been successful. All sheep lambed outdoors in perfect weather conditions with most of the lambs still to experience what rain feels like.

I only assisted four ewes and had very few lamb losses. There have been a lot of cattle arriving over the last month. We’ve dropped from 300 ewes to 110 and increased cattle to more than 300 head.

Nearly all the cattle have been bought directly off-farm, mostly through our local co-op.

As usual, I think stores are too expensive relative to the fat price. Let’s hope we have a good BBQ season and prime prices rise.

Michael Shannon finishes 300 head of mostly Angus beef stores each year and runs 110 Scotch Mules on a 100ha forage-only enterprise near Biggar, Lanarkshire, as well as free-range turkeys for Christmas. Meat is sold through his online business and farm shop Damn Delicious, with surpluses sold deadweight.

JOURNAL : Farmers Weekly

“Hey, if you charged an entrance fee to the farm you could make a fortune. There are people everywhere!” This quip was from Georgina, one of our horse livery clients, as she returned from a hack round the farm. I think she was joking, but she is a financial adviser, so who knows?

I will not be setting up a turnstile, but we have started to engage more with the extra visitors by putting up some “lockdown learning logs”. These are laminated A4 information sheets which are tacked on to logs we have placed around the farm beside footpaths. They explain what we have just sown, what it is for, when it is harvested, what happens to the lambs.

See also: All you need to know about controlling wireworm in potatoes

Quite simple stuff, but judging by the feedback, it has gone down particularly well with parents who have young children to amuse and educate.

The Exlana ewes have all lambed now in perfect warm and sunny weather. Very few needed obstetric assistance and the lambs are growing on well in the diverse mix which includes Timothy, fescue, cocksfoot, red clover, sainfoin, plantain, chicory and yarrow.

I have given four surplus triplet lambs to a neighbour, Bertie, age 7, to kickstart his sheep enterprise. I am impressed to hear he is getting up at 5am to give them their first bottle of the day.

Hew has covered a lot of ground with the new Sly Boss drill, getting spring beans, barley, rye and linseed sown. We have been pleased at how the angled disc coulter got beans into hard ground at 3in deep. It is always an anxious time for the drill operator in the weeks following sowing to see how crops emerge, and in truth Hew probably didn’t need the extra pressure of me putting information sheets round the farm saying what crop was (hopefully) going to be in the field.

With six weeks without rain, emergence and growth has been slower than we would like, but fortunately, Hew seems to have inherited my broad shoulders and thick skin and, as I type, we have some welcome rain. Phew.

JOURNAL : Farmers Weekly

This past month has flown by. The weather has been amazing for lambing and first cut of silage.

As I write this, we are due to cut on 5 May. It looks to be a big crop and quality looks high, which will be the mainstay of our forage for the milking herd through winter.

We are onto the last handful of ewes to lamb, which has been brilliant. After the first cycle, there were only 36 multiples left to lamb out of 428, which is great going and should give us a consistent bunch of lambs in the autumn.

See also: 8 ways to prepare for a busy lambing season

The ewes have lambed very much unassisted, with very few issues and plenty of grass in front of them.

The milking herd are really performing now. We got back to predominantly 2019 first-cut silage and milk jumped up four litres in five days to 36.7 litres.

Milk quality took a slight nosedive, going from 4.1% fat down to 3.8%, but the total mixed ration has been adjusted and the quality seems to be rising again.

All landscaping is now complete around both the new sheds and the new slurry lagoon. We are just waiting for the grass seeds to grow.

We have been checking for a few weeks to see when the seeds will germinate, but because it has been so dry, the lack of moisture in the soil has delayed germination - they look to be coming now.

I hope everyone is staying safe in these uncertain times. I have the deepest sympathy for farmers supplying some processors severely affected by the milk crisis.

It must be heartbreaking to see their hard work literally going down the drain or being paid well below the cost of production.

Hopefully, some time soon, things will slowly start to open again, and everyone can get back to a slight bit of normality.

Farmers in general are lucky. We can carry on nearly as normal, whereas inner-city folk are stuck in a house or apartment with little or no garden or space.

I cannot imagine how that would feel.

Patrick Morris-Eyton is a Farmer Focus writer from Cumbria. Read his biography.

JOURNAL : Farmers Weekly

Bizarre is the only way I can describe Kansas ***agriculture*** at the moment.

Covid-19 has reached the meat packing industry and severe slaughter disruptions are starting to back animals up.

Simply put, there are no buyers at any price for finished animals.

See also: Coronavirus: Trump orders US abattoirs to stay open

The chief executive of Tyson Foods bought a full-page spread in The New York Times on 26 April.

In it he said: “In addition to meat shortages, this is a serious food waste issue. Farmers across the nation simply will not have anywhere to sell their livestock to be processed, when they could have fed the nation.

“Millions of animals – chickens, pigs, and cattle – will be depopulated because of the closure of our facilities. The food supply chain is breaking.”

There are many complicated issues regarding our supply chain and marketing, but I truly hope that our industry of 2021 looks different to the one of 2019.

It isn’t realistic that the next generation of producers (which I think I am part of) has any future in anything that looks like this.

We are doing what we can to weather the storm. Thank God for the rumen.

Summer grass growth is starting, so with some changes to stocking rates we don’t have to feed or sell a single animal until October. This gives us an advantage over chicken and pork producers.

Any other options we can take to cut costs, we are implementing. We usually AI every cow but will skip 150 older cows this year.

It isn’t so much about the cost of AI (which counts) but getting them to their summer pasture that doesn’t have facilities.

Our mineral programme isn’t as “high end” as last year and I also tried a new worming protocol where you don’t automatically treat every cow but leave the heavier conditioned and older cows. It will be repeated this year.

Our cows work hard for us in normal circumstances; this year we will have to ask them to work a little harder.

Meanwhile, there has been only one case of Covid-19 reported in our county. It was a healthy young man who has only lost his sense of smell – I’d like to find him and shake his hand.

Daniel Mushrush is a Farmer Focus writer from Kansas. Read his biography.

JOURNAL : Farmers Weekly

The past two weeks have been full on. In fact, I have been somewhat grateful for lockdown as it has meant there have been no distractions.

We have been able to take advantage of the brilliant weather conditions – which again seems hard to believe, given the winter we have had.

The slurry lagoon has been emptied and the sand dredged in record time. We then devised a plan to deal with our flooded maize ground that resembled a scene from the Second World War.

See also: Combines roll for severely delayed maize harvest

Two passes with a Sumo cultivator, followed by the roller and then straight in with a combination maize drill has worked nicely, and the last of that maize was sown on 27 April.

In my wisdom, I also decided that following the results of our grass samples and with a wet 10-day period forecast, it would be a good idea to take 40ha of first cut.

At the last minute the forecast changed, and we did first cut and maize over the same weekend.

The gamble paid off and, although the yields were on the low side, quality looks good and hopefully the aftermath will green over nicely. I am not a big tractor man, but I have to say, although I had limited sleep, I really enjoyed myself.

I would like to take this opportunity to thank our contracting teams – The Adams, Stevie Edwards and Pip Edwards – as well as our agronomist Ian Evans, for their hard work.

It is a rewarding time of year. Unfortunately, the news from Muller has been less rewarding.

In the space of three weeks we have been given a 1p/litre price rise (brilliant), followed three days later by a request to cut production by 3%, followed two weeks later by the 1p/litre price rise being rescinded.

It’s tough mentally to have to keep readjusting budgets and cutting costs with no indication of if, or when, the market may pick up.

I appreciate we are better off than some other producers, but I think the whole situation could have been handled better.

Let’s just hope this works in mitigating any long-term pain and that the rest of the year will not be as tough.

Read more about Shropshire farmer Henry Wilson.

JOURNAL : Farmers Weekly

I will ty to refrain from mentioning the dry weather, but we could certainly do with some rain very soon if the spring crops are going to come to anything.

Lambing has started with a bang. We have tried to group the ewes into a north and south district and split them between James our shepherd and myself.

James is looking after 800ish and I have 1,200ish about 25 minutes away.

See also: 13 tips for lambing outdoors

We have had one group of 160 ewes hit with a bad case of Campylobacter. The vet has advised to just ride it out and after lambing, disperse those ewes across the whole flock to get an immune response going before next year’s lambing.

Other steps we have taken have been to space out those ewes to try to avoid too much contact between them (more electric fencing) and pick up all afterbirth.

We are now into day 10 of lambing as I write and are certainly picking up fewer aborted lambs so we hope we are over the worst of it.

The Covid-19 situation hasn’t really affected us too much. Roads are empty and fuel is cheap which suits our style of lambing – but people are everywhere.

I appreciate everyone is trying to help, but when you see a picture of your sheep on a local resident’s Facebook page with the comment that it is “coughing, can’t find the farmer so should I call the RSPCA or a vet? Has it got corona?” it does make for stressful/comical reading.

It’s fortunate I can rely on Jo to log on and gently explain that it is probably going to be all right and to just leave it alone.

Grass is as good as we have ever had it. A pre-lambing rotation gave us a lot of early growth and Jo has planted a couple of herbal leys for the sheep in the arable rotation so we will be having Ben from Hyde Hall come in and throw up a few thousand metres of fencing for us there.

The hope is to try and get a few hundred lambs away early to stop so much pressure in finding food for ewes and lambs over winter if it rains.

See Rob and Jo Hodgkins’ biography

JOURNAL : Farmers Weekly

We’ve had no rain to speak of for six weeks. My default reaction was to moan incessantly, but that didn’t seem to do any good, either with the weather or my locked down family, so I’m now trying to think of how to react in the future.

More winter crops might be one way to go, but is the opposite of what we have been doing to combat grassweeds and we have been getting on well with cover crops for soil improvement, sheep grazing and stewardship payments.

See also: Why biopesticides will play a bigger role on arable farms

I also have solid fertiliser still on the surface a month after application and scorching from liquids, so another tactic might be to use some kind of delayed release fertiliser and apply the whole lot at the start of the season, but that might not be beneficial to plant or soil microbe health.

I was surprised when completing my annual Facts scheme exam to see urea fertiliser singled out as bad. The concern is volatilisation of ammonia and, while we do have to to minimise this, ammonium nitrate was touted as a better alternative. I don’t sell either, but maybe we should recognise that both have their pros and cons.

It is said that urea may lose 20% of its nitrogen via volatilisation, but if you look at the source of this information it appears this may only happen at 32C so perhaps is not too relevant in the UK?

Also, NIAB trials over many years find the same yields from both forms of fertiliser, so ammonium nitrate must be losing an equivalent amount, and scientific work estimates that N lost by leaching ranges from 40kg to 115kg of N/ha.

Added to this, ammonium nitrate can increase crops’ susceptibility to fungal attack and reduce their ability to uptake nutrients such as magnesium, manganese and zinc, especially on my chalky soils. As ever, a balance, rather than extremes may be the answer?

Andy Barr farms 700ha in a family partnership in Kent. See his biography.

JOURNAL : Farmers Weekly

With spring drilling done and dusted we have started inter-row hoeing our winter crops.

We focused on our winter beans first as they were particularly weedy. Most of the "weeds" are volunteer spring oats from harvest 2019 and so any that have escaped in the row will be harvested with the beans and then separated out on a gravity table after harvest. It’s this year’s unintended bi-cropping trial!

See also: Tips on getting the most from clubroot-resistant OSR varieties

We’ve also hoed all the winter wheat we managed to get in and started phase one of our living mulch trial which is my second attempt to develop an organic low till system. Our trial will run as follows:

In-between our 120mm crop bands we have 200mm of space where we have sown white clover at 7.5kg/ha comprising 80% AberAce wild white clover and 20% AberHerald which will remain in the ground for the rest of the rotation and possibly beyond.

The plan is then to strip-till the 120mm cropping rows and plant spring oats in early 2021 and so on. Lambs will be fattened on the clover to keep it in check before winter.

Organically I believe that we still need to be able to clean the crop rows as well as mineralise some of the nutrients we build up during the rotation to get our crops going, hence opting for strip-till rather than no-till.

I’m also concerned that having a living mulch across 100% of the field will compete for moisture and nutrients with my cash crop which I have seen in the past in thick under-sown leys.

I’ve got 10 months to find or make the machine to achieve that narrow 120mm strip.

We have the will so there must be a way.

JOURNAL : Farmers Weekly

As I write this the children have started lambing their Blue Texels again.

Unfortunately, a sub-fertile new ram left half their flock empty at scanning. Rather than running empty some later lambs will be a bonus.

Sadly, we have lost too many lambs with pneumonia and ewes with mastitis.

See also: Tips on tackling mastitis in sheep

The fantastic weather has had its drawbacks – largely the temperature difference between hot sun and frost. A high of 28C was recorded in one field while dosing lambs for nematodirus and that night the temperature dropped to -2C.

With all the sheep out at the beginning of April, all the sheds have been cleaned and manure spread on some maize ground – a first for us.

All the pens, buckets, bowls etc have been washed and dried. We were ready for a couple of farm visits that are now not going to happen.

The bulls have prepped up really well and are all behaving on the halter. All the work with the females over the years has rewarded us with cattle with lovely temperaments.

We don’t overfeed them, which means their feet and legs are good. On my foot-trimming round, I see a lot of young bulls that have been overdone, which is wrecking their feet.

No feet, no bull – it really is that simple.

All the lambs have had their second clostridial vaccine, so hopefully this will help to build their immunity going forward.

We put a preventative fly spray on all the ewes and rams. I haven't got time to deal with flystrike and it's not acceptable for our image.

The last hoggets and first January lambs sold well after a few weeks of market disruption. We didn't sell any last week due to another blip in prices, with more poor excuses from the processors.

British meat is selling on shop shelves. It might not all be fillet steak, but to ensure British farmers are still producing in five years a fair distribution of revenue is still essential.

We have had lots of walkers at the farm. Hopefully, they will really start appreciating what a beautiful place we live in and that it’s mostly created by farmers.

James and Belinda Kimber farm 850 commercial and pedigree sheep and 30 pedigree Simmental and Charolais cattle in Wiltshire across 95ha (45ha owned) with the help of their children, Josh, Izzy and Richard. James also runs a foot-trimming business and Belinda has a B&B.

JOURNAL : Farmers Weekly

The past few months have been pretty scary to say the least and really quite grounding for most of us, and I would like to thank all the frontline staff, especially those in the NHS, who take risks every day for the good and wellbeing of others. In times like these the real heroes come to the fore.

Being confined to the office or tractor cab is no real hardship so I’m going to keep my complaining to a minimum.

See also: Tips on getting the most from clubroot-resistant OSR varieties

The weather has almost been predictable – going from far too wet to far too dry in about three weeks.

We didn’t manage to get drilled up as one of our heaviest blocks of land had completely lost its structure and was basically three inches of concrete on top of six inches of cold wet clay and with no possibility of creating a decent seed-bed.

And as I’ve alluded to in the past, spring crops on heavy land are very unforgiving of poor seed-beds.

We did, however, manage to get 400ha of both spring barley and beans drilled, and on the whole I’m happy – although the beans are, ironically, desperate for rain.

I have to say lockdown has been a hugely productive time in the Challen household, all windows facing south have now been occupied by various plant pots and trays as veg and flower production is in full swing.

One of the stables has been converted to a gym, although I consider this a rumour as I still haven’t ventured in yet in fear that I may get challenged by young Master Challen to pump iron or cycle 50km.

The kitchen has been converted to a “For Farmers” office as Harriet is working from home and although additional quality time with the kids is great, without doubt the best bit has been the huge increase in home baking, with fresh cake nearly every day.

Every cloud has a silver lining. Finally I'd like to say I'm glad to see Boris back at the helm and wish him and his family well.

JOURNAL : Farmers Weekly

What a rollercoaster the past five weeks have been.

Having my three-year-old come to work with me every day has got to be one of the most fun and the most exasperating experiences.

I’m sure many of you can relate. Although it’s a juggling act, I am grateful to be spending this time with him and appreciate how lucky we are to have the farm during these crazy times.

It’s certainly become clear that we are all weathering the same storm, but in very different boats.

Thankfully, the pig business has not been adversely affected so far. In fact, we have seen an increase in demand from local outlets and the Standard Pig Price (SPP) reached 164p/kg for the first time since 2017.

See also: Coronavirus: Farms advised to use face masks

Retail has seen a big uplift in sausage and bacon sales (up 48% and 18%, respectively, for the week ending 12 April), to the detriment of fresh pork (total roasting joints down 63%).

AHDB has just launched another campaign to promote pulled pork; hopefully driving some more fresh sales and taking some of the burden from cold stores.

Unfortunately, our European counterparts aren’t doing so well, with Germany seeing a 9% in their pig price, which is at an equivalent 153p/kg.

This has had an effect on UK cull sow values and leaves open the possibility of cheaper continental imports sneaking their way back in.

On the flip side, the poultry business is seeing some pressures. We have three broiler breeder farms, supplying fertile hatching eggs.

Although retail of fresh chicken is up 10-15%, this is not enough to offset the decline in foodservice. This means that some flocks are being culled early and others brought into lay late, at huge cost to all in the supply chain.

With a new flock coming in next week, I am pretty nervous, to say the least.

In some more positive news, the National Pig Association’s farrowing crate survey unearthed that 43% of respondents would leave the industry if there was a ban, so they have been lobbying tirelessly on our behalf.

Defra ministers now want to work with us to phase out farrowing crates, rather than a complete ban, which is a welcome shift in mindset.

Sophie Hope is a Farmer Focus writer from near Cheltenham. Read her biography

JOURNAL : Farmers Weekly

Farmers have been advised to apply now for an ***agricultural*** dispensation for wide-vehicle movements, well before the harvest period begins.

The call was made by NFU Scotland (NFUS), which warned that the application process could face delays due to the effect of the Covid-19 pandemic on staffing levels.

The union said farmers should apply to Police Scotland’s Abnormal Loads team for dispensation or a renewal at least six weeks before the paperwork was needed.

See also: Farm vehicle use – are you insured?

Abnormal load dispensations are required if a vehicle or implement are more than 3m wide and/or any part projects more than 4m.

Any equipment that exceeds these dimensions or may exceed them with an implement attached should be included on the dispensation.

NFUS transport adviser Jamie Smart said: “There have been no derogations during the pandemic for moving ***agricultural*** wide vehicles on the roads, so it is important to obtain a dispensation from Police Scotland.

“Like all businesses, the abnormal loads office at Police Scotland are having to practise social distancing, which may slow down applications.”

Mr Smart advised farmers that they must carry a copy of the dispensation document in the relevant vehicle in case they are stopped by Police Scotland.

In England, farmers are also advised to contact police well in advance of needing to transport wide vehicles.

Vehicles affected include those more than 3m wide, travelling on roads with a speed limit of 40mph or less, or those travelling distances of five miles.

Alternatively, annual dispensation can be granted by most police forces, particularly at harvest time. The document must be kept in the vehicle at all times.

Farmers should contact their local force and notify them of the vehicle details and areas it will travel within.

Further information

Scotland

Dispensation forms are available via:

E The NFUS website

E Phone 0131 472 4000

E Email: [*info@nfus.org.uk*](mailto:info@nfus.org.uk)

Completed forms should be emailed to:

[*OSDAbormalLoadsScotland@scotland.pnn.police.uk*](mailto:OSDAbormalLoadsScotland@scotland.pnn.police.uk)

England

Advice on moving abnormal vehicles is available on the government’s website

JOURNAL : Farmers Weekly

Farmers should be reworking cashflow projections for the next 18 months in the run-up to Basic Payment Scheme (BPS) payment reductions, say advisers.

Volatility on the back of the coronavirus pandemic and lack of clarity on the UK’s EU exit terms also mean business planning needs more attention to identify cash crunch points, said Bradley Hurn, of consultant Brown & Co.

For many arable businesses, this will come in spring 2021, he said.

Those tendering for annual grazing or cropping ground or for longer-term lettings need to factor this into cashflow plans and tenders that BPS is going to start to fall from the 2021 payment.

“Some combinable cropping FBT [farm business tenancy] tenders have been at the £200/acre mark and that doesn’t stack up,” said Mr Hurn. “The tendency to spread that cost across the whole cropped acreage is not the way to justify it – that additional land has to contribute to profit.

“A lot of 2019 grain was sold before Christmas at £130-£140/t – not an exciting price, but the big yields mitigated the relatively low price to some extent.

“However, the big yields have not created a large enough cash surplus to help with the potentially poor harvest of this year.”

New crop budgets

Turning to new crop budgets, the large expected carryover of barley into the new crop year on 1 June, combined with a big rise in the spring barley area for 2020, mean growers should be budgeting on the basis of there being no malting premium, says Mr Hurn.

“Our gross margins for average Grade 3 land are worked on a flat price of £115/t for harvest movement of feed and malting barley.”

Harvest 2020 gross margins

Spring barley (malting and feed)

Spring wheat (feed)

Winter wheat (feed)

Yield (t/ha)

6.2

6.5

8

Price (£/t)

115

155

155

Output (£/ha)

713

1,007.5

1,240

Seed (£/ha)

75

75

75

Fertiliser (£/ha)

140

180

210

Spray (£/ha)

125

140

180

Sundry (£/ha)

10

10

10

Total variable costs (£/ha)

350

405

475

Gross margin (£/ha)

363

602.5

765

Source: Brown & Co

The new Environmental Land Management (ELM) scheme will take years to fully deploy, so lower BPS sums should also prompt a review of structures.

On many farms, such a review could lead to a joint venture. “We’re definitely doing more arable labour and machinery joint ventures than we were five years ago, and there is a lot of scope for more,” says Mr Hurn.

“It’s not for everyone, but there are still big savings to be made, reducing investment in kit, releasing management time and using labour more effectively.” Such a change can also give a business the skill, ambition and/or the confidence to try new crops or markets, he said.

Livestock plans

Livestock producers often rely on putting a large number of stock through an individual autumn sale, but they might want to be wary of doing so this year, said James Brown of the same firm.

“Trade has been very volatile and splitting between two or three sales might be advisable to mitigate the effect of a bad day and even out the cashflow,” he suggested.

Equally, depending on what progress the UK has made on its coronavirus journey, the autumn sales calendar may be disrupted.

Autumn sales calendar may change

“There is a risk that a lot of 12- to 18-month old cattle may be for sale at the same time in the autumn, partly through disrupted sales and partly because low prices may have encouraged producers to hold on to stock they would usually have sold.

“Buyers, in turn, may feel constrained if beef and sheep prices have not improved over the summer,” said Mr Brown.

Markets are also being affected by smaller abattoirs reducing or changing their killing days, which is affecting buyer numbers at auction.

“As with the store and breeding stock, perhaps consider taking smaller batches of finished lambs or cattle in more often to reduce risk and smooth cashflow, where possible.

“Some might want to plan a split lambing next year to catch the early market with part of the flock – it brings higher creep costs, but higher market prices.”

Work out payment plans

Smoothing cash outflow can also be addressed. Contractor’s charges are often one of stock farmers’ biggest single bills and their timing is often out of kilter with income from sheep or beef sales.

“We have found many contractors are willing to work out a payment plan,” says Mr Brown.

“You agree the likely bill for the year and split it into 12 equal instalments, or as many as you agree suits both parties’ cashflow, with any difference being made up in a balancing charge at the end of the year.”

With a big drop in the wheat area for 2020, feed wheat prices could rise and new-crop barley prices are under pressure. The gap between the two could make barley worth considering in rations as long as the nutrition is right.

The smaller wheat area may lead to higher straw values for harvest 2020. Some producers with cash flexibility have bought stocks now to carry over into the winter, said Mr Brown, who suggested budgeting for a rise of 25% in straw costs compared with 2019 levels.

Business review pointers

Is business structure correct? An arable or livestock joint venture could reduce risk, improve profitability, bring in new skills, release management time anA can start small.

Family labour Are time and costs being realistically ***accounted*** for? Is that labour being used to the best purpose - someone currently working on the farm may want to work elsewhere.

Are borrowings correctly structured? Review this and get advice.

Does the overdraft include a hardcore element that is always there? The business risk of interest rate changes and the "repayable on demand" aspect of overdraft borrowing can be reduced by putting that hardcore element onto a loan footing. This also imposes an element of repayment discipline.

Many of the banks are agreeing capital repayment holidays, but plans need to be in place straightaway for how these payments will be made in future, in addition to what will become due in the meantime. There will also be extra interest on the deferred amounts.

With banks heavily involved in administering government-backed coronavirus loans, lending decisions may well take longer than borrowers want them to.

How is the livestock market changing? Are breeds those most suited to the farm? A change to more traditional breeds can mean easier management and lower labour costs.

JOURNAL : Farmers Weekly

Lambing can be a challenging time, but it’s also one containing magical moments – especially when the younger generation get involved.

Thanks to all the Farmers Weekly readers who have found time to share their snaps in our Lambing 2020 gallery.

See also: More pics in our Lambing 2020 gallery

You’ve uploaded fantastic photos of your children, grandchildren and other relatives lending a hand and, in some instances, getting their first insight into this busy time of year.

Here’s our final round-up of your shots from this year, showing some of the joy and awe that kids feel when encountering – and working with – lambs.

Definitely some fantastic budding shepherds here, we reckon.

To share your photos, go to Lambing 2020 gallery

Feeding time

Bale break

Hang on tight

Lambing in style

Happy helpers

Siblings smiling

Passing on the wisdom

King of the castle

Super stockman

Homework

Twin triumph

Hold on tight

JOURNAL : Farmers Weekly

Vending machines selling milk, cheese, meat and other staples are helping to #feedthenation and keep people safe during the coronavirus lockdown.

At a time when person-to-person contact must be kept to a minimum, vending machines selling produce directly from farms are coming into their own, offering 24-hour service and card-only payments.

Dairy farmers Matthew and Coral Senior are working hard to supply organic milk directly to the local community in south Somerset via three 24-hour vending machines located at North Perrott Farm Shop, John Bright Country Store near Salwayash, Bridport, Dorset, and Odcombe Village Hall near Yeovil, Somerset.

See also: Map: Where to buy milk direct from farm

The service also has an environmental benefit, as customers are filling reusable glass bottles, creating less plastic waste.

Their Holy Cow Organic milk is simply pasteurised, cooled and ready to drink, so there is no heavy processing and no food miles. It costs £1.30 per litre and is never more than 48 hours old.

Social distancing

The machines are cleaned at least four times a day and customers are also offered hand sanitisers. Strict social distancing measures are in place, on a one-in, one-out basis.

“A lot of local shops have closed in our area, so we started the vending machines over 12 months ago to bring a little bit more to the community,” said Mr Senior.

“They have fallen on their feet since the coronavirus. People who have been self-isolating can just pop out and buy a few staples without having to travel very far.”

Fen Farm Dairy, in Bungay, Suffolk, has been operating vending machines at the farmgate since 2011.

Dairy farmer Jonny Crickmore said the machines have been a huge success and sales had trebled since the start of the coronavirus pandemic. He is now having to restock the machines often twice daily and also operates a one-in, one-out policy.

Raw milk coffee

Their raw milk coffee machine is brewing 24/7. “It’s completely self-service and there’s hand sanitiser for you to use. Plus our cups are totally compostable,” said Mr Crickmore.

The farm also sells raw milk and butter, its own Brie-style Baron Bigod cheese, produced from raw milk from the farm’s Montbeliarde cows, bread and meat.

Panic buying led to supermarket shortages of eggs, especially at the beginning of the coronavirus crisis. But farmers have been able to meet demand by selling eggs from the farm gate.

Gate Farm Eggs, based in Flowton, Ipswich, Suffolk, says their vending machines selling free range eggs are now in constant use.

Being open “from dusk until dawn” allows key workers to purchase eggs after shifts from a safe environment, which also poses no threat to staff.

“Demand for locally-produced, good quality free range eggs is on the increase and although our gate sales have always been high, the popularity of home-baking during lockdown has meant a soar in sales recently,” said Joe Watkins, from Gate Farm Eggs.

British Lion donates eggs to NHS workers

British Lion is donating eggs to the HelpNHSHeroes initiative which provides food boxes for health service workers.

HelpNHSHeroes has been trialled in pop-up shops at two NHS hospital sites, the Lister in Stevenage and the Royal Berkshire in Reading, selling boxes to workers.

Following the successful trial, there are plans to scale up to national distribution to more than 40 hospitals across the UK.

The boxes provide meals for a family of four for two days, and cover all nutritional needs, such as protein, carbohydrates and fruit and vegetables. They will be sold on a non-profit basis for £30.

NHS staff can place a food box order for collection at the end of their shift using a phone app. Meanwhile, shift workers completing back-to-back shifts are being offered free breakfasts as part of the scheme.

JOURNAL : Farmers Weekly

An Essex farming couple are keeping elderly and vulnerable people fed during the coronavirus lockdown – by using a tractor-trailer to deliver food to their doorsteps.

G & J Barron Farms, based at Pattocks Farm, Chappel, was asked by residents if it would open its farm shop – normally operating only at Christmas to sell turkeys – as the supermarkets were running short on supplies.

Arable and turkey farmers Ross and Sarah Barron considered the request but decided reopening the shop would risk spreading the virus to staff and locals, as it sits in the middle of the yard.

See also: Farmer, 86, working every day to #FeedTheNation

Instead, they decided to dust off their 1963 red vintage Massey tractor and trailer and start home deliveries of staple local foods, including meat, fruit and veg, eggs and honey.

Mrs Barron told Farmers Weekly: “We rear free range turkeys for Christmas and open a farm shop for three days selling everything you need for a Christmas dinner, including other meats, vegetables, etc.

“I said to my husband, why don’t we just put everything in a trailer and deliver it to locals round the villages? It has gone from there.

“We sell a range of foods from our farming neighbours, including free-range eggs, pork and strawberries.”

Mrs Barron takes the produce around the nearby villages of Great Tey, Little Tey and Aldham, just outside Colchester. Many of these villages no longer have local shops and they are home to a number of elderly residents.

Social distancing

Payment is by card, and orders are linked Mrs Barron's phone so that she can observe government guidelines on social distancing. Locals also have to use the hand sanitiser provided before they select their produce.

As well as providing a vital food delivery service, for some residents Mrs Barron may be the only person they see all week. She is able to box up produce and deliver to the doorstep for those who are isolating.

Street names where deliveries will be made are posted in advance on the farm’s Facebook site. Residents are asked to leave a shopping bag on the fence or gate to request the tractor to stop.

Mrs Barron said: “I am working 12- to 13-hour days, basically until the sun sets. It’s a lot of work, but it’s very rewarding. People are so happy to see you.

“They have asked me to continue after coronavirus. I may do something. I haven’t decided yet.”

Great Tey resident Charlie Saville told BBC Look East: “It’s a brilliant system. Really good. And hopefully, very supported by the village.”

JOURNAL : Farmers Weekly

Morrisons has launched a food box packed with British produce to help farmers struggling with the loss of the food service market.

The 10kg box includes meat, vegetables, milk and cheeses produced in the UK, and £1 from every sale will be donated to the Prince’s Countryside Fund (PCF), which is co-ordinating donations on behalf of Farming Help charities.

It follows other supermarket promotions to help farmers deal with the drop in demand for more premium produce, which would typically be destined for restaurants.

Claire Saunders, PCF director, thanked Morrisons for backing British farmers and providing much-needed support.

See also: Supermarkets step up steak promotions to help farmers

“This contribution will allow us to support farming groups across the UK - including the five Farming Help charities.

“It will also ensure that British farmers have the support they need through this difficult time to keep producing healthy, nutritious food for our tables.”

The box costs £45 and includes rib eye steaks and pork loin steaks.

David Potts, chief executive of Morrisons, said: “Being the biggest customer of British farming, we want to help farmers while also playing our full part in feeding the nation.

“Our farmers produce some of the world’s finest meats, vegetables and cheeses, which we want to offer to our customers.”

Steak promotions

Marks and Spencer launched a 100% British meat food box, which includes Aberdeen Angus casserole steak and rump steak.

Waitrose, Lidl and Aldi have all stepped up promotions on steak products to help beef farmers. Waitrose has offers on selected pre-packed and meat counter steaks in May and June.

The AHDB has launched a campaign which aims to inspire consumers to create restaurant-style meals at home, using high-quality cuts from British beef.

The levy board has been sharing easy recipes to try in the kitchen.

A kick of " from quick chilli butter and a whole lot of flavour from the steak. This delicious 20-minute steak with chilli butter is just one of the recipes we are sharing with our fans on Simply Beef and Lamb #MakeItSteak #SteakNight

Check it out ' [*https://t.co/8QZWh5yQqI*](https://t.co/8QZWh5yQqI) pic.twitter.com/NJrDCLs9t3

AHDB (@TheAHDB) May 9, 2020

JOURNAL : Farmers Weekly

Morrisons has announced a series of measures to say thank you to British farmers helping to #FeedTheNation during the coronavirus pandemic.

The Bradford-based supermarket chain is offering a 5% discount to its 2,700 farmer suppliers when they buy their own groceries.

The initiative aims to support its hardworking farmers and their families and will run until at least mid-July, when it will be reviewed.

See also: Coronavirus: Prince praises farmers who #FeedTheNation

Those eligible for the discount include livestock farmers supplying lamb, beef and pork, fruit and veg growers and egg farmers supplying Morrisons direct, and dairy farmers with a Morrisons contract.

The retailer will also open a summer “BBQ and Steak Bar” in its stores from Thursday 30 April – providing another fillip to struggling British farmers and promoting a wider selection of steaks, joints and seafood.

Morrisons chief executive David Potts said: “This is a difficult time for the nation and it’s a very difficult time for farmers.

“We’re the biggest supermarket customer for British farmers and they continue to provide very good quality British food in the face of very real challenges.

“We want to show our thanks for all their work in feeding the nation and encourage our customers to buy British food.”

Trade affected

Customer demand and industry prices for certain foods have fallen dramatically since the lockdown started – as one-third was destined for the restaurant and catering trade, which has temporarily closed.

Meat producers have been unable to sell certain products, including high quality steaks and joints that would have been destined for the restaurant trade.

Morrisons has 494 stores serving 12 million customers each week. It is British farming’s biggest supermarket customer and its own-brand fresh meat is 100% British.

Will Jackson, AHDB Beef & Lamb strategy director, said: “The summer BBQ and steak bar approach supports and neatly sits alongside other industry promotional activities including a social media campaign to encourage shoppers to enjoy #steaknight.

“As we move from spring into this summer, in particular shoppers may well be looking for a treat and what better than fantastic beef and lamb.”

JOURNAL : Farmers Weekly

Dairy processor First Milk has announced its member milk price will be held at the current level for June 2020.

It means the price for a liquid standard litre will remain at 26.75p/litre and its manufacturing standard litre will be 27.63p/litre.

Despite the price hold, the farmer-owned co-op’s vice-chairman, Jim Baird, warned of continuing uncertainty in dairy markets.

See also: Dairy farms to get up to £10,000 to offset coronavirus cost

Mr Baird said food service sector demand had fallen sharply since the coronavirus lockdown began.

“It remains hard to determine what the total impact of Covid-19 will be on dairy markets in the UK or globally in the months ahead,” he added.

First Milk’s price hold comes after Meadow Foods announced a price cut last week.

Meadow Foods told its suppliers on 30 April that the weakened market had forced it to cut prices for a standard litre by 1p/litre to 25p/litre in May for its Cheshire and surrounding milk fields, and by 2p/litre in Cumbria, Lancashire and south Wales to 22p/litre.

Chief executive Mark Chantler added that the June price would not be announced until later this month due to an uncertain market outlook.

“We will be leaving any price announcements until later in the month, to give us as much visibility of the market ahead as possible,” Mr Chantler said.

Gloomy dairy outlook

Looking ahead, AHDB Dairy suggested the EU milk price equivalent was expected to decline in the coming months in line with the downward trends in butter and skimmed milk powder pricing.

The sector board's senior analyst, Patty Clayton, said: "With stocks expected to build for these products, and global demand to remain subdued, these trends are likely to continue over a longer period."

Ms Clayton added that the coronavirus pandemic had caused a downturn in forecast production.

Suggested milk production across the EU-27 was likely to be lower than earlier predictions due to the pandemic, she said.

Milk production is projected to expand by a modest 0.4% in 2020, similar to 2019 increases.

This is less than previously forecast, as growth in yields could be limited by compound feed shortages, processor-driven milk reduction schemes and the potential drop in the size of the dairy herd, Ms Clayton explained.

JOURNAL : Farmers Weekly

When it’s a hot May day, too windy for spraying or that last dose of liquid fertiliser, there’s only one place to be: on the very top of the combine, wielding a weedy pressure washer.

It’s the perfect place for some solemn contemplation and reflection on the state of the farm.

In many ways, it’s like being the cartoon guru dispensing wisdom on the sharp peak of the mountain – not least because of the effort involved to get there: up the side steps, over the engine (still giving off a delicate aroma of toast after last year’s close-thing fire), and carefully on to the grain tank.

See also: Read more from Charlie Flindt

And then, giving thanks that you remembered to turn on the power before setting off on your Snowdonesque ascent, you get to work, making sure the low-pressure blast scythes through the black dust but leaves the paint untouched.

Enjoy this bit – once you start on the mechanicals, most of it comes back in your face.

Peer pressure

Pressure washing combines was thoroughly disapproved of in my youth – “you’ll get rust in the seams!” was the cry.

It was done with a hosepipe and a hand brush. Mind you, we had men back then, and three weeks to spare.

When the shoulders need a rest, it’s a great chance to survey much of the farm from an unusually lofty viewpoint.

To the south-east is the one field of oilseed rape to have survived – and I’m getting a bit fed up with it.

One week it’s a write-off, and I’m on the point of ploughing it in. Then, suddenly, it’s off again, flowering and getting off the floor.

On goes the last bit of fertiliser, and it promptly goes all goth teenager.

Tod the Cropdoctor agrees that it only justifies a cheap ’n’ cheerful mix of insecticide and fungicide – and it promptly explodes into life again.

To the east is my fertiliser tank, sitting empty, waiting for the last lorry load. It should, of course, be topped up and ready to use, but in the glorious chaos of the past six weeks, my sophisticated ordering system (don’t laugh) has gone to pieces.

Look to the west and you’ll see why; there’s good wheat, bad wheat, late wheat, early wheat – and often in the same field.

Trying to work out a detailed fertiliser policy for that lot – while trying to sow and spray the rest of the farm – has been a bit of a challenge.

As usual, I’ve been doing WICWIC farming – what I can, when I can. So far, the weather had been really kind, with regular bursts of hot rain letting the nitrogen get to work quickly – but then you blink, and it’s time for more.

To the north is the old Conder Bin storage barn, unused for decades.

Ten 50t capacity boxes, bolted together, with an intake pit, cleaner, and a Cyclone fan with heater banks, designed to dry the crop (and empty the bins) through the ventilated floor.

1970s style

I’m not sure I’d dare press the star-delta button now though. Dad put it up in the 1970s, after a bumper grass seed crop, but now it sits rather sadly waiting for something – anything – to be done with it.

A few months ago, I put out feelers for demolition and replacement. Ouch. “It’s the asbestos, you see.” Not this year.

With shoulders rested, it’s back to pressure washing.

It’s quite comforting to see the farm in its usual state: not brilliant, hardly spic-and- span, and certainly not good enough to drive visitors to ascend my New Holland-shaped mountain in search of farming wisdom and knowledge.

But it’ll do.

JOURNAL : Farmers Weekly

Sometimes the most significant stuff pops up in the most unlikely of places.

For instance, you’d hardly think that a Defra publication from December last year called Farming ***Statistics***: Final crop areas, yields, livestock populations and ***agricultural*** workforce at June 2019 – United Kingdom would cause a frenzy of excitement.

It’s hardly the latest Harry Potter, Harold Robbins or yet another of the Fifty Shades series – although I suppose it does detail the results of a damn good thrashing.

See also: Read more from Charlie Flindt

But for those of us who are into that sort of thing (analysing harvest yields, not a damn good thrashing) it contained some very important ***statistics***, and all helpfully and neatly laid out in a graph – it’s on page five of the PDF. It shows yields of wheat, barley and oats over 20 harvests.

The message is simple. Over two decades, yields have been creeping up nicely, then dipping for two harvests before surging back up to a new high last harvest.

It backs up exactly what I, and many other farmers, saw from the combine cab, and explains the initial and inevitable drop in prices just after harvest.

Harvest hoo-ha

What’s the significance – why is it so exciting? Well, it is me to me, anyway. You see, when I’m not arguing with vegans online, I’m arguing with “soil catastrophists”.

They are a very vocal brand of eco-warriors, and they spend their time bashing modern farming on the rather dubious claim that we spend our time destroying the very thing that makes our farming possible: our soil.

You’ll recognise their arguments: the soil is being washed away at an alarming rate, the soil has been rendered toxic or sterile by years of industrial farming, to the extent that only pouring on more chemicals will give a crop, and as a result, we only have five (or is it 10, or is it 15?) harvests left.

Making a positive counter-argument for modern chemical farming is easy, but it falls on deaf ears.

Somehow, having 36 years of hands-on farming experience and a respectable ***Agricultural*** Engineering degree (which included some proper technical soil science taught by proper, if barking mad, soil scientists) is trumped by reading The Guardian, watching Countryfile, and harvesting echo-chamber opinions at SW1 twatterati dinner parties.

Back to earth

I invite them out to my farm – all the soil is where it was when we arrived 60 years ago.

I try and tell them about Liebig’s Law – you don’t get good yields from poor soil, no matter what extra chemicals you “pour” on.

And I try telling them that we do indeed test, nurture, protect and cherish our soils, and they are actually in very good health.

And the “5/10/15 harvests left” prediction will be as accurate as the others eco-scares that get ceremonially ridiculed every “Earth Day”.

But the catastrophists will never take the word of a “chemical junkie farmer”.

Well, thank goodness for Defra (and there’s a phrase I never thought I’d use), and its factual and unemotional analysis of the state of UK arable farming, written and illustrated in the clearest and simplest terms.

Yields are on the up, and have been for two decades. We are looking after our soils.

Having said all that, there is a fourth line on the Defra graph: it shows the oilseed rape yield, and it bucked the trend quite dramatically last year.

There’s a wonderful irony there; a crop’s yield has plunged after farmers were forced to stop using a key chemical following active and vociferous green campaigning.

Good thing Defra is too diplomatic to point that out.

JOURNAL : Farmers Weekly

It’s slightly embarrassing to have to ask – and let’s keep this between ourselves, shall we? – but does anyone know where I can get hold of new steering wheel for my 2018 Massey 5713S? I need a new round one to replace one that, unfortunately, isn’t.

I would go to my dealer, but they’d probably produce the “Blimey, we don’t sell many of those!” line – and then ask how it happened. I could try bluffing and say it was a mysterious spontaneous breakage, and try yet another just-out-of-warranty claim.

The first problem with that plan is that I’m a terrible liar, and the second is that I have already drawn heavily from the deep well of just-out-of-warranty goodwill claims – it might be running dry.

See also: Read more Flindt on Friday

Insurance assessment

Even going to NFU Insurance for a claim could be rather humiliating. They’ll take one look at the details of the “incident” and write a nice formal letter consisting of two words, the second one being “off”. You wouldn’t blame them, and here’s why.

I bet this isn’t the only farm where odd jobs are being done that would normally get procrastinated into eternity. A couple of Saturdays ago, arable work was nicely up together – a genuine opportunity to lock the tractor barn and and what, exactly?

In my case, it’s eat. While other unfortunate folk are using their lockdowns for intensive yoga, interior decorating or buffing up their Swedish (as in the language, not the au pair), I’m scoffing. All that weight lost after the hip op, back on again.

The only solution is to unlock the barn and get back in the tractor. “I know”, I thought. “I’ll take the loader and grab, and push some of this winter’s fallen trees back off the tracks.”

I had a very jolly afternoon doing some “public good”, and making mental notes of the next supply of firewood. All that lovely ash – although the fact that so many of them are coming down is worrying.

I got the last one done, and headed home via the track next to Clump, closing up the grab as I went. The sky was blue, the birds were singing, the bluebells were out, the wheat looked lovely, spring had most definitely sprung most stunningly – and at that very moment, the tractor stopped dead.

I wasn’t closing the grab; I was pressing the wrong button on the joystick, and lowering an open and slightly downward-tilted grab to the dirt. Result: 10kph to 0kph in a scary millisecond.

Seventeen stone of finest Hampshire beef (that’s me, by the way) failed to stop. I don’t remember much about it – just a strange bewilderment.

Hobnob airbag

My left thumb hurt like heck, as did my teeth, and my lower ribs felt like they’d been hit by an iron bar. I gave them a good poke (as props do after losing a scrum), thinking, “no, not hospital, not now, please!” All seemed sore, but intact.

Once I’d gathered my senses, I realised that the “iron bar” was the steering wheel, and it had acted as a mini-crumple zone. It was now a very odd shape.

Thank goodness, too, for all the cheese, ginger beer and Hobnobs; the perfect inbuilt “airbag”, protecting my ribs. And the next thing I did? Check, of course, that no one had seen me do it.

It’s not the sort of tale to tell the dealer or the insurance company – a tale of complacency and idiocy at the tractor wheel, which once was round, but now isn’t. So, if you’ve got a spare one, pop it in the post.

JOURNAL : Farmers Weekly

Wheat consumption for flour production could drop by about 152,000t between April and June despite a surge in home baking brought on by the coronavirus lockdown, the AHDB has said.

The estimated figure would put consumption about 13% down on five-year averages for the market, according to AHDB senior analyst James Webster.

With uncertainty remaining about how long the lockdown will remain, he used a range of consumption reductions between 5% and 15%, and varied the lockdown end date between May and June.

See also: How to make sure you hit protein target for milling wheat

"Overall wheat consumption for milling is likely to be down between 36,000t and 171,000t, with a best estimate of being nearer the higher figure," Mr Webster calculated.

Mr Webster added that this could be added back into the balance sheet as carry-over stocks and add “a modicum of pressure to late-season prices”.

He explained that the fall in demand was due to coronavirus lockdown measures, which were having differing effects on the main markets for flour – pre-packed for household use and retail bread and foodservice consumption.

Pre-pack/household use

According to figures from Nabim, the UK flour trade body, total annual demand requires about 4.2m tonnes of British wheat and 800,000t of imports.

Normally, about 4% of that is sold in 1.5kg packs for household consumption and about 2m of these are packed each week.

Since the lockdown measures were introduced, demand for packeted flour has more than doubled.

However, even with mills and packaging sites running 24 hours a day to produce 4m packets, there is insufficient capacity to meet household demand, Nabim said.

Mr Webster calculated an additional 14,500t of flour had been produced for retail sale, equivalent to an additional 18,200t of wheat consumed.

“Assuming this trend continues to the end of the season, an additional 37,900t of flour would, in theory, be produced for retail sale, equivalent to about 47,300t of wheat,” he reckoned.

Retail bread and foodservice consumption

While the household consumption is relatively simple to work out, the retail and foodservice sectors are more difficult to analyse.

Nabim say there is considerable overlap in output from bakeries that can supply both food service and retail outlets.

Collectively, they make up the remaining 95%, with roughly 70% of that going into food service and 25% into retail.

Further confusion surrounds closures as not all businesses, such as takeaways and other retail outlets, have shut down, Mr Webster said.

JOURNAL : Farmers Weekly

Better food security could be one important outcome of the coronavirus pandemic – which has highlighted the determination of British farmers to feed the nation.

MPs investigating the impact of the pandemic on the UK's food supply chain are expected to recommend steps to make sure people have better access to sufficient healthy food.

See also: Coronavirus: MPs probe threat to food supplies

Members of the House of Commons environment, food and rural affairs select committee held their first public evidence session as part of its inquiry on Tuesday (5 May).

Speaking afterwards, Keighley MP Robbie Moore told Farmers Weekly he believed the government must ensure UK food security and supply chain resilience.

Under scrutiny

He said: “We need, as a scrutiny committee, to make sure Defra does have those plans in place to ensure that food resilience is there now but also going on into the future.”

Mr Moore said the inquiry was an ideal opportunity for MPs to ensure food security and resilience was at the heart of Defra's thinking and policymaking.

Jack Ward, chief executive of the British Growers Association, said demand for food was “like the Christmas rush without any warning” ahead of the coronavirus lockdown.

“If this crisis has done one thing, I think it has partly restored the pride that farmers and growers have in producing food,” Mr Ward told the inquiry.

Wake-up call

“Suddenly, the nation has woken up to the fact that when all is said and done, food is absolutely critical and [producing] it is dependent on lots and lots of people.”

NFU president Minette Batters told MPs it was vital to keep food supply chains functioning so they could continue to feed the nation when the pandemic was finally over.

“We are only just starting this journey – it is not all going to be sorted. Lockdown is obviously going to be a very phased approach and who knows what that looks like.

“The new normal is going to be quite long lasting, so we are going to have to keep working at how we keep these living supply chains focused so we don't lose sight of British sourcing.”

JOURNAL : Farmers Weekly

The start of post-Brexit trade talks between the UK and US has prompted renewed warnings that British farm standards must not be undermined.

Talks between UK international trade secretary Liz Truss and US trade representative Robert Lighthizer are due to begin on Tuesday (5 May) via video conference because of the coronavirus pandemic.

See also: NFU20: British farm standards must not be undermined

The government has pledged that any agreement will not compromise the UK's high environmental protection, animal welfare and food standards.

But farm leaders want a clear statement that any food imports will not be produced using methods that would be illegal in the UK.

This would mean a ban on imports of chlorine-washed chicken and hormone-treated beef – both practices are allowed in the US, but banned in Britain.

Threats and opportunities

The Country Land and Business Association (CLA) said a potential trade deal offered both opportunities and threats to UK growers and livestock producers.

The US is a huge market and a free-trade agreement would give American consumers the ability to enjoy world-class British food produced to very high standards.

CLA president Mark Bridgeman said: “Our farmers grow some of the best produce in the world.

“Food and drink businesses are well placed to capitalise on growing demand and new markets abroad. They should be at the heart of our future trade talks.”

Conform to standards

Like other farm leaders, Mr Bridgeman said the US must conform to UK standards if it wanted greater access to the UK market for its own produce.

He added: “Allowing food produced to low animal welfare and environmental standards to undercut UK farmers is unacceptable.

“The UK government has repeatedly issued warm words in this regard – but it must go further and legislate to protect UK farmers in all future trade deals.

“Maintaining food standards needs to be part of the ***Agriculture*** Bill.”

According to the UK government, eliminating tariffs and reducing other trade barriers with the US could boost the economy by between 0.07% and 0.16% over the next 15 years, depending on the terms of the agreement.

JOURNAL : Farmers Weekly

An increase in environmental awareness has strengthened investors’ interest in an expanding forestry market.

Savills’ latest report on the UK forestry market shows that last year more buyers became interested in the asset, due to both its performance and environmental benefits.

A shift in public attitude towards climate change encouraged businesses to invest in forestry in order to offset their carbon emissions.

See also: Why we’re selling the family farm during coronavirus

Meanwhile, other trends continued, including low supply, strong competition and decent timber prices.

Values on the up

The value of the UK forestry investment market was just over £121m during the 2019 forest year (1 October 2018 to 30 September 2019) – a 2% reduction in overall sales value compared to the previous year.

The area of forestry traded also fell, down 4% from 36,819 acres to 35,583 acres, while the average value increased by 17% to £4,108/acre.

Forestry prices depend on location, accessibility, tree species, average age and timber volume.

Conditions and values vary across Scotland, though each area remains more productive and active than England and Wales combined.

North Scotland is a lower value area, due to the poorer physical growing conditions and extended distance to timber markets.

In 2019, North Scotland saw the highest rise in average values from £2,282/acre to £3,394/acre (45%). It was the only region to sell more acres in 2019 than 2018, reporting an increase of 1,977 acres to 9,612 acres.

The average value of forest in central Scotland rose by 31% during the 2019 forest year to £5,164/acre. It experienced no real change in the number of acres sold (12,182) and had the largest market share across Scotland, England and Wales.

Average values in southern Scotland rose by 38% to £6,139/acre. Although the number of acres sold (10,724) was down by 17% on 2018, it had the second largest market share.

The south is the most competitive area for timber marketing, and its forests benefit from excellent physical conditions leading to fast, even growth.

England and Wales have a scarcity of productive woodland for sale, which increases values. The average price of commercial forestry traded in England and Wales is higher than any Scottish region. In 2019, average values reached £6,637/acre, with 2,990 acres sold.

Tree-planting target

Investors now see forestry as a viable income stream, the report says, which has been supported by the introduction of the Woodland Carbon Guarantee in England, a scheme aiming to establish a public marketplace for carbon offsetting through woodland creation.

The UK government has committed to achieving net zero emissions by 2050. To achieve this,  it is estimated that 74,132 acres of trees need to be planted each year, nearly triple the current annual planting rate.

However, there are multiple barriers to achieving this, such as the UK nursery stock of tree saplings being limited to orders the nurseries know will be fulfilled, and a multi-year lag time to produce new stock to meet new demand.

Changing land use from ***agricultural*** production to woodland creation requires prior approval, which can be time consuming. And once approved, the land cannot be returned to farmland.

In addition, there is a relatively limited area within the UK that is suitable for tree planting. It is important not to compromise other economic land uses, biodiverse habitats and protected ecosystems, and planting must be appropriate – in the right place and for the right objectives, which must include production of sustainable, quality timber.

Woodland planting schemes

 £46.4m Forestry Grant Scheme, Scotland 2019-2020

£8m Glastir Woodland Schemes, Wales 2021-2023

£6,800/ha Woodland Creation Grant: Countryside Stewardship, England 2019

£50m Woodland Carbon Guarantee scheme, England

Source: Savills

What sold well?

Llanbrynmair Forest in the Montgomeryshire area of Powys, a region well-known for its timber production, sold in excess of its £27.5m guide price after being on the market with Savills for about six months.

The first commercial planting took place in 1960, and the most recent replanting of the 5,342-acre forest took place in 2019.

What’s on the market?

Northumberland forest

John Clegg & Co has launched 1,200-acre Whiteburn Forest in Northumberland for offers over £4.8m.

It includes mixed age, high yielding Sitka spruce timber ready to harvest, and a stone house that has previously been let as an activity centre.

Somerset woods

In the Quantock Hills near the West Somerset coastline, Westwood and Stileage Woods is available with Carter Jonas, guided at £295,000.

The 23 acres of amenity woodland has a mixture of tree types, is home to an abundance of wildlife, such as wild birds and deer, and includes a lake.

JOURNAL : Farmers Weekly

Research, expert advice and attention to detail have helped one first-time broiler grower achieve some of the highest performance figures in the wholesale sector.

David Hewitson's journey into broiler production started when he returned to his family's Hauxley Farm near Stockton-on-Tees in 2017 after serving in the Navy.

At the time, the farm already produced arable, pigs and sheep. But Mr Hewitson was interested in broiler production, which was enjoying a 10% year-on-year growth in demand.

See also: How to spot and treat infectious bronchitis in broilers

The positivity surrounding the sector, and low environmental impact, added to the attraction of broiler production, he says.

Farm facts: Hauxley Farm

Indoor broiler production

98,000 birds

Cockerels reared to 52 days

Pullets to 36 days

Red Tractor Assured

Research phase

Mr Hewitson began an extensive search for information on set-ups, production, industry targets and health and welfare issues.

"I set out to get as much information as possible online then began to contact growers to get a solid idea of how to set up a successful unit," Mr Hewitson says.

These were some of the most important people he spoke to during this phase. The practical advice and warts-and-all reviews helped build a realistic picture of the sector.

Farmer contacts also recommended who to talk to in the wider industry. Based on their advice Mr Hewitson began a round of discussions with broiler feed and processing companies to ensure there was sufficient capacity in the market.

As well as companies linked to broiler production, he quizzed advisers and consultants and secured assurances from potential buyers over demand for the stock produced.

Planning and construction

Following advice that suggested a minimum of 100,000 birds in two sheds was needed to achieve a decent return on investment, the Hewitsons submitted plans for a four-shed, 220,000-bird unit to allow for future expansion.

The planning permission process went smoothly and cost about £28,000. But it still took 12 months to complete and the additional environmental reports required, pushed up costs to £65,000.

Good weather during the winter of 2018 meant the Morspan building was constructed, Collinsons equipment and a Fancom environmental system installed, within four months.

Connecting the electricity supply proved to be the biggest headache. "Instead of hooking us up and allowing us to use the planned, energy-efficient, ground-source, heat pumps, the installer struggled and eventually quit."

"With hindsight, I should have looked harder at the company's credentials, and I would advise anyone thinking of entering the sector to carry out a thorough check," Mr Hewitson says.

The unit had to turn to emergency generators for power as the first flock was due to be placed. Gas heating was later installed as an interim solution while the work to connect up the ground-source heat pump continued.

Stocking phase

As the time approached for the arrival of the first crop, the amount of new information, checks and details were almost overwhelming, says Mr Hewitson.

One mistake during this initial phase could have caused a problem that held back the entire crop's performance. For help, Mr Hewitson turned to feed and nutrition specialist ABN.

The firm's Total Farm Performance service provides structured support to guide growers through production, and poultry adviser Kieron Daniels was assigned to Hauxley Farm.

"As David says, the amount of new information can be overwhelming. It would be easy to miss or skip a vital point, so my role was to guide the start-up," Mr Daniels says.

With the incoming crop approaching, one of the first tasks was to ensure that everything in the two new sheds was fully functioning and any potential glitches identified.

The two sheds were heated to 32C for two days before shavings were laid, and this temperature was maintained until after the chicks arrived.

This practice is needed because the newly laid concrete floor is cold and can chill the day-old birds. Performance would be hit from day one and never recovered.

Another key to getting performance from the outset was to prepare the water system at Hauxley Farm immediately before the birds arrived.

"Water intake governs food intake, which underpins performance. If birds don't drink, growth rates will not hit targets," says Mr Daniels.

To ensure water intakes are adequate, birds need cold, fresh water available to them continuously from the very first minute of arrival.

However, water can lie in the system pipework while the shed is pre-heated and also warm-up, allowing microbial populations to develop.

The water system was flushed through until it ran cold before the birds came in. Checks were also carried out on water pressure regulators.

There must be sufficient pressure for a drop of water to hang on the drinker nipple. The glistening drop catches the light, and the day-old bird is instinctively attracted to it.

However, if pressure is too high the system will drip, and shavings beneath can get wet and harbour disease.

Immediately before stocking, additional feed was provided at floor level to encourage the birds to feed from the start.

The crop

Once the birds were in, it was a case of careful monitoring and frequent, subtle adjustments to the system to optimise performance.

During the first crop, Mr Daniels walked the sheds alongside Mr Hewitson several times a week to help him get used to the process and to identify any irregularities.

The Hewitsons were advised to walk each shed three times a day for about 40 minutes and focus on the birds' behaviour, both individually and as a flock.

It's important to note how birds are feeding, drinking and their behaviour. For example, the flock can appear flighty, which can indicate the lighting regime needs adjusting.

From days one to 10, light levels need to be high to stimulate food and water intakes.

Early feeding helps birds' gut microflora develop faster, ultimately leading to better gut health, better digestion and increased feed intakes.

But levels need to be adjusted downwards as the birds grow, to keep them calm and improve growth rates.

Feed and drinker equipment was regularly checked during the shed walks.

The height of drinker nipples was fine-tuned when necessary, sometimes by as little as half an inch, to keep the line just above the birds' eyelines.

This maintains water intakes as the bird lifts its head to peck at the hanging droplet and the water then flows naturally back into its beak.

Set too low, and the water will drop away from the bird to the floor. If birds are unable to drink efficiently, feed intake is lower and ultimately weights drop.

Likewise, minute adjustments to the feeder heights are needed to allow the birds optimum access to the feed without wastage or competition.

As well as the visual checks, feed and water intake levels were collected and monitored through the system equipment. These were analysed at least once a day to spot any irregular upward or downward trends in intakes that might suggest disease or a system problem.

The task is made easier with ABN's InFocus app, which has been used to collect and collate ***data***.

The ***data*** can be sent straight from a phone to the cloud allowing both Mr Hewitson and Mr Daniels to access and analyse the results using graphs which highlight any discrepancies in performance or fluctuations in feed, water or the environment.

Mr Hewitson then made adjustments where needed to maintain optimum bird performance in both sheds.

It is important not to treat individual sheds as one unit. Each one will have a number of slight differences that can be overlooked but collectively add up.

The environments can vary considerably, so need managing differently to keep growth rates up.

Performance ***data*** analysis

At the end of the first crop, ***data*** was reviewed under the Total Farm Performance package.

The wholesale market requires a larger bird than retail outlets, and crops tend to be split-sexed. In Mr Hewitson's first crop, pullets started being taken at 33 days weighing an average of 1.91kg, and cockerels first went out on day 46 weighing an average of 3.65kg.

The shed was totally cleared on day 49. Mortality in the first flock was 5%.

Feed conversion ratios for the first crop were just 1.68:1 placing the Hewitson's flock at the top of ABN's performance chart across its monitored wholesale producers that year.

The first crop also saw growth rates peak close to 120% of the breed guide between 20-25 days.

The first crop's European Production Efficiency Factor (EPEF) was above 400, ranking Mr Hewitson's performance in the top four of ABN's flocks.

After monitoring the first crop results Mr Daniels and Mr Hewitson tweaked the system slightly.

"Despite the high peak in growth compared to the breed standard, we lost some performance in the early days," Mr Daniels notes.

From day one, growth rates were 79% of the breed standard and did not achieve a 100% figure until day six.

"For the second flock, we decided to put more feed on the ground as the new chicks came in. The move was successful and saw the flock hit 100% of the breed standard by day three.

"We also made a number of changes to the lighting intensity at different times/around week three of the growing period to encourage water consumption, and hence feed intakes, in the first few weeks.

"After which, further lighting changes were made to slow bird growth down later on – the aim was to reduce mortality by another 1%," Mr Daniels says.

The plan worked, and the growth curve peaked more gradually to 110% between 25 and 30 days.

A knock-on benefit of the more uniform growth was a 1% reduction in mortality over the lifetime of the flock.

The combined better growth and lower mortality saw the EPEF rise to 417.

With only his second crop, Mr Hewitson's broilers reached the second-highest performance figure of ABN's monitored flocks.

How the European Production Efficiency Factor is calculated

The efficiency factor allows broiler results from different flocks and different regions to be compared.

This factor standardises technical results, taking into ***account*** feed conversion, mortality and daily liveweight gain.

The formula is: (average grams gained per day x % survival rate )/feed conversion x 10

Crop 1: (ADG: 71.95 x SR: 94.96%) / (FCR 1.68 x 10) = 407

Crop 2: (70.48 x 95.92) / (1.62 x 10) = 417

JOURNAL : Farmers Weekly

Wheat growers are being urged not to cut back on fungicides on some of their thin, poor-looking crops, as showery weather could soon bring wet-loving septoria disease back with a bang.

Many late-drilled wheat crops have struggled out of the winter, prompting growers to think about cutting back on expensive fungicides as their yield potential is clearly lower.

But some experts argue that even potentially lower-yielding crops can be laid low by disease, and the current dry weather should not lull growers into complacency.

Bill Clark, technical director of crop consultant Niab, says there is plenty of septoria in winter wheat crops and all it needs is showery weather to make the foliar disease rise up from the lower leaves.

“Don’t talk yourself into lower inputs yet, as potentially lower-yielding crops can still see a big response to fungicides,” he says.

See also: How to counter the raised yellow rust risk in winter wheat

See what the situation is in regions across the country:

Kent

East Anglia

North Yorkshire/Durham

Northern Scotland

Herefordshire

Dorset

Dry weather approach

The current dry weather may help fuel a laid-back approach, as the multisite fungicide chlorothalonil will protect emerging leaves, but a change in the weather may herald the need for the eradicant properties of systemic fungicides, which travel into the leaves of plants, such as azoles and SDHIs.

Much attention has been focused on widespread yellow rust, but while it is fairly easy to control with relatively inexpensive azoles such as tebuconazole and epoxiconazole, the wet-liking septoria is often difficult to eradicate.

“Yellow rust is everywhere, but septoria is out there and if we get showery weather, it will jump,” Mr Clark warns.

An azole-multisite approach might work at T1, but there are risks attached, and he advises a SDHI-azole-multisite at T1 and a higher dose of a similar mix at T2.

The T1 stage is when leaf three on the wheat plant is nearly fully emerged, and often occurs in late April into early May, while T2 is when the final – or flag – leaf is emerged and usually occurs in late May into early June.

With yellow rust around, Mr Clark advises not reducing the SDHI-azole mix below half dose, as the rust active element will be too reduced.

He suggests trying new chemistry, such as Revystar, at T2, but to cut the dose of this more expensive mix to match that of previously used products.

Popular SDHI-azole fungicide mix products

Adexar – SDHI fluxapyroxad (Xemium) plus azole epoxiconazole

Ascra - SDHIs bixafen and fluopyram + azole prothioconazole

Aviator – SDHI bixafen plus azole prothioconazole

Elatus Era – SDHI benzovindiflupyr (Solatenol) plus azole prothioconazole

Keystone - SDHI isopyrazam plus azole epoxiconazole

Revystar - SDHI fluxapyroxad + azole mefentrifluconazole (Revysol)

Scottish septoria

In Scotland, where there are a lot more early-drilled wheat, Fiona Burnett, professor of applied plant pathology at Scotland’s Rural College (SRUC), says the dry and sunny weather is reducing the disease threat, with septoria only found on the lower leaves.

She suggests only using an SDHI, which are at a high risk of resistance developing, where there is a lot of disease present (and especially eyespot). In a low-risk situation, an azole-chlorothalonil approach may be adequate.

“If there are any savings to be made, then T1 could be the time,” says Prof Burnett.

For the T2 flag leaf spray, where the most responsive yield effect can be seen, she suggests following the SDHI-azole approach, and as these sprays in Scotland are likely to come after the ban on chlorothalonil on 20 May, the multisite component is likely to be folpet.

She does suggest that at T2, chlorothalonil may have been “propping” up some of the older SDHI-azole mixes, and suggests growers keep doses high and use the most effective new chemistry.

Kent

In the milling wheat heartland of Kent, there is quite a lot of septoria on crops and despite the dry spring, some showers and wind - causing leaf rubbing - will aid the disease’s spread.

Chris Bean, technical director at agronomy group Zantra, is looking to manage the risk sensibly, carefully checking the danger from yellow and brown rust. Growers will struggle with brown rust if not controlled at T0 and T1, he says.

His T1 approach for his area of Kent and south Essex will be an SDHI-azole-chlorothalonil mix, varying the rate according to risk, with strobilurins added to help with rust control and nitrogen update.

“There are a lot of milling wheats down here and strobilurins have been shown to improve the uptake of nitrogen, which translates into protein,” he says.

His T2 strategy will follow a similar approach, focusing on rusts, as all milling varieties saw brown rust in trials last year, with Zyatt and Firefly showing high levels as well as the very susceptible Crusoe.

East Anglia

Yellow rust is the main disease concern in these eastern arable lands, although there is plenty of old septoria in wheat crops after a very wet winter.

Dick Neale, technical manager at agronomy group Hutchinsons, advises growers to look carefully at their crops and make sure they have a rust-active element in their T1 fungicide sprays.

He suggests an SDHI-azole or SDHI-strobilurin route, both with chlorothalonil added, and believes not using an SDHI can be a bit too risky at T1.

“If you do a sensible T1, when you come to T2, you do not have to spend all that much money,” he says.

His approach at T2 would be similar to T1, but growers could drop rates depending on the weather and might omit the chlorothalonil in very dry weather.

North Yorkshire/Durham

Septoria is always the key focus for Nigel Scott, with early-drilled wheat crops of more susceptible varieties, such as Barrel and Kerrin, at risk from the disease.

He says there is a place for SDHIs at T1, especially for their greening effect, helping with rooting and their nitrogen scavenging properties, as well as their fungicidal effect. However, more backward crops may just get an azole-chlorothalonil treatment.

Septoria pressure is lower this year, especially with late-drilled wheat crops in his area of North Yorkshire and Durham, but after such a mild winter and with unknown weather ahead, the risk of this disease is there.

“It will be a decision made on a field-by-field basis. With no rain for more than six weeks, we have to look at spending,” says Mr Scott, who works for agronomy group ProCam.

For T2, the advantages of using an SDHI are clearer, and last year's experience proved the point, as a dry spring prompted thoughts of cutting back before the heavens open in mid-May.

Northern Scotland

Long-term disease control is key in northern Scotland, where the wheat harvest stretches well into September and even October, so coping with septoria is vitally important.

Agronomist Alistair Gordon, who covers Morayshire through to the Black Isle and into Easter Ross, is  seeing septoria in the base of wheat crops. There is more disease on the variety Barrel compared with Skyscraper, which is generally clean.

Mr Gordon, who also works for advisory group ProCam, says his approach is based on using two SDHIs, as he says they help reduce plant stress on the region’s dry, light soils.

He plans to use the older SDHI isopyrazam, along with either of the azoles epoxiconazole or prothioconazole at T1, and then a SDHI-azole-strobilurin mix at T2. He hopes this three-way mix will help counter the absence of chlorothalonil at T2.

“The T3 spray is the important spray for us, as there can still be two to three months to harvest, so we need to protect the crop,” he says.

Herefordshire

Andrew Goodinson is seeing septoria on the lower leaves of wheat crops that were sown early in his area. Yellow rust is visible on later-drilled crops that went in just before Christmas, while those sown after Christmas are generally clean of disease.

For T1, the agronomist’s approach for "cleaner" varieties in terms of septoria, such as Firefly, will be a low-dose azole plus strobilurin and chlorothalonil approach. He will only look at an older SDHI mix product on the more disease-prone crops.

Strobilurins will help crops due to their physiological greening effect and give extra protection against yellow rust, which has been more prevalent this season, especially on Gleam and Skyscraper.

For T2, it will be an SDHI-azole-multisite approach, with chlorothalonil used before 20 May and folpet afterwards, says Mr Goodinson, who covers Herefordshire and the surrounding areas for agronomy group Hutchinsons.

“It’s all about managing the disease threat in often thin and open late-drilled wheat crops this season,” he says.

Dorset

In  the wetter climes of south-western England, agronomist Russell Dean sees the use of SDHIs at T1 and T2 as commonplace to counter the threat of septoria.

He is surprised about the large amount of the disease he is seeing, as growers in his area have switched to more resistant wheat varieties such as Siskin, Costello and Graham in recent years.

Mr Dean, who covers Dorset and Somerset for agronomy group Frontier, is following an SDHI policy at T1, while making sure there is a good rust active included, as he has seen yellow rust as far west as Bridgwater, near the Somerset coast.

For T2, SDHI use will be commonplace across all his crops, and he will be looking to use the new chemistry such as Revystar at this fungicide timing, which traditionally gives the biggest yield boost.

“With high grain prices, growers will see a higher rate of return for only a modest few pounds more for the new chemistry,” he says.

Winter wheat variety disease resistance scores in the AHDB Recommended List

Variety

Septoria

Yellow rust

Brown rust

Zyatt

6.4

7

6

Crusoe

6.2

9

3

Siskin

6.6

9

5

Firefly

7

9

6

Barrel

4.3

9

5

Kerrin

4.9

7

7

Costello

6.1

9

5

Graham

6.8

8

6

Gleam

6.3

7

6

Wheat varieties are assessed on a 1-9 scale for disease resistance in the AHDB Recommended List, where 1 is very susceptible and 9 shows good resistance

JOURNAL : Farmers Weekly

George Eustice is probably still wondering what hit him.

He barely had time to settle himself into the big corner office in Smith Square before the coronavirus crisis was upon him.

Thrust into the full media limelight as shops began to run low on food, any initial roadmap of how he wanted to spend his first months in the top job has been hastily scrapped.

See also: Find all our coronavirus content in one place

The long-awaited consultation on dairy contract reform, for example, was meant to have been published last month, having first been expected in 2018, but has again been kicked into the long grass.

Instead, he has been taking his turn at the Downing Street podium as part of the revolving cast of ministers at the daily coronavirus press conference.

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Back at the office, there has been policy making on the hoof that has helped supermarkets continue to keep shelves full and public concern abated.

The actions that he has taken, and not taken, are giving us an insight into what the current government approach may mean for farmers.

The bedrock of this is a classic Tory belief in the ability of the free market to balance supply and demand and solve problems, with government only intervening to keep the playing field level, rather than supporting the players.

This can be seen with the recent oversupply of milk caused by closure of most of the foodservice sector.

Competition law

The policy lever reached for first was a relaxation of competition law that, in theory, could help rebalance markets, but not to rush back to intervention buying where the state becomes the customer.

And, even though intervention purchasing and private storage aid for some commodities are now available, those are EU measures, not UK government ones.

Defra was also for some time insistent that farmers should use the Coronavirus Business Interruption Loan Scheme (CBILS), rather than receive bespoke support.

The problem there is that many would not pass the viability checks – even though the scheme requires these to be based on the pre-crisis fundamentals of a business.

This is the crux of the issue. Why, a free marketeer might ask, is it the job of government to prop up businesses that didn’t even have the faith of their banks before coronavirus happened?

Furthermore, it can be argued that CBILS, with a maximum loan duration of six years, is very costly for farmers who normally borrow over much longer periods.

Unions have also been quick to point out that coronavirus has pushed food security up the political agenda, and farms need to be helped now in order to maintain UK production after this is over.

Milk promotion campaign

In response, and after much foot dragging, Defra have announced that farmers in England who have seen income drop by 25% or more will be eligible for grants of up to £10,000 to compensate them for up to 70% of lost income.

The department, along with the AHDB and Dairy UK have also this week announced a jointly-funded £1m milk promotion campaign.

Farming unions have been quick to welcome the concession that the Secretary of State and his team won from the Treasury amid the many competing demands from other beleagured sectors of the economy, but it is concerning for affected farmers outside of England that it was not possible to achieve a UK-wide plan of action.

However, despite this sticking plaster the direction of travel remains clear. Direct payments are being phased out. Environmental payments will not fully compensate for the Basic Payments Scheme income forgone.

The era of EU-levels of interventionism is over.

While paying tribute to farmers as essential workers, the government is prepared to allow more of them to fail.

And farmers who may expect Mr Eustice, a former farmer himself, to deliver more on their behalf need to remember which way power flows in cabinet – from the top down.

JOURNAL : Farmers Weekly

Good things, it is said, come in threes and, in terms of government measures to help farmers weather the coronavirus storm, this week has been no exception.

For starters, Defra has finally agreed to give English farmers an extra month to complete their Basic Payment Scheme (BPS) applications without penalty, recognising the disruption the pandemic has caused to many farm businesses.

See also: Defra extends BPS deadline to 15 June

In this endeavour, Defra is joining the Welsh government – though administrations in Belfast and Edinburgh have not followed suit.

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Another positive is the Defra announcement that 75% bridging loans will be made available this month to those still waiting for their 2019 Countryside Stewardship money.

It is estimated that about half of 2019 claimants are yet to be paid, so the loans will provide some essential cashflow to a significant number of farmers and landowners.

The third piece of good news is the government’s announcement of a Bounce Back Loan scheme.

This will offer small and medium-sized businesses affected by coronavirus loans of up to £50,000, guaranteed by the government, with no fees or interest payable for the first 12 months.

It is expected that this scheme will be considerably more useful than the Coronavirus Business Interruption Loan scheme, promising as it does easier access and faster payment.

These three measures are certainly helpful. But, as ever, there is more the government can and should be doing to underpin domestic food production – not least in the dairy sector.

Yes, it recently relaxed some competition rules, enabling processors to co-operate more and so ease product flow to different market outlets.

But that is far short of what is needed at producer level. Many hundreds, indeed thousands, are facing reduced payments, delayed payments and, in some cases, no payment at all for milk they have been forced to discard.

Coronavirus is hitting the whole economy hard, farming included. And while farmers are finally winning some recognition for their role as “essential workers”, to continue producing food for the nation, they need certainty

An NFU-organised letter writing campaign has seen more than 2,200 letters sent to 400 MPs calling for urgent help.

In particular, the NFU is demanding targeted grants for affected farmers, market support measures such as private storage aid, and a government-run milk reduction scheme to better balance supply and demand.

All these ideas make good sense and are fully justified by the extraordinary circumstances the dairy sector now faces, though, as Farmers Weekly went to press on Wednesday (29 April), Defra secretary George Eustice seemed to be playing down the prospects.

But, as well as such short-term measures, the government needs to offer some medium-term reassurance, too.

The EU Commission has already said it will allow 70% advances of BPS payments in October rather than December, and 85% advances for agri-environment schemes. The UK authorities should make the same commitment.

And looking further ahead, Defra should delay its plans to start phasing out direct payments to farmers in 2021 by at least a year, to give the sector more time to prepare for the radical shake-up this will then trigger.

Delaying would also give the government more time to consider its priorities when it comes to food security and supply chain relationships in a world order that is now so fundamentally changed.

Coronavirus is hitting the whole economy hard, farming included. And while farmers are finally winning some recognition for their role as “essential workers”, to continue producing food for the nation, they need certainty.

Starting to slash BPS payments next year – which for many farmers is the entire profit for their business – can only serve to undermine their viability.

JOURNAL : Farmers Weekly

So, the ***Agriculture*** Bill has cleared its third and final reading in the House of Commons and now heads to the House of Lords for the next stage of its parliamentary passage.

The bill paves the way for the new-look ***agricultural*** support system for English farmers, based on a winding down of direct payments and a winding up of a “public money for public goods” approach.

See also: What the new ***Agriculture*** Bill contains for farmers

During the Commons debate on Wednesday (13 May), MPs taking part remotely considered several amendments, including those tabled by opposition MPs and those sympathetic to rural voters.

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The most high-profile of these were the ones surrounding trade in ***agricultural*** goods and the terms to be agreed in any future free-trade agreement (FTA) with the likes of the US.

These amendments – including one from Neil Parish MP and another from Labour leader Keir Starmer – sought to ensure that any future food imports only come from systems that meet our UK standards of animal welfare, plant health and environmental protection.

The ***Agriculture*** Bill is silent on this point, as the government view is that trade matters should be dealt with in the separate Trade Bill.

But pretty much the whole food and farming industry disagrees, and it has been a recurring theme that it is not acceptable for our farmers to have to compete with food imports produced using methods that would be illegal in this country.

Some encouragement was provided by international trade secretary Liz Truss. Writing exclusively for Farmers Weekly, she insisted that “as we leave the EU, we will maintain the same import standards – no UK import standards will be diminished as part of an FTA.

“We will never undermine our high standards on domestic environmental protection, animal welfare and food safety – ensuring that in any agreement, British farmers are always able to compete.”

This is undoubtedly helpful. But it does not provide protection from substandard imports outside of any FTA, and it counts for little until it is enshrined in legislation.

During the debate in the House of Commons on Wednesday, the government whips secured enough support to ensure that the Neil Parish and Keir Starmer amendments were heavily defeated.

Fortunately, this is far from the end game. The Lords still have to give the bill full scrutiny and are expected to be much more sympathetic to the various demands of the food and farming industry - including those not related to trade.

Yes, the new ***Agriculture*** Bill, relaunched in January, contained some improvements to the original – notably requiring a review of food security every five years, introducing a multi-annual budget and providing for emergency market intervention.

But much more needs to be done. The planned cuts to the Basic Payments Scheme should be delayed, food production should be included as a “public good” worthy of taxpayer support, and any aid should be targeted at active farmers.

More power should be given to the groceries code adjudicator to ensure a fairer supply chain, food security should be subject to specific targets and reviewed more frequently.

Above all, protection from below-standard food imports must be enshrined in legislation.

The current ***Agriculture*** Bill is too weak on all these points. It is therefore imperative that industry lobbying is sustained as the Lords debate it in the coming weeks and months.

JOURNAL : Farmers Weekly

In the previous Global Grain Insight, published in the middle of February, we concluded: "If coronavirus continues to spread, it could have a negative impact on the whole global economy."

While that sentiment has proved correct, none of us could have imagined the extent to which the virus has affected our everyday lives, as well as the markets and wider economy.

Markets at this time of year usually have their eye on the weather, with any hint of unfavourable conditions giving support to prices, but while the world is not without these, the crushing destruction of demand from coronavirus is all-pervasive.

See also: Rust control advice to achieve high-protein milling wheats

With a world in lockdown, little travel taking place, hospitality mothballed and minimal global trade, markets are at a standstill.

Without coronavirus, grain markets would be looking very different.

Much of western and central Europe has gone from being too wet to too dry, and although recent rains have helped to stabilise conditions, estimates still put EU wheat production down 12.5m tonnes from last year to 134m tonnes for 2020-21.

Influence of main price factors

Red: Factors putting downward pressure on prices – 45%

***Accounts*** for 45% of current market influence. Demand destruction due to coronavirus is outweighing any current supply hitches in wheat, with availability of low-cost maize aggravating matters.

Amber: Watch this space – 40%

Short-term weather changes could inject volatility into markets. Continuing dry weather in key markets such as the EU, Brazil, Russia and the Ukraine might still unsettle things. But for any long-term effect, they’ll have to be sizeable.

Green: Factors exerting upward pressure on prices – 15%

Current weather issues are enough to keep prices from falling too much, but so far, they are not sufficient to outweigh coronavirus and initiate a sustained rally.

Drier-than-normal weather in the main corn-producing states of Brazil has affected yield potential, and this could drop further if these conditions persist. It is a similar picture for wheat in southern Russia and the Ukraine, where rain is also needed.

That said, Russia is expected to produce 77m tonnes of wheat this year, compared with 73.5m tonnes in 2019-20.

Australian production is expected to rebound from last season’s drought-hit wheat crop of just 15m tonnes to more like 24m tonnes, and US maize plantings are well ahead of average.

Demand for maize, particularly for ethanol, has fallen dramatically, however, and the abundance of cheap maize is adding pressure to all grain markets.

Further weather problems could inject additional volatility into markets, resulting in short-term selling opportunities. There is also encouragement to be taken from some countries seemingly getting a grip on the virus and lifting restrictions.

But for the foreseeable future, nothing short of a major weather event will lift the weight of coronavirus sitting on global markets. Until demand returns, upside potential for markets is limited.

UK prices dictated by global events

UK price prospects have for some time now been driven by global events, with the reduction in domestic wheat production already well known in the market.

Current estimates put UK wheat production for the coming harvest at about 10m tonnes – a substantial drop from the 16.2m tonnes last year. The effect of this, at least in part, is likely to be offset by record carry-over stocks approaching 3.5m tonnes from the current season.

It’s a different scenario for barley, with a record crop predicted. That, in turn, brings with it the need to find export markets and that could be more challenging than normal in these difficult times.

Spain, usually a sizeable destination for UK barley exports, has experienced considerably better weather than many other parts of Europe recently and looks set to produce bumper crops this year.

This could mean a large proportion of UK barley exports must find their way into third country markets, which could prove challenging due to the lower moisture contents required.

With the UK set to leave the EU at the end of December, we could also see a repeat of last season, with growing pressure to export barley ahead of this deadline.

This heavy domestic barley supply, plus the prospect of sizeable maize and wheat imports, mean it is difficult to see how UK wheat prices can rise without global prices going up too.

JOURNAL : Farmers Weekly

Farmers are taking an increasingly measured approach to their grassland and manure management, helping to cut costs and improve efficiencies.

A new survey carried out by the organisers of the Grassland & Muck Event – the third such survey since 2011 – has revealed that more farmers are analysing inputs and outputs, enabling them to better target management decisions.

See also: Why farmers will pay heavily for not reseeding grassland

Nutrient testing

Based on 224 responses from around the UK, it seems more people are testing their soil, and doing so more regularly, with 68% testing it every five years or even more frequently, versus 62% in 2017 and 57% in 2011.

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More than a third of grassland farmers now dig soil pits to analyse soil structure, compared with a quarter in 2017, and they are applying lime more regularly, too, with 56% doing so at least every five years, compared with 49% in the last survey.

“When you look at individual responses, there is good understanding driving these decisions,” says Yara agronomist Philip Cosgrave.

“People may be aware of the acidifying effect that last winter’s high rainfall will have on pH and are basing applications on soil tests.”

More than three-quarters of respondents are also routinely spreading manure or slurry on grassland, and there has been a continued shift to more accurate testing of manure nutrient content: 18% used laboratory analysis against 14% in 2017 and just 9% in 2011. “That is good to see – there is huge variation in organic manures,” says Mr Cosgrave.

But there is still room for improvement. For example, 27% of those surveyed do not produce a manure or nutrient management plan – very similar to the figure found in the previous survey.

That said, farmers are increasingly turning to professionals to calculate crop nutrient requirements, with 54% now using agronomists to do this versus 43% in 2017 and 39% in 2011.

Fertiliser use

As a result of this more technical approach, farmers have further reduced fertiliser use; 32% of survey respondents said they were using less nitrogen fertiliser, while about a quarter had reduced phosphate and potash applications.

However, the percentage of farmers altering applications across the three nutrients was higher than in 2017, suggesting more targeted, reactive use over that period, perhaps in response to manure applications and crop needs.

In contrast, 40% of respondents increased sulphur uses. “Farmers are much more aware of sulphur requirements – it’s up there with NP&K now,” says Mr Cosgrave.

But there is still scope for greater efficiency, with 37% of farmers saying they do not check their sprayer calibration for each product used.

“Carrying out a tray test is a good way of double checking your spreader is working properly,” Mr Cosgrave advises. “There is a lot of wear and tear in spreaders, so you need to ensure the setting you’ve selected is working correctly, otherwise you will get an uneven application.”

Grass growth

But it is an improving picture when it comes to grass management, with 54% saying they measure their grass – mostly using a plate meter – up from just 30% in 2017.

And about 44% use a consultant or software to make grass management decisions, compared with 31% who don’t use any such tools.

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Reseeding levels have remained fairly steady over the past three years, with 79% reseeding leys every one to six years, usually in response to poor yield and weeds.

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Most respondents are tackling grass weeds in-house – only 35% are using contractors – and 45% use a selective herbicide, while 23% are opting for spot treatment.

And when it comes to silage, an increasing number either always use (22%) or have started using (9%) an inocculant to improve forage quality and consistency – both up on the 2017 survey results.

“It is clear to see that farmers are focusing on producing better quality silage and grazing to produce more milk or meat from grass,” says Mr Cosgrave.

“If you start measuring nutrients and how much grass you’re growing you can start making changes and see whether you’re making progress. It all feeds back to better environmental impacts and lower costs of production.”

Grassland & Muck survey

This survey was carried out by the organisers of Grassland & Muck, which was cancelled this year due to the coronavirus outbreak.

Event organiser Alice Bell speaking about the survey said: “It’s wonderful to have been able to gather this information over several years, giving a really strong snapshot of the direction in which the industry is moving.

“Although we sadly had to cancel this year’s event due to the Covid-19 outbreak, we thought it important to publish the results so farmers and their advisers can identify trends and opportunities for greater efficiencies.”

JOURNAL : Farmers Weekly

There is a whole host of very good winter oilseed rape varieties on the current AHDB Recommended List, with 13 new additions to consider for all areas and growing situations, as well as some interesting candidates coming through.

Picking them apart is more difficult this year, believes Colin Peters, Niab’s breakcrop specialist, who points out that all varieties in trials performed better where there was less flea beetle pressure.

“There were issues with both flea beetle and lack of moisture last autumn,” he says.

“As a result, we’ve seen geographical variability, as success with crop establishment depended on the timing of the flea beetle migration in the local area and whether that coincided with some rain.”

See also: How to use active fallows to repair soils on undrilled land

Looking ahead to 2020 plantings without new drilling date guidance – other than the need to use available moisture – Mr Peters recognises that growers have some big decisions to make in a particularly challenging time for producing oilseed rape.

Top variety picks from the proven performers

East and West

North

Conventional

Aspire

Ballad

Elevation

Barbados

Hybrid

Windozz

PT275

DK Exsteel

“There are different trains of thought on whether to go for cheaper seed and higher seed rates or expensive seed and lower seed rates,” he says.

“There are also the tried-and-tested varieties versus the new-kids-on-the-block decisions to wrestle with.”

Proven performers

Starting with the tried-and-tested varieties, he notes that some popular choices are no longer listed.

“A good example of that is Campus. There’s no doubt that some of these will still be widely grown, as everyone knows what to expect from them.”

Looking at proven conventionals that are still on the Recommended List, he highlights Aspire and Ballad for the East/West region and Elevation and Barbados for the North.

Likewise, proven hybrids and Windozz and PT275 for the East/West and DK Exsteel for the North get flagged up.

“These are all good solid varieties that have produced the goods on farm.”

Newcomers

However, there’s no avoiding that the main variety talking point for 2020 is newcomer Acacia.

A conventional variety from Limagrain, it has been given a UK-wide recommendation and tops the list with a gross output of 109%.

In the East/West region, it has a gross output of 110%, while in the North it is 108%.

“It’s a versatile variety that has done very well in trials,” notes Mr Peters.

Acacia is very stiff, a characteristic liked by growers, but its disease resistance scores of a 6 for light leaf spot and a 5 for stem canker aren’t the highest of the current variety selection on the list.

“Acacia does not have turnip yellows virus resistance, which sets it apart from last year’s top conventional Aspire, which is also from Limagrain.

“Whether that will make a difference or not remains to be seen.”

Mr Peters says that virus resistance is another weapon for growers.

“The issue this year is whether or not you can get it and the yield performance you are after at a price that you want to pay.”

Welcome additions

Just behind Acacia comes a strong selection of new UK-wide varieties all from Limagrain and all beginning with the letter A – Ambassador, Aurelia, Artemis and Aardvark.

“They’re all hybrids with turnip yellows virus resistance, except for Aardvark,” he continues.

“Ambassador and Artemis are taller types, but stiff, with good stem canker scores.

“Aurelia has the best disease profile on the list, with 8s for both light leaf spot and stem canker. It’s certainly caught the eye.”

Both Aurelia and Artemis also perform well in the North, where height and maturity can be more of an issue.

“All of these new varieties are interesting and have good oil contents.

“Getting another year under their belts will be helpful in terms of differentiating them,” says Mr Peters.

In the North, new conventional variety Blazen from KWS offers a gross output of 105%, putting it slightly ahead of the rest.

Other types

The best of the Clearfield types is PT279CL, with suitability for all regions, he believes, but NizzaCL has now been recommended for the East/West region.

Otherwise, clubroot-resistant Crocodile offers a gross output of 105% in the East/West, which is a progression.

“Crome is a better choice for the North on clubroot-infested soils, with a gross output of 103%, which is up there with the best.”

13 new additions to the AHDB Recommended List

Variety

Type

Recommendation

Acacia

Conventional

UK

Ambassador

Hybrid

UK

Aurelia

Hybrid

UK

Artemis

Hybrid

UK

Aardvark

Conventional

UK

Dazzler

Hybrid

East and West only

Darling

Hybrid

East and West only

Nizza CL

Hybrid

East and West only

Blazen

Conventional

North only

Specialist varieties

Crocodile

Hybrid

Clubroot resistant

Croozer

Hybrid

Clubroot resistant

PX131

Hybrid

Semi dwarf

Resort

Hybrid

High erucic acid

Winter OSR candidates

It is early days for the 12 candidate winter oilseed rape varieties that are in the Recommended List system, but there are a few that Colin Peters picks out as showing promise where the ***data*** is available.

DSV’s hybrid Voltage is looking strong this spring and has a gross output of 108% in the East/West.

With good standing ability, it also has turnip yelows virus resistance and is up for a UK-wide recommendation.

So is another hybrid, Hermione, from KWS. Although it doesn’t have the highest yields in East/West, it performs very well in the North.

Hermione is a very stiff variety with excellent stem canker resistance.

Two others that are in contention for the East/West region are Antigua from Limagrain and DK Expectation from Bayer CropScience.

“These are both looking very well. They’re hybrids with turnip yellows virus resistance and strong disease resistance packages.”

Cabbage stem flea beetle: Lessons from autumn 2019

Cabbage stem flea beetle is ruining what is an exciting time for oilseed rape breeding with no new regulated chemical control measures available for this year, confirms Colin Peters.

Screening work with biopesticides and beneficials is being carried out by many organisations, he reports, while monitoring of flea beetle movement into crops by Niab will start earlier this year.

This work is being co-ordinated by Aoife O’Driscoll, who is taking the lead in Niab work on the pest.

To date, the work has shown a clear role for white mustard as a companion crop, and future work will involve looking at seed rates and a further understanding of the ecology and lifecycle of the pest.

“What we do know for certain is that pyrethroids aren’t the answer – they won’t do the beneficials any favours.”

JOURNAL : Farmers Weekly

Harper Adams students took the trophy in this year’s Farmplanner competition, with a plan to secure the long-term term viability of Exton Park in Rutland.

The plan included a trial of soya as an alternative break crop to reduce the risk of growing oilseed rape. The team also suggested taking 150ha out of the combinable rotation by planting miscanthus.

Staff would be reduced to one working farm foreman, a general farm worker, a herdsman/general estate worker, and one seasonal harvest worker.

See also: Managing contract farming agreements in difficult seasons

However this would be phased in, with a trainee farm foreman being recruited a year before the current foreman is due to retire, allowing knowledge exchange and training.

The host farm – Exton Park, Oakham, Rutland

1,286ha in hand, managed by Harry Campden, whose family owns the estate

900ha of mainly grade 3 arable land

130ha pasture

85 suckler cows, calves sold at 10-11 months

260ha woodland

Five full-time staff

Grain marketing strategy was targeted for improvement, chiefly by making the best use of a new grain store under construction to time grain sales to better advantage, but also by potentially using futures and options. A move from feed to milling wheat was also recommended.

The plan included replacing the suckler herd with 200 red deer hinds for venison production – a growing market compared with the pressured beef market.

Harper’s recommendations for diversification included a burial barrow within the farm’s woodland, a café in redundant farm buildings to benefit from high use of footpaths on the estate, and a woodland adventure trail for children aged 5 to 12.

Exton challenges for student teams

Labour All the current staff are due to retire in the next five years. Their knowledge of the farm, its land and associated services will be lost, so what new labour system should be put in place?

Farming system With the coming change in labour and associated skills, what arable and livestock systems should be considered?

Redundant buildings A new grain store is being built, making the current store and yard within the village redundant. What development should be considered for the redundant yard and buildings?

Woodland This hosts a shoot but is not used for any other activity – what other diversification opportunities could be considered?

The overall plan was projected to generate a pre-tax profit of £380,000 before subsidy, allowing continued investment and a sustainable business for future generations.

Farm manager Harry Campden, whose family owns the estate, said: “There are good ideas in all of the reports, particularly on the diversification aspects.

“The teams had a real challenge in presenting these remotely from the judges and from each other, and they rose to that very well.

“It was a close call but the Harper entry stood out as the better one of the four. It was professionally presented and the barrow, café and woodland adventure trail are interesting complementary alternative enterprises.”

The other finalists were from Newcastle University, Riseholme College and Bishop Burton.

Mr Campden’s interest was also drawn by Bishop Burton’s plan for a special educational needs enterprise in collaboration with local schools.

The judging panel comprised Mr Campden; Emma Watson of consultant Gasson Associates; Tim Brigstocke of IAgrM; Ben Hatton and Victoria Giles of Farmplan; and Suzie Horne of Farmers Weekly.

Could you host the 2021 Farmplanner competition?

Farmplanner challenges teams from UK ***agricultural*** universities and colleges, usually attracting about 10 entries from which a shortlist of three or four is selected.

The Institute of ***Agricultural*** Management is looking for a family farm business for the 2021 competition, ideally with at least two significant enterprises, preferably arable and livestock.

This should be an enterprise that needs to make decisions about its future and which is willing to host teams of students to walk the farm and draw up competing business plans.

The host must be prepared to set some challenging questions, for example on business structure, enterprise mix, staff, family involvement and/or assessing potential for new ventures.

Student teams make an initial visit to the farm, all on the same day, and then have a couple of months in which to make a report, including recommendations to the farm owner in the same way that an independent consultant would.

The final judging usually takes place at the farm with each team presenting and being questioned on its recommendations.

JOURNAL : Farmers Weekly

Precision-guided hoeing is being put through its paces on a Hertfordshire farm in an effort to improve blackgrass control in winter wheat and minimise the need for a spring-applied herbicide.

A spend of up to £60/ha on post-emergence grassweed chemistry across 620ha of combinable cropping prompted Jo Franklin to look at alternative weed control methods, with the aim of reducing the use of herbicides that have little efficacy on resistant blackgrass.

See also: Why biopesticides will play a bigger role on arable farms

One of the first to use the Garford Robocrop Guided Hoe on narrow 12.5cm rows in a conventional farm setting, she admits that getting the 6m hoe set up right as it moves around the farm is proving to be a challenge in such a busy spring.

“Some of our autumn-drilled wheat is already as forward as it can be for the technique to work,” she told Farmers Weekly in late March.

“You have to be able to still see the row – once the crop is at canopy close, it’s too late.”

For this reason, winter wheat drilled by Baldock-based Kaiapoi Farming towards the end of January proved to be an easier test site, with the hoe working well.

“The crop was still small and weed numbers were low. In those fields, one pass with the hoe will take us right through to harvest.”

Soil moisture

Her plan is to use the implement where conditions are right, as soil moisture is critical to its success.

If it’s too wet, the hoe tends to pull up a clod with the weed still attached, rather than pulling the blackgrass plant out cleanly.

Spring barley

Having a seeder fitted to the guided hoe will allow Jo Franklin to try putting clover into her spring barley crop as she goes through it for weed control purposes.

Her intention is to travel as late as is possible with the hoe – up to growth stage 31-32 in the spring barley crop – as there is a narrow window for getting clover to establish successfully.

If it works, a clover understorey will then develop in the barley, so that the farm’s sheep can graze it after harvest.

“It was never my intention to hoe the whole farm and we will be sticking with our pre-emergence herbicide programme for the foreseeable future,” she reveals.

“Although it’s theoretically possible to use the hoe in the autumn, our plan is to go through October-drilled wheat in early March.”

A concerted, integrated effort for the past few years has seen blackgrass numbers fall across most of the farm, but in the worst patches there can still be 500 heads/sq m.

“We haven’t got post-emergence chemistry that works in the spring.

“Any blackgrass that gets left behind by the autumn programme is an issue.”

Early lessons

Early learnings with the hoe are that it needs patience and a real desire to get it right, she adds.

“Getting it set up correctly is really important. It has to be accurately aligned with the drill coulters and, once in operation, you must follow the exact direction of drilling.”

Operator attitude is essential, as is training, believes Ms Franklin.

“It hasn’t been all plain sailing, and the coronavirus lockdown restrictions have made it more painful. Next year will be different.”

As one of the Agri-EPI satellite farms, she received help with the initial purchase cost of the machine of about £50,000.

Each unit has to be made according to the farm’s row spacings, which is why they have been more widely used in crops planted with precision drills to date.

Her 6m hoe is using 4cm feet on 12.5cm rows.

Accuracy critical

Getting it to work in narrow row cereals is more challenging.

Cameras mounted to the hoe capture images of the crop ahead of the tool bar, with the position of the rows guiding the hoeing tools so that weeds can be removed.

For such accuracy, however, the tractor needs to be almost following the exact path of the drill, to enable the cameras to take out the final few millimetres.

“To get this accuracy, we teamed up with Trimble using a centre point RTK [real-time kinematic] signal and self-steering GFX 750 system to ensure pass to pass repeatability,” she says.

“We were able to record the drill passes and then, several months later, follow the exact same pass with the hoe with less than 2cm difference.”

Agri-EPI satellite farms

Agri-EPI was established by the government as part of its Agri-Tech strategy, to focus on precision ***agriculture*** and engineering.

The satellite farms are a network of commercial farming operations that act as a test bed for research and development, helping scientists and engineers with new ideas.

JOURNAL : Farmers Weekly

A Lancashire veg grower and machinery maker has managed to rack up an impressive 600,000 miles in his mid-noughties Toyota Land Cruiser, without it suffering any serious mechanical maladies.

Peter Gresty, from St Michaels on Wyre, Preston, specialises in growing early crop carrots and has a business producing and selling veg processing equipment.

This work takes him all over the UK, Ireland and Europe, meaning he quickly clocks up miles on a vehicle.

See also: High-hour Horsepower: Land Rover Discovery hits 540,000 miles

But rather than going to the expense of running new cars and changing them regularly, he’s opted to pile the miles on a vehicle with a proven track record for reliability.

His 2004 Toyota LC5 is one of three such 4x4s featured in Farmers Weekly’s machinery pages, all of which have breezed past the 400,000-mile mark without any significant spannering required.

However, with almost 600,000 miles on the clock, Mr Gresty’s truck is the farthest travelled by some margin. The current clock readout is 596,000 and if it weren’t for the coronavirus lockdown it would have been well over 600,000 miles by now.

Peter Gresty’s Land Cruiser LC5

E Year 2004

E Engine 3-litre, four-cylinder Toyota D4D

E Power 161hp

E Towing capacity 2.9t

E ***Transmission*** Five-speed automatic

E Suspension Front coils and rear air bags

E Price paid £21,000 in 2007

E Mileage when bought 28,000

E Mileage now 595,000

The truck was purchased from a Toyota dealer in Nottinghamshire in 2007 – when it was on just 28,000 miles – and it cost him £21,000. “At the time I thought that was a lot of money to spend on a 4x4, but clearly it was a pretty good investment,” says Mr Gresty.

Running costs have been minimal and for a 2t vehicle it is pretty light on fuel use, returning about 35mpg when driven considerately and 22mpg when towing.

It’s only rated to pull a 2.9t trailer, meaning it can’t compete with modern pickup trucks for out-and-out capacity. But the 3-litre four-cylinder diesel has ample power and it could easily pull more if it was rated to do so, he says.

Agritec International

Mr Gresty has worked in the veg business for more than 30 years and grows 40ha of his own early crop carrots, as well as sowing and managing 120ha for other farmers.

Ten years ago, he completed a Nuffield Scholarship that looked at veg production and processing around the world. He saw a market for farm-scale veg processing equipment that would allow farmers to add value to their crops.

This led him to set up a business building and selling machinery for peeling and packing potatoes and carrots. He trades under the name Agritec International and he sells machinery across the UK and Ireland, as well as some exports further afield.

Rear air suspension – standard fitment on the LC5 model – also makes the ride particularly smooth and stable when towing, and it pumps up to help keep the vehicle level.

The generous internal space is handy for carrying large numbers of passengers and cargo too. With all three rows of seats in place, it can accommodate eight people, but with the rear set removed and the central row folded flat, there’s a cavernous void for loading equipment.

“It’s amazing what we’ve been able to carry in there and we can even slot a pallet in with the forklift if we need to,” he says. “This is where the newer Land Cruisers (apart from the commercial-spec model) fall short, as the third row of fold-down seats ruins the carrying space.”

Keeping it running

For the first 60,000 miles, the Land Cruiser was under warranty and during that time it was serviced by Toyota. Just before this ran out, the injectors began playing up – a known fault – and these were replaced free of charge.

Since then, servicing has been carried out at Mr Gresty’s local garage every 10,000 miles. This is always a full service with a complete set of filters and a timing belt on every sixth visit – there are currently 60 stamps in the book.

Considering the car’s mileage, it has required amazingly few replacement parts.

Apart from the injectors, the only other unexpected repairs have been to the rear air suspension system. The first was one of the air bags which went pop when he was towing a loaded trailer, and the second was a new compressor after the original broke down.

“It’s in a pretty poor location on the underside and gets plastered in crud, so it’s no wonder it gave up the ghost,” says Mr Gresty.

Other replacement parts have been limited to the usual batteries, wheel bearings, and brake parts, plus a few alternators. However, the original unit must have been particularly good quality as it held out for 320,000 miles.

It’s still on its original starter motor, but this does work loose and requires a tighten every 80,000 to 100,000 miles.

Interior finishes have stood up well too, with the seats showing remarkably little sign of wear. The only casualty has been the leather on the steering wheel.

Rather than shell out a fortune for a new wheel from Toyota, Mr Gresty purchased a cover from eBay, which he stitched on by hand. “It was a bit of a fiddle and took me about three hours, but it was actually quite satisfying.”

He also saved a small fortune when the satnav/entertainment unit packed up. Toyota quoted £2,000 for a new one, but Mr Gresty took it to a local TV repairer who fixed it for just £150.

The only continual niggle is the air conditioning system, which he has now given up trying to mend. “We’ve tried all sorts over the years, but I’ve had to resort to using the windows and the sunroof.”

Having run several brands of tyre over the years, Mr Gresty has settled on Dunlop Grand Trek, which cost £500 for a set and consistently cover 90,000 miles. The truck’s full-time four-wheel drive system also means wear is fairly consistent between the front and rear.

Building up a fleet

The Land Cruiser’s reputation for reliability means prices for the LC3, LC4 and LC5 models built in the 2000s are now starting to climb.

To make sure he’s got a good supply of vehicles, Mr Gresty has invested in two more to take the pressure off his original truck. These are 2004 and 2007 models that are on 290,000 and 206,000 miles respectively.

Similar Land Cruisers with fewer than 200,000 miles on the clock tend to cost more than £5,000, with lower mileage examples running to over £10,000.

Discovery still going the distance

The arrival of Peter Gresty’s Land Cruiser in our high-mileage vehicle club has nudged Martyn Rainbow’s impressive Land Rover Discovery into second place.

Farmers Weekly featured the 1996 300TDI model in May 2018 when it was on 540,000 miles and we’re pleased to report that it’s still going strong, sitting on a current tally of 569,000 miles.

Since our visit, the only mechanical letdown has been the solenoid on the original starter motor – we’ll forgive it for that. Click here to read the full story on Mr Rainbow’s Discovery

I can beat that

If you own an off-road vehicle that can beat Mr Gresty’s 600,000-mile Land Cruiser we’d like to hear from you – just email [*oliver.mark@proagrica.com*](mailto:oliver.mark@proagrica.com) with a few details.

JOURNAL : Farmers Weekly

Colleges and universities around the country closed their doors as the UK went into lockdown.

This presented big challenges for students, who had to adjust to new ways of studying, faced a premature end to the academic year and found themselves having to cancel holiday jobs.

Though the Covid-19 crisis has brought practical and financial problems for young people, ***agricultural*** students are facing the situation pragmatically.

We hear from two about how they are staying positive.

See also: Coronavirus: How two dairy farmers are staying positive

Charlotte Lawder, Harper Adams University

Charlotte is keeping her fingers firmly crossed her sandwich-year job will happen as planned. The 22-year-old, who’s in the second year of an ***agriculture*** with animal science degree, still expects to start her placement with a nutrition company in early June.

“As of now, it’s still going ahead, but what exactly I’ll be doing might change depending on the movement restrictions, as my role would have involved a lot of travel between farms.”

Charlotte is living with her family in Shropshire, where she’s been busy preparing for open-book exams and completing assignments using online learning material.

Working-from-home challenges

“Working at home has its challenges, but I set myself targets and am quite self-motivated – as long as I have regular tea breaks,” she says.

“Our lecturers have been great and they’re always at the other end of an email to answer any questions.”

Inevitably, the Covid-19 crisis meant a premature end to the academic year, she explains.

“I was living in a student house and we’ve ended up emptying that and moving out, which felt really bizarre.

"It wasn’t a task we were expecting to have to do until early June, but we’re all now working on the principle that we won’t be going back for the summer term.

“The legendary summer ball has also been cancelled, which I’m gutted about. It’s one of the highlights of the Harper year, with everyone’s traditionally in great spirits, having finished exams.

“That said, I’m conscious I’m incredibly lucky compared to a lot of people right now.

“As well as having my health, I’ve got a garden, a field and a horse, so can spend time outside, unlike so many of those who live in towns and cities.”

Charlotte says technology is really proving its worth and is taking advantage of online ways of staying in touch, such as the Zoom and Houseparty.

“Not seeing friends in-person is rubbish and doing it online isn’t quite the same, but the interaction is nice and really important to keep everyone’s spirits up.”

Cancelled travel plans

Another disappointment for many young people has been that they’ve had to cancel travel plans.

“I took a year out before I went to uni and, as well as working on a couple of dairy farms to gain experience and earn some money, I spent some time in the US.

“The sheer scale of the ranches over there was unlike anything I’d seen. It gave me a different perspective and I learned a lot.

“I’m someone who likes to have a long-term plan and the current turmoil won’t derail my plans to pursue a career in the nutrition sector.

“I love being around livestock and nutrition is such an important job – it’s crucial to get it right for the welfare and performance of the livestock and for the viability of the farm business.”

Thomas Gregory, Sparsholt College

Thomas says he’s so busy that it feels like “business as usual” for much of the time, although watching the news can still be shocking. The 19-year-old is helping at his family’s Hampshire-based farming and contracting business, in tandem with focusing on college work in the evenings.

Studying remotely requires extra self-discipline, but the college has been brilliant and the lecturers are amazing, says Thomas. He hopes to begin an ***agriculture*** degree at Sparsholt this autumn, after completing the second year of his Level 3 ***agriculture*** qualification.

“That was the plan, but nobody knows what the situation will be then. It’s not impossible that we’ll still be in lockdown.

Taking precautions

“Everyone has adapted their behaviour in the current crisis. We don’t mix with a lot of people anyway – we feed the stock and spend a lot of time on our own in a tractor – but we’re making sure we’re taking precautions such as handwashing and social distancing.

“Not being able to see mates hasn’t been too tough because most of them are from farming backgrounds and it’s such a busy time of year now and right through the summer that it’s rare we’d get much time to meet up anyway. I do miss the occasional evening in the pub, though.

“It’s also hard not seeing my girlfriend, who’s a Sparsholt student, too, but we’re keeping in touch by text and Snapchat in the day and we FaceTime in the evenings.

"I haven’t seen her since the day we left college and I don’t know when I will be able to again. We all have to respect the rules, though, and that means not doing any non-essential travel.”

Unnecessary trips out

Thomas is concerned, however, that many people are still not listening to the government advice and are leaving their houses unnecessarily.

“I see a lot of walkers on footpaths – sometimes the same people passing three times a day and the route they’re taking means they’ll have had to have been out for more than an hour.

“I also worry about my nan, who’s in her 80s. She lives on the farm and I used to visit her all the time, which I’m obviously not doing now. We take her food, though, and leave it outside her door.

“We’re all just taking it a day at a time at the moment. In some ways, the contracting side of the business hasn’t changed, but cattle prices have been badly hit.

"I don’t understand why they’ve fallen so much – people still need to eat, after all.

“I’m quite an upbeat and cheerful person by nature and, as there is nothing we can do about the current situation, I try not to get too down about it.

"I’m fortunate – no one I know has been affected by the virus and my work means I can be outside, still able to enjoy the fresh air and have the sun on my face.”

JOURNAL : Farmers Weekly

Sheep farmers on Anglesey have cut antibiotics use during lambing by almost 60% over a two-year period.

By improving nutrition, hygiene, colostrum quality and management, a group of seven farmers reduced the number of animals treated with antibiotics without affecting production or welfare.

In the lambing periods from 2017-19, the farms reduced antibiotics by 59.8%, on average.

With veterinary and nutritional advice funded by European Innovation Partnership (EIP) Wales, the farmers demonstrated that a proactive approach can significantly reduce reliance on antibiotics at lambing.

See also: 4-step guide to reviewing antibiotics use on your farm

Feeding space

One of the farmers, Gareth Thomas, of Tregynrig, Cemaes Bay, said one of the simplest, but most effective, measures he put in place was to allow sufficient feeding space for ewes.

His ewes are fed ad-lib silage and receive concentrates twice a day, at 8am and 4pm.

He increased space allowances to 15cm a head when feeding ad-lib forage, and 45cm a ewe when feeding restricted concentrates. He achieved this by reducing the numbers at each trough from 50 to 40.

Protocols at lambing on the project farms

Pre-lambing pens were cleaned out, disinfected and limed between batches.

Water troughs were cleaned out regularly.

Lame ewes were treated promptly and managed separately, to avoid spread of infection.

Castration and tailing of lambs in the first week of life was avoided to minimise stress and wounds where joint ill bacteria could enter.

Everyone involved in lambing and handling sick lambs wore rubber gloves.

Stomach tubes were washed in warm, soapy water and disinfected in baby bottle solution.

Lambing pens for sick ewes or lambs and for ewes that had aborted were set up in a separate area, away from the main lambing pens.

Where cow colostrum was used, the quality was assessed using a refractometer and only colostrum at 22 immunoglobulin G or higher was fed to lambs.

Hygiene

Mr Thomas runs a flock of 650 Suffolk cross North Country Mule ewes, which he breeds to Charollais or Texel rams.

He disinfected the sheds twice when ewes were housed for lambing in January, with a two-week gap between groups to reduce E coli levels - singles were grouped separately from twins and triplets.

To aid the reduction in antibiotics use, bedding was analysed for bacteria that can cause mastitis, joint ill, scours and watery mouth.

“Bedding tests in the pre- and post-lambing pens are vitally important for us to know if we need to do anything to reduce E coli," explains Mr Thomas.

“By testing the bedding, we could act on the results by disinfecting and liming."

Mr Thomas says the EIP project taught him he needs to lime more around wet areas, such as troughs and feeding areas.

Nutrition

Good pre-lambing nutrition is another reason fewer antibiotics were used. For the project, silage quality was analysed for dry matter, protein, digestibility, metabolisable energy, minerals and fermentation.

At Tregynrig, in addition to ad-lib silage, ewes were fed a compound feed at 12.8 megajoules (MJ)/kg DM. This was introduced five weeks before lambing, up to a maximum of 0.9kg for triplets a week before lambing, 0.7kg for twins, and 0.3kg for singles.

Each farmer worked closely with independent sheep consultant Kate Phillips and with Karen Wheeler of Adas to formulate the correct ration.

Mr Thomas, who supplies fat lambs to Woodhead Bros in April and May, says the project has allowed him to lower his costs.

“I've saved at least £2-£3 a head by using vaccinations more accurately and targeting treatment, rather than using a blanket treatment approach," he says.

All the farms involved had achieved savings too, he adds.

“We did this without compromising animal health and welfare, as our ewes were in the best possible condition before starting lambing.

“We are now concentrating our spending on the places where it needs it most."

Sheep vet Kate Hovers, who advised the farmers, says the project demonstrates what can be achieved with good hygiene and nutrition, and simple management changes.

“Wide adoption of these approaches could have a dramatic effect on antibiotics use across the sheep industry," she adds.

About EIP Wales

EIP Wales, which is delivered by Menter a Busnes and Farming Connect, has received funding through the Rural Development Programme 2014-2020, which is funded by the European ***Agricultural*** Fund for Rural Development and the Welsh government.

It aims to take the outcomes from research – whether it is a new technique or technology – and test them at farm scale. There are currently 34 projects across Wales that bring like-minded people from different backgrounds together to try to solve common ***agricultural*** problems.

Lynfa Davies, who is Farming Connect's knowledge exchange manager and heads the EIP Wales programme, said the programme is on course to deliver the target 45 projects, so it is closed to new applications.

However, a number of other Farming Connect services and projects are available to support innovation and the introduction of new technologies, as well as investigating more efficient ways of working.

For more information on EIP Wales, please visit the Farming Connect website or contact: [*eipwales@menterabusnes.co.uk*](mailto:eipwales@menterabusnes.co.uk)

JOURNAL : Farmers Weekly

The Bazeley family run well-established self-storage and bottled beer businesses at Offwell Farm, near Fareham, Hampshire.

A tenant of Southwick Estate, Martin Bazeley started the storage business in 2003 and launched Suthwyck Ales in 2000, teaming up with a local brewery to make beer using malt from the farm’s own barley.

See also: Coronavirus news and advice

The coronavirus lockdown caused the loss of 95% of the pub trade for the beer business and the closure of its Victorian Steam Brewery retail shop.

Home deliveries help compensate

However, a home delivery service has been swiftly developed and this, together with increasing orders from independent shops, has roughly made up for the loss of the pub custom, says Mr Bazeley, whose sister, Jane, runs the office for the businesses.

Storage and beer – preparing for end of lockdown

Marketing course with the Self-Storage Association

Google Ad words evaluation and improvement

Increased Facebook marketing

Thinking ahead, planning for possible loss of storage customers

Using time to make sure storage offer is spick and span

Review of shop hours and how to maintain new business of home deliveries

Developing online offerings at Barn Store and Southwick Brewhouse websites

“One or two pubs have been brilliant at innovating, selling take-away containers of beer alongside fruit and veg and much more,” says Mr Bazeley

“The shop already had an online order and payment facility, so it was simply an update to add free delivery within 15 mile radius and a minimum order of £30, and we were away.”

Online sales went from a trickle to a healthy flow, boosted by additional marketing efforts, including Facebook posts.

Brewhouse manager Matt Hallett’s latest e-newsletter included a video and just a couple of hours after it went out, he took £1,062 of orders.

Business review

The enforced turnaround has brought a swift reappraisal of the business.

“It has just made us revise the whole thing. Maybe this is going to be the new way we trade,” says Mr Bazeley.

“Perhaps we will open the shop just on Friday and Saturday for beer sales and take care of home deliveries from Monday to Thursday.”

The business qualifies for small business rates relief and received a £10,000 grant from Winchester council. “This has helped us gear up to the new way of operating, so it has been a brilliant help,” he says.

Three business customers of the Barn Store self-storage operation have been badly affected by the lockdown and have been offered a 50% rent reduction for three months, with a review at that point, says Mr Bazeley.

“It’s important to have an end point. We prefer to help a customer who has been genuinely adversely affected to get through the worst and remain a happy customer, rather than lose a customer who may be hard to replace.

“It costs five times as much to acquire a new customer than to retain an existing one.”

Just three new customers have moved into the storage units since lockdown.

“We have been able to remain open, albeit discouraging casual or unnecessary visits. It’s mostly the business customers, one of whom is a supplier to the NHS, that still access their units.

“The flip side is, we are expecting some ‘pent-up' move-outs post lockdown – people who would have moved out naturally had it not been for the restrictions.

“We are examining our marketing to do what we can to replace these customers when they go.

“We’ve got to keep positive and keep going,” says Mr Bazeley. “We are channelling time into making sure the storage premises are looking top-notch.

“We all have to remember that however bad this is, it is temporary. When people are able to, they will be spending.”

Uncertainty causes wedding woes

Michael and Jenny Churches had a record 38 weddings booked for this year and many more coming in for 2021 and 2022 at their Glastonbury Wedding and Events business.

The ceremonies and receptions are held in a deconsecrated church right next door to Godney Farm, near Wells, Somerset, where they have a dairy herd, sucklers and sheep.

Wedding challenges

Uncertainty over likely physical distancing rule changes makes communication with couples difficult and planning almost impossible

Cashflow drop from weddings mean delay to investment on farm

Summer 2021 will be more of a management challenge as some weddings have been moved from 2020 and the calendar will be more crowded

After a two-year planning saga and much restoration work, the first wedding was hosted in 2015.

Providing a wedding venue is hard work at any time, with tensions rising as the big day draws near, and very bespoke arrangements are needed to accommodate different couples’ requirements.

“Since the announcement of the lockdown on 27 March, it has been awful,” says Mr Churches. The uncertainty makes planning impossible and things have been frustrating and, at times, fractious, he says.

“It was very stressful getting in touch with couples and having to tell them they were going to be limited on numbers before the government stopped weddings and events altogether.

“We have since managed to move 15 weddings that would have been taking place in April, May and June, and lost three couples that cancelled.

“We have even had to move our daughter's wedding. When the invitations have already gone out it, it is even more frustrating for us and for other couples, because of the uncertainty and having to judge how long you leave it before you tell your guests it will not be happening.”

Six weddings are pending, with couples waiting to see if the government limits numbers or stops them altogether.

“The only small consolation is the farm is still operating as normal as can be possible,” says Mr Churches. “But the price of the milk and beef is not that good either. It is all looking a bit grim.

“We are grateful for the couples that still have their weddings with us and we are rolling all the deposits on for a year.”

The shutdown time is being used to extend the car park and do maintenance such as creosoting fencing and planning for five glamping pods, pending planning permission being granted.

“We could really do with having them here now so we can get the services into them,” says Mr Churches.

“It’s all moving forward, but we just need the cash coming in – we’re not alone, but it’s going to be challenging.”

The farm funded the £167,000 spent on updating and converting the church, and while this is preferable to owing the bank, the farm must be paid back, as improvements are needed there too, says Mr Churches, who has applied for the £10,000 small business rates relief grant.

The Churches’ son, Andrew, has converted two Rice horse trailers (pictured above) into mobile event bars. One generally stays at the farm for functions in the church, while he takes the other one to events off farm. Both are being kept in the barn until lockdown rules ease.

FW Awards finalists

Jenny and Michael Churches were finalists in the diversification category of the 2019 Farmers Weekly Awards and hosted a Farmers Weekly diversification event in October 2019.

Lakeland venture adapts to forced change of plan for first full summer

Isaac and Kerrie Benson only opened their Lakeland Farm Visitor Centre in July 2019.

Lockdown has meant the closure of the centre and the café, just as the business was looking ahead to its first full summer season.

However, like many others, the Bensons are adapting.

Before the closure, footfall at the centre and in the shop and café was about 90% local, but also heavily weighted to older customers, who in general will have to isolate for the longest, says Mr Benson.

This makes the outlook for the recovery a long one. It’s never going to be business as usual for the next 18 months, while the older generation will have to shield, he points out.

“But I’m not complaining; things could have been a lot worse.”

Lakeland Farm Visitor Centre

Farm experience venue, café and farm shop, near Ings, Cumbria

Demonstration area based on an auction-ring setting for safe livestock handling

Dry stone walling demos and classes, alongside wool spinning and craft classes

Adapted to supply takeaway ready meals to help make up for loss of café income

Meat sales from own livestock has doubled in shutdown

Meat sales rise

While the café and the centre are closed, the use of the farm’s own lamb and beef has doubled, benefiting from the closure of the local town’s two butcher shops, which were heavily dependent on the hotel and restaurant trade.

The business has adapted to provide reasonably priced takeaway ready meals all day, on which no VAT is payable. Staff costs are also lower, so the margin is higher. Orders and payment are generally taken over the phone, and customers can pick up their meals in the car park.

Family labour

The four full time café staff have been furloughed and the business is relying on family labour, alongside the full-time butcher in the shop.

“We’ll miss the whole summer season,” says Mr Benson. “But as long as the furlough system is in place, the jobs will be there for the staff to come back to. But if that goes, they’ll be looking for a new job, and that’s the brutal reality of it.”

“We can’t expect to go into the winter with a full team unless there is some sort of help package and until our older customers have the security of a vaccine.”

The Bensons also have a holiday cottage, for which they received some local authority grant aid, but as the farm visitor centre is still in the process of being rated, they are unsure how much help will be available for this.

JOURNAL : Farmers Weekly

Feeding a 50:50 ration of grass and maize silages to pregnant ewes three weeks before lambing is improving their ability to produce milk.

Home-grown maize silage is fed to the 500 Mule ewes at Bryn Farm, near Cowbridge, when they are housed before lambing.

“The maize makes the ewes very milky,” says Owen Rees, who oversees the sheep enterprise and farms with his father, Ed, his uncle, Robert, and cousins, David and Tom.

Farm facts

384ha farmed, of which 243ha are owned

Lambs sold to Dunbia at a liveweight target of 40kg

Most lambs sold by the end of September

100 lambs retained as replacements

Aberdeen Angus cross Friesian and Hereford cross Friesian suckler herd, calving from April to June

Offspring sold at 26-28 months old at a target of 280-330kg deadweight. Angus cattle are sold to Scotbeef and the Herefords to Celtic Pride

Why did they switch to feeding maize?

The business is largely self-sufficient in feed, growing 10ha of maize and up to 16ha of spring and winter barley.

The maize had been grown as feed for the 120-cow suckler herd, and was introduced into the ewe diet two years ago when the family were seeking an alternative to energy blocks.

“We were using the energy blocks to balance the grass silage and hay the ewes were getting, but they were costing us about £25 each and we were getting through two pallets of them," Owen calculates.

See also: All you need to know about feeding sheep a total mixed ration

With limited feed space, the blocks were positioned in ring feeders in a yard adjoining the housing.

“The blocks were expensive. We never knew which ewes were taking them and we were getting a lot of cases of twin lamb disease," Tom recalls.

Their nutritionist suggested adding maize silage to the ration.

Minimising health risks

Owen admits he initially had reservations, because ewes are known to gorge on maize and become fat, putting them at risk of metabolic disorders in late pregnancy.

But by introducing maize silage into the ration just three weeks before lambing, the Reeses say the condition of ewes can be maintained.

“Although we were advised twin lamb disease could be an issue with feeding maize, we haven’t had a single case since we introduced it two years ago," Tom points out.

He adds: “If anything, the flock is doing better on maize because ewes are producing more milk and the lambs are born stronger.”

Expert advice on feeding maize to pregnant ewes

Below, independent sheep consultant Kate Phillips offers some advice on feeding maize to pregnant ewes.

1. Analyse grass and maize silage to establish if supplementary protein is needed.

E To develop an appropriate nutritional plan for pregnant ewes, it is important to know the feed value of the silage being offered.

E Maize has a lower crude protein content than grass silage, but it is generally high in energy, so is an ideal partner to high-protein grass silage.

E The high starch level in maize provides plenty of rumen-fermentable energy; this gives a synergistic effect with the high protein of grass silage.

E It is important the ewe’s protein and energy requirements are met so that colostrum and milk supplies are plentiful. Check the grass/maize silage intake is meeting the ewes needs by assessing silage dry matter intake and comparing it to the standard energy and metabolisable protein needs as ewes approach lambing.

E Supplements may be needed to provide additional protein, but the level depends on the forage analysis. Rapeseed meal, beans and soya bean meal are all possible supplements.

2. Condition score ewes

E It is very easy to overfeed single-bearing ewes, so care should be taken to check ewe body condition and feed ewes according to body condition score and litter size.

E In late pregnancy, ewes on maize can become fat and prone to metabolic disorders, such as twin-lamb disease, so when condition scoring, feel for backfat rather than visually scoring ewes.

For advice on feed rates see p4 of the Improving ewe nutrition PDF.

3. Allow sufficient feed barrier space

E Allow a minimum 15cm of feed space a ewe when feeding a total mixed ration to avoid cramming, which increases stress and may lead to abortion in extreme conditions.

4. Don’t overlook minerals

E Maize has lower mineral and vitamin concentrations.

E Provide additional minerals – particularly calcium and trace elements.

The feeding process

The system at Bryn Farm is simple: a bucket of fresh maize is deposited in the central passage once a day and forked into the silage.

“There is no science behind it, but it is roughly 50:50 grass silage and maize silage," says Owen.

The feed is pushed up with a fork about three times a day.

In 2019, the maize analysed at 33% dry matter (DM) and 11 megajoules (MJ) of metabolisable energy (ME)/kg DM . The grass silage analysed at 32% DM, 15.9% crude protein, 11MJ ME/kg DM  and had a D-value of 69.

The Rees family give no supplementary feed. Instead, the aim is to produce lamb as cheaply as possible while maintaining ewe performance.

“Margins are very tight, and we are trying to keep costs low by making more use of home-grown feeds,’’ says Tom.

“Some of the ewes get a bit of barley when they are at grass, if they are a bit lean.’’

Ewes are typically at grass until they are housed three weeks before lambing, depending on the weather. Grass intakes are supplemented with baled silage and hay fed from a ring feeder.

Practical considerations

Maize can easily be incorporated in the diet because the Reeses grow a large acreage as feed for their beef herd – the 2019 harvest yielded 49t/ha, with about 50t fed to the sheep.

Although it has been straightforward to add maize to the ewe diet at Bryn Farm, Owen admits it can be impractical to grow maize in some sheep systems.

“If we needed maize just for our sheep, we would only need to grow 2.5 acres [1ha], and at that level we wouldn’t do it, because it would need to be harvested and clamped,” he says.

Another option for sheep farmers is to buy maize from a local grower, he suggests, although keeping it fresh could be a challenge if it is delivered in large quantities.

Owen admits it is not always easy to get the feeding of ewes right, but with maize silage, he says, he has found a system that works for him.

“Some farmers can overcomplicate their systems, adding to their costs, but we keep everything as simple as possible, to keep our costs to a minimum,” he says.

JOURNAL : Farmers Weekly

Buying “waste” dairy bull calves and finishing them on low-cost feed and crop waste is helping to keep feed costs low while improving arable ground.

Each year, Will King buys 1,000 dairy bull calves and dairy cross beef calves from the three main commercial dairy herds in Essex.

After rearing, they move on to a low-cost ration that uses unsaleable crops from the arable business and bought-in feed waste. This helps maximise potential margins.

See also: Target daily liveweight gains to cut beef finishing times

“I’m buying a low-cost animal that no one has tried to get a profit from before me,” explains Mr King.

“We’re feeding them waste products – while still providing a quality diet – and homegrown feed such as potatoes and homegrown fodder beet this year. My physical capital outlay is minimal.”

With Arla among a growing number of milk processors moving to stop the slaughter of dairy bull calves under eight weeks old, Mr King’s model could prove useful to dairy farmers looking for an outlet for calves.

Farm facts

Old Oaks Farm, Little Bentley, Essex.

Will King farms in partnership with parents, Brian and Judy (WL King & Son).

162ha at Old Oaks Farm, including 121ha of arable.

Will King is also part of Wix Farms, a co-operative farming arrangement with two neighbouring arable farmers. This business farms 810ha.

Grows winter wheat, winter barley, spring peas, potatoes, onions and maize and grass leys for cattle. Fodder beet also grown this year.

Grass and maize for cattle are bought at cost rate from Wix Farms by WL King & Son.

Construction business: K&J Construction – fabricates and manufactures steel-framed ***agricultural*** buildings.

This could be particularly attractive to arable farms looking to address diminishing soil fertility by reintroducing stock.

“Big arable farms are turning to AD plants and they’re feeding the concrete cow,” says Mr King.

“What’s the point when you can feed the real thing, get the muck back and produce a product the market wants?”

Sourcing calves

The value of mixed farming has long been recognised by the King family, who traditionally ran pigs and cattle alongside the arable.

The decision to source dairy-bred calves locally came about seven years ago when Mr King began to experience health challenges in bought-in cattle.

“We started buying from a dealer in Cheshire, but we were starting to get TB problems and pneumonia as they were coming from so many farms,” explains Mr King.

As a result, he instigated discussions with three Essex producers to see if he could source stock directly.

This would minimise any disease risk as they would be coming from herds of known health status on a four-yearly testing regime.

He now buys from three dairy farms and takes every beef calf they produce. Mr King works closely with the dairy farms to discuss requirements.

Good colostrum management is expected. Calves are also vaccinated for infectious bovine rhinotracheitis (IBR) and all herds are monitoring for bovine viral diarrhoea (BVD).

To maintain relationships, and encourage calf quality, on average, producers are paid slightly above market price, with Mr King aiming to take out the peaks and troughs of the market.

Rearing process

Mr King buys the calves from one week of age. They are then picked up from the dairy farms by contract calf rearer, Daryl King, who feeds calf milk replacer twice daily before weaning them at eight weeks of age.

At 14 weeks, they move to Will King’s farm, where they are housed year-round. Bulls are castrated. Will King believes diet consistency is essential to prevent dips in growth rates. With that in mind, he continues to feed the same pre-weaning pellet up to six months old.

He also avoids making any changes to the total mixed ration (TMR). The current TMR includes grass and maize silage, brewers grains, waste bread, homegrown fodder beet and some feed-grade urea. Sometimes, potatoes may be used instead of fodder beet.

Onions may also be fed to younger animals, but they must not be fed three months before slaughter to avoid meat taint. Some wheat or barley bran may be bought in, but the aim is to avoid concentrate feeding.

The proportions in the ration will be altered to deliver a 14% crude protein diet until 11 months of age, when this reduces slightly to a 13% grower/finisher ration.

The aim is to make the most of the better feed conversion efficiency in younger animals and finish them by 18 months old. Mr King believes keeping them any longer just encourages frame growth and adds to overhead costs, which reduces margins.

Half of the beef animals are finished and sold to Dunbia. These typically achieve 320kg deadweight at 18 months old at O- or O+3. The rest sold as stores. On average, cattle are hitting growth rates of 1.2kg/day from arrival to slaughter.

He explains: “Others will get better growths than me. I’m not getting the fastest growth, but I’m doing it economically.

“The margins in beef are very tight and you have to be careful with your overhead costs; they can easily spiral.”

Resilience

With the recent crash in beef prices, Mr King says all farmers will struggle to make money. However, he feels his low-cost model puts him in a better position than some.

“At the current price of £2.91/kg, any profit is very marginal. However, I feel we are in as good a position as we can be to weather the forthcoming storm,” he says.

He believes his model also proves there is a market for dairy-bred beef, particularly considering the demand for smaller cuts and processed beef – something that has increased in light of coronavirus.

Mixed farming benefits

Grass and maize provide a breakcrop for blackgrass.

Grass leys may be planted after barley to provide a cover crop over winter before maize drilling – this helps soil fertility and prevents winter run-off.

Maize can be put on ground not suitable for onions or potatoes.

Muck from cattle goes back on arable land to help fertility.

Leftover wheat may be ground for cattle. Stock feed potatoes are also fed to stock – converting waste into a valuable product.

JOURNAL : Farmers Weekly

Money-back schemes designed to compensate growers for some of the economic risk associated with failed oilseed rape establishment are being offered on seed purchases of selected varieties again this year.

After pilot initiatives in 2019, most breeders have launched risk-sharing or establishment guarantee schemes for 2020 drillings, with funding either coming direct from the breeder or through the existing Bipo model royalty system.

As such, it means OSR crops that are drilled but then fail to establish by a certain date – usually late October/early November - will be eligible for an agreed rebate of about £30/ha.

See also: Guide to which OSR varieties to drill in summer 2020

However, only named varieties nominated by the different breeders are covered and growers will be expected to submit evidence of crop failure in order to receive the money.

Crop support

The finer details of the various schemes may vary, but the intent is the same and reflects the industry’s willingness to support the crop at such a critical time, says James Barlow, head of seed at ADM ***Agriculture***.

“After two very tough years for oilseed rape establishment, there is recognition that growers are under pressure with the crop and reluctant to expose their businesses to more risk.

“These initiatives, which apply when the crop is still in the danger zone, can be a useful part of a risk-management strategy. There’s no extra cost associated with them, so there is no downside for growers.”

Where oilseed rape is to remain in the rotation, Mr Barlow recognises that farm-saved seed can seem attractive if establishment problems have been encountered previously and growers are looking for up-front savings.

“Remember that you won’t get useful traits such as turnip yellows virus resistance if you home-save. If you want top-line genetics and all the advantages they can bring, then you do need to go down the hybrid route and buy new seed,” he stresses.

Uptake in 2019

Last year, RAGT saw about 900ha of the crop sold through the company’s royalty payment scheme.

Of that, growers claimed on about 40% of the area, reflecting the tricky combination of high flea beetle pressure and lack of soil moisture at the critical establishment stage.

Tom Dummett, cereal and OSR product manager at RAGT, expects greater engagement with the company’s scheme this year and predicts 6,000ha of rape will be covered by it.

“It’s a very straightforward process to sign up – it takes two minutes and can be done online,” he says. “The system is based on the existing Bipo model, and it means we are sharing the risk with growers – our royalty income is affected if crops don’t establish.”

Just two RAGT varieties are included – the company’s new Clearfield variety, Nizza CL, and a French-bred hybrid variety, Azurite, which is not going through the Recommended List system.

“We want to encourage farmers to grow oilseed rape, so we’ve chosen varieties that have the vigour required for good establishment.”

Risk mitigation

Not all of the breeders are taking part; Limagrain has no current plans to offer an oilseed rape establishment guarantee.

With a very strong oilseed rape portfolio, including the top-yielding conventional and hybrid varieties, the company believes it has built-in risk mitigation.

“The conventional varieties have a lower seed cost and the hybrids are packed with traits,” says Will Charlton of Limagrain. “We think the genetics speak for themselves.”

What schemes are on offer for 2020/21?

RAGT

RAGT is putting its weight behind an oilseed rape royalty payment scheme, which means growers will save about one-third of their overall seed costs, or £30/ha, where crops fail.

Growers declare the area of oilseed rape established by 1 November and pay the royalty due. Failed areas are exempt - so there will be no royalties paid if crops don’t make it.

To be eligible, growers must have a signed royalty area collection agreement with an RAC number and have to declare the crop area established by 1 November.

Two RAGT varieties are in the scheme - Clearfield variety RGT Nizza CL and hybrid RGT Azurite.

BASF

BASF is backing all of its InVigor winter oilseed rape varieties with a seed risk-sharing scheme that will also pay growers £30/ha for crops that don’t establish.

Providing drilling takes place before 22 September and crops have failed by 31 October 2020, payment will be triggered.

All purchasers of InVigor seed will be automatically registered onto the programme, following a successful launch last autumn.

Bayer

Bayer has introduced an enhanced establishment scheme that will compensate growers by £100/bag or about £33/ha for any crops of more than 6ha of certain Dekalb hybrids that are lost by 31 October.

Three of its hybrid varieties are eligible – DK Exstar, DK Extremus and DK Excited. To take advantage of the scheme, growers need to purchase their seed through one of Dekalb’s participating distributors and register on the brand’s website.

Validated claims for crops drilled before 20 September that failed to establish by the end of October will be issued with credit notes by 20 November.

KWS

KWS has extended its Oilseed Establishment Partnership, which it introduced last year following concerns about the establishment of oilseed rape crops.

Growers will be expected to pay about 50% of the seed costs upfront, with the rest waived if the crop does not establish. Two conventional varieties are covered by the scheme – Blazen and Codex – with crops that have failed by 1 November being eligible.

The compensation amounts to £25-£28/ha, as the seed costs £115-£120 for packs with 4m seeds.

DSV

In a different approach to establishment risk, DSV will be supplying three of its triple-layer hybrid varieties – Duplo, Darling and Dazzler – in a larger seed bag, at no extra cost to the grower.

In practice, it means growers will be getting 20% more seed than before, with the bag now containing 1.8m seeds rather than 1.5m seeds. The company calculates the move is worth £50/bag.

HOLL varieties

Seed of two high-oleic, low-linolenic acid (Holl) varieties, V316OL and V367OL, will be replaced for free if the crop has failed by 15 September. To be eligible, the replacement seed has to be redrilled in the same year, highlights United Oilseeds.

Grower reaction

In Dorset, Tim Hall is halving his OSR area and does not plan to buy in any seed, so guarantee schemes aren’t relevant this year. He also wants the best varieties for his farm and system, rather than have them dictated to him.

The current OSR YEN winner, Richard Budd, in Kent, will be sticking to his tried-and-tested approach of using home-saved seed, drilled late at a high seed rate. This approach does not suit hybrids, he points out, as the seed cost would be prohibitive.

Andrew Wells, agronomist and farmer in Nottinghamshire, says he is very unlikely to grow oilseed rape this autumn, no matter what seed deal is available. He believes a co-ordinated regional break from the crop for more than one year is needed, to reduce the pest load.

In Staffordshire, farm manager Tim Parton intends to continue with his successful oilseed rape production and would take up the right money-back offer, just as he did last year. However, a planned move towards conventional varieties may limit his chance of benefiting from such schemes.

JOURNAL : Farmers Weekly

Genetics and a programme of tailored nutrition have helped two Herefordshire farmers successfully lift the laying cycle of their flock of free-range hens beyond the UK’s 72-week average.

As long as everything is working well, 100 weeks is definitely achievable, believes Nick Panniers, who farms with his father, Allan.

“The back end of the cycle is where you get the most profit; that is when you make the money to cover the cost of the pullets," he says.

See also: 4 key poultry management factors influencing egg size

The Panniers produce eggs from 64,000 Dekalb Whites at Wellington Farm, Bishops Frome, switching from brown layers in 2018 in response to a new supply contract.

Their existing packer, Stonegate, had asked the business to supply white eggs for Waitrose's essential free-range brand.

In response, they sourced white birds from Hendrix Genetics.

After visiting farms stocked with Dekalb Whites in Holland, they were confident the breed would last longer in their system than the typical 74-week cycle they had with Brown Lohmanns, although they did have initial concerns that the Dutch systems are mostly barn, while theirs is free range.

“That was a big point of difference to consider but we discovered that white birds perform extremely well in free-range," Nick says.

He initially set a depopulation target of 90 weeks, but increased that to 100 weeks to supply the Christmas market.

“As the hens were laying well we agreed to keep going and did so with very few issues," says Nick.

Their rate of seconds did increase to 12% at week 85, but this was due to an infectious bronchitis challenge.

“That knocked them a bit, so without that we think we can improve on our seconds rate this year,’’ says Nick.

He admits the practicalities around when to depopulate are a consideration.

“This year, if we deplete at 100 weeks it will fall in August when we are busy with the harvest, which doesn’t suit us very well, so perhaps we will need to deplete a bit earlier to balance the work out a bit.’’

The challenges of longer lay

One of the challenges of keeping flocks for longer is maintaining consistent performance. Nick says the system is set up to take pressure off the birds.

“We have to make sure that everyone involved is singing from the same hymn sheet. The routine is very important, we always pack at the same time, feed at the same time."

Four ways Wellington Farm  increased depletion age and maintained productivity

1. Genetics and vaccination

Through selection and breeding programmes there are now efficient laying hens with greater persistence of lay, alongside acceptable egg quality and egg numbers.

The Panniers pay about 5% more for white birds, but say this cost is balanced by the breed’s hardiness and longevity.

Their pullets are comprehensively vaccinated for Newcastle disease, Marek’s disease, egg drop syndrome, salmonella, infectious bronchitis, and also for E coli due to a challenge on the farm.

2. Nutrition

Helping the bird preserve good eggshell quality for a longer laying period requires specifically tailored nutrition.

The flock is run on a four-stage diet, with a high but consistent energy structure across all the rations to lower consumption and minimise stress on the birds when they are introduced to a new ration.

The farm’s nutritionist, Tom Lander of Lloyds Animal Feeds, devised the feeding programme. He says taking birds to 100 weeks is “a marathon, not a sprint".

“Really large, early egg size will render the 100 week programme unviable," he warns.

The strategy for feeding is as follows:

Start of lay ration

This is 18% protein to help birds recover from the stress of transit and to build bodyweight as they come into lay.

5% lay to peak ration

Crude protein level reduces to 17%, but fibre levels increase slightly to 5% and calcium to 3.75%.

Mr Lander says fibre content is designed to help slow digestion so that faecal matter is drier.

“Layers coming into lay very quickly can become stressed easily and their faecal matter can become quite loose," he says.

The extra calcium is important as the birds’ rate of lay increases.

“We give the bird every opportunity to absorb the right amount of calcium to reduce second quality eggs," says Mr Lander.

Post-peak ration

Once birds have maintained peak production for several weeks and egg quality and size are appropriate, the amino acid profile is slightly reduced, for methionine and lysine in particular, to prevent eggs getting too large very quickly.

This diet is 5.5% fibre, combining digestible and non-digestible elements, with supplementary dried lucerne bales used in the housing.

Home-grown oats are milled on farm and included at 5% post-35 weeks, increasing to a maximum of 8% later in lay.

Oyster shell and limestone content is increased every 10 weeks to reduce calcium exhaustion in the medullary bone and aid its transfer to the digestive tract.

Post 75-80 weeks

Eggs start to reduce in quality but increase in size, putting pressure on the bird.

To manage this, this diet is lower in lysine and methionine while, at 4.5%, the maximum level of calcium that can be usefully absorbed and digested by the birds is included.

Crude protein is 15.5% and fibre 6%

Regular analysis of home-grown feeds

At 12-week intervals, wheat is tested against target specification requirements

Finished feed analysis is also scrutinised to ensure it is at the correct specification

This policy pays off, says Mr Lander. “We had some wheat samples where protein was a little higher than what we expected so we addressed the balancer to take ***account*** of that result."

This made sure that they were not over-supplying the bird with crude protein and the amino acid profile stayed in line with target levels.

3. Management

The birds are flighty when they arrive, which can make weighing and stock management a challenge. But the Panniers and their stockmen, Gary Morgan and Jackie Dorrington, overcome this by weighing before the lights come on.

White birds pick up both good and bad habits in no time, says Nick.

“They quickly learn to go up into the system at night and into the nest boxes but they will also learn to lay floor eggs, so you have to be on the ball."

The early morning routine is consistent with birds walked every morning, at the same time, to check for feed, water and any changes to behaviour. Birds are not disturbed in the afternoon.

Dimmer lighting regimes help control egg size and quality at end of lay. “We run the sheds a bit darker to keep the birds calmer," says Nick.

4. Water quality

Water is tested every 12 weeks. If it is high in bacteria, with a total viable count (TVC) exceeding 100, an acid is applied and flushed through the drinker line. However they consider anything over 50TVC to be undesirable.

Water is particle and UV-filtered for each house to help reduce the TVCs further. “This maintains a low TVC on the farm, this solves a big part of the production puzzle," says Mr Lander.

JOURNAL : Farmers Weekly

Jim and Julia Beary have transformed an upland farm by doubling stocking rates and cutting 30% off prime lamb cost of production since moving to Yorkshire.

Rotational grazing, hard work and a helpful landlord, who contributed to the cost of improving water infrastructure, have made the gains possible.

Now farming a total of 250ha of grassland, ex-Farmer Focus writer Mr Beary has fulfilled his dream of farming full-time after several years of balancing farmwork with off-farm income, which still comes in from Mrs Beary’s part-time nursing.

See also: How beef herd is delivering £350/cow net profit with deferred, mob grazing

Now based near Sheffield, the Bearys moved to their current second tenanted farm – on a 10-year farm business tenancy – at the 140ha Ughill Hall Farm, Bradfield, in 2017.

Glen Farm: getting started

The first big step for the Bearys came in 2012 when Mr Beary took on his first farm, Glen Farm near Aston, in 2012 – an 34ha county council farm.

Mr Beary contract reared 900 dairy-cross calves a year and developed a flock of Aberfield cross New Zealand Romneys.

He also contract gritted through the winter.

Farm facts

Beary Farming

800 Aberfield cross Romney, Cheviot and Highlander ewes and 200 breeding ewe lambs

Lambs sold to Kepak on Tesco cost of production contract

Growing 100 dairy-cross steers a year on Dovecote Park contract for Waitrose

3,750 pigs grown for BQP a year on Freedom Foods system

Average rainfall of 1200mm/year

Land rising to 365m

250ha in total

140ha at Ughill Hall, 60ha at Dronfield and 50ha of grazing/cropping

Ughill Hall: chance of a bigger farm

In 2017, the Bearys applied for a larger tenancy at Ughill Hall after a friend had seen it advertised. Equipment and 600 sheep were moved from Staffordshire to South Yorkshire.

“The farm was in good order, but it was set up for set stocking,” explains Mr Beary.

“There were only four gates on the whole farm and two water troughs.”

The Bearys borrowed money to fence the farm and increase flock numbers, buying 200 one-to-three-year-old Cheviots from South Wales in 2018. Contract growing arrangements on batches of cattle and pigs were added last year to further dilute fixed costs across more output.

Previously, sheds were only required in the spring to lamb ewe lambs and some triplets, but the arrival of 900 pigs means sheds are used most of the year.

Weaned pigs arrive at 7kg and are grown to 50kg on loose-housed straw as part of the Better Quality Pigs (BQP) supply chain on a bed-and-breakfast contract. Dairy-cross cattle continue to be reared for Dovecote Park.

Cattle now arrive at about 150kg as strong weaned calves from Waitrose dairy farms and are targeted to gain 0.8kg/day over 12-14 months, taking them up to 450kg.

Apart from being built up from 1.5kg to 2.5kg a head a day of a 16CP grower pellet when housed for winter, the cattle just get silage and grazed grass until being sold to a finisher farm.

The mixture of enterprises helps with cashflow and the pigs and cattle produce P and K for the land. The cattle also help control parasites for the sheep.

Investments

A fencing overhaul at Ughill Hall has so far seen £15,000 spent on electric, semi-permanent and permanent fencing. Initially Mr Beary started by simply halving the biggest fields for grazing and then enlisted consultants Precision Grazing to map out paddocks.

Subsequent subdivision left 40-50 paddocks and required £20,000-worth of infrastructure, which was covered partly by the landlord.

Mr Beary opted for a 45,000-litre Agrismart bladder tank – enough for all stock for five days. Liming one-third of the farm has increased pH levels from an average of 5.5 to 6.

Mr Beary calculates a 30% return on investment on lime, fencing and water infrastructure.

Rotational grazing on 2.5ha paddocks has improved swards. Seeds have been stitched in to diversify species – only 20ha of reseeding has taken place after winter forage swedes (plantain, Aber grasses and clover). Nitrogen use has fallen from 70-80kg/ha on the lambing paddocks to just 25kg/ha.

“Letting the sheep graze and stitching in deeper-rooting varieties such as chicory, timothy, cocksfoot, plantain and clovers has helped soil health, helped clover return and cut nitrogen use.”

Progress

Stocking rates have lifted from 90 livestock units (LSUs) to 200, not ***accounting*** for 900 housed pigs. Grass use has also lifted. The farm grew 6t/ha DM of grass last year and used 80%, compared to growing 4t/ha DM and using 50%.

This has allowed Mr Beary to run the sheep without hard feed, which, hand-in-hand with a growing flock, has seen cost of production drop by £2/kg.

Future

Another 100 calves are arriving this spring, which will mean stocking rates will peak at a total of 200 cattle on the farm for four months until the previous year’s cattle are sold.

The farm expanded last year when the Bearys took on a 60ha ex-dairy farm 14 miles away, near Dronfield, in April 2019. The current plan is to re-establish the paddocks and water troughs at the new farm and use that as a finishing unit.

The upland farm is currently stocking at a little over one LSU/ha when ***accounting*** for moor, banks and restricted grazing, but Mr Beary says they could probably stock 20% more.

“We could expand but the plan is to make better use of what we have,” says Mr Beary, who would like to regenerative farming and possibly convert to organic.

“I am really excited by the holistic and regenerative farming principles of Joel Salatin and others.

“It makes sense to start with soil health, what’s there ends up in the plant and what’s in the plant ends up in the animal.”

“Whatever we do, we need to keep it simple, keep costs down and try to finish off forage, so we sell a better product at the end.”

Tips for expanding for new entrants

Try to expand steadily and maintain a secondary income. The Bearys did this with contract gritting and Mrs Beary’s nursing work.

Always have cash to buffer yourself as a plan B if things go wrong, such as bad weather, low output, disease.

Limit spending to infrastructure that you can take with you – for example, electric fencing, portable troughs and essential machinery.

Ensure quick returns from improvements the landlord will benefit from after you’re gone. Lime, fencing and reseeding can see a 30% return on investment if done well.

Keep machinery to bare essentials as it depreciates. Invest in stock instead as this can appreciate and grow your balance sheet to take more land or increasing borrowings. The Bearys use contractors for most work and have a load-all, 120hp tractor, quadbike, trailer, aerator and fertiliser spinner.

**Load-Date:** May 20, 2020

**End of Document**



[***Traveling by Air With Service Animals (Updated on 10-12-2020)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:61H3-DT51-JDG9-Y518-00000-00&context=1516831)

Impact News Service

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**Length:** 33774 words

**Body**

Washington, DC: This Rule document was issued by the Department of Transportation (DOT)

Action

Final rule.Summary

The U.S Department of Transportation (Department or DOT) is issuing a final rule to amend the Department's Air Carrier Access Act (ACAA) regulation on the transport of service animals by air. This final rule is intended to ensure that our air transportation system is safe for the traveling public and accessible to individuals with disabilities.Dates

This rule is effective January 11, 2021.For Further Information Contact

Maegan Johnson, Senior Trial Attorney, Office of Aviation Consumer Protection, U.S Department of Transportation, 1200 New Jersey Ave. SE, Washington, DC, 20590, 202-366-9342, 202-366-7152 (fax), [*maegan.johnson@dot.gov*](mailto:maegan.johnson@dot.gov) (email). You may also contact Blane Workie, Assistant General Counsel, Office of Aviation Consumer Protection, Department of Transportation, 1200 New Jersey Ave. SE, Washington, DC, 20590, 202-366-9342, 202-366-7152 (fax), [*blane.workie@dot.gov*](mailto:blane.workie@dot.gov) Supplementary InformationExecutive Summary

This final rule defines a service animal as a dog, regardless of breed or type, that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. (1) It allows airlines to recognize emotional support animals as pets, rather than service animals, and permits airlines to limit the number of service animals that one passenger can bring onboard an aircraft to two service animals.

The final rule also allows airlines to require passengers with a disability traveling with a service animal to complete and submit to the airline a form, developed by DOT, attesting to the animal's training and good behavior, and certifying the animal's good health. For flight segments of eight hours or more, the rule allows airlines to require passengers to complete and submit a DOT form attesting that the animal has the ability either not to relieve itself on a long flight or to relieve itself in a sanitary manner. In addition, this final rule allows airlines to require a service animal user to provide these forms up to 48 hours in advance of the date of travel if the passenger's reservation was made prior to that time. As an alternative, airlines may require a passenger with a disability seeking to travel with a service animal in the cabin to provide the forms at the passenger's departure gate on the date of travel. However, the final rule prohibits airlines from requiring that a passenger physically check-in at the airport solely on the basis that the individual is traveling with a service animal, thus ensuring that service animal users are not prevented from enjoying the same convenience-related benefits provided to other passengers, such as online and curbside check-in. Service animal users may use the online check-in process available to the general public.

This final rule also better ensures the safety of passengers and crewmembers by allowing carriers to require that service animals are harnessed, leashed, or otherwise tethered onboard an aircraft and includes requirements that would address the safe transport of large service animals in the aircraft cabin. Further, it specifies the circumstances under which the user of a service animal may be charged for damage caused by the service animal and addresses the responsibilities of code-share partners.1. Statutory Authority

The Air Carrier Access Act (ACAA), 49 U.S.C 41705, prohibits discrimination in airline service based on disability. When enacted in 1986, the ACAA applied only to U.S air carriers. On April 5, 2000, the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) amended the ACAA to include foreign carriers. The ACAA, while prohibiting discrimination by U.S and foreign air carriers in air transportation against qualified individuals with disabilities, does not specify how carriers must act to avoid such discrimination. The statute similarly does not specify how the Department should regulate with respect to these issues. In addition to the ACAA, the Department's authority to regulate nondiscrimination in airline service on the basis of disability is based in the Department's rulemaking authority under 49 U.S.C 40113, which states that the Department may take action that it considers necessary to carry out this part, including prescribing regulations.

The current rulemaking has presented questions about how the ACAA is reasonably interpreted and applied to require airlines to accommodate the needs of individual passengers whose physical or mental disability necessitates the assistance of a service animal in air transportation. In approaching these questions, the Department recognizes that the ACAA's nondiscrimination mandate is not absolute. The statute requires airlines to provide accommodations that are reasonable given the realities and limitations of air service and the onboard environment of commercial airplanes. Animals on aircraft may pose a risk to the safety, health, and well-being of passengers and crew, and may disturb the safe and efficient operation of the aircraft. Any requirement for the accommodation of passengers traveling with service animals onboard aircraft necessarily must be balanced against the health, safety, and mental and physical well-being of the other passengers and crew, and must not interfere with the safe and efficient operation of the aircraft.2. Purpose of Regulatory Action

The purpose of this final rule is to revise the Department's Air Carrier Access Act (ACAA) regulation on traveling by air with service animals (formerly 14 CFR 382.117) in 14 CFR part 382. (2) This final rule is prompted by a number of compelling needs to revise these regulations: (1) The increasing number of service animal complaints received from, and on behalf of, passengers with disabilities by the Department and by airlines; (2) the inconsistent definitions among Federal agencies of what constitutes a “service animal;” (3) the disruptions caused by requests to transport unusual species of animals onboard aircraft, which has eroded the public trust in legitimate service animals; (4) the increasing frequency of incidents of travelers fraudulently representing their pets as service animals; and (5) the reported increase in the incidents of misbehavior by emotional support animals. In addition, DOT has received multiple requests for the Department to regulate in this area. (3) Each of these purposes underlying this rulemaking, as well as the requests for rulemaking, were discussed in depth in the Department's notice of proposed rulemaking (NPRM) issued on February 5, 2020. (4) Please refer to that discussion for additional background.

This final rule also responds to a congressional mandate. The FAA Reauthorization Act of 2018 (the FAA Act) requires the Department to conduct a rulemaking proceeding on the definition of the term “service animal” and to develop minimum standards for what is required for service and emotional support animals. (5) Congress also required the Department to consider whether it should align DOT's ACAA definition of a service animal with the service animal definition established by the U.S Department of Justice (DOJ) in its rule implementing the Americans with Disabilities Act (ADA). (6) In response, and as described in more detail below, the Department has chosen to revise its service animal definition under the ACAA to be more closely aligned with DOJ's service animal definition under the ADA, although the substantive requirements in DOT's ACAA service animals rule differ from DOJ's requirements for service animals under the ADA in a number of respects. This final rule is responsive to, and fulfills the requirements found in, the FAA Act.3. Recent Rulemaking Activities

On May 23, 2018, the Department published in the Federal Register an Advance Notice of Proposed Rulemaking (ANPRM) titled “Traveling by Air with Service Animals. ” (7) In the ANPRM, the Department sought comment on how to amend the Department's ACAA regulations to address concerns raised by individuals with disabilities, airlines, flight attendants, airports and other aviation stakeholders regarding service animals on aircraft. On February 5, 2020, a Notice of Proposed Rulemaking (NPRM) on Traveling by Air with Service Animals was published in the Federal Register. (8) The Department sought in the NPRM to propose a rule that would ensure passengers with disabilities can continue traveling with service animals in air transportation while also reducing the likelihood that there would be safety or health issues at the airport or onboard aircraft.

The Department received approximately 15,000 comments on the NPRM. (9) While most of the comments received in response to the NPRM were from individual commenters, the Department also received many comments from disability rights advocacy organizations, airlines, airports, transportation worker associations, animal health and training organizations, and a number of other special-interest organizations. The Department has carefully reviewed and considered all of the comments received and is issuing this final rule to ensure access to individuals whose physical or mental disability necessitates the assistance of a service animal in air transportation, while also considering the realities, risks, and limitations associated with transporting animals on aircraft.4. Summary of the Major ProvisionsSubject Final ruleDefinition of Service Animal A service animal is as a dog, regardless of breed or type, that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability.Emotional Support Animals Carriers are not required to recognize emotional support animals as service animals and may treat them as pets.Treatment of Psychiatric Service Animals Psychiatric service animals are treated the same as other service animals that are individually trained to do work or perform a task for the benefit of a qualified individual with a disability.Species Carriers are permitted to limit service animals to dogs.Health, Behavior and Training Form Carriers are permitted to require passengers to remit a completed hardcopy or electronic version of the Department's “U.S Department of Transportation Service Animal Air Transportation Form” as a condition of transportation.Relief Attestation Carriers are permitted to require individuals traveling with a service animal on flights eight hours or longer to remit a completed hardcopy or electronic version the Department's “U.S Department of Transportation Service Animal Relief Attestation” as a condition of transportation.Number of Service Animals per Passenger Carriers are permitted to limit the number of service animals traveling with a single passenger with a disability to two service animals.Large Service Animals Carriers are permitted to require a service animal to fit on their handler's lap or within its handler's foot space on the aircraft.Control of Service Animals Carriers are permitted to require a service animal to be harnessed, leashed, or otherwise tethered in areas of the airport that they own, lease, or control, and on the aircraft.Service Animal Breed or Type Carriers are prohibited from refusing to transport a service animal based solely on breed or generalized physical type, as distinct from an individualized assessment of the animal's behavior and health.Check-In Requirements Carriers are not permitted to require a passenger with a disability to physically check-in at the airport, rather than using the online check-in process, on the basis that the individual is traveling with a service animal. Airlines may require a passenger with a disability seeking to travel with a service animal to provide the service animal form(s) at the passenger's departure gate on the date of travel.Advance Notice Requirements Carriers may require individuals traveling with a service animal to provide a U.S Department of Transportation Service Animal Air Transportation Form and, if applicable, a U.S Department of Transportation Service Animal Relief Attestation up to 48 hours in advance of the date of travel if the passenger's reservation was made prior to that time.5. Summary of the Economic Analysis

The Department has prepared a regulatory evaluation in support of the final rule to amend the ACAA service animal regulations. Under this final rule, a service animal is limited to a dog, regardless of breed or type, that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability. It allows airlines, for the first time, to recognize emotional support animals (ESAs) as pets rather than service animals. Because airlines charge passengers for transporting pets, and are prohibited from charging passengers traveling with service animals, passengers previously had an incentive to claim their pets were ESAs. Airlines and other passengers have also reported increased incidence of misbehavior by ESAs on aircraft and in the airport. The misbehavior has included animals' urinating, defecating, and in some instances, harming people and other animals at the airport or on the aircraft. The primary economic impact of this rule is that it will eliminate a market inefficiency. Treating ESAs as service animals amounts to a price restriction that sets the price of accommodating passengers who travel with ESAs at zero dollars, despite the fact that airlines face non-zero resource costs to accommodate those passengers.

Table ES-1 summarizes the results of the regulatory evaluation. The final rule creates a potential burden on passengers who travel with service animals as it allows airlines to require such passengers to submit two U.S DOT forms. We estimate that the forms could create as much as 74,000 burden hours and $1.1 million in costs per year in 2018 dollars.

Evaluating other impacts was more difficult due to ***data*** limitations. To gauge the potential magnitude of these impacts, we combined the limited ***data*** with reasonable assumptions about ESA transport that could occur under the final rule and a demand elasticity from a surrogate market. The analysis indicates that the final rule could be expected to generate annual cost savings to airlines between $15.6 million and $21.6 million and annual net benefits of $3.9 to $12.7 million.Table ES-1—Summary of Economic Impacts Due to Final Rule Impact Annual valueCosts: Paperwork burden for passengers traveling with service animals $1.1 Cost savings to airlines associated with providing ESA travel −$21.6 to −$15.6 Benefits: Lost benefits to individuals who no longer travel with ESAs −$10.6 to −$7.8 Reduction in negative externalities caused by ESAs Not quantified.Transfers: Increased fees paid by passengers travelling with ESAs to airlines $54.0 to $59.6 Net benefits (benefits minus costs) $3.9 to $12.7 Discussion1. Definition of a Service Animal

In developing the definition of a service animal, the Department carefully considered whether emotional support animals should be treated as service animals, whether psychiatric service animals should be treated the same as other service animals, whether to limit service animals to certain species of animals, whether certain breeds or generalized physical types of animals should not be considered service animals, and whether the Department's definition of a service animal under the ACAA should be similar to the DOJ definition of a service animal under the ADA. Each of these issues is discussed in turn below.A. Emotional Support AnimalsThe NPRM

In the NPRM, the Department explained that the ACAA regulations currently recognize two types of service animal: (1) Any animal that is individually trained or able to provide assistance to a qualified person with a disability; and (2) emotional support animals, defined as “any animal shown by documentation to be necessary for the emotional well-being of a passenger. ” Emotional support animals are intended to mitigate a passenger's disability by their presence, and are expected to be trained to behave in public, but are not individually trained to do work or perform tasks for the benefit of a passenger with a disability.

In the NPRM, the Department proposed to allow airlines to treat emotional support animals as pets, rather than service animals. The Department proposed to do so by redefining a “service animal” as a dog that is individually trained to do work or perform a task for the benefit of a qualified individual with a disability. Under the Department's proposed definition, airlines would not be required to recognize comfort animals, companionship animals, or any other non-task-trained animals as service animals. The Department indicated that the proposal was intended to align the definition of a service animal under the ACAA with the DOJ's definition of a service animal under the ADA. (10) One purpose of this alignment was to reduce confusion for individuals with disabilities, airline personnel, and airports (which are generally subject to the ADA rather than the ACAA).

In the NPRM, the Department sought comment on how its proposed service animal definition would impact individuals with disabilities who rely on emotional support animals when traveling on aircraft. Furthermore, although airlines could choose to continue to recognize emotional support animals and transport them for free pursuant to an airline's established policy, the Department specifically sought comment on whether individuals with disabilities who use emotional support animals to mitigate their disabilities would be less likely to travel by air if they were no longer permitted to travel with their emotional support animals. In addition, since the Department proposed that airlines would be permitted to treat emotional support animals as pets, the Department sought comment on whether individuals would be able to transport emotional support cats or other small animals as pets in the cabin for a fee, and whether the limits on the number of pets an airline would allow per flight could impact their transport.

The Department also requested comment in the NPRM on whether emotional support animal users could train their animals to do work or perform tasks to assist them with their disability, thereby transforming the animal from an emotional support animal to a psychiatric service animal.

Although the Department proposed not to treat emotional support animals as service animals, the Department also sought comment on whether it should recognize emotional support animals as a separate and distinct accommodation for passengers with disabilities. Specifically, the Department sought comment on whether to allow airlines to mandate stricter medical documentation requirements for individuals traveling with emotional support animals; whether airlines should be allowed to require that emotional support animals be contained in an FAA-approved in-cabin pet carrier in the airport and on the aircraft; and whether limiting emotional support animals to one per passenger would mitigate a passenger's disability sufficiently on a flight or at the passenger's destination. The Department did so as part of the mandate in the FAA Act, which required the Department to conduct a rulemaking proceeding on the definition of the term “service animal,” and to develop minimum standards for what is required for service and emotional support animals. (11)Comments Received

Of the approximately 15,000 comments in response to the NPRM, more than 10,000 of those comments concerned the transport of emotional support animals. More than 3,000 individuals submitted comments in support of DOT's proposal to exclude emotional support animals from the ACAA definition of a service animal and to allow airlines to treat emotional support animals as pets. Furthermore, a large majority of airline industry stakeholder organizations that submitted comments on this issue (i.e , airlines and airline organizations, airports, flight attendants, and other transportation worker organizations), expressed their support for DOT's proposal to allow airlines to treat emotional support animals as pets. Furthermore, approximately half of the disability rights advocacy organizations that submitted comments on this issue (mainly those organizations that represent individuals with allergies and individuals with visual impairment who use guide dogs) also supported DOT's proposal to allow airlines to treat emotional support animals as pets.

Supporters of DOT's proposal to exclude emotional support animals from the service animal definition primarily expressed safety concerns. They described incidents of misbehavior by emotional support animals, including acting aggressively toward people and other service animals by biting, growling, and lunging; and urinating, defecating, and otherwise failing to be under the control of their handler. Commenters expressed general safety concerns for travelers and airline crew given these disturbances. Some commenters expressed the view that many emotional support animal users may not actually be individuals with disabilities, but instead are individuals who are misrepresenting their pets as service animals to avoid paying airline pet fees.

Airlines for America (A4A), the Regional Airline Association, and the National Air Carrier Association jointly commented (12) that numerous incidents on aircraft have demonstrated that emotional support animals are substantially more likely to misbehave during a flight due to the stressful and challenging aircraft environment. (13) These organizations emphasized that emotional support animal misbehavior poses a substantial risk to flight safety, and that aircraft cannot reasonably carry untrained animals in the cabin that are uncontained. Similarly, the Association of Professional Flight Attendants (APFA) commented that “emotional support animals have been known to bite passengers and Flight Attendants, urinate, defecate, cause allergic reactions and encroach on the space and comfort zone of other passengers who have purchased tickets,” and that an untrained emotional support animal can put passengers at risk during an emergency evacuation. (14) The California Chapter of the American Council of the Blind (ACB California) also commented that emotional support animals pose a risk to people and other service animals as its members have reported that their guide dogs have been barked at and growled at on many occasions. (15) Similarly, the American Veterinary Medical Association (AVMA) commented that untrained emotional support animals “are often not acclimated to various stressful situations in the same manner that service animals are trained,” which “puts the safety and well-being of both the animal and those sharing the animal's space at risk. ” (16)

The second concern most frequently expressed by commenters in support of DOT's proposal related to those individuals who misrepresent their pets as service animals, and the growing number of online mental health professionals willing to provide pet owners with emotional support animal and psychiatric service animal documentation for a fee. American Airlines commented that the “increase in the availability of fraudulent ESA credentials has enabled people who are not truly in need of animal assistance to abuse the rules and evade airline policies regarding animals in the cabin. ” (17) Similarly, Open Doors Organization commented that airlines can show evidence of letters written by certain mental health professionals on the web that result from fee-based online evaluations or consultations with minimal therapeutic interaction between the health professional and the traveler. (18) Likewise, the Association of Late Deafened Adults commented that people who falsely claim their pets are service animals can purchase a fake service animal vest for their pet online without the pet going through any period of training. (19)

Some commenters also support DOT's proposed service animal definition, limiting service animals to task-trained animals, because they believe that only service animals trained to do work or perform tasks for the benefit of a person with a disability can effectively function as service animals. The American Association of Airport Executives (AAAE) commented that disability mitigation training, which enables an animal to know how to guide individuals with vision impairments, retrieve items for individuals with mobility impairments, and perform other tasks and functions for individuals with disabilities, is critical to mitigating potential risks and to ensure safety of passengers in the terminal. (20) An individual commenter remarked that “a critical part of a service animal's training includes a systematic socialization process that gradually and humanely exposes the dog to a variety of public places and settings . . . [which] ensures that service animals can both reliably perform their essential duties in all types of settings, and that venues like busy airport and crowded aircraft cabins will not trigger behaviors that are unsafe for the disabled handler, or for others to be around. ” (21)

The Department also received a significant number of comments from individuals suffering from allergies, or individuals and organizations commenting on behalf of allergy sufferers, in support of the proposal to allow airlines to treat emotional support animals as pets. These commenters describe how the recent increases in the number of service animals on aircraft, ostensibly emotional support animals, has created an untenable environment for allergy sufferers in the aircraft cabin. Furthermore, these commenters believe that DOT's proposed rule would result in an overall decrease in the number of service animals on aircraft, which would improve the level of unwanted fur-related allergens on aircraft. The Asthma and Allergy Network commented that a training requirement for service animals would help mitigate the number of animals on aircraft. (22) The Asthma Allergy Foundation of America also commented that it supports DOT's proposal, which permits airlines the flexibility to treat emotional support animals as pets, because it will “reduce the risk of animals triggering asthma attacks or severe allergic reactions. ” (23)

On the other hand, more than 6,000 commenters either supported the Department's continued recognition of emotional support animals as service animals, or supported a rule allowing emotional support animals to be recognized as a separate accommodation for individuals with disabilities. The individual commenters who support the Department's continued recognition of emotional support animals as service animals include individuals who suffer from autism, debilitating depression, anxiety, post-traumatic stress disorder, and a range of other mental and emotional disabilities. One individual commenter indicated that she believed that DOT's proposal is discriminatory toward veterans with disabilities and those with mental health problems, stating: “ESAs like mine are prescribed by [a] healthcare professional in order to ease stress, anxiety, depression and PTSD. I have PTSD and anxiety and I will testify to the benefit of my ESA. It is far better than dangerous and harmful drugs that I would otherwise need to take. ” (24)

Other individual commenters described their disabilities and how they are able to travel and, in some cases, complete everyday functions because of the presence of their emotional support animals. Some of these commenters described how certain individuals with disabilities would no longer be able to fly if the Department passed its proposed definition of a service animal, since many individuals suffering from mental and emotional disabilities have low incomes and can barely afford the cost of their own ticket for air transportation. For example, a joint comment from Paralyzed Veterans for America (PVA) and other advocacy organizations noted that even if a passenger's emotional support animal is able to travel as a pet, these fees can cost upwards of $175 each way, and that “people with disabilities are disproportionately low income and these fees would likely make it very difficult for emotional support animals users to travel[.]” (25) Several individual commenters also described the inconceivability of leaving their emotional support animals behind, as many are either unable to fly without their emotional support animal, or unable to function without their emotional support animal at their destination for long periods of time.

The Department also received comments from licensed mental health professionals and other health care workers who describe the harmful impact that DOT's rule would have on individuals who suffer from mental and emotional disabilities. These commenters describe their patients, many of whom were prescribed an emotional support animal to help accommodate a serious mental or emotional disability, and how the Department's proposed rule appears to have a disproportionately negative impact on individuals with mental disabilities, in comparison to those with physical disabilities.

Half of disability rights advocacy organizations that commented on the NPRM opposed the Department's proposal to treat emotional support animals as pets. They argue primarily that emotional support animals provide a vital accommodation for many individuals suffering from a wide range of serious mental and emotional disabilities. The Autistic Self Advocacy Network commented that emotional support animals “can assist with sensory regulation, anxiety, and provide focus for social communication” and without the calming effect of an emotional support animal, individuals with autism or other mental disabilities may be unable to function without the assistance of an ESA for several days or weeks, which may result in their inability to travel. (26) The Disability Rights Education Defense Fund (DREDF) similarly commented that the “use of an emotional support animal may be the only option for effective mitigation of their mental health symptoms” because for some individuals with psychiatric disabilities, “medications are ineffective and few or no other clinical mental health interventions are available or successful for them. ” (27) The DREDF further commented that “[f]requently, an emotional support animal is the primary intervention that enables a person with a psychiatric disability to succeed with daily activities—and sometimes to stay alive. ” (28)

Many of the disability rights advocates that supported DOT's continued recognition of emotional support animals either (1) expressed support for stricter requirements on the transport of emotional support animals, or (2) supported DOT recognition of emotional support animals not as service animals, but as a separate accommodation for individuals with disabilities with its own distinct set of regulations. Commenters that favored stricter requirements for service animal users, such as Disability Rights of Florida and PVA, submitted comments in support of a rule that would allow carriers to require behavior attestations from emotional support animal users, although these organizations rejected measures such as the mandatory containment of emotional support animals in pet carriers. (29) Similarly, the Oklahoma Disability Law Center commented that it would also support a rule that allowed carriers to require behavior attestations, as well as a rule that would allow airlines to require emotional support animal users to produce documentation from a licensed mental health professional following an in-person visit. (30)

Organizations that supported a DOT ACAA rule treating emotional support animals as a separate accommodation from service animals, such as PVA, commented that the “Department should recognize emotional support animals as an accommodation because emotional support animals are different from service animals in that they are not trained to perform work or tasks to mitigate a disability. ” (31) The Humane Society of the United States commented that DOT should adopt a rule that would allow emotional support animals as a separate accommodation known as an “assistance animal,” (32) regulated separately from service animals, similar to the Fair Housing Act rule of the Department of Housing and Urban Development (HUD). (33) Opening Doors, PLLC, another interested stakeholder that commented in support of DOT's treating emotional support animals as a separate accommodation, stated that a “benefit of aligning the definition of `emotional support animal' with `assistance animal' is that [the Fair Housing Act (FHA)] already has a framework in place for evaluating reasonable accommodation requests. ” (34)

In response to the Department's request for comment on the feasibility of turning an emotional support animal into a psychiatric service animal, U.S Support Animals commented that “requiring a person with an emotional disability to train their emotional support animal to be a psychiatric service dog would be incredibly burdensome on most disabled people and often an impossible standard to meet. ” (35) U.S Support Animals further commented that “emotional support animals should not be trained to perform a specific task” because the benefit of an emotional support animal is the animal's presence; “there is often no task that can even be defined for the animal to perform that would help alleviate the symptoms that the passenger exhibits. ” (36) In addition, PVA, using rabbits as an example, commented that it “does not believe that it is possible to convert all emotional support animals into service animals. ” (37)DOT Response

The Department recognizes that whether to require airlines to recognize emotional support animals as service animals is a contentious question, with strongly held views on all sides, and with no perfect solution likely to satisfy all stakeholders. After careful review of the comments in this area, the Department has determined that the most appropriate course is to adopt a definition of service animal that covers only dogs, regardless of breed or type, that are individually trained to do work or perform tasks for the benefit of a qualified individual with a disability. This definition excludes all non-task-trained animals, such as emotional support animals, comfort animals, and service animals in training.

The Department recognizes several benefits to adopting this definition. First, the rule is expected to reduce confusion among airlines, passengers, airports, and other stakeholders by more closely aligning the Department's definition of a service animal with DOJ's definition of a service animal under the ADA, which applies to a broad array of entities, including airports, and which covers only dogs that are individually trained to do work or perform tasks for the benefit of an individual with a disability. The Department has long recognized that under its prior rule, air transportation was the only mode of transportation on which emotional support animals must be accommodated. (38) Indeed, under the ADA, emotional support animals are not required to be accommodated in public spaces such as restaurants, hotels, theaters, or airports. This mismatch between the Department's ACAA regulation and the DOJ's ADA regulation was particularly striking given that passengers in air transportation are confined with service animals in the narrow space of an aircraft cabin for the duration of the flight.

Second, after reviewing the comments submitted during both the ANPRM and NPRM, we find persuasive the view of advocates who commented that task-trained service animals are also generally provided enhanced training in how to behave in public, while emotional support animals may not have received this degree of training. We also find persuasive the information provided by airlines and other stakeholders indicating that emotional support animals, or animals being presented to the airline as emotional support animals, are responsible for a significant percentage of the incidents of animal misbehavior onboard aircraft. Finally, it is reasonable to predict that the Department's definition will result in an overall reduction in the number of uncrated animals onboard aircraft, thereby reducing the overall number of animal misbehavior incidents (and the overall number of potential allergic reactions) onboard aircraft.

For many of these same reasons, we have declined to adopt a process to accommodate emotional support animals onboard, not as service animals, but as a separate accommodation for individuals with disabilities with its own distinct set of requirements, such as stricter documentation standards, containment in a pet carrier, etc. In our view, allowing emotional support animals with a stricter set of requirements would perpetuate tiered systems that give rise to confusion and the continued opportunity for abuse and increased safety risk. As such, the final rule allows airlines to treat emotional support animals as pets. We note, however, that airlines may choose to continue to transport emotional support animals without charge at their discretion. Furthermore, even if airlines decide after the effective date of this rule to charge pet fees for emotional support animals, this change would not impact the ability of individuals with psychiatric or mental health disabilities to continue to travel with their psychiatric service animals onboard aircraft without being charged a pet fee. This rule requires airlines to recognize animals that are individually trained to do work or perform tasks for the benefit of individuals with mental health disabilities as service animals, including psychiatric service animals.

We solicited comment on the specific question whether and at what cost emotional support animals could be task-trained, and could therefore qualify as psychiatric service animals. We received few comments on this issue. PVA, for example, commented that an emotional support rabbit could not be individually trained to perform a task or function, but does provide emotional support for the individual by its presence. (39) U.S Support Animals stated that “requiring a person with an emotional disability to train their emotional support animal to be a psychiatric service dog would be incredibly burdensome on most disabled people and often an impossible standard to meet. ” (40) While we understand PVA's concern that there are currently emotional support animals such as rabbits that cannot be trained, the Department's final rule recognizes only dogs as service animals, and it is our understanding that the vast majority of emotional support animals are dogs, and dogs can be task-trained to perform many different tasks and functions. We also note that the rule does not require service animal users to incur the cost of training by third party schools or organizations; service animal users are free to train their own dogs to perform a task or function for them.B. Psychiatric Service AnimalsThe NPRM

In the NPRM, the Department proposed to change its service animal requirements to ensure that psychiatric service animals would be treated the same as other service animals. Psychiatric service animals are individually trained to do work or perform tasks for an individual with a psychiatric, intellectual, or other mental disability. In the NPRM, the Department proposed to remove requirements for psychiatric service animal users that allowed airlines (1) to require psychiatric service animal users to provide a letter from a licensed mental health professional of the passenger's need for the animal, (41) (2) to require 48 hours' advance notice of a passenger's intent to travel with a psychiatric service animal to give airlines sufficient time to assess the passenger's documentation, (42) and (3) to require check in one hour before the check-in time for other passengers. The Department's proposed definition of a service animal sought to ensure that individuals with mental and psychiatric disabilities who rely on psychiatric service animals would be treated the same as individuals with physical disabilities who rely on task-trained service animals. The Department's proposal was based on the fact that there is no valid basis for allowing airlines to treat certain tasked-trained service animals differently from other task-trained animals.

In the NPRM, the Department indicated that it was aware of concerns about passengers who falsely claim to have a mental health condition that may require the use of a service animal. We recognized that it was this specific concern that originally led the Department to adopt heightened documentation and check-in requirements for users of both emotional support animals and psychiatric service animals. We noted in the NPRM, however, that “unscrupulous passengers may also falsely claim to have other hidden disabilities such as seizure disorder or diabetes to pass off their pets as service animals and avoid paying airline pet fees. ” (43) In other words, the concerns that led the Department to adopt heightened documentation and check-in requirements for users of psychiatric service animals is not unique to psychiatric service animals. For these reasons, the proposed final rule did not draw distinctions between psychiatric service animals and other types of service animals.

In the NPRM, we indicated that if the rule were adopted as proposed, the Department would monitor the experience of airlines in accommodating the use of psychiatric service animals, particularly given the concern that unscrupulous passengers may attempt to pass off their pets as psychiatric service animals. We indicated that we would “consider revisiting whether it is reasonable and appropriate to allow additional requirements for the use of such animals if there is a demonstrated need—for example, if there is a notable increase in instances of passengers falsely representing pets as mental-health-related service animals. ” (44)Comments Received

Most individuals, disability rights organizations, airlines, and other stakeholders who commented on these topics supported the elimination of regulatory distinctions between psychiatric service animals and other service animals. Commenters generally observed that the Department's prior approach unfairly discriminated against individuals with particular types of disabilities. Some commenters also noted that the proposed rule harmonizes DOT's approach with that of other Federal agencies in this respect. In contrast, four airlines (Air Canada, Allegiant Airlines, Asiana Airlines, and Spirit Airlines) and one advocacy organization (45) (the Michigan Developmental Disabilities Council) recommended that the Department retain heightened documentation requirements for psychiatric service animal users because of concerns that individuals who wish to travel with their pets in the cabin for free may start misrepresenting their pets as psychiatric service animals.

With respect to monitoring potential falsification of pets as psychiatric service animals, we received a range of responses. A4A expressed concern that “the fraud will migrate to the PSA category,” and urged the Department to explain how it would collect ***data*** to monitor the issue. (46) All Nippon Airways (ANA) expressed a similar view. (47) American Kennel Club urged the Department to monitor fraud with respect to psychiatric service animals. (48)

PVA expressed concerns about the Department's stated intent to monitor potential fraud by individuals who attempt to pass off their pets as psychiatric service animals. PVA indicated that “the Department provides no information about why suspicion should be cast on psychiatric service animal users versus animals that assist passengers with other non-apparent disabilities. ” (49) PVA also noted that without a clear sense of how that monitoring would take place, the public would not know whether any conclusions are based on accurate ***data***.DOT Response

The Department agrees with commenters who expressed the view that it is inappropriate to allow airlines to impose greater burdens on psychiatric service animal users than on individuals who utilize service animals that are trained to do work or perform tasks for the benefit of individuals with physical or other types of disabilities. Accordingly, the Department will no longer draw a distinction between psychiatric service animal users when traveling in air transportation and other service animal users. This means that psychiatric service animals will be subject to the same regulations as other service animals. Most notably, psychiatric service animal users will no longer be required to provide a letter from a licensed mental health professional detailing the passenger's need for the animal, nor will they be required to check in one hour before the check-in time for other passengers.

The Department will, however, monitor whether unscrupulous individuals are attempting to pass off their pets as service animals for non-apparent disabilities, including (but not limited to) psychiatric disabilities. This process is not intended to single out or unduly burden psychiatric service animal users. Indeed, in the NPRM, the Department noted the possibility that individuals could also attempt to pass off their pets as service animals for non-apparent physical disabilities, such as diabetes. The Office of Aviation Consumer Protection welcomes the input and assistance of airlines, disability advocacy organizations, and other stakeholders on how best to conduct the monitoring to ensure accurate ***data***.C. SpeciesThe NPRM

In the NPRM, the Department proposed to limit the species of animals that airlines would be required to recognize as service animals to dogs. Under the Department's proposal, while airlines could choose to transport other species of animals that assist individuals with disabilities in the cabin for free pursuant to an established airline policy, they would only be required under Federal law to recognize dogs as service animals. The Department's proposal considered the fact that dogs are the most common animal species used to assist individuals with their disabilities, both on and off aircraft, and that dogs have both the temperament and ability to do work and perform tasks while behaving appropriately in a public setting and while being surrounded by a large group of people.

The Department decided against adopting a proposal that would include other species as service animals, including miniature horses and capuchin monkeys. However, the Department requested specific comment on whether it should recognize those animals under its definition of a service animal.Comments Received

The Department received approximately 1,100 comments on this topic from individuals with disabilities. Commenters generally support dogs as service animals, which is unsurprising as dogs have been, and continue to be, the most common species of service animal relied upon by individuals with disabilities. (50) The AAAE commented that dogs represent approximately 90 percent or more of animals traveling on aircraft, and supported recognizing dogs exclusively as service animals because they are easily trained, and can hold their elimination function for extended periods of time. (51) Assistance Dogs International, North America (ADI-NA) noted that dogs have both the temperament and the capability to assist individuals with disabilities by mitigating their disabilities through the performance of tasks. (52) American Airlines also noted that limiting the species of service animals to dogs provides greater predictability and access for most people with disabilities. (53) The International Air Transport Association (IATA) and individual foreign airline commenters also support including dogs exclusively as service animals. These commenters argued that requiring all carriers, both domestic and foreign, to recognize only dogs, would bring the regulations for the domestic carriage of service animals in alignment with those for international carriage, since foreign carriers have only been required under DOT's ACAA regulation to transport dogs as service animals. (54) Air Canada also commented that no country other than the United States has required the acceptance of service animals other than dogs. (55)

More than 400 individual commenters, however, supported also including miniature horses in the Department's definition of a service animal. These commenters noted that some individuals with disabilities may not be able to use dogs to accommodate their disability because of allergies or religious and/or cultural reasons. Furthermore, these commenters note that excluding miniature horses runs counter to DOT's mission of promoting consistency among Federal regulations, as DOJ requires regulated entities, in certain circumstances, to recognize miniature horses as a reasonable accommodation under the ADA. (56) The DREDF commented that DOT's proposal to “eliminate access for miniature horses is particularly concerning because these animals have access to public accommodations as a reasonable accommodation under the Department of Justice's Americans with Disabilities Act. ” (57) Similarly, the Autistic Self Advocacy Network commented that DOT's proposal to limit service animals to dogs is arbitrary and inconsistent with DOT's stated goal of harmonizing Federal regulatory requirements, and that DOT's proposal to exclude miniature horses is more restrictive than DOJ's regulations implementing Title III of the ADA, which allow people with disabilities to use miniature horses on an individualized basis. (58) Finally, The Disability Coalition (New Mexico) commented that by diverging from the ADA, DOT would be promoting confusion rather than reducing it. (59)

Disability rights advocates that commented in support of including miniature horses in DOT's ACAA definition of a service animal commented that space on the aircraft should not be a concern when considering whether a miniature horse can be accommodated in an aircraft cabin. The commenters argued that the Department's ACAA rule has always required airlines to allow miniature horses to accompany an individual with a disability on aircraft, subject to aircraft size limitations and FAA safety regulations. Psychiatric Service Dog Partners commented that many miniature horses are comparable in size to a St. Bernard, and that many can fold their legs and lie down more easily than their larger equine counterparts. (60) Similarly, Starfleet Service Dogs commented that the height of a miniature service horse, from its withers, should generally be 34 inches or shorter, and that in most cases a Great Dane will be larger and take up more room than a miniature horse. (61)

Airlines and other industry stakeholders who oppose the inclusion of miniature horses argue that miniature horses are too big to be accommodated in the cabin of an aircraft, and that potential safety concerns could arise from transporting miniature horses in the aircraft cabin. A4A asserted that a miniature horse's size, weight, and inability to curl up in a passenger's allotted foot space poses a substantial risk to flight safety, including the safety of passengers and crew, and that the presence of miniature horses in an aircraft cabin would pose a serious risk of injury to passengers and crew during moderate to severe turbulence or an emergency situation due to these animals' weight and size. (62) American Airlines likewise commented that miniature horses are classified as livestock, have hooves, are not as flexible as dogs, are unable to manage their elimination functions the way a trained service dog can, and that a miniature horse's hooves could puncture an aircraft evacuation slide in the event of an evacuation, potentially disabling it. (63)

A smaller number of disability advocacy organizations support the inclusion of cats and other animal species as service animals. Ethiopian Airlines commented that only dogs and cats should be permitted as service and emotional support animals. (64) Similarly, the Transport Workers Union of America recognizes that while dogs are the most common service animals, other types of animals may also be trained to provide needed assistance to individuals with disabilities. (65) The Autistic Self Advocacy Network commented that cats can be trained to perform tasks, such as detecting seizures. (66) Conversely, A4A commented that cats have neither the temperament nor ability to be trained to do work or tasks to assist an individual with a disability or to behave appropriately in an aircraft cabin. (67)

The Department also specifically sought comment on whether it should recognize capuchin monkeys in its revised service animal definition. Several advocacy organization commenters argued that capuchin monkeys deserve special treatment under DOT's ACAA rule and that DOT should require airlines to transport these animals, so long as they remain in a carrier, because of the invaluable accommodations these animals provide to individuals with disabilities. Helping Hands: Monkey Helpers for the Disabled commented that its capuchin monkeys are transported in pet carriers, often undetected, and wear diapers so that the possibility of bodily fluids escaping the carrier are de minimis, and the possibility of disease ***transmission*** is prevented. (68)

Airlines and other organizations such as AVMA continue to believe that other animal species, and capuchin monkeys in particular, should not be included in DOT's definition of a service animal because of animal welfare concerns, the potential for serious injury, and zoonotic risks. (69) ADI-NA commented that capuchin monkeys are not domesticated animals and subjecting these animals to stress in the air travel environment increases the chance of their behaving aggressively or at least disruptively during air travel. (70) Finally, A4A commented that capuchin monkeys would likely accompany a qualified trainer on an aircraft, for the purposes of transporting the animal for delivery to an individual with a disability, instead of accompanying an individual with a disability, which ultimately brings the transport of capuchin monkeys beyond the scope of DOT's existing ACAA rule. (71)DOT Response

The Department has considered the comments received and has decided to adopt, as proposed, a rule limiting the species of service animals to dogs only. This decision considers that dogs are the most common animal species used by individuals to mitigate disabilities both on and off aircraft. A rule requiring airlines to accept trained service dogs will permit the vast majority of service animal users to travel with their service animals while also minimizing confusion and safety concerns for airlines, airports, and individuals with disabilities. Overall, dogs have the temperament and ability to be trained to do work and perform tasks while behaving appropriately in a public setting, and while being surrounded by a large group of people in the close confines of an aircraft cabin. Although airlines may choose to transport other species of animals, such as cats, miniature horses, and capuchin monkeys, that assist individuals with disabilities in the cabin for free pursuant to an established airline policy, they would only be required under Federal law to recognize trained dogs as service animals.

Although some service animal users would prefer to, and in fact do, use miniature horses instead of dogs as service animals, the number of individuals that use trained miniatures horses as service animals is quite small compared to that of service animal dog users. (72) The number of miniature horses transported in the cabin by airlines annually is also exceptionally small, and airlines are free to accommodate the transport of miniature horses for passengers if they choose to do so. There are also practical concerns related to the carriage of miniature horses that may make it difficult for airlines to accommodate these animals on small aircraft safely. While one commenter noted that miniature horses are more flexible than large horses, as a practical matter they are far less flexible than dogs and are unable to curl up at the feet of the handler and fit into the space directly in front of the service animal user's seat, like most dogs. In certain instances, miniature horses may need to occupy the space in front of more than one seat to be accommodated on an aircraft, and in some instances, they may need to occupy the space in front of an entire row of seats to be accommodated in the aircraft.

The Department was also unpersuaded that airlines should be required to carry capuchin monkeys. As the Department stated in its proposal, although trained capuchin monkeys can assist persons with limited mobility with their daily tasks, capuchin monkeys may present a safety risk to other passengers as they have the potential to transmit diseases and may exhibit “unpredictable aggressive behavior. ” Further, capuchin monkeys fall outside of the regulatory framework because qualified trainers, rather than individuals with disabilities, typically travel by air to deliver the monkeys to an individual with a disability, and would not be accompanied by the service animal user.D. Breed or Type of DogThe NPRM

The Department proposed to continue to prohibit carriers from refusing to transport a trained dog as a service animal based solely on breed or generalized physical type. Under the Department's proposal, airlines would continue to assess each animal individually to determine whether a specific animal poses a direct threat to the health or safety of others, instead of determining whether to transport a service animal based on stereotypes or generalized assumptions about how a breed or type of dog may or may not behave. The Department also specifically sought comment on whether the unique environment of a crowded airplane cabin in flight justifies permitting airlines to prohibit pit bull-type dogs, or any other particular breed or type of dog, from traveling on aircraft under the ACAA, even when those dogs have been individually trained to perform as service animals to assist a passenger with a disability.Comments Received

The Department received nearly 700 comments on whether airlines should be permitted to restrict service dogs based on breed or type. Most commenters supported the Department's proposal, opposing a departmental regulation that would categorically exclude any specific dog breed or type. These commenters noted that individuals with disabilities use a wide range of dog breeds as service animals to accommodate a variety of disabilities, and airlines should not be permitted to refuse transportation to certain breeds or types of dogs as long as the dogs do not pose a direct threat and are individually trained to do work or perform tasks for the benefit of an individual with a disability. Most, if not all, disability advocates supported the Department's proposal to prohibit dog breed or type restrictions, arguing that the determination of whether a particular service animal poses a direct threat should be based on an individualized, observed, and objective assessment by the airline, and should not be based on generalized assumptions or stereotypes about the dog's type or breed. Disability advocates also expressed support for DOT's proposal because it is consistent with DOJ's ADA regulations, with respect to prohibiting regulated entities from limiting a service animal to a specific breed. Various commenters also cited studies that have concluded that environmental factors, rather than a dog's breed, determine a dog's propensity to harm a person or animal.

Regarding a specific breed, the Department received the most feedback in the comments about pit bulls. According to Wisdom Panel, a pit bull DNA testing organization, the term “pit bull” does not refer to a single recognized breed of dog, but rather to a genetically diverse group of breeds that are associated by similar physical traits. (73) Wisdom Panel explains that pit bull-type dogs have historically been bred by combining guard-type breeds with terriers for certain desired characteristics, and, as such, they may retain many genetic similarities to their original breeds and other closely related breeds. (74) According to the Humane Society, 46 percent of dogs in the United States were of mixed breed as of 2012. (75) The American Temperament Test Society found that more than 85 percent of pit bull-type dogs have tested with above average temperaments (85.6 percent of Golden Retrievers and 85 percent of German Shepherds tested the same). (76) According to the Humane Society, an AVMA study found that physical breed standards/visual identification as a way of identifying a dog's breed, which is the method used by airlines to identify dog breed, is seriously flawed. (77) Furthermore, the Humane Society states that an American Journal of Sociological Research study found that animal professionals, veterinarians, and animal control officers were unable to identify correctly dog breeds visually when compared with DNA evidence, and that dogs with blocky heads and thick necks were commonly misidentified as pit bulls because there is no clear definition or set of characteristics that define a “pit bull” type. (78) Commenters also cited a growing body of evidence suggesting that pit bulls do not have a stronger bite strength than similar-sized dogs. According to a study cited by the Humane Society, which looked at 150 scientific papers from 1969 to 2009, and two legal cases, many claims about the jaw strength of pit bull-type dogs are based on misinterpretations with no reliable ***data*** or sources. (79) Commenters also noted that numerous municipalities across the country are rescinding their pit bull bans, realizing that the bans are misguided. Furthermore, commenters argued that if DOT ultimately requires that all service animals be trained, there would be no need to ban pit bulls for fear of their behavior.

The Department also received many comments in support of allowing airlines to ban specific breeds of service animals. Airlines and airline organizations expressed concerns that not allowing airlines to restrict service animals based on breed could result in an unsafe flying environment and argued that airlines should have the discretion to choose whether to transport dogs that are capable of inflicting serious harm. A4A argued that not allowing airlines to restrict transport of service animals based on breed or generalized type of dog would increase the risk of animal misbehavior, which could result in serious injury to other passengers, crew, and service animals. (80) They argued that certain breeds of dog, which ***account*** for a small minority of the total dog population, are not suited to function as trained service animals. They also noted that certain breeds raise legitimate fears from other passengers and animals, including other service dogs and handlers. American Airlines asserted that airplanes are a unique environment—“they are crowded spaces with no opportunity for egress—which could be triggering, and triggering an animal with large and powerful jaws and neck muscles that can be ferocious if `provoked,' is a direct threat to the health and safety of our crews, passengers, and other service animals. ” (81) American Airlines further argued that there is precedent for adopting a more stringent approach in the airline environment because air travel differs from other places of public accommodation. Some airlines argued that individualized assessments are not enough. (82) For example, Spirit Airline and Air Canada argued that some animals are more prone to aggression and may not exhibit such behavior until they are onboard an aircraft. (83) Thus, even with the ability to refuse transportation to dogs that exhibit aggressive behavior, it may, in some instances, be too late by the time an animal that eventually exhibits aggressive behavior has boarded an aircraft.

Foreign airlines and commenters raised concerns about jurisdictions outside of the United States that impose entry restrictions on certain dog breeds. Deutsche Lufthansa Airlines (Lufthansa) urged DOT to consider allowing airlines to restrict service animals of specific breeds because, with respect to international travel from the United States, there are other additional foreign regulations to comply with concerning the transport of animals. (84) Specifically, Lufthansa noted that France and Germany, for example, have implemented strict entry bans for specific breeds of dogs, such as Staffordshire Bull Terriers, American Pitbull Terriers, Mastiff type dogs, and Tosa Inu (France); and Pit Bull Terriers, American Staffordshire Terriers, Staffordshire Bull Terriers, and Bull Terrier (Germany), and that requiring airlines to transport all breeds may present a conflict of laws that would cause severe disruption, not only to the airline but also to passengers. (85)

Many individual commenters also opposed recognizing pit bulls as service animals. According to dogbites.org, which obtains ***data*** on canine-related injuries and fatalities from news reports, photographs, police reports, coroner reports, and court filings, canines killed 512 individuals in the United States between 2005 and 2019. (86) Of the 512 individuals killed by dogs, dogbites.org reports that pit bulls were involved in 346 of these deaths (66 percent of the deaths) despite only comprising about 7 percent of the total U.S dog population. (87) Similarly, media reports and news ***accounts*** tracked by ANIMALS 24-7 since 1982 indicate that approximately one pit bull in 100 will kill or disfigure a human, or kill another pet or livestock animal, each year. (88) According to ANIMALS 24-7, two recent studies published in prominent scientific journals point toward anatomical differences in dog brain structure among various breeds, which in dogs bred for centuries to fight, appear to be linked to reactivity and aggression. (89)DOT Response

The Department is declining in this final rule to adopt a categorical exclusion for particular breeds or types of dogs as service animals and will continue at this time to prohibit airlines from refusing to accommodate a dog that is individually trained to do work or perform tasks for the benefit of a qualified person with a disability and that otherwise satisfies the requirements of a service animal based solely on the dog's breed or generalized type. However, the final rule specifies that airlines are permitted to make an individualized assessment based on reasonable judgement and objective evidence to determine if a service animal poses a direct threat to the health or safety of others. The Department believes that this standard, which is based on objective evidence of the dog's behavior, rather than generalized assumptions about how a breed or type of dog would be expected to behave, provides airlines with the best means of determining whether the particular animal poses a direct threat to the health and safety of others.

Furthermore, prohibiting airlines from banning particular breeds of dogs, including pit bull-type dogs, on aircraft is consistent with DOJ guidance under the ADA. We note that DOJ also rejects an outright ban on service animals because of their breed in implementing its regulations under the ADA. DOJ has advised municipalities that prohibit specific breeds of dogs that they must make an exception for a service animal of a prohibited breed, unless the dog poses a direct threat to the health or safety of others, a determination that must be made on a case-by-case basis. (90) Commenters suggesting that airlines are not able accurately to distinguish a pit bull-type dog from a non-pit bull-type dog that may have similar features unless DNA testing has been conducted further supports the Department's position that categorically excluding particular breeds is not appropriate.

The Department also recognizes the concerns raised by IATA and foreign airlines that certain foreign jurisdictions may have laws prohibiting passengers from bringing certain breeds of dogs into these jurisdictions. To address this concern, the Department has included language, in section 382.79(a)(3), that makes clear that an airline may deny transport to a service animal if the animal's carriage would violate applicable health or safety requirements of a foreign government.

The Department understands the concerns raised about pit bulls and certain other breeds or types of dogs that have a reputation of attacking people and inflicting severe and sometimes fatal injuries. The Department also understands that there may be concerns that certain dogs may be dangerous, particularly dogs that have been bred to fight, which may be linked to a heightened degree of reactivity and aggression. The Department will continue to monitor published studies or ***accounts*** of dog behavior by breed or type and reports of incidents involving service dogs, and if there are compelling studies or ***data*** indicating that there are particular dog types or breeds that are established to pose a heightened threat to the health and safety of people in close proximity, we will revisit this issue. At this time, however, the Department finds that the airlines' ability to conduct an individualized assessment of a service animal's behavior to determine whether the service animal poses a direct threat to the health or safety of others is an adequate measure to ensure that aggressive animals are not transported on aircraft, rather than permitting airlines to ban an entire breed or type of dog.E. Considerations on Alignment With DOJ DefinitionThe NPRM

In the NPRM, the Department proposed to define a service animal as a dog that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. DOT's proposed definition of a service animal, which is more closely aligned with DOJ's definition of a service animal under the ADA, is intended to address concerns raised by airlines, airports, and disability advocates about challenges associated with inconsistencies between the definition of a service animal in the airport environment and on aircraft. DOT's existing service animal regulations require airlines to recognize emotional support animals, and all species of service animals, with limited exceptions. Meanwhile, DOJ's ADA regulations, which apply to public and commercial airports and airport facilities operated by businesses like restaurants and stores, limit service animals to dogs, and do not recognize emotional support animals as service animals. (91) The significant inconsistencies between DOT's former ACAA definition of a service animal, and DOJ's ADA definition of a service animal have presented practical challenges for airlines and airports and the traveling public. The Department, through its NPRM proposal, sought to promote greater consistency among Federal regulatory requirements, to decrease confusion for individuals traveling with service animals, to recognize the distinct characteristics of an aircraft cabin as compared to other indoor environments, and to streamline the treatment of service animals in the context of air travel.Comments Received

The Department received more than 7,200 comments on the proposed definition of a service animal, with a nearly even split between individual commenters who supported or opposed the Department's proposed definition.

Most disability rights advocates and all of the airlines and airline organizations that commented on the NPRM expressed support for the Department's proposed definition of a service animal. The American Council of the Blind supported the proposal, stating that limiting service animals to trained animals will make the requirements for airlines and their employees less complicated and more succinct; (92) while other groups supported the definition because it is more consistent with DOJ's ADA definition of a service animal. These commenters argued that a more consistent definition would benefit travelers with disabilities.

The majority of airlines and airline organizations likewise supported the Department's proposal, in the interest of greater regulatory consistency. IATA (93) commented that a service animal definition that is more consistent between the ACAA and the ADA will provide greater clarity for airlines, airports, individuals with disabilities, and the traveling public. Likewise, A4A commented that DOT's proposal to more closely align its definition with DOJ's rules implementing the ADA would not only decrease confusion for individuals with a disability, airline personnel, and airports, but would also establish a clear distinction between a legitimate service animal that is trained to do work or perform a task for the benefit of a person with a disability and a pet. (94)

Several disability advocates opposed the Department's proposed definition of a service animal. U.S Support Animals urged the Department to focus on the language of the ACAA, which prohibits airlines from discriminating against individuals with disabilities, and discouraged DOT from seeking to align its definition of a service animal with DOJ's ADA rule, when the ADA was enacted four years after the ACAA (95) U.S Support Animals further commented that if Congress intended for the ACAA to be “subordinate” to the ADA, it could have easily repealed the ACAA and included its provision in the ADA. (96) Both U.S Support Animals and the Autistic Self Advocacy Network commented that it would be improper for the Department to align its ACAA definition of a service animal with DOJ's ADA definition because unlike the ADA, which is broadly applicable to a number of contexts, the ACAA applies only to air transportation, and its regulations should pertain to the specific circumstances of air travel. (97) These commenters believe that it would be more appropriate for DOT to align its regulations with HUD, which enforces FHA regulations, (98) because discrimination in housing is more analogous to air travel as travelers who depend on service animals for assistance will likely be at their destination for longer periods of time and the loss of their service animal would be more acute. Specifically, the Autistic Self Advocacy Network notes that while an individual with a disability may be impacted somewhat by being separated from their service animal for a few hours while at establishments covered by the ADA, e.g , stores, restaurants, movie theaters, etc., the impact of being separated from a service animal is more significant in the housing and transportation context as the separation would be for a much longer duration.DOT Response

The Department has considered the comments it received and Congress's mandate in the FAA Act that the Department consider whether it should align its ACAA definition of a service animal with the service animal definition established by the DOJ in its rule implementing the ADA. In this final rule, the Department is revising its definition of a service animal under the ACAA as a dog, regardless of breed or type, that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Species of animals other than dogs, emotional support animals, comfort animals, companionship animals, and service animals in training are not service animals under this definition. This revised definition does not preclude airlines from allowing passengers to travel with animals that are not included within the revised service animal definition; however, airlines are not required by Federal law to treat those animals as service animals. This revised definition is more in line with DOJ's definition of a service animal and takes into consideration, as commenters raised, the challenges associated with the inconsistencies between the definition of a service animal in the airport environment and on aircraft that stakeholders have identified. (99)2. Definition of Service Animal HandlerThe NPRM

The Department proposed to define a service animal handler as a qualified individual with a disability who receives assistance from a service animal(s) that does work or performs tasks that are directly related to the individual's disability, or a safety assistant (100) who accompanies an individual with a disability traveling with a service animal(s). The Department proposed that the service animal handler would be responsible for keeping the service animal under control at all times, and caring for and supervising the service animal, which includes toileting and feeding. The DOT's proposed definition of a service animal handler differed from DOJ's technical assistance, which states that a service animal handler can be either an individual with a disability or a third party who accompanies the individual with a disability. (101) The Department proposed to limit the definition of service animal handlers to the individual with a disability who is being helped by the animal and a safety assistant, meaning another individual who is required to travel with the person with a disability to assist that person in an evacuation from the aircraft, in order to make clear that service animal trainers and other passengers traveling with an individual with a disability on aircraft who are not safety assistants would not be considered service animal handlers under the ACAA rules. The Department sought comment generally on its decision to define the term “service animal handler” and sought comments on its proposed definition. The Department also sought comment on what impact, if any, its exclusion of third parties as service animal handlers might have on individuals with disabilities who are traveling on aircraft with a service animal.Comments Received

Disability advocates, such as PVA and DREDF, opposed DOT's proposed definition of a service animal handler, arguing that the Department should make its definition of a service animal handler consistent with DOJ's ADA guidance on service animal handlers, which includes third parties. (102) Disability Rights Florida also commented that it “urges DOT to use the DOJ ADA formulation to allow a third party, such as a parent, caretaker or aide, to also be a service animal handler for a young child or other individuals with a disability. ” (103)

Some disability advocates also opposed DOT's proposal to define safety assistants as service animal handlers, arguing that safety assistants are not service animal handlers, as their purpose is to ensure safe disembarkation from the aircraft, not to handle a passenger's service animal. Open Doors Organization commented that a “safety assistant's sole purpose is to assist a traveler with a disability in the event of an emergency, not to provide personal care assistance or any other non-safety-related help to a traveler. ” (104) Similarly, Psychiatric Service Dog Partners commented that a “member of the disabled service animal user's party should not need to meet the `safety assistant' description in 14 CFR 382.29 in order to provide handling assistance. ” (105) Conversely, with respect to airlines, the Association of Asian Pacific Airlines (AAPA) s and A4A both expressed support for DOT's proposal to include safety assistant in its definition of a service animal handler. (106)DOT Response

The Department has decided to define the term “service animal handler” in its disability regulation differently from proposed. (107) The Department is persuaded by the comments supporting the recognition of third-party service animal handlers consistent with DOJ's ADA guidance and is revising its proposed definition of a service animal handler in this final rule to more closely align with DOJ's treatment of a service animal handler. The revised definition includes third parties in the DOT definition of a service animal handler. It also excludes safety assistants because, as commenters noted, safety assistants do not necessarily serve the same role as service animal handlers. The revised definition also provides for the situation where a child with a disability, who may not be able to control a service animal physically, is accompanied by a parent or other third party who physically handles and controls the service animal on the child's behalf.3. Service Animal Documentation

In the NPRM, the Department proposed to allow airlines to require individuals traveling with a service animal to submit three DOT-created forms: (1) A certification of a service animal's good behavior and training; (2) a certification of good health; and (3) for flight segments of eight hours or more, a certification that the animal would not need to relieve itself or could relieve itself in a way that does not create a health or sanitation risk. The Department proposed that each form include a warning to service animal users that it would be a Federal crime, in violation of 18 U.S.C 1001, to make false statements or representations on these forms to secure disability accommodations. The Department also proposed to allow airlines to require passengers to submit completed versions of these forms as a condition of travel. The Department sought comment on its proposal to standardize the service animal documentation process by allowing airlines to require DOT forms, and its proposal that the DOT forms be the only documentation that an airline could require from a passenger traveling with a service animal. The Department recognized that the DOJ does not allow these types of forms for public accommodation under the ADA. The Department reasoned, however, that air transportation is unique because it involves transporting a large number of individuals in a confined space thousands of feet in the air with no means of egress; accordingly, it stated that it would be appropriate for airlines to require these forms to ensure that the animal does not pose a health or safety risk to other passengers or service animals before boarding the cabin of the aircraft.

DOT received nearly 500 comments on its proposal to allow airlines to require service animal handlers to submit the various forms to airlines. We will discuss each form and its elements in greater detail below.A. Behavior and Training FormThe NPRM

First, the Department proposed to allow airlines to require a U.S Department of Transportation Air Transportation Service Animal Behavior and Training Attestation Form (Behavior and Training Form), to be completed by the service animal handler, which often is the same person as the individual with a disability who receives assistance from the service animal. The proposed Behavior and Training Form would have required the handler to certify that: (1) The animal has been individually trained to do work or perform tasks for the benefit of the passenger with a disability; (2) the animal has been trained to behave properly in public; (3) the handler is aware that the service animal must be under the handler's control at all times; (4) the handler is aware that if the animal misbehaves in a way that indicates it has not been properly trained, then the airline may treat the animal as a pet; and (5) the handler is aware that the handler may be liable for damage caused by the service animal's misbehavior, so long as the airline charges passengers without disabilities for similar kinds of damage.

The Department proposed to allow airlines to require this form as a condition of transport for individuals traveling with service animals because the form would allow airlines to receive direct assurances from service animal users of their animal's good behavior and training. The form would have also served as an instrument to educate passengers traveling with service animals on how service animals in air transportation are expected to behave, and that the airline could charge passengers for damage caused by a service animal, so long as the airline had a policy of charging other passengers for similar kinds of damage. The Department also reasoned that the form itself would have the potential to serve as a deterrent for individuals who might otherwise seek to claim falsely that their pets are service animals, as those individuals may be less likely to falsify a Federal form and thus risk the potential for criminal prosecution.

The Department sought comment on its proposal to allow airlines to require the DOT Behavior and Training Form, the general content of the form, and whether the form would help ensure that service animals are properly trained. DOT also sought comment on whether the form would serve as an effective fraud deterrent for passengers who might try to misrepresent their pets as service animals, and the impact this form would potentially impose on those individuals traveling with traditional service animals who were not previously required to provide documentation to airlines. (108)Comments Received

The proposed Behavior and Training Form was opposed by nearly sixty percent of individuals, and the great majority of the disability rights advocacy organizations, who commented on the issue. Those commenters who opposed this form, such as the National Council on Disability, the American Council for the Blind, and DREDF, argued that it would be unduly burdensome for passengers with disabilities, especially to those who had never been required to submit any type of documentation to travel with their service animal in the past. PVA commented that “[d]ecades of access without documentation have been provided for the vast majority of service animal users,” and that requiring all passengers with disabilities who use service animals to attest to their animal's behavior and training, and provide a health form to gain access “burdens an individual's civil rights without any justification that such burden is needed. ” (109) Other opponents argued that the forms were unnecessary and inconsistent with other Federal civil rights laws.

The proposed Behavior and Training Form was supported by about forty percent of individuals, all of the airline and industry organizations, and a minority of advocacy organizations that commented on the issue. Supporters of the form, such as A4A, argued that it would provide a uniform method of ensuring that animals have been properly trained to perform a task or function and trained to behave in public, and the consistency of a DOT form would facilitate a smoother travel experience for persons with disabilities. (110) Spirit Airlines commented that the DOT forms would “lessen the opportunity for confusion and promote uniformity across domestic air travel. ” (111) Psychiatric Service Dog Partners also commented that if DOT permitted airlines to require a form, it is important that the forms be uniform, transferable among airlines, and available to individuals with disabilities in an accessible format to reduce burdens on individuals traveling with service animals. (112)

While a number of organizations (such as ADI-NA, America's VetDogs, and the Open Doors Organization) strongly oppose documentation requirements for individuals with disabilities traveling with trained service animals, these organizations commented that if the Department were to allow airlines to require behavior and training attestations, it would be less burdensome on individuals with disabilities if these attestations could be made through a check-box system available on each airline's website during the reservation process. (113) A4A and IATA indicated that the only effective way to reduce fraud is to require passengers to obtain a certification from an accredited service dog training organization such as Assistance Dogs International or the International Guide Dog Federation that the animal has been properly trained (either by the organization itself or by the dog's handler). (114)DOT Response

The Department is of the view that allowing airlines to require individuals with disabilities to attest to their animal's good behavior and training serves the important purpose of ensuring that passengers are aware of how their animals are expected to behave on aircraft. Furthermore, the Department believes that allowing airlines to require an attestation completed by the service animal users, rather than a veterinarian or other third party, as a means of verifying the service animal's good behavior, training and good heath, will impose minimal burdens on service animal users. The Department also believes that a behavior and training attestation will assure airline personnel and the traveling public that an animal, which is being presented as a service animal for uncrated transport in the aircraft cabin, has been both trained to perform a task or function for the passenger with a disability, and has been trained to behave in public. As such, this final rule allows airlines to require passengers traveling with a service animal to submit a completed U.S Department of Transportation Service Animal Air Transportation Form (Air Transportation Form), as described more fully below, which includes an attestation from the service animal handler of a service animal's good behavior and training.

The Department is adopting its proposal that the only forms that airlines may require of passengers with service animals are the forms developed by the Department. In 2019, the Department's Office of Aviation Consumer Protections had stated that it does not “intend to take action against an airline for asking service animal users to present documentation related to a service animal's vaccination, training, or behavior, so long as it is reasonable to believe that the documentation would assist the airline in determining whether an animal poses a direct threat to the health or safety of others. ” (115) This final rule makes it clear that airlines are not permitted to require any other documentation as a condition of transport, beyond the ones described in the rule. As such, service animal users will no longer have to navigate different forms propounded by different airlines.

With regard to the content of the DOT form, we decline the suggestion of A4A that the form require service animal handlers to certify that the animal was either trained or evaluated by an accredited organization as a means of validating the animal's training. While DOT provides space on its form for a service animal handler to state the organization or individual that trained the service animal to do work or perform tasks to assist the handler, DOT does not require that individuals with disabilities have their animal trained or evaluated by an accredited organization as a condition of transport. The Department similarly rejects the suggestion from IATA that every service animal user must obtain a certification of training from a specific organization, as this requirement could impose an undue burden on service animal users. (116)B. Health FormThe NPRM

DOT proposed to allow airlines to require a U.S Department of Transportation Air Transportation Service Animal Health Form (Health Form), to be completed by the service animal's veterinarian. The Centers for Disease Control and Prevention (CDC), a major operating component of the U.S Department of Health and Human Services, requires that all dogs imported into the United States, including service dogs, be vaccinated for rabies if coming from a high-risk rabies country. (117) The proposed Health Form was modeled after a number of State certificate of veterinary inspection (CVI) forms and the United States Department of ***Agriculture*** (USDA) APHIS 7001 form. (118) DOT proposed that the passenger's veterinarian would describe the animal, indicate whether the service animal's rabies vaccinations were up to date, state whether the animal had any known diseases or infestations, and state whether the veterinarian is aware of any aggressive behavior by the animal. The Department reasoned that such a form would help to ensure that the animal does not pose a direct threat to the health or safety of others. The Department indicated that it had consulted with airlines and the AVMA in drafting the content of the form.

The Department sought comment on its proposal to permit airlines to require the proposed Health Form as a condition of travel, the general content of the Health Form, and whether airlines should be able to refuse transportation to a service animal based on the information contained in the form. The Department asked whether the proposed Health Form would ensure effectively that a service animal does not pose a direct threat to the health or safety of others by ensuring that travelers do not contract rabies from a service animal if bitten. The Department asked whether veterinarians should indicate on the form whether, to the veterinarian's knowledge, the animal has ever exhibited aggressive behavior. The Department sought comment on whether it would be burdensome for individuals traveling with service animals to allow airlines to require the Department's Health Form. Finally, the Department asked whether it should allow airlines to require passengers traveling with service animals to provide photo identification of the service animal as an additional measure to verify a service animal's identity.Comments Received

The proposed Health Form was opposed by most individuals and nearly all of the disability rights advocacy organizations who commented on the issue. Opponents raised many of the same arguments that they raised with regard to the proposed Behavior and Training Form, but added that the Health Form would have a financial impact on passengers with disabilities because it would require them to make an extra visit to a veterinarian and potentially to incur veterinarian fees. (119) Opponents noted that requiring a form from a veterinarian could also significantly limit an individual's ability to travel on short notice. Advocates also argued that veterinarians may be uncomfortable attesting to the behavior of the animal, even if the attestation is limited to information within the personal knowledge of the veterinarian. Other advocates argued that because the overall incidence of rabies in the United States is exceedingly low, the form would not be an effective means to determine if an animal poses a direct threat. More generally, advocates including PVA and DREDF argued that the ***data*** on the proposed Health Form would not provide a meaningful basis from which to conclude that an animal poses a direct threat. (120)

Proponents of the proposed Health Form included about forty-five percent of individual commenters and all industry commenters. Proponents generally argued that a DOT form would provide a uniform means of determining whether an animal poses a direct threat. AVMA agreed that a form with rabies information should be required, stating that “rabies vaccination for dogs is necessary to protect both animal and public health, and, accordingly, it is reasonable and prudent to require proof of vaccination against this disease. ” 121 On the other hand, AVMA argued that creating a DOT-specific form was unnecessary because veterinarians could fill out a CVI for the user. (122) AVMA pointed out that CVIs are “existing official forms that are required by most states for interstate transport and international travel under existing laws. ” (123) AVMA also urged the Department not to adopt a form that would require a veterinarian to attest to the behavior of the animal. AVMA urged that this aspect of any form be filled out by the service animal user.

A4A and certain individual airlines suggested that to reduce burdens on service animal users, the proposed Health Form should be signed by the passenger instead of a veterinarian, and should be combined with the Behavior and Training Form into a single document. (124) Some of these commenters also suggested that the Department should allow airlines to require passengers to travel with copies of their service animal's veterinary records. Open Doors Organization took the position that if DOT allowed airlines to require service animal users to provide animal health documentation, airlines should be able to require passengers to travel with veterinary forms, but not to fill out the Health Form. (125) Finally, certain commenters suggested that the essential information from the veterinary form could be provided during each airline's reservation process, rather than through submission of an official DOT form.DOT Response

The Department believes that it is important and appropriate to allow airlines to require passengers to affirm that their service animal is in good health as a condition of transport. We agree with AVMA and others who indicate that it is “reasonable and prudent” to require proof of rabies vaccinations. (126) We also believe that it is prudent to require information relating to whether the animal is free of diseases that may endanger the health of humans or other animals.

However, the Department recognizes the difficulties that would arise from a requirement that the Health Form be filled out by a veterinarian, such as the expense that would be incurred by service animal users and the potential reluctance of veterinarians to attest to the animal's behavior. To alleviate the burden and difficulties, the Department has modified the form in the final rule such that the passenger, rather than a veterinarian, will be required to provide information about the health and behavior of the animal. The Department has also decided to combine the proposed Health Form with the proposed Behavior and Training Form to create a single one-page document called the “Service Animal Air Transportation Form” (Air Transportation Form) to reduce burdens further on both service animal users and airlines. This one-page Air Transportation Form will also include space for the service animal handler to provide a physical description of the service animal. Because the Air Transportation Form will contain information on the animal's physical description and health, the Department does not view it as necessary to permit airlines to require the passenger to carry the animal's veterinary records or provide a photo of the animal as a condition of transport.

The Department expects that these adjustments will allow airlines to obtain and process important health and safety information in an efficient and uniform fashion while minimizing burdens on the service animal user. (127) The Department recognizes that despite these adjustments, the combined Air Transportation Form could impose a new burden on certain service animal users. Prior to this final rule, the regulation did not explicitly permit or prohibit the use of additional documentation related to a service animal's vaccination, training, or behavior. Beginning in 2018, some airlines began adopting policies requiring behavior, training, and health forms for certain service animals. In August 2019, the Department's Office of Aviation Consumer Protection stated that it does not “intend to take action against an airline for asking service animal users to present documentation related to a service animal's vaccination, training, or behavior, so long as it is reasonable to believe that the documentation would assist the airline in determining whether an animal poses a direct threat to the health or safety of others. ” (128) The Department regards allowing airlines to require a DOT-issued Air Transportation Form to be less burdensome and a better option for individuals traveling with service animals than allowing airlines to develop their own individual forms to assist them in determining whether a service animal poses a direct threat to the health or safety of others.

The Air Transportation Form serves the vital purpose of assuring airlines and the traveling public that the user's service animal is vaccinated from rabies, has not been exposed to rabies, and to the user's knowledge is free of pests and diseases that would endanger people or other animals or would endanger public health. The form also requires service animal users to attest that their animals are both trained to perform a specific task or function and trained to behave in public. It educates the user that the animal must be harnessed, leashed, or otherwise tethered; that the animal may be treated as a pet if it engages in disruptive behavior; and that the user may be responsible for any damage caused by the service animal. The Air Transportation Form also provides airlines with a means of contacting the service animal user and the animal's veterinarian in the event of an incident that endangers other passengers or service animals. Finally, the Federal nature of the form serves to impress upon individuals the importance of filling it out properly. (129) The Department continues to hold the view that a different approach from the ADA with respect to documentation is appropriate given the unique realities of air transportation, which place the service animal in close proximity with many humans and potentially with other animals for hours in a tightly confined cabin with no means of egress from the aircraft.BILLING CODE 4910-9X-P

Image #ER10DE20.002BILLING CODE 4910-9X-CC. Relief FormThe NPRM

The third and final form that DOT proposed to allow airlines to require is a U.S Department of Transportation Service Animal Relief Attestation Form (Relief Form). The Department noted that its current ACAA regulations permit airlines to require individuals traveling with service animals on a flight segment that is longer than eight hours to provide documentation that the animal will not need to relieve itself or can relieve itself in a way that does not create a health or sanitation risk. The Department noted that the current rule did not set a uniform method for such documentation or assurances. The Department proposed to amend this requirement by allowing airlines to require passengers traveling on flights eight hours or longer to submit to airlines a standardized DOT document. The Relief Form would require the service animal user to check a box attesting that either: (1) The animal will not need to relieve itself on the flight; or (2) the animal can relieve itself on the flight in a way that does not pose a health or sanitation issue (with a description of that method). The form also requires the service animal user to attest to an understanding that the airline may charge passengers with disabilities traveling with a service animal for the cost to repair damage caused by the passenger's service animal, so long as the airline charges passengers without disabilities for similar kinds of damage. The Department sought comment on the general content of the Relief Form, and whether the form would serve as adequate proof to verify that a passenger's animal would not need to relieve itself on flight segments of eight or more hours, or could relieve itself in a way that does not create a health or sanitation issue.Comments Received

The Relief Form was opposed by almost half of individual commenters, all disability advocacy organizations, and certain airline organizations. Advocates who opposed the Relief Form raised many of the same arguments that they raised with respect to the other forms the Department proposed in the NPRM. Certain advocates also argued that the form was unnecessary because there are only a few domestic flight segments longer than eight hours.

A4A argued that the Relief Form should not be required for flight segments over eight hours. (130) A4A took the view that it is impossible for an animal to relieve itself in a sanitary manner onboard a flight; therefore, passengers should not be given the option of making this attestation. According to A4A, “airlines would instead rely on training and communication with those passengers to facilitate elimination when needed,” for example, by encouraging passengers to take shorter flight segments. (131) American Airlines urged the Department to forgo the Relief Form because doing so would reduce burdens on passengers. (132) Similarly, Air Canada also commented that the Relief Form should not be an option because it does not believe that animals can relieve themselves without creating a health or sanitation issue in a confined space such as an aircraft. (133)

Proponents of the Relief Form included a majority of individual commenters, and a number of industry commenters, including Spirit Airlines, Allegiant Air, and AAPA. (134) Proponents argued the benefits of having a uniform means of assurance that the animal would not relieve itself onboard the aircraft, or could do so in a sanitary manner, rather than a process that allows service animal users to submit various types of documentation to explain their animal's relief functions.DOT Response

The Department has decided to retain the Relief Form largely as proposed. The Relief Form will remain a separate document, in recognition of the fact that it will be used only for those rare flight segments that are scheduled for longer than eight hours. The Department is of the view that the Relief Form does not impose significantly greater burdens on passengers with disabilities than the prior service animal rule. The prior rule also allowed airlines to require passengers to provide documentation for flights longer than eight hours that a service animal would not need to relieve itself on the flight, or that the animal can relieve itself in a way that does not create a health or sanitation issue on the flight. However, the prior rule did not specify what type of documentation was permissible. This final rule effectively standardizes the Relief Form documentation. The content of the Relief Form has been modified slightly in this final rule in the following ways: (1) ***Data*** fields have been added for the animal's name, the date of the flight, and the estimated length of the flight; (2) the language has been simplified for ease of comprehension; and (3) fraud warnings appear in a format that matches the fraud warnings of the new combined Air Transportation Form.

In response to A4A's comment that the Relief Form “should not be required” for flights over eight hours, we observe that the Department allows airlines to require passengers traveling on flights eight hours or more to produce this form—airlines are free to accept a service animal for transport on a flight segment over eight hours without providing the Relief Form. However, if an airline chooses not to require the form, the airline is not free to deny transport to a service animal on flight segments longer than eight hours based on concerns about the animal's elimination functions. In such situations, the airline may require the passenger to fill out the Relief Form as a condition of travel for flight segments longer than eight hours.BILLING CODE 4910-9X-P

Image #ER10DE20.003BILLING CODE 4910-9X-CD. Federal Crime NotificationThe NPRM

In the NPRM, the Department provided samples of all three proposed forms. Each form contained the following statement, in small print at or near the top of the form: “It is a Federal crime to make materially false, fictitious, or fraudulent statements, entries, or representations knowingly and willfully on this form to secure disability accommodations provided under regulations of the United States Department of Transportation (18 U.S.C 1001). ” In addition to that standard notice, the Department's proposed Behavior and Training Form would have also required the service animal user to check a box stating: “I understand that I am committing fraud by knowingly making false statements to secure disability accommodations provided under regulations of the U.S Department of Transportation. ” The proposed Health Form (which was proposed to be filled out by the veterinarian) and the Relief Form did not have similar check-boxes indicating an awareness of the consequences of falsification. The Department sought comment on whether the forms adequately educate passengers on the seriousness of falsifying the forms.Comments Received

The Department received a range of responses to the Federal crime notification. Airlines and airline organizations generally supported the use of DOT forms with Federal crime notifications on the ground that users may be less likely to falsify a Federal form. Various industry commenters urged the Department to add stronger and more detailed warning language. A4A and IATA also urged the Department to establish specific and clear procedures for how airlines can report incidents of fraud with respect to service animal documentation. (135) According to A4A, airlines do not have the ability to combat documentation fraud. (136) A4A and Asiana argued that the deterrent effect of the warning would be stronger if DOT specified the penalties for the violations. (137) Allegiant argued that the crime warning itself should be made more prominent on each form. (138)

Certain advocacy organizations, such as ADI-NA and Service Dogs of Virginia, also commented that DOT should specify the penalty for lying on the Behavior and Training Form; (139) similarly, ACB-California commented that “there must be a significant penalty for deception,” such as a fine or placing the individual on a no-fly list. (140)

ANA argued that the Department has the statutory authority to impose civil penalties of up to $1,466 on individuals who breach certain regulations governing passenger conduct. (141) ANA urged the Department to cite this authority on the forms, and to establish procedures by which airlines may report issues of documentation fraud to the DOT or the DOJ. (142) Similarly, Asiana Airlines commented that “appropriate civil penalties administered by DOT may be a more effective and efficient deterrent to false statements,” because actual imposition of criminal penalties is unlikely. (143)

The National Multiple Sclerosis Society and the Autistic Self Advocacy Network urged the Department to revise the forms so that they are more easily understood by individuals with cognitive or developmental disabilities. (144) Both organizations specifically urged the Department to reword the final entry on the Behavior and Training Form, relating to fraud. (145)DOT Response

The Department agrees that the warning relating to penalties under 18 U.S.C 1001 should be made more prominent; thus, we have increased the font size of the warning on both the Air Transportation Form and the Relief Form. We also agree that the final check-box on the finalized Air Transportation Form should reflect the warning in plain language so that passengers are able to comprehend the risk of falsifying information on the form. The final entry now reads: “I am signing an official document of the U.S Department of Transportation. My answers are true to the best of my knowledge. I understand that if I knowingly make false statements on this document, I can be subject to fines and other penalties. ” We have added this entry to the Relief Form as well. In general, we have strived to ensure that all the entries on the revised forms are easy to understand and to answer, especially because of the risk of Federal fines and penalties.

If an airline suspects instances of documentation fraud, the airline may notify the Office of Aviation Consumer Protection at [*safalsestatementreports@dot.gov*](mailto:safalsestatementreports@dot.gov) to report such incidents and provide evidence supporting the airline's belief. The Office plans to refer these reports to the Department's Office of the Inspector General, as appropriate, for investigation and prosecution. The Department's Office of Aviation Consumer Protection does not have the authority to assess fines or other penalties on passengers who make false statements based on the Air Carrier Access Act or a regulation prescribed under that Act. (146)

The Department finds it unnecessary to describe this process on the form itself because it is more relevant to the airline than to the user filling out the form. We also do not, at this point, believe that it is necessary to add greater detail to the forms about the types of fines or penalties that may arise from potential violations of 18 U.S.C 1001. In our view, it is sufficient to impress upon users that they are filling out a Federal form and that they may be subject to fines or penalties if they knowingly falsify the forms.E. Documentation ProceduresThe NPRM

In the NPRM, the Department proposed various procedures relating to submitting and processing service animal documentation. Regarding timing, the Department proposed to allow airlines to require that the Health Form be “current,” i.e , signed within one year of the date of the passenger's scheduled initial flight. The Department sought comment on whether one year is too long or too short for the form to be considered valid. The Department did not specify a timeframe for the proposed Behavior and Training Form or the Relief Form.

Also, the Department's proposal would have expressly prohibited airlines from requiring additional documentation from service animal users beyond the three DOT forms identified in the proposed rule. It proposed that copies of these three forms be kept at each airport that a U.S carrier serves and at each airport a foreign air carrier serves a flight that begins or ends at a U.S airport. It also proposed to require that airlines with a website make blank forms available on its website in an accessible format and to mail blank copies of the forms to passengers upon request.

Recognizing that the forms may impose a burden on those individuals traveling with traditional service animals who currently do not provide documentation, the Department sought comment from the public on ways to reduce the burden that the Department's service animal forms would have on passengers with disabilities. The Department solicited comment on whether to allow airlines to require the form each time a service animal user travels, and what medium airlines should be allowed to use to provide and collect the forms (e.g , hardcopy, electronic).Comments Received

The Department received a variety of comments from both advocates and airlines on its proposal that the service animal forms be kept at each airport that a U.S carrier serves, at each airport a foreign air carrier serves a flight that begins or ends at a U.S airport, and on airlines' websites. (147) Allegiant Air commented that it does not object to making DOT forms available on its website and at each airport served. (148) However, A4A and Air Canada commented that DOTs regulations should allow airlines to accept DOT forms electronically, rather than requiring airlines to accept paper forms received at the airport or printouts from an airline's website. (149) Some disability advocates such as ADI-NA, the Guide Dog Foundation, and Service Dogs of Virginia recommended that if DOT were to allow airlines to require passengers to submit DOT forms, passengers with disabilities should be permitted to provide the requested information using a check-box format during the reservation process to decrease the burden on passengers with disabilities traveling with service animals. (150) PVA and Psychiatric Service Dog Partners also commented that the burden on individuals with disabilities could be further reduced if airlines had the ability to attach a passenger's attestation to the passenger's frequent flyer or other appropriate travel record so that service animal users would not have to fill out DOT forms each time they travel. (151) ANA also commented that some information provided by the passenger to the airline on the DOT forms could be linked to the passenger's frequent flyer ***account***. (152) Psychiatric Service Dog Partners also commented that the Department should amend the proposed regulatory text to clarify that carriers do not have to require DOT's forms, but should they require the forms, they should follow the procedural guidelines set forth in the rule, such as making the forms available at each airport an airline serves. (153)

Regarding the issue of whether airlines should be permitted to reject service animal documents that are stale (e.g , dated more than one year before the date of travel), the comments that we received on this issue tended to center on the Health Form, because, as proposed, a veterinarian would have been required to fill out the form. The American Kennel Club and Hope Service Dogs agreed with the Department's proposal that its DOT Health Forms should be valid for a period of one year because the forms can be readily completed during the service animal's annual physical. (154) Similarly, A4A commented that if the Department finalizes its proposed Health Form, it supports “DOT's proposal that the form be deemed valid for one year from the date of issuance, but no longer than the date of expiration of the animal's rabies vaccine. ” (155) ADI-NA, however, commented that DOT's proposal that its Health Form be valid for one year is too short given that “[s]tatistically, more dogs are vaccinated for rabies with a three-year vaccine and requirements vary in each state. ” (156) ADI-NA also noted that if airlines were permitted to use a “check box in the reservation process attesting that the service animal is current on its rabies vaccination,” the issue of the duration of the form, one-year vs. three-years, goes away. (157)

As for the Department's proposal that airlines may only require the DOT service animal forms as a condition of travel, IATA, AAPA, and individual foreign airlines pointed out that foreign governments may impose their own service animal requirements (including additional forms and breed restrictions). IATA commented that “all forms should make it clear that it is the sole responsibility of the passenger to comply with any and all applicable foreign laws, regulations, and paperwork requirements when traveling with their dog internationally. ” (158)DOT Response

This final rule permits airlines to require that the DOT Air Transportation Form (i.e , combined one-page health, behavior and training form) be completed for each trip but not each time a service animal user travels. (159) This means that a service animal user cannot be required to complete the form more than once if he or she purchased a round-trip ticket, as that would be considered one trip. The final rule also allows carriers to require that the service animal forms be current, which it defines as forms completed by the passenger on or after the date that the passenger purchased his or her ticket.

DOT recognizes that some commenters indicated their preference for attaching a record of the passenger's service animal attestation to the passenger's frequent flyer or other travel profile to eliminate the burden of a service animal user's having to fill out these forms each time the passenger travels. However, the Department believes that its decision to allow airlines to request and review up-to-date health and behavior information from a service animal user on each trip strikes the right balance as airlines can ensure that a service animal has not behaved aggressively or caused injury toward others, and that the animal has current vaccinations, each time the animal travels on an aircraft. The Department is also concerned with the potential privacy implications of airlines' permanently storing and maintaining a record of the passenger's service animal attestation to the passenger's frequent flyer or other travel profile without the passenger's consent.

Furthermore, the Department understands that foreign airlines are concerned with the proposed prohibition against airlines' requiring passengers to provide additional service animal documentation, beyond those specified by the Department, as a condition of travel. These commenters emphasized that foreign governments may impose additional restrictions and requirements on transport of service animals. This final rule permits airlines to refuse transportation to a service animal if its transport would violate the health or safety laws or regulations of a foreign government. (160) Elsewhere, the rule also states that airlines may impose additional restrictions on the transport of service animals if required by a foreign carrier's government. (161) Nevertheless, we are persuaded that it is also appropriate to add language explicitly stating that carriers may require additional service animal documentation to the extent it is required by foreign governments or domestic territories. (162)

Regarding the medium by which airlines are permitted to provide and accept the DOT service animal forms, the Department is requiring airlines that mandate completion of these forms by service animal users to provide the forms at each airport that a U.S carrier serves, at each airport a foreign air carrier serves a flight that begins or ends at a U.S airport, on airlines' websites, and by mail upon request. Airlines must provide passengers the option of submitting the completed form(s) electronically or by hardcopy if submitted in advance of the passenger's travel date. Several commenters indicated their preference for DOT to allow airlines to request the attestation in DOT's Air Transportation Form via a check-box system during the reservation process to decrease the burden on individuals with disabilities. DOT rejected this format because allowing passengers to attest to their animal's good behavior, training, and good health on an airline's website, rather than on an official Federal form, diminishes the use of the form as a potential fraud deterrent as airlines would not be permitted to include language warning service animal users that it would be a Federal crime, in violation of 18 U.S.C 1001, to make false statements or representations to secure disability accommodations.4. Number of Service Animals per PassengerThe NPRM

In the NPRM, the Department proposed to allow carriers to limit the number of service animals traveling with a single passenger with a disability to no more than two service animals. The Department also sought comment on whether there were any safety-related risks that could arise from allowing a passenger to transport two service animals as opposed to just one service animal.Comments Received

Most disability rights advocates commented that airlines should be required to allow at least two service animals to travel with a single passenger if needed. Advocates reasoned that some individuals have multiple disabilities and that while some animals have been trained to perform multiple tasks, some individuals with disabilities may need animals that are focused on mitigating a specific disability for the mitigation to be effective. Advocates also noted that a passenger with a severe disability that requires around-the-clock assistance may require two service animals as the animals would take turns providing the individual assistance. Some advocates encouraged the Department to consider requiring airlines to transport more than two service animals. These advocates noted that passengers may have a legitimate reason for needing more than two service animals, and they should be permitted to carry more than two provided that they can explain why more than two service animals are needed.

The majority of airlines, however, commented that they should be permitted to limit the number of service animals traveling with a passenger to one service animal. These airlines argued that allowing just one service animal per passenger helps support safety and would help to avoid disruptions in the cabin. Airlines also argued that given the space afforded to individual passengers on aircraft, transporting more than one service animal could be problematic. Airlines also noted that one service animal could be trained to perform multiple tasks.DOT Response

The Department finalizes, as proposed, a provision that allows carriers to limit the number of service animals traveling with a single passenger with a disability to no more than two service animals. The Department acknowledges comments from disability rights advocates that certain individuals with disabilities require more than one service animal, and while a single service animal may be trained to perform more than one mitigating function, more than one service animal may be needed to assist an individual on the aircraft or at the passenger's destination if the passenger uses the animals for lengthy periods of time (e.g , if one animal may need a break from work). Furthermore, disability advocate commenters noted that while a service animal may be trained to assist an individual with multiple disabilities, a passenger's animal may need to focus on mitigating one disability at a time for the mitigation to be effective, so multiple animals may be needed at once. Although the Department understands that there may be instances where multiple service animals may be needed to accommodate an individual's disability given space constraints on the aircraft, the Department has concluded that it is appropriate to allow airlines to limit the number of service animals to two per passenger with a disability, although airlines are certainly free to allow a passenger to travel with more than two service animals if the airline wishes to do so. For those passengers who seek accommodation for two service animals, the airline would be permitted to require the passenger to complete two separate attestation forms, one for each animal, to verify that each qualifies for appropriate accommodation as a service animal to accompany the passenger on the flight.

In response to the carriers' argument regarding the lack of space in the cabin to accommodate a passenger traveling with two service animals, the Department notes that this final rule allows airlines to limit the space that a passenger's service animal or animals may occupy to the passenger's lap and foot space. While they are not required to do so, airlines may wish to provide an individual with two service animals with additional space, but airlines would also be free to require that both service animals fit into the individual's allotted space without encroaching into the space of another passenger. Under this final rule, airlines may refuse transportation to the animals in the cabin if the animals would not safely fit in the passenger's lap or foot space. Requiring airlines to accommodate up to two service animals per passenger ensures that individuals with a disability who rely on more than one service animal are properly accommodated. And because both service animals would be trained to do work or perform tasks, the service animal handler should have no difficulty controlling both service animals onboard the aircraft.5. Advance Notice or In-Person Check-InThe NPRM

In the NPRM, the Department stated that it would prohibit airlines from requiring individuals traveling with a service animal to provide the DOT-issued forms in advance of the passenger's flight because of concerns that it would prevent travel by passengers with disabilities wishing to make last minute travel plans that may be necessary for work or family emergencies. (163) Instead of advance notice, the Department proposed to allow airlines to require passengers to check in physically at the airport in advance of the check-in time for the general public. More specifically, the Department proposed to allow airlines to require service animal users to check in at the airport one hour before the check-in time for the general public to observe the service animal and process service animal documentation, so long as the airline similarly requires advance check-in for passengers traveling with their pets in the cabin. The NPRM proposed to permit airlines to require that the check-in take place at any designated airport location, including the terminal lobby.

To address the concern that service animal users may be potentially inconvenienced with long waits when physically checking in at the airport because they would not have the benefit of checking in electronically before arriving at the airport like other passengers, DOT also proposed to require airlines to make an employee trained to handle disability-related matters available in person at the airline's designated airport location where the service animal could be observed and the service animal documentation review and passenger check-in could occur promptly. The Department also proposed to require airlines to try to accommodate passengers who fail to meet the one hour check-in requirement so long as the airline can do so by making reasonable efforts without delaying the flight.

The Department sought comment on each of these proposals and specifically whether one hour before the general public check-in would provide sufficient time for airline personnel to process service animal documentation.Comments Received

The Department received approximately 400 comments on this proposal. The disability rights advocates, including ACB, AFB, America's Vet Dogs, ADI-NA, Canine Companions for Independence, the DREDF, Guide Dog Users of Canada, the Empire State and Florida, PVA, and individual commenters, all of which make up the majority of the disability advocacy comments received on this issue, generally opposed DOT's proposal. These organizations argued that permitting airlines to require advance check-in would be unduly burdensome and discriminatory, would separate individuals with disabilities from their loved ones and travel companions, and would single out passengers with disabilities at the airport. They also argued that this process would prevent such passengers from utilizing curbside, online, or mobile check-in, or from bypassing the airport check-in lobby and going straight to the security check point if not checking a bag, as passengers who are not traveling with service animals are able to do.

Commenters argued that guide dogs have a long record of safe travel, and that a lengthier check-in process for persons with disabilities who use service animals would preclude blind guide dog users from making emergency or impromptu trips. They also stated that the proposed requirements could significantly hinder blind business travelers from carrying out the necessary duties of their employment. ACB commented that because air travelers are already required to arrive at the airport far before the take-off of their flight, requiring a person with a disability with a service dog to come even earlier is discriminatory. (164) ACB further commented that this requirement would single service animal users out and cause undue anxiety. (165) America's VetDogs agreed this proposal would cause an unjust burden on individuals with disabilities that use service dogs that the general public does not have to endure, and stated further that such a requirement could cause individuals traveling with service animals to be separated from their travel party. (166) Other commenters argued that permitting airlines to require early check in could pose particular challenges for individuals with psychiatric illnesses, such as Post-Traumatic Stress Disorder, because those individuals are already uncomfortable in crowds and asking them to come to the airport earlier and remain in a crowd places an undue burden on them. PVA commented that it opposes a rule that would permit airlines to require advance airport check-in. (167) In PVA's view, if the training and behavior attestation and health forms are required, then the only processing that should be required is a quick review to ensure that the forms are completed properly; additional time should not be needed to observe the animal. (168) One individual commenter also noted that a one-hour advance check-in requirement would have an adverse effect on the service animals themselves. The commenter stated that a requirement that a passenger with a service animal check in earlier will prevent service animal users from utilizing benefits such as curbside and online/mobile check-in that other travelers enjoy, increase the time that the service animal will be unable to relieve itself, and will cause additional anxiety for the service animal handler to ensure the comfort of the animal and to locate a service animal relief area. (169)

Most disability advocacy organizations that opposed both DOT's proposed early check-in and DOT's documentation proposal, including the New York State Bar Association Disability Rights Committee and PVA, commented that if DOT permits airlines to require documentation against its wishes, it would be in favor of DOT's proposal to require airlines to make an employee trained in disability-related matters available to process service animal documentation promptly. (170)

Airlines were split in their support for the one-hour check-in proposal, given the cost associated with ensuring that a dedicated airline employee would have space at the airport and would be available to assist the passengers with the check-in process. Most, if not all, airlines expressed their preference for allowing airlines to collect service animal documentation up to 48 hours in advance. These airlines reasoned that allowing airlines to require passengers to provide the forms in advance, rather than check in at the airport one hour early, would be less burdensome for passengers, and would give airlines ample opportunity to review the documentation and, if needed, provide the passenger time to correct the documentation before the passenger's flight.

The AAPA stated that it supports the Department's advance check-in proposal, but suggested that airlines should be allowed to designate service contractors, such as trained ground handling agents, to process service animal documentation. (171) AAPA also commented that advance notice would allow airlines to assist passengers to plan in advance for the transport of a service animal, which is particularly important on long international journeys involving multiple airports. (172) Both A4A and IATA indicated that they support the one-hour check-in requirement, but urged the Department to consider adopting a requirement that would allow them to require the DOT forms 48 hours in advance of the date of the flight. (173) Those organizations indicated that some airlines would like to avoid or minimize the need for early in-person check-in for service animal users, if at all possible, because some airlines may have difficulty making the requisite personnel available promptly or reserving a check-in location at an airport due to space constraints. A4A commented that a 48-hour advance notice requirement was appropriate “so that airlines will be better able to validate that a passenger's dog is trained to do work or perform a task, and will behave appropriately during air travel since airlines anticipate that the fraud will migrate to the PSA category. ” (174)

A number of airlines expressed support for a requirement that would allow airlines to require DOT forms 48 hours in advance, rather than requiring service animal users to check in at the airport one hour in advance. American Airlines and Air Canada indicated that they opposed the one-hour advance check-in requirement in favor of a requirement that airlines be allowed to require DOT forms in advance of travel. (175) Similarly, Spirit Airlines and Allegiant Air commented that a 48-hour advance notice requirement would benefit both airlines and passengers because this timeframe allows forms to be reviewed and corrected if necessary without passengers' suffering the inconvenience of waiting in line early at the airport. (176) Furthermore, ANA urged the Department to allow airlines to mandate that passengers furnish any applicable international travel documentation 48 hours in advance. (177) With respect to DOT's concern that advance notice would preclude passengers with disabilities from traveling on short notice, ANA commented that special provisions could be made for those cases, such as allowing the forms to be presented at the check-in counter. (178) Open Doors commented that it “does not support any advance notice or submission requirements,” with respect to service animal documentation. (179) Similarly, PVA commented that it supports “prohibiting carriers from requiring that the forms be provided prior to the date of travel to minimize additional burdens on passengers with disabilities who use service animals. ” (180)DOT Response

The Department has considered the merits of the arguments for and against the proposed provision to permit airlines to require individuals with disabilities who use service animals to check in one hour before the check-in time at the airport for the general public, and we are persuaded that the Department should not adopt such a rule. We are aware that many airlines allow passengers to check in electronically before arriving at the airport, and among the benefits of electronic check-in is the ability to skip the airport lobby check-in area and proceed directly through security to the gate. It is the Department's view that a one-hour advance check-in requirement would impose significant inconvenience on passengers with disabilities while not providing airlines with an efficient or effective method for reviewing the documentation. Accordingly, the Department has revised the final rule to prohibit airlines from requiring that passengers traveling with service animals physically check in at the airport lobby solely on the basis that the passenger is traveling with a service animal. This change will ensure that service animal users are not prevented from enjoying the same convenience-related benefits provided to other passengers, such as online and curbside check-in.

Rather than allowing airlines to require advance check-in, the Department is permitting airlines to require that individuals traveling with a service animal provide documentation up to 48 hours in advance of the time of departure, depending on when the passenger's reservation was made. The Department is now of the view that a 48-hour advance notice provision is appropriate. We are persuaded that this provision would benefit both airlines and consumers by allowing the forms to be processed more efficiently, without requiring passengers to wait in line at the airport one hour in advance. The provision also provides airlines a greater opportunity to assist passengers with service animals, and more time to reach out to the passenger if the documentation is incomplete or deficient (e.g , if the service animal's rabies vaccination expires before the flight date).

In the NPRM, we expressed concern that a 48-hour advance notice provision would pose a significant burden on passengers with service animals who wish to travel on short notice. Accordingly, the final rule now has an exception for reservations that are made less than 48 hours in advance of travel. In those situations, airlines may not require the documentation in advance and must allow the forms to be presented at the passenger's departure gate on the date of travel. The final rule also includes a grace provision, explaining that if a passenger fails to meet the airline's advance notice requirements, then the airline must still make the accommodation if it may do so by making reasonable efforts, without delaying the flight. This grace provision is already set forth in the Department's ACAA regulations relating to advance notice generally, (181) but will be repeated in the service animal subpart as well.6. Service Animal IdentificationThe NPRM

In the NPRM, the Department described three means by which airline personnel may determine that an animal is a service animal at the airport. First, we proposed that airlines may ask whether the animal is required to accompany the passenger because of a disability and what work or task the animal has been trained to perform. The proposed rule added that airlines may not ask about the nature and extent of the person's disability, or ask that the service animal demonstrate its work or task. Next, the Department proposed that airline personnel may observe the behavior of the animal in the cabin or the gate area. The proposed rule explained that if an animal engages in disruptive behavior (such as running freely, barking or growling repeatedly, biting, jumping on people or animals, injuring people or animals, urinating, or defecating), then it has shown that it has not been properly trained to behave in public, as is expected of a service animal. Third, the Department proposed that carriers may look to “physical indicators” to determine whether the animal is a service animal. Specifically, we proposed that airline personnel may look for the presence of a harness, vest, or other indicator that the animal is a service animal.Comments Received

Disability Advocates mainly responded to the Department's proposals regarding the ways in which an airline can identify a service animal's status. Guide Dog Users of Canada and Service Dogs of Virginia expressed their support for DOT's proposal to allow airlines to ask passengers if (1) a service animal is required because of a disability, and (2) what work or task has the animal been trained to perform. (182) Similarly, ACB commented in support of DOT's proposal to allow airlines to ask the same two questions that DOJ permits regulated entities to ask service animal users in order to confirm the animal's status. ACB commented that dog users would be able to answer the two necessary questions easily and appropriately to identify their dogs as service animals, which will ease the enforcement burden for airlines and their employees. (183)

With respect to relying on the animal's behavior as an indicator of the animal's status, many disability rights advocates expressed strong opposition to the notion that an airline could determine that an animal is not a service animal if the animal misbehaves. The Oklahoma Law Center commented that it “strongly opposes DOT's proposal that if a service animal is out of control, [it] would allow `airlines to determine that the animal is not a service animal.' ” (184) The Oklahoma Disability Law Center further states that “[s]ervice animals are always service animals . . . [but] if a service animal cannot control its elimination functions because the service animal is ill or the service animal is uncontrollably barking or otherwise misbehaving because it was provoked by something or someone, the airlines are permitted to bar travel on a particular flight until the service animal is under control. ” (185) Similarly, Service Dogs of Virginia also commented that “[i]f a service animal behaves inappropriately (e.g , barking excessively, growling, snapping, toileting indoors, stealing food from tables, other passengers or the floor), the airport and airline personnel may ask the service animal user to remove the dog regardless of its status as a service animal. ” (186)

One disability advocacy organization, however, disagrees with the Department's proposal that airlines should also consider physical indicators, such as vests, harnesses, etc., when trying to decide an animal's status. Hope Service Dogs, Inc. commented that DOT's regulation should never permit airlines to look at vests, harnesses, certificates, and identification badges as proof that a dog is a trained service dog because a service dog only requires a plain collar or a harness and a regular leash. (187)DOT Response

The Department has carefully considered all of the comments and decided to allow carriers to determine if an animal is a service animal that must be accepted for transport by: (1) Asking whether the animal is required to accompany the passenger because of a disability and what work or task the animal has been trained to perform; 188 (2) observing the behavior of the animal; and (3) looking at physical indicators such as harnesses and vests. In addition, the final rule specifies that carriers may use one or more of these factors to determine whether to accept an animal for transport as a service animal. However, as noted by commenters, the Department recognizes that unscrupulous individuals may purchase service animal paraphernalia such as vests or tags to make it appear that their pets are service animals. As such, carriers are free to view such paraphernalia as evidence that an animal is a service animal; conversely, they are also free to give the presence or lack of presence of such paraphernalia little weight.7. Service Animal RestraintsThe NPRM

The Department proposed to allow airlines to require service animals to be harnessed, leashed, or tethered unless the device interferes with the service animal's work or the passenger's disability prevents use of these devices. Under the proposal, in those circumstances, the carrier would permit the passenger to use voice, signal, or other effective means to maintain control of the service animal. This proposal is similar to the requirement in DOJ's rule implementing the ADA, which requires service animals to be harnessed, leashed, or tethered while in public places unless the device interferes with the animal's work, in which case the service animal must be otherwise under the handler's control (e.g , voice control, signals, or other effective means).Comments Received

Airlines, disability advocates, organizations, and individual commenters were unified in their support that the Department adopt a regulation allowing airlines to require service animals to be harnessed, leashed, tethered, or otherwise under the control of the service animal handler. Commenters generally recognized that a control requirement is especially crucial in the airport/aircraft environment given the often crowded, confined, and high-pressure nature of air transportation. Commenters emphasized that unrestrained service animals are dangerous and present a safety hazard by jeopardizing the safe transport of passengers, crew, and other animals.

Airlines commented that if harnessing, leashing, and tethering is appropriate for trained animals under the ADA, a similar requirement is appropriate for service animals on aircraft. However, although recognizing that DOT's proposal to permit the passenger to use voice, signal, or other effective means to maintain control of the service animal under certain limited circumstances properly aligned the ACAA regulations with DOJ's ADA rule, airline commenters questioned the use of voice commands in lieu of restraints. They argued that voice commands may not be an effective way to control a service animal, and supported restraints being used at all times while on the aircraft to ensure safety. These commenters argued that non-restraint methods are not effective measures of control in a noisy, confined aircraft environment, and reiterated that an uncontrolled animal in an aircraft cabin remains a threat for passengers, crew, and other animals. One disability advocate, Service Dogs of Virginia, agreed that voice commands are not sufficient in an airplane setting and argued that, even if the person with the disability is not able physically to hold a leash, tether, or harness, the service animal should still be under control by, for example, tethering it to the person's wheelchair. (189) Service Dogs of Virginia further commented that on an airplane, when the wheelchair is absent, the service animal can be tethered to the arm of the passenger's seat or remain lying down at the passenger's feet under the passenger's control, and such a requirement would minimize the likelihood of unwelcome or injurious behavior by a service animal to other passengers or airline staff. (190)DOT Response

The final rule allows airlines to require service animals to be harnessed, leashed, or tethered at all times, even in instances where the device interferes with the service animal's work or the passenger's disability prevents use of these devices. The Department was persuaded by commenters who explained that non-physical means of control over the service animal, such as voice commands or signals, could implicate safety on an aircraft. The Department understands that this would be a departure from DOJ's rule implementing the ADA, which requires service animals to be harnessed, leashed, or tethered while in public places unless the device interferes with the animal's work, in which case the service animal must be otherwise under the handler's control (e.g , voice control, signals, or other effective means); however, the Department believes that a deviation from DOJ's ADA rule is appropriate given that when the animal is traveling onboard an aircraft it will be in a tightly confined cabin space with numerous people in close proximity who are unable to leave the aircraft during flight. Under this final rule, if a passenger with a disability is unable to keep physical control over the service animal, even if the reason is related to the person's disability, the airline may deny transport of the animal in the cabin. A service animal user who is unable to keep physical control of the animal may choose to travel with a service animal handler, who would be responsible for maintaining control over the animal.8. Denying Transportation to a Service AnimalThe NPRM

In the NPRM, the Department proposed that a carrier may deny transport to an animal if it poses a direct threat to the health or safety of others. The proposed rule made explicit reference to the existing definition of “direct threat”, which is defined as “a significant risk to the health or safety of others that cannot be eliminated by a modification of policies, practices, or procedures, or by the provision of auxiliary aids or services. ” (191) The proposed rule also clarified that in making this determination, the carrier must make an individualized assessment based on reasonable judgment that relies on the best available objective evidence to ascertain the nature, duration, and severity of the risk; the probability that the potential injury will actually occur; and whether reasonable modifications of policies, practices, or procedures will mitigate the risk. The proposed rule also clarified that the carrier must not deny transportation to the service animal if there are means short of refusal that would mitigate the problem.

The Department also indicated that it would propose that “carriers would be prohibited from refusing to transport a service animal based solely on breed or generalized physical type, as distinct from an individualized assessment of the animal's behavior and health. ” (192) We stated that “[t]he Department's policy has been to require airlines to conduct individualized assessments of particular service animals based on the animal's evident behavior or health, rather than applying generalized assumptions about how a breed or type of dog would be expected to behave. ” (193) While we indicated that we would retain that policy in the proposed rule, the principle was inadvertently not reflected in the proposed regulatory text itself.

Next, the Department proposed that a carrier may deny transport to a service animal if it causes a significant disruption in the cabin or at an airport gate area, or if the animal's behavior indicates that it has not been trained to behave properly in public. (194) The Department proposed that if a carrier seeks to deny transport for these reasons, the carrier must engage in an individualized assessment as set forth in the rulemaking. As with considerations of direct threat, the carrier must not deny transportation to the service animal if there are means short of refusal that will mitigate the problem.

Third, the Department proposed that a carrier may deny transport to a service animal if the animal's carriage would violate FAA safety requirements or the safety requirements of a U.S Territory or foreign government. In making this determination, a carrier would not be required to undertake the same individualized analysis that is necessary for direct threat or misbehavior (i.e , with an assessment of the specific facts and circumstances relating to the animal, the risks involved, and means of mitigating the risk). Instead, it would be sufficient for the carrier to determine that transport of the animal would violate the safety requirements of a U.S territory or foreign government.

Fourth, the Department proposed to allow airlines to require passengers to submit completed service animal forms as a condition of travel. However, the NPRM did not include the lack of such documentation in the proposed rule text listing the reasons a carrier may refuse to transport a service animal.

Finally, the Department proposed that if a carrier refused to transport an animal as a service animal based on any provision in Part 382, then the carrier must provide a written statement to the passenger setting forth the reasons for the refusal. This statement must be provided either at the airport itself, or within 10 days of the refusal of transportation. (195)Comments Received

Commenters who addressed denying transport to service animals based on the animal's behavior, or after assessing the animal to determine whether the animal posed a direct threat, were largely in favor of the Department's proposal to require carriers to conduct an individualized assessment of the animal before deciding whether the animal should be denied transport. The AAAE commented that its members believe that requiring airlines to make decisions about an animal's behavior and health on a case-by-case basis before denying the animal transportation is an appropriate approach, rather than denying the animal transport on the basis of the animal's breed. (196) With respect to observed animal behavior, Spirit Airlines commented that airlines “should be able to deny boarding to a service animal if an employee observes it misbehaving or showing aggression in an airport regardless of whether documentation requirements have been met. ” (197) Regarding the proposal to allow airlines to require DOT-issued service animal forms as a condition of travel, industry commenters, some individuals, and a few disability organizations were supportive while most disability organizations and individuals opposed the proposal as they believe that it would be unduly burdensome for passengers with disabilities, especially to those who had never been required to submit any type of documentation to travel with their service animal in the past.DOT Response

The Department is adopting the proposal with a few revisions. The final rule retains the two reasons provided in the proposal to deny transport to a service animal with no change: (1) The animal poses a direct threat to the health or safety of others; and (2) the animal causes a significant disruption in the aircraft or at the airport. Regarding the third reason to deny transport to an animal, the final rule allows airlines to preclude transport of a service animal if doing so would violate applicable safety, health, or other regulations of a U.S Federal agency, a U.S territory, or a foreign government. The proposed rule mentioned safety regulations, but not health or other regulations. Further, the final rule has added a fourth reason to deny transport to a service animal, which is that the airline required the passenger to complete an Air Transportation Form or a Relief Form and the passenger failed to do so. The completion of the Air Transportation Form assists the airline in making an individualized assessment on whether the animal poses a direct threat to the health or safety of others, and the completion of a Relief Form provides assurances to the airline that the service animal would not urinate or defecate in the cabin.

In addition, the final rule clarifies that the individualized assessment analysis must be made independent of the animal's breed or type. For example, if the carrier determines that the animal is a pit bull, that fact, standing alone, would not be considered a proper basis on which to make an “individualized assessment” of any threat that the animal poses. Instead, the carrier would be required to base its assessment on observable, objective factors such as its behavior and health. This amendment reflects the intended scope of the rule as proposed and serves as a complement to the revised definition of a service animal, which indicates that a service animal is a dog, “regardless of breed or type. ”9. Large Service Animals on AircraftThe NPRM

In the NPRM, the Department proposed to allow carriers to require a service animal to fit within its handler's lap or foot space on the aircraft. If the service animal could not fit, the airline would be required to offer the passenger the opportunity to move to another location in the same class of service, if available, where the service animal could be accommodated.Comments Received

The comments received by airlines almost uniformly supported the Department's proposal to adopt a rule that would allow carriers to require a service animal to fit within its handler's lap or foot space. Commenters who supported the Department's proposal argued that it ensures that other passengers seated near a service animal will not be discomforted by an animal's encroaching on their foot space and would provide a simple and clear standard for flight attendants to enforce. A4A supported the Department's adopting a performance-based standard that would allow airlines to devise the best, operationally feasible alternative, including but not limited to seating the passenger traveling with a service animal next to an empty seat within the same class of service, if such a seat is available; providing the passenger with the option to transport the animal in the cargo hold, if possible; or offering to transport the passenger on a later flight with more room, if available. (198) Airlines mentioned that all passengers should enjoy a comfortable flight and should not be burdened with objecting if they feel uncomfortable sharing their foot space with a large service animal.

The comments received by disability advocates and the majority of individual commenters uniformly opposed the Department's proposal. These commenters argued that the Department's proposal is discriminatory because it denies access to those passengers traveling with large service animals and will dramatically impact those who use large service animals for mobility impairments. Disability advocates noted a potential financial hardship with the Department's proposal that an airline may require a passenger with a disability to purchase an upgrade, an additional seat, or switch to a later flight. Commenters argued that large service animals have been used for years, and are now only an issue since airlines have decreased space in economy seating. Disability advocates, such as PVA, argued that instead of limiting the size of service animals, the Department should amend its seating accommodation regulations to ensure improved access to seats with additional leg room for those individuals who use these animals. (199) Disability advocates argued that many large service animals, such as Great Danes and Mastiffs, are used to support passengers with challenges in balance (e.g , Parkinson's Disease) or to pull a manual wheelchair, possess sufficient training to behave in the airport and airline setting, and should be accepted by airlines for travel inside the cabin regardless of their size. Further, the Disability Rights Education Fund and the Oklahoma Disability Law Center disagreed with airline assertions that passengers feel “put upon” by having to share space with service animals, arguing that these assertions are unfounded. (200)DOT Response

After carefully reviewing the comments, the Department has decided to allow airlines to require that a service animal fit within the passenger's foot space on the aircraft or be placed on the passenger's lap. Passengers, including passengers with disabilities traveling with large service animals, are not entitled to more space than they purchased. While the Department is sensitive to the fact that many large service animals, such as German Shepherds, Golden Retrievers, and Labrador Retrievers, are commonly used to assist individuals with disabilities, particularly individuals with mobility impairments, these animals are often trained to fit into small spaces. (201) The Department further emphasizes that larger service animals are not automatically prohibited from an aircraft if they do not fit in their handler's foot space. The final rule continues to require carriers to accommodate such animals by moving them to another seat location within the same class of service where the animal can be accommodated, if available, such as a seat next to an empty seat on the aircraft, if available. If there are no alternatives available to enable the passenger to travel with the service animal in the cabin of the scheduled flight, airlines are also required to offer passengers the opportunity to transport the service animal in the cargo hold free of charge or travel on a later flight to the extent there is space available on a later flight and the transport is consistent with the safety requirements.

Passengers traveling with a large service animal also have the option to purchase an additional seat in advance to ensure that their large service animal is accommodated on the aircraft.10. Damage Caused by Service AnimalsThe NPRM

In the NPRM, the Department proposed to permit airlines to adopt a policy in which the airline may charge a passenger with a disability for damage caused by his or her service animal, so long as the airline normally charges individuals without disabilities for similar kinds of damage caused by an animal traveling with a passenger.Comments Received

Disability advocates expressed concern that, in practice, individuals with disabilities may be charged for damage caused by their service animals, while other passengers, who inflict similar types of damage, may not be charged. The National Disability Rights Network, Disability Rights Florida, Disability Rights New Jersey, and Oklahoma Disability Law Center, commented that DOT's damage provision is not justified “unless airlines currently actually charge passengers without disabilities if they vomit on a seat or floor or break a tray table or cause any other damage to aircraft. ” (202) Similarly, the Disability Coalition (New Mexico) commented that if DOT should mandate such a provision, it should make it clear that “damages may be charged only when the airline charges for similar damage caused by humans, such as a child urinating in an airline seat. ” (203)

Airlines, however, support DOT's proposal to allow airlines to charge passengers for damage caused by their service animals. Air Canada commented that carriers should be allowed to require service animal users to “agree to indemnify and hold harmless the airline and other passengers for any damage their animal may cause. ” In addition, A4A suggested the inclusion of a statement in the DOT-issued service animal form that airlines may charge service animal users for damage caused by their service animal. (204)DOT Response

The Department has decided to finalize, as proposed, a provision allowing airlines to charge passengers traveling with service animals for any damage to the aircraft caused by the passenger's service animal so long as the airline charges passengers without disabilities for similar repairs or damage. The Service Animal Air Transportation Form and the Relief Form provide notice to service animal users that they may be responsible for damage caused by their service animals. The Department acknowledges the concerns of disability advocates that service animal users may, in practice, be disproportionally charged for damage caused by their service animals when compared to others who inflict similar damage. The Department emphasizes that such action by airlines would violate the Department's explicit regulatory mandate that service animal users may only be charged for damage caused by their service animals if other passengers are charged for similar types of damage. The Department's Office of Aviation Consumer Protection will take action as appropriate if it finds inequities between the treatment of service animal users and non-service animal users.11. Codeshare Flights

Under the Department's existing ACAA rule, U.S carriers that participate in a code-sharing arrangement with a foreign carrier are responsible for ensuring that the foreign carrier complies with the service animal provisions of the rule with respect to a passenger traveling under the U.S carrier's code on the foreign carrier's aircraft on flights between two foreign points. Although foreign airlines are only required to carry dogs, based on the language in the existing ACAA rule, the rule held a foreign carrier's U.S codeshare partner responsible if the foreign carrier refused to transport service animal species other than dogs for passengers traveling under the U.S carrier's code. Because the Department was considering recognizing animals other than just dogs as service animals in the NPRM, we sought comment on whether we should include language in the rule to make it clear that U.S airlines are not responsible for their foreign carrier codeshare partner's failure to carry animal species other than dogs as service animals. However, because this final rule requires only that U.S and foreign air carriers recognize dogs as service animals, a conflict no longer exists between the species of service animals that U.S carriers and foreign carriers are required to carry. As such, this issue is moot, and a substantive change in the rule text is unnecessary.

As a technical amendment, however, the Department will make clear that U.S carriers continue to be responsible for compliance with ACAA service animal regulations (now found at 14 CFR 382 Subpart EE), if the U.S carrier participates in a code-sharing arrangement with a foreign carrier with respect to flights between two foreign points. (205) This amendment is non-substantive.Effective Date of Final Rule

This final rule will become effective January 11, 2021 to provide airlines time to analyze and train personnel on the new service animal requirements, particularly given the COVID-19 public health emergency's impact on the airline industry.Regulatory Analyses and NoticesA. Executive Order 12866 (Regulatory Planning and Review), Executive Order 13563 (Improving Regulation and Regulatory Review), and DOT Regulatory Policies and Procedures (49 CFR part 5)

This final rule has been determined to be significant under Executive Order 12866 (“Regulatory Planning and Review”) and the Department of Transportation's Regulatory Policies and Procedures (found at 49 CFR part 5, subpart B) because of its considerable interest to the disability community and the aviation industry. It does not, however, meet the criteria under Executive Order 12866 for an economically significant rule. It has been reviewed by the Office of Management and Budget under that Executive Order.

Executive Orders 12866 and 13563 (“Improving Regulation and Regulatory Review”) require agencies to regulate in the “most cost-effective manner,” to make a “reasoned determination that the benefits of the intended regulation justify its costs,” and to develop regulations that “impose the least burden on society. ” The rule defines a service animal as a dog, regardless of breed or type, that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability; treats psychiatric service animals like other service animals; and allows airlines to require passengers traveling with a service animal to attest to the animal's good behavior and good health. Airlines will no longer be required to recognize emotional support animals (ESAs) as service animals.

The primary economic impact of this final rule is that it eliminates a market inefficiency. The current policy amounts to a price restriction which requires that airlines forgo a potential revenue source, as airlines are currently prohibited from charging a pet fee for transporting emotional support animals. Airlines charge as much as $175 to transport pets on a one-way trip, giving passengers an incentive to claim their pets as emotional support animals. A4A estimates that airline carriers transported 751,000 emotional support animals in 2017, a 56.1 percent increase from 2016. This number nearly equals the 784,000 pets transported in 2017. The final rule will eliminate a pricing restriction currently imposed by government on airlines by allowing them to set a price on the transport of emotional support animals other than zero dollars.

Removing the current requirement that carriers must transport emotional support animals free of charge will allow market forces (i.e , carriers as producers and passengers as consumers) to set the price for air transportation of emotional support animals as pets. This provision will allow carriers to charge passengers traveling with emotional support animals (dogs and other accepted species on board of an aircraft) with pet transportation fees. This represents a transfer of surplus from passengers to airlines, and does not have implications for the net benefits calculation of the final rule.

The final rule will also allow airlines to require passengers traveling with service animals to produce two forms of documentation developed by DOT. This cost element places a potential burden on passengers traveling with service animals who would need to submit two DOT forms to airlines. We estimate that the forms could create as much as 84,000 burden hours and $1.3 million in costs per year. In some cases, however, carriers already ask passengers to complete equivalent nongovernmental forms; thus, the analysis overestimates the net burden created by this rulemaking.

Evaluating other economic impacts was more difficult due to ***data*** limitations. To gauge the potential magnitude of these impacts, we combined the limited ***data*** with reasonable assumptions about ESA transport that could occur under the final rule and a demand elasticity from a surrogate market. The regulatory impact analysis, summarized in Table 1 and available in the docket, indicates that the final rule could be expected to generate annual cost savings to airlines between $15.6 million and $21.6 million and annual net benefits of $3.7 to $12.5 million. Public nonuse values potentially complicate the analysis, but there is little evidence that these values exist or would be large enough to offset externality costs completely.Table 1—Summary of Economic Impacts Due to Final Rule Impact Annual valueCosts: Paperwork burden for passengers traveling with service animals $1.3 Cost savings to airlines associated with providing ESA travel −$21.6 to −$15.6 Benefits: Lost benefits to individuals who no longer travel with ESAs −$10.6 to −$7.8 Reduction in negative externalities caused by ESAs Not quantified.Transfers: Increased fees paid by passengers travelling with ESAs to airlines $54.0 to $59.6 Net benefits (benefits minus costs) $3.7 to $12.5 B. Executive Order 13771 (Reducing Regulation and Controlling Regulatory Costs)

This final rule is considered an E.O 13771 deregulatory action. Details on the estimated cost savings of this final rule are discussed in the rule's RIA, which has been uploaded to the docket.C. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C 601 et seq.) requires an agency to review regulations to assess their impact on small entities unless the agency determines that a rule is not expected to have a significant economic impact on a substantial number of small entities. A direct air carrier or foreign air carrier is a small business if it provides air transportation only with small aircraft (i.e , aircraft with up to 60 seats/18,000-pound payload capacity). (206) Relative to typical airlines' operating costs and revenues, the impact is expected to be nonsignificant. We received no comment on the preliminary finding of nonsignificance or, more generally, the potential impact of this rulemaking on small entities. Therefore, the Department certifies that this final rule will not have a significant impact on a substantial number of small entities.D. Executive Order 13132 (Federalism)

This final rule has been analyzed in accordance with the principles and criteria contained in Executive Order 13132 (“Federalism”). This final rule does not include any provision that: (1) Has substantial direct effects on the States, the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government; (2) imposes substantial direct compliance costs on State and local governments; or (3) preempts State law. States are already preempted from regulating in this area by the Airline Deregulation Act, 49 U.S.C 41713. Therefore, the consultation and funding requirements of Executive Order 13132 do not apply.E. Executive Order 13084

This rulemaking has been analyzed in accordance with the principles and criteria contained in Executive Order 13084 (“Consultation and Coordination with Indian Tribal Governments”). Because this rulemaking does not significantly or uniquely affect the communities of the Indian Tribal governments or impose substantial direct compliance costs on them, the funding and consultation requirements of Executive Order 13084 do not apply.F. Paperwork Reduction Act

Under the Paperwork Reduction Act (44 U.S.C 3501 et seq.) (PRA), no person is required to respond to a collection of information unless it displays a valid Office of Management and Budget (OMB) control number. As required by the PRA, the Department has submitted the Information Collection Request (ICR) abstracted below to OMB. Before OMB decides whether to approve those proposed collections of information that are part of this final rule and issue a control number, the public must be provided 30 days to comment. Organizations and individuals desiring to submit comments on the information collection requirements should direct them to the Office of Management and Budget, Attention: Desk Officer for the Office of the Secretary of Transportation, Office of Information and Regulatory Affairs, Washington, DC 20503, and should also send a copy of their comments to: Department of Transportation, Office of Aviation Consumer Protection, Office of the General Counsel, 1200 New Jersey Avenue SE, Washington, DC 20590. OMB is required to make a decision concerning the collection of information requirements contained in this rule between 30 and 60 days after publication of this document in the Federal Register. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. The Department may not impose a penalty on persons for violating information collection requirements which do not display a current OMB control number, if required. The 60-day notice for this information collection was previously published in the Federal Register as part of the NPRM on February 5, 2020 volume 85, page 6474. The Department invited interested parties to comment on the information collection requirements contained in the NPRM and the Department received one comment on the regulatory analysis that was referenced in the NPRM. This comment, and the Department's responses, are discussed in the Traveling by Air with Service Animals Regulatory Impact Analysis.

This final rule adds two new collections of information that allows airlines to require passengers traveling with service animals to provide carriers with the following two forms of documentation developed by the Department:

1. U.S Department of Transportation Service Animal Air Transportation Form (“Behavior and Health Attestation Form”): This form would be completed by passengers traveling with service animals to inform airlines of the service animal's health, training, and behavior and educate passengers on how service animals in air transportation are expected to behave, and of the consequences of service animal misbehavior.

2. U.S Department of Transportation Service Animal Relief Attestation Form (“Relief Attestation Form”): This form would be completed by passengers traveling with service animals on flight segments scheduled to take 8 hours or more to provide assurances to airlines that the service animal will not need to relieve itself on the flight or that the animal can relieve itself in a way that does not create a health or sanitation issue, and to educate passengers of the consequences should an animal relieve itself on aircraft in an unsanitary way.

For each of these information collections, the title, a description of the respondents, and an estimate of the annual recordkeeping and periodic reporting burden are set forth below:1. Requirement To Prepare and Submit to Airlines the DOT Air Transportation Service Animal Behavior and Health Attestation Form

Respondents: Passengers with disabilities traveling on aircraft with service animals.

Number of Respondents: The Department estimates that 319,000 service animals are transported annually by U.S carriers on flights to, within, and from the United States and by foreign air carriers on flights to and from the United States. (207) Assuming that one passenger with a disability travels with a service animal, 319,000 respondents would have to complete the form.

Estimated Annual Burden on Respondents: We estimate that completing the form would require 15 minutes (.25 hours) per response, including the time it takes to retrieve an electronic or paper version of the form from the carrier's or DOT's website, reviewing the instructions, and completing the questions. Passengers would spend a total of 79,750 hours annually (0.25 hours x 319,295 passengers) to retrieve and complete an accessible version of the form. Passengers would fill out the forms on their own time without pay. To estimate the value of this uncompensated activity, we use median wage ***data*** from the Bureau of Labor ***Statistics***. (208) We use a post-tax wage estimate of $15.42 ($18.58 median for all occupations minus a 17 percent estimated tax rate). (209) The estimated annual value of this time is $1,229,857.2. Requirement To Prepare and Submit to Airlines the DOT Service Animal Relief Attestation Form

Respondents: Passengers with disabilities traveling on aircraft with service animals on flight segments scheduled to take 8 hours or more.

Number of Respondents: The Department estimates that 5 percent of service animal users would be on flight segments scheduled to take 8 hours or more and would also have to complete the Relief Attestation Form, for a total of 15,950 respondents.

Estimated Annual Burden on Respondents: We estimate that completing the form will require 15 minutes (.25 hours) per response, including the time it takes to retrieve an electronic or paper version of the form from the carrier's or DOT's website, reviewing the instructions, and completing the questions. Passengers would spend a total of 3,987.5 hours annually (0.25 hours x 15,950 passengers) to retrieve an accessible version of the form and complete the form. Passengers would fill out the forms on their own time without pay, as they would with the Animal Behavior and Health Attestation Form. The estimated annual value of this time is $61,493.

Table 2 summarizes the estimated burden and costs of the two new DOT forms for Paperwork Reduction Act (PRA) ***accounting*** purposes. In some cases, carriers already require passengers traveling with service animals to complete equivalent forms. Allegiant Air and Delta Air Lines ask passengers to carry health forms, for example, while American Airlines and Hawaiian Airlines ask passengers to fill out relief attestation forms. Thus, the estimates are likely to overestimate any new burden created by this rulemaking.Table 1—Paperwork Cost Estimates for U.S DOT Service Animal Forms Form Passengers Hours Total hours Hourly time value SubtotalBehavior & health 319,000 0.25 79,750 $15.42 $1,229,857Relief 15,950 0.25 3,987.5 $15.42 61,493Total 83,737.5 1,291,349G. Unfunded Mandates Reform Act

The Department has determined that the requirements of Title II of the Unfunded Mandates Reform Act of 1995 do not apply to this rulemaking.H. National Environmental Policy Act

The Department has analyzed the environmental impacts of this action pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C 4321 et seq.) and has determined that it is categorically excluded pursuant to DOT Order 5610.1C, Procedures for Considering Environmental Impacts (44 FR 56420, Oct. 1, 1979). Categorical exclusions are actions identified in an agency's NEPA implementing procedures that do not normally have a significant impact on the environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). (210) In analyzing the applicability of a categorical exclusion, the agency must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. (211) Paragraph 3.c.6.i of DOT Order 5610.1C categorically excludes “[a]ctions relating to consumer protection, including regulations. ” Because this rulemaking relates to ensuring both the nondiscriminatory access to air transportation for consumers with disabilities, as well as the safe transport of the traveling public, this rulemaking is a consumer protection rulemaking. The Department does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.List of Subjects in 14 CFR Part 382

Air Carriers, Civil rights, Consumer protection, Individuals with Disabilities, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Department of Transportation amends 14 CFR part 382 as follows:Part 382 Nondiscrimination on the Basis of Disability in Air TravelRegulatory Text

1. The authority citation for part 382 continues to read as follows:Authority:

49 U.S.C 41705.

2. Amend § 382.3 by adding in alphabetical order the definitions of service animal and service animal handler to read as follows:§ 382.3 What do the terms in this rule mean?

\* \* \* \* \*

Service animal means a dog, regardless of breed or type, that is individually trained to do work or perform tasks for the benefit of a qualified individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Animal species other than dogs, emotional support animals, comfort animals, companionship animals, and service animals in training are not service animals for the purposes of this part.

A Service animal handler is a passenger in air transportation who is a qualified individual with a disability who receives assistance from a service animal(s) that does work or performs tasks that are directly related to the individual's disability, or a third party who accompanies the individual with a disability traveling with a service animal such as a parent of a minor child or a caretaker. The service animal handler is responsible for keeping the animal under control at all times, and caring for and supervising the service animal, which includes toileting and feeding.

\* \* \* \* \*

3. In § 382.7, revise paragraph (c) to read as follows:§ 382.7 To whom do the provisions of this part apply?

\* \* \* \* \*

(c) As a foreign carrier, you are not subject to the requirements of this part with respect to flights between two foreign points, even with respect to flights involving code-sharing arrangements with U.S carriers. As a U.S carrier that participates in a code-sharing arrangement with a foreign carrier with respect to flights between two foreign points, you (as distinct from the foreign carrier) are responsible for ensuring compliance with the service provisions of subparts A through C, E through H, and K of this part, with respect to passengers traveling under your code on such a flight.

\* \* \* \* \*

4. Section 382.27 is revised to read as follows:§ 382.27 May a carrier require a passenger with a disability to provide advance notice in order to obtain certain specific services in connection with a flight?

(a) Except as provided in paragraphs (b) and (c) of this section and §§ 382.75 and 382.133(e)(4), (5), (f)(5) and (6), as a carrier you must not require a passenger with a disability to provide advance notice in order to obtain services or accommodations required by this part.

(b)(1) You may require a passenger with a disability to provide up to 72 hours' advance notice and check in one hour before the check-in time for the general public to receive carrier-supplied in-flight medical oxygen on international flights, and 48 hours' advance notice and check-in one hour before the check-in time for the general public to receive carrier-supplied in-flight medical oxygen on domestic flights. This service is optional; you are not required to provide carrier-supplied in-flight medical oxygen, but you may choose to do so.

(2) You may require a passenger with a disability to provide 48 hours' advance notice and check-in one hour before the check-in time for the general public to use his/her ventilator, respirator, CPAP machine or POC.

(3) You may require a passenger with a disability seeking to travel with a service animal in the cabin of the aircraft to provide up to 48 hours' advance notice through submission of the forms identified in § 382.75 (a) and (b) as a condition of permitting the service animal to travel in the cabin if the reservation is made more than 48 hours prior to a flight's departure. In the alternative, you may require a passenger with a disability seeking to travel with a service animal in the cabin of the aircraft to provide the forms identified in § 382.75 (a) and (b) at the passenger's departure gate on the date of travel as a condition of permitting the service animal to travel in the cabin.

(c) You may require a passenger with a disability to provide up to 48 hours' advance notice and check in one hour before the check-in time for the general public to receive the following services and accommodations. The services listed in paragraphs (c)(1) through (c)(3) of this section are optional; you are not required to provide them, but you may choose to do so.

(1) Carriage of an incubator;

(2) Hook-up for a respirator, ventilator, CPAP machine or POC to the aircraft electrical power supply;

(3) Accommodation for a passenger who must travel in a stretcher;

(4) Transportation for an electric wheelchair on an aircraft with fewer than 60 seats;

(5) Provision of hazardous materials packaging for batteries or other assistive devices that are required to have such packaging;

(6) Accommodation for a group of ten or more qualified individuals with a disability, who make reservations and travel as a group; and

(7) Provision of an on-board wheelchair on an aircraft with more than 60 seats that does not have an accessible lavatory.

(8) Accommodation of a passenger who has both severe vision and hearing impairments (see § 382.29(b)(4)).

(d) If the passenger with a disability provides the advance notice you require, consistent with this section, for a service that you must provide (see paragraphs (b)(2) through (3) and (c)(4) through (8) of this section) or choose to provide (see paragraphs (b)(1) and (c)(1) through (c)(3) of this section), you must provide the requested service or accommodation except to comply with any applicable safety regulations.

(e) Your reservation and other administrative systems must ensure that when passengers provide the advance notice that you require, consistent with this section, for services and accommodations, the notice is communicated, clearly and on time, to the people responsible for providing the requested service or accommodation.

(f) If a passenger with a disability provides the advance notice you require, consistent with this section, and the passenger is forced to change to another flight (e.g , because of a flight cancellation), you must, to the maximum extent feasible, provide the accommodation on the new flight. If the new flight is another carrier's flight, you must provide the maximum feasible assistance to the other carrier in providing the accommodation the passenger requested from you.

(g) If a passenger does not meet advance notice or check-in requirements you establish consistent with this section, you must still provide the service or accommodation if you can do so by making reasonable efforts, without delaying the flight.

5. Revise the heading of subpart E and add §§ 382.72 through 382.80 to subpart E to read as follows:Subpart E—Accessibility of Aircraft and Service Animals on AircraftSec.

\* \* \* \* \*382.72Must carriers allow a service animal to accompany a passenger with a disability?382.73How do carriers determine if an animal is a service animal? May a carrier require that a service animal be under the control of the service animal user or handler?382.74How many service animals must a carrier transport in the cabin of aircraft?382.75May a carrier require documentation from passengers with disabilities seeking to travel with a service animal?382.76May a carrier require a service animal user to physically check-in at the airport as a condition of travel with a service animal?382.77May carriers restrict the location and placement of service animals on aircraft?382.78May carriers charge individuals with disabilities for the damage their service animal causes?382.79Under what other circumstances may carriers refuse to provide transportation to a service animal traveling with a passenger with a disability?382.80May carriers impose additional restrictions on the transport of service animals?§ 382.72 Must carriers allow a service animal to accompany a passenger with a disability?

You must allow a service animal to accompany a passenger with a disability. You must not deny transportation to a service animal based on the animal's breed or type or on the basis that its carriage may offend or annoy carrier personnel or persons traveling on the aircraft.§ 382.73 How do carriers determine if an animal is a service animal that must be accepted for transport? May a carrier require that a service animal be under the control of the service animal user or handler?

(a) You may rely on one or more of the factors set forth in paragraphs (a)(1) through)(3) of this section to determine if an animal is a service animal that must be accepted for transport.

(1) You may make two inquiries to determine whether an animal qualifies as a service animal. You may ask if the animal is required to accompany the passenger because of a disability and what work or task the animal has been trained to perform. You must not ask about the nature or extent of a person's disability or ask that the service animal demonstrate its work or task.

(2) You may observe the behavior of an animal. A trained service animal will remain under the control of its handler. It does not run freely around an aircraft or an airport gate area, bark or growl repeatedly at other persons or other animals on the aircraft or in the airport gate area, bite, jump on, or cause injury to people, or urinate or defecate in the cabin or gate area. An animal that engages in such disruptive behavior demonstrates that it has not been successfully trained to behave properly in a public setting and carriers are not required to treat it as a service animal without a carrier in the cabin, even if the animal performs an assistive function for a passenger with a disability.

(3) You may look for physical indicators, such as a harness or vest on the animal, to determine if the animal is a service animal.

(b) You may require that a service animal be harnessed, leashed, or otherwise tethered at all times by the service animal user or service animal handler while in areas of the airport that you own, lease or control, or on an aircraft.§ 382.74 How many service animals must a carrier transport in the cabin of aircraft?

You are not required to accept more than two service animals for a single passenger with a disability.§ 382.75 May a carrier require documentation from passengers with disabilities seeking to travel with a service animal?

(a) If a passenger with a disability seeks to travel with a service animal, you may require the passenger to provide you, as a condition of permitting the service animal to travel in the cabin, a current completed U.S Department of Transportation Service Animal Air Transportation Form. Current means the form was completed on or after the date the passenger purchased his or her airline ticket.

(b) On a flight segment scheduled to take 8 hours or more, you may, as a condition of permitting a service animal to travel in the cabin, require the passenger with a disability traveling with the service animal to confirm that the animal will not need to relieve itself on the flight, or that the animal can relieve itself in a way that does not create a health or sanitation issue on the flight by providing a current DOT Service Animal Relief Attestation Form. Current means the form was completed on or after the date the passenger purchased his or her airline ticket.

(c) You are not permitted to require documentation from passengers with disabilities traveling with service animals beyond the completion of the forms identified in paragraphs (a) and (b) of this section except to comply with requirements on transport of animals by a Federal agency, a U.S territory or a foreign jurisdiction.

(d) As a U.S air carrier, if you require service animal users to submit the forms identified in paragraphs (a) and (b) of this section, you must have copies of these forms available for passengers at each airport you serve. As a foreign air carrier, if you require service animal users to submit the forms identified in paragraphs (a) and (b) of this section, you must have copies of the forms available for passengers at each airport serving a flight you operate that begins or ends at a U.S airport.

(e) If you have a website, you must have the forms identified in paragraphs (a) and (b) available to passengers in an accessible format. You must mail copies of the forms identified in paragraphs (a) and (b) to passengers upon request.

(f) If you require a passenger with a disability traveling with a service animal to submit the forms identified in paragraphs (a) and (b) of this section in advance of the passenger's date of travel, you must provide the passenger the option of submitting the completed form(s) to you electronically or by hardcopy.

(g)(1) If a passenger's reservation was made more than 48 hours in advance of the first originally scheduled departure time on the passenger's itinerary, you may require that passenger provide up to 48 hours advance notice by submitting the form identified in paragraph (a) of this section.

(2) If a passenger's reservation was made more than 48 hours in advance of the first originally scheduled departure time on the passenger's itinerary and a flight segment on the passenger's itinerary is scheduled to take 8 hours or more, you may require that the passenger provide up to 48 hours advance notice by submitting the form identified in paragraph (b) of this section.

(3) If a passenger's reservation was made less than 48 hours in advance of the first originally scheduled departure time on the passenger's itinerary, you may not require that passenger provide advance notice of his or her intent to travel with a service animal. You may require that the passenger complete the forms identified in paragraphs (a) and (b) of this section and submit a copy of the form to you at the passenger's departure gate on the date of travel.

(h) If the passenger does not meet the advance notice requirements you establish consistent with this section, you must still provide the accommodation if you can do so by making reasonable efforts, without delaying the flight.§ 382.76 May a carrier require a service animal user to check-in physically at the airport?

You may not require a passenger with a disability to check-in physically at the airport, rather than using the online check-in available to the general public, on the basis that the passenger is traveling with a service animal.§ 382.77 May carriers restrict the location and placement of service animals on aircraft?

(a) You must permit a service animal to accompany a passenger with a disability on the passenger's lap or in the passenger's foot space, unless this location and placement would:

(1) Be inconsistent with safety requirements set by the FAA or the foreign carrier's government; or

(2) Encroach into another passenger's space.

(b) Before refusing to transport a large service animal that cannot be accommodated on the passenger's lap or in the passenger's foot space without encroaching into another passenger's space, you must offer the passenger the opportunity to move with the animal to another seat location within the same class of service, if available on the aircraft, where the animal can be accommodated. You are not required to reseat other passengers to accommodate a service animal except as required for designated priority seats in Subpart F.

(c) If there are no alternatives available to enable the passenger to travel with the service animal in the cabin of the scheduled flight, you must offer the passenger the opportunity to transport the service animal in the cargo hold free of charge or travel on a later flight to the extent there is space available on a later flight and the transport is consistent with the safety requirements set by the FAA or a foreign carrier's government.§ 382.78 May carriers charge individuals with disabilities for the damage their service animal causes?

While you generally cannot charge an individual with a disability for transporting service animals, or for providing other services that this part requires, you may charge a passenger with a disability for damage caused by his or her service animal so long as you normally charge individuals without disabilities for similar kinds of damage.§ 382.79 Under what other circumstances may carriers refuse to provide transportation to a service animal traveling with a passenger with a disability?

(a) You may deny transport to a service animal under the following circumstances:

(1) The animal poses a direct threat to the health or safety of others (see definition in § 382.3);

(2) The animal causes a significant disruption in the cabin or at an airport gate area, or its behavior on the aircraft or at an airport gate area indicates that it has not been trained to behave properly in public (e.g , running freely, barking or growling repeatedly at other persons on the aircraft, biting or jumping on people, or urinating or defecating in the cabin or gate area);

(3) The animal's carriage would violate applicable safety or health requirements of any U.S federal agency, U.S territory or foreign government; or

(4) The passenger with a disability seeking to travel with a service animal in the cabin of the aircraft does not provide completed current forms as set forth in § 382.75 (a) and (b) to the carrier when requested to do so.

(b) In determining whether to deny transport to a service animal on the basis that the animal poses a direct threat under paragraph (a)(1) of this section, you must make an individualized assessment, independent of the dog's breed or type, based on reasonable judgment that relies on the best available objective evidence to ascertain the nature, duration, and severity of the risk; the probability that the potential injury will actually occur; and whether reasonable modifications of policies, practices, or procedure will mitigate the risk. A current completed U.S Department of Transportation Service Animal Air Transportation Form may be used in making this determination.

(c) In determining whether to deny transport to a service animal on the basis that the animal has misbehaved and/or has caused a significant disruption in the cabin under paragraph (a)(2) of this section, you must make an individualized assessment, independent of the dog's breed or type, based on reasonable judgment that relies on the best available objective evidence to ascertain the probability that the misbehavior and/or disruption will continue to occur; and whether reasonable modifications of policies, practices, or procedure will mitigate the misbehavior and/or the disruption. A current completed U.S Department of Transportation Service Animal Air Transportation Form and a current completed U.S Department of Transportation Service Animal Relief Attestation Form may be used in making this determination.

(d) In conducting the analysis required under paragraphs (a)(1) and (2) of this section, you must not deny transportation to the service animal if there are means available short of refusal that would mitigate the problem (e.g , muzzling a barking service dog or taking other steps to comply with animal health regulations needed to permit entry of the service animal into a domestic territory or a foreign country).

(e) If you refuse to provide transportation to a service animal based on any provision in this part, you must provide the individual with a disability accompanied by the service animal a written statement of the reason for the refusal. This statement must include the specific basis for the carrier's opinion that the refusal meets the standards of paragraphs (a) through (c) of this section or is otherwise specifically permitted by this part. You must provide this written statement to the individual with a disability accompanied by the service animal either at the airport, or within 10 calendar days of the refusal of transportation.§ 382.80 May carriers impose additional restrictions on the transport of service animals?

Carriers are not permitted to establish additional restrictions on the transport of service animals outside of those specifically permitted by the provisions in this part, unless required by applicable FAA, TSA, or other Federal requirements or a foreign carrier's government.§ 382.117[Removed]Regulatory Text

6. Remove § 382.117

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**ABSTRACT**

In this article it is argued that long-term economic growth can be secured by the continual re-invention of the technological and consequential economic bases of local economies. Starting from the perspective of evolutionary path dependence in the development histories of new technologies, the roles of innovators in the creation of new technological pathways are theorised. Historical case study evidence is then presented of the contributions of pioneering innovators to the ongoing long-term production and employment growth in the local economy of Oxfordshire over the last two centuries. Oxfordshire provides an empirical example of one of the more successful local economies in the UK. It is concluded that much of this success has been based on the activities of a small number of innovators who have used national and international knowledge networks to import cutting edge technologies of their time into the local economy in order to start world leading industries in the County. These have formed the bases of its long-term economic performance.

**FULL TEXT**

**Introduction**

Evolutionary economic geography, exemplified by Boschma and Martin (2010), has made significant contributions to our understanding of the historical evolution of technologies and the industries that are based on them, combined with distinctive analyses of why those industries are located in some places rather than others. In these studies, neo-Schumpeterian theories concerning the roles of technological innovation in driving economic evolution have been prominent in providing heterodox understandings of the historical growth and change of real as opposed to neo-classical hypothetical economies (e.g., Dosi et al., 1988; Witt, 1993).

One of the key concepts in evolutionary economics is ‘path dependence’ (Arthur, 1989, 1994; David, 1985, 1986). This model has been influential in explaining why some technologies and the industries based upon them have developed and later declined and, in some cases closed altogether. It has not been so convincing in explaining how and why new technological pathways are created in the first instance. One response to this problem has been to argue that human agency plays a significant role in the initial creation of new technological pathways. Bijker et al. (1987), Garud and Karnøe (2001), Garud et al. (2010) and Simmie (2014) have argued that reflexive agents play a key role in starting the processes of new technological path creation.

This evolutionary path dependence and new path creation approach offers promising ways in which to theorise the long-run development of local economies. It provides possibilities for understanding why some previously successful urban economies, based on the technologies and industries of previous centuries, have subsequently been unable to escape being locked-in to these declining industries. Conversely, it also offers possibilities for explaining why cities in which a series of radical new technological pathways and industries have been created over decades, if not centuries, long-term local economic growth has been maintained. This article focusses on the latter of these two possibilities.

In the light of these remarks, the central question of this article is ‘in conditions of path dependence, what roles do reflexive agents play in the creation of new technological pathways and long-term economic growth in local economies?’ In answer to this question, it is argued that the commercial deployment of new technologies is the result of the actions of human agency in particular inventors and innovators. In this article, inventors are defined as the discoverers of new knowledge and technologies. Innovators are defined as agents who combine new knowledge in the form of technological inventions and discoveries with seed and early-stage capital to create new divisions in existing firms, spinouts or start-ups that bring new or improved products on to the market. These then form the bases of successive waves of local economic growth.

To explore these arguments, the article is divided into three substantive sections followed by some conclusions. In the next section, the theoretical contributions of combinations of new knowledge by innovators to the creation of new technological pathways are discussed. This is followed by a brief section on the methods and sources of the historical information employed in this study. The third section examines the historical roles of specific innovators in the Oxfordshire economy over the last two centuries or so. This provides a case study of the ups and downs of long-term economic growth in one of the most successful local economies in the UK. This is followed by a concluding section.

**Theory: Innovators and new technological path creation**

According to David (1985, 1986) new technological pathways start because of small ‘historical accidents’, ‘chance events’ or ‘random’ actions. Subsequently one or more of these chance events is contingently selected for reasons not immediately connected with the original event. When that happens path dependence occurs as the original accidental events become progressively ‘locked-in’ as the development pathway through the operation of various autocatalytic ‘network externalities’ (David, 1985, 1986) or ‘increasing returns effects’ (Arthur, 1989, 1994). The final feature of this model is that, once lock-in has occurred, it is assumed that a technology, industry, institution, or industrial location pattern will persist until such time as it is disrupted by an ‘external shock’.

The canonical model of path dependence has been summarised by Vergne and Durand (2010). They define path dependence narrowly as ‘a property of a stochastic process which obtains under two conditions (contingency and self-reinforcement) and causes lock-in in the absence of exogenous shock’ (Vergne and Durand, 2010: 737). The main characteristics of this canonical model are summarised in Figure 1.

**Figure 1.**

Basic economic model of path dependence. (After Arthur, 1989, 1994; David, 1985, 1986; Vergne and Durand, 2010. Arrows indicate uni-directional evolutionary development of pathway towards lock-in.)

In this model, emphasis is placed on chance and serendipity as the explanation of how new technological pathways start in the first instance. In the classic Schumpeterian (1939, 1942) theory economies are shocked out of their existing development pathways by external events such as recessions and depressions and new technological pathways are started because of processes of creative destruction. Later Arthur (1987, 1994) argued that the deployment of new technologies takes place in spinouts and start-ups, while David et al. (1998) attributed their emergence in particular places to localisation economies. But, as Martin and Sunley rightly point out ‘placing too much emphasis on random accidents as the sources of path creation constrains and undermines such causal explanation’ (Martin and Sunley, 2006: 428).

One theoretical response to this problem has been to argue that human agency plays a significant role in the initial creation of new technological pathways (Bijker et al., 1987; Garud and Karnøe, 2001; Garud et al., 2010; Simmie, 2014). This research adopts a sociological ontology and accords a significant place to the roles of knowledgeable agents and the considered ‘mindful deviation’ of entrepreneurs from established paths in explaining the creation of new technological pathways. Puffert (2000) goes further in arguing that the very existence of established pathways may make actors more eager and motivated to attempt to make their new technologies and ways of doing things the basis of new pathways.

This evolutionary new path creation approach offers promising ways in which to theorise the long-run development of local economies. It provides an understanding as to why, in those local economies in which a series of radical new technological pathways and industries have been created over decades, if not centuries, permanent lock-in to previous industrial structures has been avoided.

The long-term significance of the periodic introduction of ‘bunches’ of new, radical technological innovations in generating new waves of economic growth, was first identified empirically by Kondratieff (1935), who consequently gave his name to such long waves. Subsequent work by the likes of Hall and Preston (1988) and van Duijn (1983) has updated his studies to take ***account*** of the introduction of key technologies in the modern era. Two aspects of this work are important for the arguments of this article. The first is the significance of periodic ‘bunches’ of new technological innovations in kick-starting new waves of economic growth. The second is the timescale needed to study the full working out of these waves. This has been shown empirically to be around 50 years composed approximately of 25 years of growth followed by some levelling off as the technology reaches maturity and then, in some cases, lock-in and decline.

In recent times, such new path creation is often indicated by and correlated with significant rates of patent applications from the local economies and various forms of innovation in places like Cambridge, Oxford, Aldershot and Reading (Simmie et al., 2006: 88). In these local economies, declining historical industries have been replaced by the creation of new ones and, as a result, their local economies have maintained their overall long-term economic and employment growth (Swinney and Thomas, 2015: 10).

The connection between urban economic growth and innovation has been theorised by Frenken and Boschma (2007). They argue that local economic growth may be characterised as an evolutionary branching process of product innovations. In this theory, the introduction of radical innovations can lead to the creation of new industries by a branching process either within or out of existing industries. This can take the form of the creation of a new division within an existing industry or the spinout of a new firm from that same industry. One outcome of these processes is local firm growth and therefore local economic growth in the city in which it is located.

New technologies are characteristically based on the invention or discovery of new knowledge. The importance of new knowledge and learning to innovation was recognised in economic geography in the mid-2000s. Seminal work by Asheim and Coenen (2005, 2006) and Asheim and Gertler (2005) started what is known as the ‘differentiated knowledge base’ (DKB) literature. This examines the nature and types of knowledge deployed in innovation together with the ways and geographical extent of how it is shared between innovators.

A taxonomy of different types of knowledge was developed. This identified analytical, synthetic and symbolic knowledge as the key knowledge bases contributing to innovation (Manniche, 2012; Martin, 2012). As ideal types synthetic knowledge can be defined as knowledge to design something that works as a solution to a practical problem. Analytical knowledge can be defined as knowledge to understand and explain features of the universe. Symbolic knowledge is knowledge to create cultural meaning through ***transmission*** in an affecting sensuous medium (Asheim et al., 2005: 6)Empirically these types of knowledge are combined in different degrees in different industries. Importantly, the new knowledge creation process is ‘increasingly inserted into various forms of networks and innovation systems’ (Asheim et al., 2005: 5).

The first claim of these studies was that these different knowledge bases were correlated with different types of regional innovation systems (Asheim, 1998; Cooke, 1998). Second, it was argued that the structures of the knowledge networks of the different knowledge bases led to differences in knowledge sourcing and its geographical extent (Aslesen and Freel, 2012; Broekel and Boschma, 2010; Coenen et al., 2006; Martin and Moodysson, 2011, 2013; Moodysson, 2008; Plum and Hassink, 2011). Third, it was argued that different types of knowledge tend to concentrate geographically (Martin, 2012), and fourth that knowledge bases concentrate in particular regions (Asheim et al., 2007). And, finally, that the institutional tissue underlying different knowledge bases is different (Asheim and Coenen, 2006; Zukauskaite, 2013; Zukauskaite and Moodysson, 2016).

In an excellent review and critique Boschma (2018) argues that this literature requires further development in at least two major directions. The first is a stronger conceptualisation of the role of history. This ‘… would bring it more closely to an evolutionary approach on regional diversification that is interested in the role of path dependence in particular spatial settings, and the role of pre-existing structures in shaping new growth paths in regions’ (Boschma, 2018: 12). In the second, he argues that a focus on how different knowledge bases are combined would generate new insights on new path development (Boschma, 2018: 14).

The focus in this literature on networks, systems and structures neglects the role of reflexive agents in the creation, maintenance and change of these phenomena. In practice new knowledge is not created by disembodied phenomena such as these but by numerous individual agents’ activities and interactions. The sum of these activities and interactions are what evolve as these intangible features of innovation.

To sum up the arguments of this article, first, human agency, rather than chance and serendipity, plays a critical role in the creation of new technological pathways. Second, empirical studies of long waves have shown the importance of bunches of new radical innovations in driving periodic up-swings in economic growth, and that the historical time scale required to study the full chronology of such waves is around 50 years. Third, the continual long-term economic growth of local economies is based on a succession of long waves each based on the introduction of new technological innovations that are unrelated to those of previous waves. Fourth, the connection between local urban economic growth and innovation is theorised as an evolutionary branching process in which radical technological innovations lead to either the formation of new divisions within existing firms and organisations, or spinouts from them. In this way firm growth is linked to local economic growth. Fifth, new knowledge is a key feature of radical innovation. Different types of knowledge are mobilised through networks, structures and systems. These mainly intangible aspects of innovation are themselves created by the activities and interactions of reflexive agents.

With respect to the important roles of human agency in the creation of new technological pathways, the first inventors and discoverers of new technological knowledge are limited in numbers and localities. In Schumpeter’s early work inventions, defined as the development of something that is entirely new, and which has never been created before, were regarded as generally exogenous to existing firms (Freeman et al., 1982). On the other hand, innovation refers to the introduction of fresh ideas and technology to an already existing product or service. In other words, innovation makes use of an invention in a unique way to make it popular among the customers. In this model, it is creative entrepreneurs who take the risks involved in turning the inventions into commercial innovations (Freeman et al., 1982).

It may take decades before this original knowledge is combined by innovators into commercial innovations. In this article, innovation is defined as ‘The commercially successful exploitation of new technologies, ideas, or methods through the introduction of new products or processes, or through the improvement of existing ones. Innovation is the result of an interactive learning process . . .’ (European Commission DG XIII and XVI, 1996: 54).

From this perspective, innovators are characterised by their capacity to identify and adopt new technologies that are starting to generate structural waves of expansion and growth elsewhere in the international economy. This requires the capacity to engage with international as well as local knowledge networks. Thus, as Bathelt et al. (2004) and Simmie (2003) have argued, for example, cities and regions are open nodes in their respective national and international economies and a combination of both local ‘buzz’ and multiple global, networks or ‘pipelines’ are required for the transfer, acquisition and combination of both new leading edge tacit and codified knowledge from the frontiers of technological and scientific knowledge.

These theoretical arguments are summarised briefly in Figure 2. They lead to the main research question addressed in this article which is ‘what do innovators as reflexive agents contribute to the successive creation of new technological pathways in a local economy?’

**Figure 2.**

New path creation and path dependence. (Arrows indicate uni-directional evolutionary development of pathway towards lock-in and decline followed by possible replacement with new technologies and industries.)

**Methods**

Frenken and Boschma (2007) outline the general proposition that radical innovations lead to firm growth in the form of the creation of new divisions within existing firms or spinouts from them that, in turn, lead to urban economic growth. This article seeks to illustrate how such processes operate in the empirical evolution of the long-term economic history of a specific local economy. Long-term is defined here as the periods covered by all five Kondratieff waves starting in the late C18th up to the present day (see Hall and Preston, 1988: 21).

The first problem with this approach is to find examples of significant cities that have adequate records of their economic activities dating back this far, and that have managed to maintain an economic growth trajectory over such a long period of time. Some candidates are suggested by Swinney and Thomas (2015). Looking back only to the beginning of the C20th at the growth of employment in the 57 largest populations of ‘primary urban areas’ in England and Wales, they show that the old cities of Oxford, Cambridge and Reading were among the top six for long-term employment growth (Swinney and Thomas, 2015: 5). It is not possible to assess, without individual case studies, what contribution innovation made to this long-term growth. But Simmie et al. (2006) have shown that, out of a total of 27 Travel to Work Areas (TTWAs) in England and Wales with populations over 125,000, for which patent application ***data*** are available for the 1990s, Cambridge, Oxford and Reading were also among the top four cities for patent applications to the European Patent Office (ibid. p. 88). For the illustrative purposes of this research, the local economy of Oxfordshire, which includes the whole of the Oxford TTWA, together with Banbury, was therefore selected for case study analysis.

The local economy of Oxfordshire has never been dominated by a single firm. The second methodological problem is therefore to select which industries to focus on for the analysis of the historical creation of new technological pathways. In this instance three industries have been selected according to their general significance in different Kondratieff waves and their major contributions to economic growth in Oxfordshire particularly through their respective export performance. These industries are blankets to illustrate the first wave introduction of the factory system and water powered machinery. Motor cars provide an example of the third wave Fordist static assembly line production. Finally, superconducting magnets represent the rising significance of analytical science-based knowledge in the fifth wave. As with the technologies and industries driving successive Kondratieff waves, these were unrelated to each other. They have, however, overlapped chronologically.

The final reason for selecting Oxfordshire as a case study is that there are good historical records not only of the evolution to the local economy in general but also of the roles played by specific innovators in the serial creation of new technological pathways. Thus, for the selected industries and innovators key sources include for blankets Oxfordshire Museums Service (2020) and Townley (2004); for motor cars Overy (1976) and Oxford Centre for Global History (2020); and for magnetic technology the wife and co-founder of Oxford Instruments Audrey Wood (2001). These sources are used to track the roles of specific reflexive agents in the creation of new technological pathways and their resulting industries over the period from the late C18th up to the present day.

**Case studies and analysis**

**Blankets**

**Initial conditions**

The economic conditions existing in local economies prior to the introduction of radical new technological innovations are significant in establishing possibilities for new technological path creation. Even when these conditions are similar in different places, they do not, on their own necessarily lead to the introduction of new technologies. The woollen industry is a case in point. By the C17th different regions of England specialised in the production of different types of woollen cloth and products. These regions included the West Country making serges, flannels and broadcloths; the North making coarse and cheap cloth; and East Anglia making worsteds. They all used the domestic, or ‘putting out’ system of production. In this system spinning and weaving were carried out in individual worker’s homes. Despite these similarities, it was mainly in the North where this production system was replaced by the introduction of power-driven machinery concentrated in factories.

After the enclosures of the C18th, commercial ***agriculture*** developed in Oxfordshire. This provided possibilities for capital accumulation particularly by the Church, local aristocrats, and the university through its local and national endowments of land. This long-term generation of locally owned capital provided much of the seed and venture capital needed to fund the introduction of radical innovations in the three industries studied in this article.

The woollen industry also had a long history in Oxfordshire dating back to the C17th. Early on the Witney area specialised in the domestic spinning and weaving of wool from the local Cotswold hills into good quality blankets. This domestic production system provided the basis from which the radical new factory system of production using power driven machinery could branch out.

The connectivity of the original woollen industry in Oxfordshire was also significant in the establishment of national and international knowledge and trading networks. By as early as 1670s the local woollen industry had established both national and international markets in North America and Africa. Regular cart loads of blankets were transported to London every week both to sell there and export abroad. In addition to these business networks Witney also had two annual fairs established as long ago as 1202 and 1231. These provided intermittent venues for trade and the exchange of knowledge concerned with the woollen trade.

The streams and small rivers running off the Cotswolds and into the Thames Valley provided the potential source of power for the new machinery being imported into new mills around Witney.

Finally, the chance events that both Edmund Wright and Charles Early were born and bred in Witney. This introduces an element of serendipity into the possible explanations of why the new technological pathway of power driven mechanised blanket manufacturing was introduced in Oxfordshire rather than say East Anglia or the West Country.

The important initial conditions that opened the possibilities for the creation of a new technological pathway in the woollen industry in Oxfordshire therefore included the prior local accumulation of capital that provided seed and venture capital; the long-term existence of the traditional industry from which radical innovations could branch out; the connectivity of this industry through national and international knowledge and trading networks; and, finally, the ready availability of a source of power to drive the new machinery.

**Path creation processes**

The industrial revolution marked by the introduction of the factory system, and water powered machinery came late to Oxfordshire partly because of its distant location from the North. Richard Arkwright is credited with being the original inventor of the factory system. To accommodate his waterpower driven spinning frame patented in 1769, he built the first true factory at Cromford, near Derby. Further inventions and the subsequent adoption of the factory system and water powered spinning machinery in the woollen industry to accommodate them proceeded slowly but most notably in Yorkshire.

Meanwhile, in Oxfordshire, Edmund Wright and Charles Early were involved in the traditional local woollen industry. Despite its local nature, this industry had developed local, national, and international knowledge and commercial networks over many years. These networks enabled Wright and Early to learn about the potentially catastrophic competition they were facing from the ‘early adopters’ (Rogers, 1962) of the factory system and new powered machinery in the Yorkshire woollen industry. They were able to learn about the combination of new C18th inventions in machinery and waterpower that were being employed in the new factories that were being built in the North. Wright and Early were the key agents in bringing this new knowledge to Oxfordshire and deploying it to create a new technological pathway branching out of the traditional local system of production.

**Path establishment processes**

Wright introduced the new form of industrial organisation and power-driven technology at ‘New Mill’ near Witney in 1808. Much of the new ‘synthetic’ knowledge introduced there was embedded in inventions such as carding and scribbling machinery that was imported from manufacturers in Rochdale. The new knowledge and technologies that were introduced from Yorkshire and later Lancashire formed the basis of the creation of a new technological pathway marking a radical break from the past. These developments were funded by local seed capital accumulated by the innovators because of their involvement in the previous system of production.

**Path dependent outcome**

The pathway was developed by the subsequent importation of further new technologies including the spring loom, steam power and the coming of the railway in 1861. As a result, the new pathway experienced a period of positive path dependent development that was based on the development, from as far back as 1681, of a thriving export market in North America facilitated by the Hudson Bay Company. The mechanisation of production in Witney produced increasing returns that moved the industry in the direction of path dependent outcomes.

These increasing returns of the C19th attracted new firms into the development of the maturing pathway during the early C20th. At that time, James Marriott introduced a blanket wholesale business and James Walker, one of the largest blanket making firms in Britain established a new firm in Witney. As the pathway matured local actors sought to reduce competition by the introduction, in 1909, of a regulation that only blankets made in Witney could be labelled as ‘Witney Blankets’.

**Path dissolution**

By the mid-C20th, however, the industrial pathway in Witney had become locked-in to the manufacture of blankets despite the growing demand for duvets as an alternative form of bedding. Some attempts were made to diversify production, but the main technological focus continued to be locked-in to the faster and cheaper production of blankets. To this end, during the 1950s and 1960s, a second technological revolution introduced further local adaptations along the existing pathway. These adaptations were again based on the importation of new synthetic knowledge embedded in the form of technological innovations from Switzerland, the USA and Germany.

These path dependent technological adaptations along the existing blanket making pathway did not recognise the strength of foreign competition from a different product, the duvet, and cheaper production of blankets in third world economies with much lower labour costs. As a result, the local industry continued to decline. The last blanket making factory in Witney closed in 2002.

This evolutionary economic history from new path creation to dissolution is summarised in Table 1.

**Table 1.**

The evolution of the blanket industry in Oxfordshire.

|  | **Blankets** |
| --- | --- |
| Initial conditions |  |
|  | Local capital accumulation from ***agriculture*** and woollen industry provided potential sources of seed and venture capital. Traditional woollen industry based on domestic system from which new forms of production could branch out. Connectivity through industry specific national and international knowledge and trading networks. Availability of waterpower. |
| Path creation processes |  |
| Inventors and technological inventions | Inventors living in the North of England. Thomas Savery steam power 1698Lewis Paul carding machine 1748James Hargreaves scribbling machine 1764Richard Arkwright spinning frame 1769. Edmund Cartwright spinning loom 1784 |
| Local innovators | Edmund WrightCharles EarlyBorn and bred in Witney. Brought technological inventions to Oxfordshire. |
| New knowledge combinations | Synthetic knowledge embedded in imported new machinery. Carding and scribbling machinery imported from Rochdale. |
| Path establishment processes |  |
|  | Edmund Wright opened water powered New Mill near Witney in 1808. Spring loom, steam power and arrival of railway in 1861 |
| Path dependence outcome |  |
| Lock-in because of network externalities or increasing returns. | Self-reinforcing increasing returns from historical markets in North America facilitated by Hudson Bay Co. Arrival of railway in 1861Early C20 increasing returns attracted James Marriott to establish blanket wholesale business James Walker to locate a new factory in Witney. 1909 regulation restricting labelling of ‘Witney Blankets’. Mid C 20 production restricted to blankets. Technological trajectory restricted to faster and cheaper production of blankets. Technological adaptations to this end imported from Switzerland, USA and Germany. |
| Path dissolution |  |
| External shocks | Failure to recognise foreign competition for different products. Last factory closed in 2002. |
| Replacement by further rounds of new path creation in the same sector | Not applicable |

Sources: Oxfordshire Museums Service (2020) and Townley (2004).

**Motor cars**

**Initial conditions**

The earliest motor cars seen on British roads were imported from France. Frederick Simms and Evelyn Ellis imported a Daimler engined Panhard & Lavassor in 1895. Sims’s licences and plans to manufacture Daimler motors in Britain were taken over by Harry Lawson in 1896. He bought a disused cotton mill in Coventry where Britain’s first serial production car was made in 1897. Other cars containing French and German components were made by George Lanchester in 1895 and 1896. By 1900 the first all British 4-wheel car had been designed and built by Herbert Austin. Later he started what became Wolseley Motors in Birmingham which, for a time, was the largest UK car manufacturer. By the start of the C20th the new motor car industry had been established in Britain.

In Oxford, William Morris, a keen cyclist started manufacturing bicycles in a shed in the back yard of the family home in Cowley. They were displayed and sold from the front window of the house. He then moved on to the sale, hire and repair of the cars of the day. He started Morris Garages in Longwall Street, Oxford, in 1910. There he sold and serviced cars produced elsewhere in England. This provided the basis from which to branch into local manufacturing. This firm also provided trading and knowledge networks connecting not only to the developing national motor car industry in Birmingham, Coventry, and Manchester but also to international developments in the industry.

As with blanket manufacturing in Witney, local seed and venture capital was available because of previous rounds of capital accumulation in ***agriculture***. In the case of the motor car industry, the Earl of Macclesfield, a major local landowner, provided William Morris with some of his initial capital.

Finally, there is also again the chance event that William Morris was brought up in Oxford. This serendipitous event helps to explain why a new motor car industry started in Oxford rather than many other areas that had both bicycle manufacturers and garages selling and servicing the cars of the day.

Thus, the significant initial conditions that provided the possibility to create the new technological pathway of motor car manufacture in Oxfordshire included the existing activities of the selling and servicing cars made elsewhere that provided branching possibilities into local motor car manufacturing. Connectivity through existing industry specific knowledge and trading networks to national and international inventions and manufacturing activities. The availability of local seed and venture capital arising from previous rounds of capital accumulation from commercial ***agriculture***. And finally, the chance event that William Morris was brought up from an early age in Oxford.

**Path creation processes**

The key inventors of the new knowledge and technologies, that formed the bases of the new motor car industry, lived and worked in the C19th in Germany, France and the United States. In 1885, Gottleib Daimler patented a successful design for a high-speed petrol engine. Meanwhile, in the US, Henry Ford was experimenting with a self-propelled quadricycle that first ran in 1896.

After various false starts, he formed the Henry Ford Company in Detroit in 1901. This was reincarnated as the Ford Motor Company in 1903. Ford was an early adopter of static assembly line production. In 1908, he introduced the Model T automobile. This was the first affordable mass-produced motor car.

Three years later, the Ford Motor Company opened a car assembly plant in an old tram factory in Trafford Park, Manchester in 1911. It employed 60 people to assemble the Model T from imported chassis and mechanical parts and locally sourced bodies. Using static assembly line production techniques, it produced 6000 cars in 1913.

Also, in 1913, William Morris, using his own capital and that of the Earl of Macclesfield, a major local landowner, started Morris Motors in a former military college in Cowley not far from his old family home. This created the new pathway of static assembly line production of motor cars in Oxford.

Like Edmund Wright and Charles Early for blankets, Morris was not the inventor of the motor car or of assembly line production techniques. But, as an innovator, he did commercialise the knowledge and technologies of previous inventors and imported this radically new way of assembling motor cars through his external national knowledge and business networks.

**Path establishment processes**

Boschma and Wenting (2007) argue that the British car industry started in specific localities because of the presence of local related knowledge derived from bicycle manufacturing. But in Oxford, William Morris only made bicycles on a very small-scale artisan basis in a shed in the back garden of his parents’ home. More significant than this activity was his first commercial venture starting Morris Garages in 1910. This firm provided him with external knowledge and business networks linked to other car manufacturing localities in Britain. Morris used these external networks to import new knowledge embedded in major components almost all of which were bought in. Even from the early days very few components were manufactured in Oxfordshire. Initially engines were purchased from White and Poppe in Britain. But they were unable to supply the volume that Morris required so he had to import engines from Continental of Detroit. Gearboxes and axles containing embedded new knowledge were also imported from the USA.

One of the self-reinforcing factors that contributed to the path establishment process was also borrowed from Henry Ford. This was that the mass production of motor cars combined with the wages paid to the workforce meant that, for the first time, workers could and were encouraged to purchase their own products. This created some local demand for the new car which, combined with national and international demand, contributed to the development of economies of scale and increasing returns. As a result, by 1924, Morris Motors had become the largest car manufacturer in the UK with some 51% of the home market.

**Path dependence outcome**

The increasing returns generated by Morris Motors provided its founder with a great deal of surplus cash. So, as part of the path development process, he set about first buying up his suppliers and secondly his British competitors. In a further importation of technological knowledge from the USA, he started a joint venture with Budd International of Philadelphia and founded the Pressed Steel Company next to his factory in Cowley to manufacture car bodies. During the mid-1930s he acquired Wolseley, MG and Riley. Taken together these purchases created the largest vertically and horizontally integrated car plant in Europe at Cowley. By 1939 some 11,000 workers were employed in car manufacturing at Cowley. This rose to a peak of 27,000 in 1965.

After the Second World War a further externality factor contributed to the path dependent development of Morris Motors. At this time there were many raw material shortages in the UK. Steel was one of these. As a result, the Government of the day introduced a regulation that any manufacturers that were provided with steel, from the then nationalised British Steel industry, must focus their production on exports in order to bring down huge current ***account*** balance of payment deficits. As a result, by 1950, 75% of British car production was exported mainly into war damaged European markets.

**Path dissolution**

From the 1950s onwards the car manufacturing pathway in Oxford was subject to several threats and began to move towards path lock-in and decline. Poor management and labour relations were among the most serious of these threats. These were compounded by a series of mergers between, for example, the Austin and Morris Companies, in 1952, to form the British Motor Corporation. This promoted unproductive rivalry and competition between different parts of the new company. Further ‘rationalisations’ took place in 1968 involving a merger with Leyland to form BLMC. The company continued to decline and was eventually nationalised as British Leyland in 1975. Employment in the industry declined from 27,000 in 1965 to 3800 in 2011.

A further externality factor came into play as the long-term decline of the car company continued. This was rising UK land values. This was recognised by British Aerospace who bought the company for less than value of the land that it occupied. It then sold off much of the land including the original Cowley site of Morris motors in 1992.

Meanwhile the car manufacturing pathway in Cowley was renewed by foreign direct investment (FDI) first by Honda in 1979, and then by BMW in 1994. These firms introduced radical new production standards, just in time supply chains, together with modern management and labour relations. BMW has retained the old site of the Pressed Steel Company to revive the car manufacturing pathway in Oxfordshire by launching the new Mini in 2001. New knowledge has been introduced, particularly in the form of state-of-the-art robots from Sweden and Switzerland that make the plant one of the most automated car plants in the world. Some 80% of production is exported so that over a century after William Morris created the new technological pathway of motor car manufacturing in Oxford, it is still contributing to long-run economic growth in Oxfordshire.

The historical evolution of the motor car industry from its creation in 1913 to the present day is summarised in Table 2.

**Table 2.**

The evolution of the motor car industry in Oxfordshire.

|  | **Motor cars** |
| --- | --- |
| Initial conditions |  |
|  | First serial production car made in Coventry by Lawson using Daimler licenced technology. French and German components used by Lanchester in 1895. First all British cars designed and built by Austin in Birmingham in 1900. |
| Path creation processes |  |
| Inventors and technological inventions | Gottleib Daimler patented high-speed petrol engine in 1885 Installed in French Panhard and LavassorHenry Ford produced experimental quadricycle in 1896 |
| Local innovators | William Morris. Brought up in Oxford. |
| New knowledge combinations | Synthetic knowledge derived from previous experience of bicycle manufacture combined with sale, hire and repair of cars of the day. Knowledge of Austin’s Wolseley production in Birmingham and Ford’s in Manchester. Synthetic knowledge embedded in imported components. |
| Path establishment processes |  |
|  | William Morris started WRM Motors in Oxford in 1912Started car assembly in a former military college in Cowley in 1913 |
| Path dependence outcome |  |
| Lock-in because of network externalities or increasing returns | Self-reinforcing growth in local, national, and international demand for car that was cheap enough for workers to purchase. Morris Motors largest car manufacturer in UK in 1924. Profits used to buy up suppliers and competitors. Became the largest vertically and horizontally car plant in Europe by 1939. Post-war steel production prioritised for exporters. 75% British car production exported in 1950. |
| Path dissolution |  |
| External shocks | Poor management and labour relations. Unproductive mergers with Austin and Leyland. Nationalised as British Leyland 1975. |
| Replacement by further rounds of new path creation in the same sector | FDI first by Honda 1979, then BMW 1994. BMW launched MINI 2001. |

Sources: Oxford Centre for Global History (2020) and Overy (1976).

**Superconducting magnets and cryogenics**

**Initial conditions**

The Oxford University Clarendon laboratory for physics, funded by a bequest from the 1st Earl of Clarendon, was opened in 1872. By the C20th it had already established a long-standing interest in magnetism research and its applications. But by the middle of the Century the power requirements of some of this research were so great that many experiments could only be conducted at night when power demand was lower than during the daytime. Nevertheless, research in the laboratory had created a significant reservoir of scientific, analytical knowledge which provided the experience available to underpin the creation of the radical new pathway in magnet technology in Oxford.

The original scientific discoveries of superconductivity were not made in Oxford. Superconductivity itself was first discovered in mercury by Heike Onnes from Leiden University in 1911. For this discovery he was awarded the Nobel Prize for Physics in 1913. This was followed sometime later, in 1957, when Barden, Cooper & Schrieffer proposed a microscopic theory of superconductivity. They were also awarded the Nobel Prize for Physics in 1972. In 1962, Berlincourt and Hake discovered that alloys of niobium & titanium are suitable for magnetic fields up to 10 teslas. Shortly after this commercial production of niobium-titanium wire commenced at the Westinghouse Electrical Co. & the Wah Chang Co.

The research community at the laboratory had also built up extensive international knowledge networks some of which were particularly focused on magnetism. These networks were based around activities such as publication and periodic attendance at specialised academic conferences around the world. These networks provided specialised access to knowledge of the new knowledge in superconductivity being created elsewhere in the world.

Before the 1950s most of the University stood aloof from the commercialisation of new knowledge. It had made little or no contribution to either the blanket or the motor car industry. As a result of this lack of connection between gown and local commerce there was no perceived need to find seed or venture capital to fund new firms outside the University.

**Path creation processes**

The innovator who created the new superconductivity pathway in Oxford was Martin Wood. He worked at the Clarendon Laboratory where he designed equipment for research scientists. In 1959, he founded Oxford Instruments (Wood, 2001), in a shed in his back garden, to make scientific equipment. As with the first two industries analysed in this article, the initial seed capital was provided from his own resources and those of the University. The company was the first commercial spinout from Oxford University.

Through his work at the University, he had access to external national and international knowledge networks. As a result of these networks, he attended a conference on magnets at MIT in 1961. At this conference, major scientific advances in superconductivity were announced. On his return he decided that Oxford Instruments would focus on the manufacture of superconducting magnets. Thus, again the creator of this new technological pathway in Oxfordshire was not the original discoverer of the new knowledge, but a pioneering early adopter of new knowledge first developed abroad. His company, however, became a world leader in the production of superconducting magnets.

**Path establishment processes**

The new superconducting magnets pathway was the first to be created in Oxfordshire because of a spinout from publicly funded research. In addition to Oxford Instruments other new firms were spun-out of both the University Clarendon and the Rutherford Appleton laboratories.

Cryogenics requires liquid helium to produce the low temperatures required for superconductivity. This was not readily available in Oxfordshire in the early 1960s. So, as part of the new path establishment process, Martin Wood also started up Oxford Cryogenics to produce liquid helium. Again, critical new analytical knowledge required to do this was imported from Massachusetts embodied in capital equipment.

As the new pathway developed Oxford Instruments diversified into Nuclear Magnetic Resonance and Magnetic Resonance Imaging which is the basis of whole-body scanners. In 1989, Siemens introduced FDI to Oxford Instruments and made Oxford Magnetic Technology a joint venture company. The aim of this move was, in effect, to avoid lock-in and to generate ‘continuous improvement’ and innovation along the technological trajectory within Oxfordshire.

The company adopted the strategy of continuous innovation shown in Figure 3. From the perspective on new path creation adopted in this article, it highlights several key features. These include the importance of new analytical knowledge described as ‘state of the art science/technology’; the significance of seed and venture capital to commercialise ideas into products for which a market can be identified; and finally, the involvement of agents in the practical combination of these phenomenon following a thought through ‘strategy’.

Between 1962 and 1970, Oxford Instruments grew from 0 to 100 employees, and between 1971 and 1982 to 1300 employees. In 2003, additional FDI was introduced when OI sold OMT to Siemens making it a wholly owned Siemens subsidiary. This company currently makes more MRI Scanner Magnets than anywhere else in the World, has the most successful cryocooler technology flown in space, is the world leading source of ‘cryogen-free’ scientific equipment, and is the UK centre for import, distribution and use of helium. The evolution of the superconducting magnets pathway in Oxfordshire is summarised in Table 3.

**Table 3.**

The evolution of the superconducting magnet industry in Oxfordshire.

|  | **Superconducting magnets and cryogenics** |
| --- | --- |
| Initial conditions |  |
|  | Clarendon Laboratory for Physics opened in 1872, the oldest purpose-built physics laboratory in England.Long-standing interest in magnetism but huge power requirements usually limited experiments to night-time |
| Path creation processes |  |
| Scientists, scientific discoveries and development | Heike Onnes discovered superconductivity in 1911. Barden, Cooper and Schrieffer proposed microscopic theory of super conductivity. Berlincourt and Hake discovered alloys of niobium and titanium are suitable for high magnetic fields. |
| Local innovators | Martin Wood |
| New knowledge combinations | External international knowledge networks connected to analytical knowledge of superconductivity and cryogenics through working at Clarendon laboratory. Advances in analytical knowledge of superconductivity announced at conference on magnets at MIT in 1961. |
| Path establishment processes |  |
|  | Martin Wood started Oxford Instruments in 1959Oxford Instruments making superconductive magnets joined by Oxford Cryogenics producing liquid helium. Diversified into Nuclear Magnetic Resonance and Magnetic Resonance Imaging. Became wholly owned subsidiary of Siemens 2003 making more MRI Scanner Magnets than anywhere else in the world. |
| Path dependence outcome |  |
|  | Attempts to avoid lock-in by strategy of continuous innovation |
| Path dissolution |  |
|  | Not applicable in 2020 |

Source: Wood (2001).

**Analysis**

The historical evidence presented above shows that, in the case of Oxfordshire, and the three case study industries, new technological path creation was the result of interactions between three main phenomena. These were: The initial conditions prior to new path creation in each of the industries resulting from the local economic history of the area.The actions of the key innovators identified for each industry.Interactions between the innovators and other localities through their industry specific knowledge and commercial networks.

With respect to the initial historical conditions specific to the three industries, the long ***agricultural***, sheep farming and particularly woollen cloth making heritage contributed to the possibilities for new path creation in all three industries. ***Agriculture*** and woollen cloth making provided early opportunities for the private accumulation of capital which could be used as seed and venture capital in later related and unrelated industries. Previous involvement in the traditional domestic system of woollen blanket production supplied Wright and Early with the seed capital to establish their new water powered and mechanised mill near Witney. The Earl of Macclesfield, a local landowner, provided some of the seed capital for Morris to start assembly line production of motor cars in Cowley. The Clarendon laboratory was funded by a bequest from the 1st Earl of Clarendon, and subsequently received support from long-standing university land endowments some of which are located in Oxfordshire.

A second important initial condition was that all the three case study industries had related prior manifestations. Blankets had been made in the Cotswolds for decades using the domestic system of production. Morris was involved in the sale, hire and repair of other manufacturers’ cars. Research into and experiments with magnets had been conducted for decades at the Clarendon Laboratory. These prior manifestations provided the activities in general and the innovators in particular with national and international knowledge networks through which new inventions and discoveries made elsewhere could be identified.

These initial conditions were not unique to Oxfordshire. The domestic production system of woollen cloth making was found in the West Country, East Anglia and the North. Many cities had both bicycle manufacturing and garages selling and repairing the cars of the day. Most universities had good physics laboratories and research into magnetism. And yet in the majority of them radical innovations in cloth production, motor car manufacturing or superconductivity were not introduced. A key difference, in the case of Oxfordshire, was the chance event that Wright, Early, Morris and Martin were either born and bred in the county or were long-term residents there. In this particular respect the findings in Oxfordshire support the classic path dependence model emphasis on chance in the path creation process.

But, in addition to the chance of the key innovators all having been born, brought up or moved to Oxfordshire, once there, they made conscious decisions to develop or involve themselves in existing, sometimes long-term manifestations of industries or activities. One consequence of these involvements is that the new technological pathways that they created were started by branching processes. The new pathways were spun out of the existing domestic system in the case of mechanised blanket production; Morris Garages to static assembly line car production; and the Clarendon Physics Laboratory in the case of Oxford Instruments. These processes led to continued economic growth in Oxfordshire based on the creation of new firms, employment, Gross Value Added and exports.

The key action of the innovators studied in this article was to assemble new knowledge of inventions and discoveries made elsewhere and to commercialise them into radical new technological pathways in Oxfordshire. This knowledge was acquired through their national and international knowledge and commercial networks. These had been developed over the years because of their past activities.

The bunches of inventions and discoveries combined by the innovators were all made over considerable periods of time elsewhere in England, Europe and the United States. The carding and scribbling machinery brought to Witney by Early and Wright in 1808 had been invented in the North of England around the middle of the previous century. The engine technology and production techniques brought to Cowley by Morris in 1913 had been invented in Germany, France and the United States in the last quarter of the previous century. The discoveries in superconductivity combined by Wood in Oxford in 1959 had begun to emerge earlier in the century in Holland and the United States.

New synthetic, engineering knowledge of machinery and engines, and analytical, scientific knowledge of superconductivity was imported, by the innovators, into the Oxfordshire local economy, embedded in machinery and materials made elsewhere. National and international knowledge networks played a crucial role in how the innovators learned about these numerous and distant inventions and discoveries.

The three main phenomena noted above combined to create the new technological pathways and industries examined in this article. All three industries provide examples of evolutionary branching processes as they were related to and spun out of pre-existing local industries and activities. As with Kondratieff waves, however, the technologies and industries of one era were unrelated to those of successive eras. Indeed, a key feature of the theory is that each new long wave’s growth phase is stimulated by the introduction of radical new technologies and industries unrelated to those of the past. Thus, it is argued here, that while individual technologies and industries may follow path dependent trajectories to lock-in, national and local economies as a whole, can avoid lock-in and decline provided that a succession of new technologies and industries, unrelated to the past, are created there over time.

Over the two centuries or so covered by this research, two of the sample industries have followed path dependent trajectories. Blanket production continued with the same product in the face of foreign competition from low wage countries and declining demand. Over a century this led to lock-in and path dissolution. The motor car industry became locked-in to poor management, labour relations and outdated production systems. It was essentially unable to compete with foreign competition, especially from newer entrants in low wage countries. It was flirting with path dissolution until a new trajectory was created by the introduction of FDI. The pathway was renewed by transforming the remaining factory into one of the most automated plants in the world. This allowed it to compete on better than equal terms with the newer entrants in low wage countries and elsewhere. FDI was also added to magnetic technology during its growth phase. In addition, the new company also recognised the need for continual innovation in order to avoid path dependent outcomes. As a result, it adopted the strategy of continuous innovation outlined in Figure 3.

**Figure 3.**

Continuous innovation strategy: Oxford Magnet Technology. Source: Audrey Wood (2001, p 210).

**Summary, conclusions and policy**

Classic path dependence theory argues that chance and serendipity lead to the creation of new technological pathways in the first instance. In contrast, it has been argued here that new technological pathways are created by the mindful deviation of reflexive agents within the context of initial sets of conditions. These agents bring together previously scattered inventions and discoveries and commercialise them in the form of radical new innovations. These interactions are facilitated by their knowledge and commercial networks. It is accepted, however, that some chance and serendipity are still involved in whether and where such new technological pathways emerge.

In the case of Oxfordshire, the main element of chance involved in the creation of the sample of new technological pathways studied was that the key innovators were either born and bred or long-term residents of the County. Comparable initial conditions to those found in Oxfordshire existed in other localities during the relevant eras but did not, on their own, lead to the emergence of radical new technologies and industries.

Kondratieff wave theory argues that every 50 years or so economies tend to proceed through a four-phase cycle of prosperity, recession, depression and recovery. So far, during the recession and depression phases of this cycle, radical new technologies have emerged that have driven recovery. The development pathways of these new technologies tend to follow an upward sloping S shaped curve from their creation through development and diffusion to maturity. During the latter stages of this development technologies can become locked-in which can eventually lead to their dissolution. Other things being equal, this can also lead to the decline of the local economies in which they are located.

In Oxfordshire, a succession of new technological pathways unrelated to those of previous eras has been created before lock-in and path dissolution of older technologies has taken place. These new pathways have overlapped chronologically but are technologically and industrially unrelated to each other. In the case of motor cars, an industry in terminal decline has been renewed using FDI to overhaul its technological base, management and labour relations. In the case of magnet technology, the need for continual innovation has been recognised and enshrined in firm strategy.

One line of argument in evolutionary economic geography, noted above in the section on theory, is that radical innovations lead to urban growth as a result of branching processes from existing industries. In this argument, branching takes the form of spinouts from existing industries or activities, or the creation of new divisions within existing industries. For these processes to take place some existing firms are needed from which branching can take place. This points to the significance of initial historical conditions prior to the creation of new technological pathways.

In Oxfordshire, there were prior versions or manifestations of all three case study industries from which evolutionary branching took place. Mechanised blanket manufacturing was spun out of the previous domestic system of production. Morris Motors was spun out of the Morris Garages. Oxford Instruments was spun out of magnetic research at the Clarendon Laboratory. Over time, they led to urban and GVA growth at and from Witney, Cowley and Eynsham, respectively. They also developed into major exporting industries contributing to the export base of the county.

The significance of knowledge with respect to innovation and the creation of new technological pathways in geographic space is recognised in DKB theory. Research based on this theory has shown that different types of knowledge are combined in different degrees in different industries. Furthermore, the new knowledge creation process is increasingly reliant on forms of networks and innovation systems.

In Oxfordshire, the significance of knowledge networks in facilitating the creation of new technological pathways was demonstrated in all three case study industries. None of the key inventions or discoveries that provided the new knowledge employed by Oxfordshire’s innovators were invented or discovered in the County itself. As a result, the recognition and acquisition of this new knowledge relied on the sector specific networks of the key innovators.

The type of knowledge base required by innovators in the different industries also changed over time. At the beginning of the C19th synthetic, engineering knowledge of the simple new wool spinning, and weaving machinery was required. By the start of the C20th more complex synthetic knowledge underlying the petrol engine and precision engineering was needed. In the following century more sophisticated combinations of synthetic engineering, analytical scientific and symbolic design forms of knowledge were required as the bases for motor car production. Finally, the production of superconducting magnets was based on extremely sophisticated, Nobel Prize winning, analytical physics.

These conclusions suggest at least three main problems for policy. The first is how to reduce the element of chance in whether or not innovation takes place at all. The second is how to encourage ongoing initial conditions that are conducive to innovation. The third is how to build networks to changing local and international knowledge bases.

Since the 1960s, in Oxfordshire, attempts to address these problems have focused on the development of the local innovation system. In the early days, the rich local knowledge base including universities, government laboratories and hospitals tended to operate as a collection of relatively separate entities. Commercial spinouts from their research were almost unheard of. This changed very slowly until the 1980s. Change accelerated after the foundation, in 1985, of the Oxford Trust by the then Sir Martin and Lady Audrey Wood. Its mission was ‘to encourage the study and *application* of science and technology’ (emphasis added). The Trust has been a key demonstrator of the benefits of providing conditions that encourage innovation and a significant animateur in stimulating the development of a networked and collaborative local innovation system in Oxfordshire. The main purpose and function of this system is to generate continuous innovation in the local economy.

The conscious development of the local innovation system seeks to reduce the element of chance in new technological path creation by encouraging multiple local innovators to spinout new firms based on their personal research and knowledge. The system is tolerant of failure because it is not so dependent on the success of single heroic innovators as in previous eras.

The system also creates initial conditions that are much more conducive to and focused on innovation than existed in previous eras. These include physical space, such as incubation units, innovation centres, and science parks devoted to innovation. They also include professional and financial services that specialise in assisting and promoting innovation.

Finally, the system aims to network and commercialise the rich local knowledge base. One of the main aims of these activities is to develop channels of technology transfer from local research and development that lead to the formation of new firms. Again, these actions are tolerant of failure because multiple new firm formation means that as long as some of them succeed there is a continual flow of new technological path creation into the local economy.

Some of these new technologies and firms may follow the classic trajectory towards path dependence. But this problem is increasingly recognised at the firm level and addressed by adopting strategies of continuous innovation. At the system and local economy level, path dependence can be avoided by the continual creation of new technological pathways and firms. As long as the rate of new firm birth and growth is greater than the rate of old firm decline and death then lock-in and path dissolution for the local economy as a whole can be avoided. The conscious achievement of this dynamic balance is a key function of the local innovation system.

**Notes**

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[***Australia politics live: emergency warning issued for Perth blaze as city and WA's south-west enter Covid lockdown***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:61WT-07C1-DY4H-K03M-00000-00&context=1516831)

The Guardian (London)

January 31, 2021 Sunday 8:53 PM GMT

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**Section:** AUSTRALIA NEWS; Version:24

**Length:** 15931 words

**Byline:** Mostafa Rachwani (now) and Amy Remeikis (earlier)

**Highlight:** Authorities warn of imminent threat to lives and homes in fire; Scott Morrison gives first major speech of 2021; much of Western Australia shut down. Follow the latest updates, liveMedia companies plead guilty to breaching Pell suppression orderPM lays out vaccine rollout planMuch of WA goes into five-day lockdown after hotel guard tests positivePerth and regional WA Covid hotspot locations ; NSW Covid hotspotsFollow our global coronavirus live blog

**Body**

block-time published-time 8.02am GMT

End-of-day summary

And, breathe. That's all for today, so here is a summary of everything that's gone down today:

* Western Australiarecorded no new Covid cases overnight, with premier Mark McGowanalso locking down fly in, fly out mine workers.

1. Scott Morrisonannounced that the government aims to have Australians vaccinated by October. The prime minister gave his first major address of the year, also refusing to condemn Craig Kelly for sharing misinformation.
2. Media companiespleaded guilty to contempt regarding the George Pell case as other charges were dropped. In return, the prosecution will withdraw other charges against individuals and their employers.
3. Collingwood president Eddie McGuire says " we're not a racist club " after a report finds "structural racism" at Collingwood.
4. Foreign affairs minister Marise Payne issued Australia's official response to the political situation in Myanmaar, saying the government is "deeply concerned" and calling on the military to "respect the rule of law".

Finally, in light of changing border rules with Western Australia, if you intend to travel interstate this week, please take a quick look at the list of [*WA hotspots*](https://www.theguardian.com/world/2021/jan/31/covid-hotspots-western-australia-list-of-perth-and-regional-coronavirus-case-locations) and [*state-by-state restrictions*](https://www.theguardian.com/australia-news/2021/jan/27/australias-state-by-state-covid-restrictions-and-coronavirus-lockdown-rules-explained).

block-time updated-timeUpdated at 8.06am GMT

block-time published-time 7.41am GMT

Queensland's checkpoints along the NSW border have been taken down in record time, as the state once again opens its borders.

It took less than 24 hours for the checkpoints to be taken down, with Queensland open to all of NSW from early this morning, after a six-week lockout.

Chief superintendent Mark Wheeler welcomed the move and hoped it would relieve some staffing pressure at Gold Coast police stations.

There is a sense of relief again, certainly a sense of happiness about it. No doubt there will be many people from the greater Sydney area who can be reunited with families.

A lot of people would not have been able to spend Christmas and New Year together, so hopefully they can make up for some of that now.

block-time updated-timeUpdated at 7.44am GMT

block-time published-time 7.27am GMT

An interesting discussion out of South Australia now, where the chief public health officer has floated the idea of keeping QR check-ins after the pandemic.

Dr Nicola Spurrier told the Sunday Mail that she would like to see QR codes maintained as a safety net for any future pandemic.

You can imagine if and when Covid resolves, it would be hard to convince people to have the energy to keep scanning in, but certainly it is a total game-changer for our contact tracers.

However, the idea hasn't been met with much enthusiasm, with Liberal senator for South Australia Alex Antic [*telling the ABC*](https://www.abc.net.au/news/2021-02-01/thought-bubble-to-retain-qr-codes-draw-fire-in-south-australia/13108786) the idea was "a thought bubble" that needed to be "nipped in the bud early".

I think we have to be very careful and very considered about rolling them back as soon as we can ... when the time is safe and it's reasonable to do so.

Earlier this year, police commissioner Grant Stevens also reassured the public that they would not remain in place beyond their original purpose.

block-time updated-timeUpdated at 7.30am GMT

block-time published-time 7.14am GMT

And now we need to discuss how to deal with glasses fog, especially in the wake of mandatory mask rules.

As a fellow glasses-wearer, I have always found it difficult to deal with this. My dodgy solution was to bend the mask at the nose and put my glasses on top, but it means I always look like I'm judging something.

But Elias Visontay dug into the issue, and has presented his guide to anti-fog solutions:

Related: [*Fog off! Which anti-fog glasses treatments work when wearing a face mask?*](https://www.theguardian.com/lifeandstyle/2021/feb/01/fog-off-which-anti-fog-glasses-treatments-work-when-wearing-a-face-mask)

block-time updated-timeUpdated at 7.16am GMT

block-time published-time 6.55am GMT

The head of the Australian Medical Association in Western Australia has called on the state government to expand its testing capacity to ensure it gets on top of any potential outbreak.

Dr Andrew Miller welcomed the state's announcement of no new cases today, but said people needed to be tested more efficiently and beyond 10pm.

It was a disappointment to us that testing did not continue through the night - we think that would have been a good option for a lot of people to avoid the heat today.

But hopefully the government can improve its surge capacity because we really need to get our numbers quite high in order to be sure that these zero results that we're getting are a true representation of risk in the community.

Miller said the yesterdays testing numbers of 3,000 were "a great start" but that the next five days would give authorities a clear sense of what they were dealing with.

We're hoping for donut days throughout the week - all zeros - and then perhaps that will be enough that we'll know by then if we're looking at a cluster or clusters that could require a longer period of time. Because we know that each cluster generates about three weeks' worth of cases before it is able to shut down.

block-time updated-timeUpdated at 7.09am GMT

block-time published-time 6.43am GMT

Australian house prices continue rise

House prices have continued to increase across the country, apparently driven by first-home buyers.

The Australian Bureau of ***Statistics*** has said new owner-occupier home loan commitments surged 8.7% in December, 38.9% higher than a year earlier.

AAP has the story:

Home loans continue to grow at a record pace, driven by enthusiastic demand from first-time buyers even as housing prices hit new highs in the first weeks of 2021.

The risk of an overheating housing market may raise concerns for the Reserve Bank down the track.But economists do not expect it will be making any short-term changes to monetary policy when its board meets for the first this year on Tuesday.

The Australian Bureau of ***Statistics*** said the value of new owner-occupier home loan commitments surged 8.7% to $19.9 billion in December, 38.9% higher than a year earlier.

The number of owner-occupier first-home buyer loans rose 9.3%, a 56.6% rise since December 2019.

The ABS head of finance and wealth, Amanda Seneviratne, said:

Federal and state government measures, such as homebuilder, and historically low interest rates are supporting ongoing growth in housing loan commitments.

Demand for mortgages from first-home buyers is now at its highest level since June 2009, when similar rapid growth was triggered by the temporary tripling of a first-home owner grant to help combat the global financial crisis.

Separate figures show house prices across the nation rose by a further 0.9%in January and now stand 0.7% above the previous September 2017 peak.

Regional property values grew at twice the pace of capital city housing markets, with the divergence more notable in Sydney and Melbourne, which are suffering from the lack of overseas migration.

CoreLogic research director Tim Lawless said:

Better housing affordability, an opportunity for a lifestyle upgrade and lower density housing options are other factors that might be contributing to this trend, along with the newfound popularity of remote working arrangements.

New job advertising figures suggest further employment gains in the first half of 2021 are likely.

The ANZ jobs ads series rose 2.3%in January, the eighth consecutive monthly increase, and are now at their highest level since April 2019.

At the same time, manufacturers have used the usually quiet year-end holiday period to make up for the business lost over 2020 during the recession.

The Australian Industry Group performance of manufacturing index increased by 3.2 points over the past two months to 55.3 points, indicating the sector is expanding.

Demand for mortgages from first-home buyers is at its highest level since June 2009. Photograph: Dan Himbrechts/AAP

block-time updated-timeUpdated at 7.11am GMT

block-time published-time 6.29am GMT

The federal opposition has flagged it may challenge the categorisation of gig workers as independent contractors.

Opposition industrial relations spokesman Tony Burke told Sky News earlier today that gig economy staff were being paid below minimum wage.

Right now we have third-world working conditions in a first-world country - that can't be allowed to go on.

Someone driving their own heavy vehicle, they've got a mortgage over it, they employ someone to do the bookkeeping - there is no doubt that they're an independent contractor.

I just don't accept for a minute that the visa worker with a second-hand bike, racing and running traffic lights trying to make ends meet, has that sort of strength, that sort of independence.

Opposition leader Anthony Albanese is expected to unveil new industrial relations policies in a major speech next week.

block-time updated-timeUpdated at 6.34am GMT

block-time published-time 6.12am GMT

Perth blaze threatens lives and homes

An emergency warning has been issued for an out-of-control and unpredictable fire in north-east Perth.

enltr01:19 PM -Bushfire EMERGENCY WARNING for parts of WOOROLOO in SHIRE OF MUNDARING: [*https://t.co/ZSEIQCTb4B*](https://t.co/ZSEIQCTb4B)

- DFES (@dfes\_wa) [*February 1, 2021*](https://twitter.com/dfes_wa/status/1356110032199245827?ref_src=twsrc%5Etfw)

The alert is for parts of Wooroloo in the shire of Mundarig, and the fire is heading in a north-easterly direction, towards Toodyay Road.

The blaze has already set some buildings alight, with authorities saying there is an imminent threat to lives and homes.

For people east of Bailup Road, it's too late to leave. For people West of Bailup Road, if you are not prepared or you plan to leave, leave now if the way is clear by travelling north along Bailup Road or Mayo Road.

block-time updated-timeUpdated at 8.01am GMT

block-time published-time 6.06am GMT

Good evening, everyone, and a quick thanks to Amy for expertly guiding us through the day's news.

I'll be with you through the evening, and there is still much to get through, so let's dive in.

block-time updated-timeUpdated at 6.08am GMT

block-time published-time 6.04am GMT

The party leaders are at the traditional Last Post ceremony ahead of the parliamentary sitting.

Tomorrow, they will head to Church for the traditional service before parliament.

Then parliament will sit - until Thursday.

In the meantime, Mostafa Rachwani will take you through the evening. I will be back tomorrow morning for all your parliamentary needs. Let me know if there is anything you want to know ahead of the parliamentary year - you can find me [*here*](https://twitter.com/AmyRemeikis) or [*here*](https://www.instagram.com/pyjamapolitics/). I'll do my best to answer your questions.

Until then - take care of you.

block-time updated-timeUpdated at 6.41am GMT

block-time published-time 5.50am GMT

An ASX-listed mining company that is pursuing projects in Myanmar has gone into a trading halt after its shares fell nearly 18% on news of the country's army [*seizing control and detaining*](https://www.theguardian.com/world/2021/feb/01/aung-san-suu-kyi-and-other-figures-detained-in-myanmar-raids-says-ruling-party) key ruling party leaders including Aung San Suu Kyi.

Myanmar Metals, a Perth-based company, wrote to the ASX on Monday to request an immediate trading halt "pending an announcement regarding the political situation in Myanmar".

When approached by Guardian Australia for comment, the company responded with the following statement:

Myanmar Metals Limited is closely monitoring the unfolding events in Myanmar and hopes for a quick and peaceful resolution. Our priority is the safety of our people in Myanmar. We intend to provide an update to our shareholders once we have enough information to do so.

The developments come just days after Myanmar Metals announced the start of drilling as part of the Bawdwin joint venture exploration project, in which it has a 51% interest.

Figures published by the Department of Foreign Affairs and Trade indicate Australian goods exports to Myanmar were worth $162m in 2018, led by wheat and medical products. The same year, Australia imported $42m in goods from Myanmar, including travel goods and bags, seafood and clothing.

Earlier today, the Australian prime minister, Scott Morrison, described the military's attempt to seize control as "rather disturbing developments". The foreign minister, Marise Payne, also expressed deep concern and called on the army to respect the rule of law and release detained civilian leaders.

block-time updated-timeUpdated at 5.53am GMT

block-time published-time 5.30am GMT

Labor's Jenny McAllister is asked the same question about Craig Kelly and his vaccine conspiracy theories and misinformation:

It's baffling to me that the prime minister won't make it clear he disapproves of Craig Kelly's behaviour.

Mr Kelly is afforded a privileged position as a preselected member of the Liberal party, as a member of the Australian parliament.

I don't think it should be beyond Mr Morrison to say very clearly what Mr Kelly is saying is wrong and dangerous and people in the community should not listen to him.

Generalised warnings, pointing people to websites is not enough. Mr Kelly is a member of Mr Morrison's party room. Surely Mr Morrison can find it within himself to have an opinion about the wrong and dangerous ideas espoused by Mr Kelly.

block-time updated-timeUpdated at 5.36am GMT

block-time published-time 5.28am GMT

Dr Katie Allen pivots from "we all need to be on the same page" when it comes to vaccines, to "debate is fine".

Allen:

I don't know the detail - I don't follow him [ Craig Kelly ] on Facebook.

What I do is speak to my colleagues about what think is the right evidence-based expert-informed approach and I've been very clear with that, speaking to my colleagues inside the tent, and I will continue to do that.

The most important thing is that the Australian people understand, trust, and respect the government's information that is on the website, the authorised websites, the authorised information, and obviously people can have differences of opinions about things.

I would say that as a doctor, I dealt with lots of people who come to me and say, 'I don't believe X, Y, and Z'. It's not my job to say you are not right. My job was to point them in the direction, the right direction for them to make the decision that was right for them.

And I continue to do that. I mean, the point about debate is that we need to have a respectful debate and there are people in the community, let's put aside federal members of parliament, there will be members of the community who have different opinions.

I would say very clearly that vaccines are the way to go with regards to this pandemic globally. And that, as a government, we are partnering with people to provide clear, concise and effective information, in a calm and considered way.

There will be always be people in the community, concerned rightly or wrongly, about different aspects of government recommendations. It's important we continue to have the conversation, have the debate, and partner with people to make sure they can make the decisions that are right for them.

block-time updated-timeUpdated at 5.35am GMT

block-time published-time 5.27am GMT

Liberal MP Katie Allen, who was a doctor before entering parliament, is asked by Patricia Karvelas on the ABC whether MPs like Craig Kelly should "zip it", given the misinformation he peddles on his social media.

It goes as well as you can expect.

Allen :

The most important thing is health advice from the government websites and not from Facebook is the place to go. And I think it's really important that there's a lot of information out there, and we want to direct people to the right information. As a doctor, I say don't get your information from Facebook, you try to get it from the authorised websites. That's what I stick with.

PK: OK. But you have got MPs in your own government providing the wrong advice. What is your message to them?

Allen:

My message is, please, we need to be all on the same page with regards to particularly this vaccine rollout. We want Australians to know they're in safe and certain hands. And that we are partnering with the Australian people with information as it comes to light, so they can balance the risks for themselves and make the decisions that are right for them.

PK: OK. So does that - does that mean those MPs, I'm talking about Craig Kelly here, specifically, they should maybe zip it?

Allen:

It's up to individual constituents to make decisions.

PK: But that's in the next election. This is a vaccine rollout. Should he be - should he be silent instead of giving misinformation about these issues?

Allen:

Well, I don't follow individual MPs' Facebooks.

block-time updated-timeUpdated at 5.33am GMT

block-time published-time 5.15am GMT

For those following along with the Victorian Labor audit:

enltrVic Labor's audit has wrapped up. Jenny Macklin says more than 1800 non-genuine members have been kicked out and "referred two of what we believe to be the most serious cases to the Party's internal Disputes Tribunal for alleged breach of branch stacking rules" [*@abcmelbourne*](https://twitter.com/abcmelbourne?ref_src=twsrc%5Etfw)

- Richard Willingham (@rwillingham) [*February 1, 2021*](https://twitter.com/rwillingham/status/1356107983348924420?ref_src=twsrc%5Etfw)

block-time published-time 5.12am GMT

Paul Fletcher says there are other search engines which would be happy to fill Google's gap, if the tech giant decides to pull out:

This is a potential commercial opportunity for other providers of search.

While Google has a very high market share in search in Australia, there are other providers.

If Google were to exit, if they were to make that decision, I emphasise it's not something the government is calling for or encouraging, it's something they have put on the table, if that were to happen, then there are other providers in the market and we could expect this would be an attractive commercial opportunity for other players to expand their presence here, to develop their product here.

But look, we've got a long way to go. We've got a thorough process to continue to work through, we've got - we need to wait and see what recommendations the Senate committee makes after it completes its inquiry, and then of course we need to take the legislation through the House of Representatives and the Senate so this is a continuing process.

block-time published-time 5.10am GMT

For those in WA:

enltrInbox: The Morrison Government will lift mutual obligation requirements for job seekers in the Perth Metropolitan, Peel and South West regions from today 1 February 2021 to Tuesday 9 February 2021.

- Luke Henriques-Gomes (@lukehgomes) [*February 1, 2021*](https://twitter.com/lukehgomes/status/1356107003760758786?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 5.10am GMT

block-time published-time 5.08am GMT

Paul Fletcher is the guest on ABC's Afternoon Briefing, where he is talking about Google's threats to pull its search out of Australia if the media code goes ahead:

Well, we know that big tech companies do make these threats from time to time. They don't always follow through.

What we have been doing consistently is working through a structured public policy process, based upon the digital platforms inquiry conducted by the ACCC over about 18 months - very evidence-based - and we have worked through the development of the code, several drafts, introduced into the parliament in December last year.

Of course we have a Senate inquiry going on, with the hearing today, in fact - that's the second day of hearings - so we've gone through a thorough and careful process. What Google and Facebook say they intend to do is really a matter for them.

We made it clear we very much prefer them to stay in Australia, they're an important significant part of the ecosystem, but ultimately these are business decisions. We'll make a public policy decision on the merits, based on the market power and the competition issues.

block-time updated-timeUpdated at 5.13am GMT

block-time published-time 4.58am GMT

Mike Bowers has been out and about today - he just got back to the office, so here is some of how he saw the day.

Over lunch: Scott Morrison and Josh Frydenberg at the National Press Club. Photograph: Mike Bowers/The Guardian

When the moon hits your eye...

The prime minister. Photograph: Mike Bowers/The Guardian Jim Chalmers and Mark Butler head to a press conference in Parliament House. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 5.56am GMT

block-time published-time 4.42am GMT

Mark McGowan says he thinks it is a "reasonable" precaution for teachers to prepare learn-at-home lessons.

block-time updated-timeUpdated at 4.53am GMT

block-time published-time 4.38am GMT

Back to Mark McGowan, the WA premier is giving out the timeline for the security guard who was infected:

The earliest he could have become infectious was the 25th. He developed some symptoms on the 28th and phoned in sick. The next day, he went on the 29th to the GP clinic to get himself analysed.

The following day after that, the 30th, he was tested at a clinic and obviously we got the results late, midnight on the 30th.

As to what he was advised when he called in sick, I don't know.

All we would say about that is sometimes the symptoms are not what you might think. Someone might have diarrhoea and be positive when you think the symptoms might be respiratory. Sometimes you might feel unwell, you might have a headache and think it relates to something else when it is actually Covid.

block-time updated-timeUpdated at 4.44am GMT

block-time published-time 4.35am GMT

Eddie McGuire says Collingwood club wants to fight racism

Eddie McGuire opens a press conference to address the report into a culture of systemic racism at the club by saying today is "an historic and proud day for Collingwood".

He says:

We have decided as a club that this fight against racism and discrimination is where we want to be.

We make mistakes, we learn, we strive to be better. We'll continue to do our best to be a leading light in our community.

To recap, an independent report conducted by a distinguished professor, Yuwaalaraay woman Larissa Behrendt, found Collingwood has a problem with structural racism that its senior leadership must address and it should publicly make amends to those who have paid a "very high public price" for speaking out about it.

McGuire, as president of the club, has come under pressure to stand down from his role, but it doesn't look like today is the day for that to happen.

The presser is ongoing.

More to come.

Eddie McGuire at a Collingwood match last week. Photograph: Daniel Pockett/AFL Photos/Getty Images

block-time updated-timeUpdated at 4.52am GMT

block-time published-time 4.32am GMT

Mark McGowan also confirms that authorities are still working out which person in hotel quarantine the security guard contracted Covid from. They aren't sure it is the more contagious UK strain, but are still warning it is a strong possibility. They are acting as if he does have the more contagious strain.

block-time updated-timeUpdated at 4.36am GMT

block-time published-time 4.26am GMT

Mark McGowan is asked to respond to Peter Dutton's criticism of the WA lockdown.

I had not thought about Peter Dutton in this context. I know the prime minister and the federal health minister agree with what we have done, and they said that publicly. So the prime minister is on the same page with us and I appreciate his support.

In relation to Mr Dutton, I want to make this point: he is the minister for home affairs. They have the responsibility for quarantine under the constitution. But he does not want to do that.

So, therefore, it has fallen to the states to perform the role that Mr Dutton should be performing under the constitution. So he should not be criticising when we are doing the task he should be performing.

Under the constitution, section 15 quarantine, it is the responsibility of the commonwealth. Defence bases, Christmas Island, sometimes very remote places, and they are not doing it and refused to do it, so therefore the state is doing it. So I urge Mr Dutton not to be a critic.

Mark McGowan says Peter Dutton 'should not be criticising when we are doing the task he should be performing'. Photograph: Richard Wainwright/AAP

block-time updated-timeUpdated at 4.33am GMT

block-time published-time 4.21am GMT

We knew this already, but it has now been confirmed - daily tests for hotel quarantine workers in Perth only started on January 29.

Before that, it was once a week. So it is a six day window that authorities are dealing with.

Police commissioner Chris Dawson says he does not want to see the security guard being treated like a criminal:

We have had him voluntary come forward and yes, we have questions on the timings of all that so he's cooperating and police are trained to investigate and we do this daily. This will complement the work being done and we do not want to discourage other people from coming forward for testing.

It is really important for public confidence that we know. The premise behind this [investigation] is to establish what has caused the infection to occur, can we strengthen [quarantine] it further? It is not for the purposes of finding guilt.

block-time updated-timeUpdated at 4.23am GMT

block-time published-time 4.13am GMT

The G2G pass is being reinstated in WA for domestic travel. The QR codes linked to it should be up and running soon. [*You can find the application and the information, when its all ready, here*](https://www.g2gpass.com.au/).

block-time updated-timeUpdated at 4.21am GMT

block-time published-time 4.07am GMT

Masks are required everywhere, including in offices.

The WA police commissioner , Chris Dawson, says:

The rule is, if you're outside your own home, the only time that you can't, or are permitted to be about in the community, is if you are the sole occupant driving a vehicle or if you are exercising and swimming at the time. If you are exercising without swimming, if you are walking, jogging, you must wear a mask.

Children under the age of 12 do not have to wear a mask at any time.

What we would complement the public health advice with is if you want to act responsibly as a parent and your children are able to wear a mask, it's a good example. And while they don't need to, if you're able to and the children are willing, wearing a mask is a good thing.

If you go to work, you must wear a mask at your workplace. That is important in terms of limiting the spread, even in your own office. The way police are approaching this is that we understand that not everyone in the community has yet gotten a mask right now.

There is a large supply of masks available. It's a big adjustment, we understand, for the West Australian community but we are confident. And I've been out in the community, late last night and early this morning, and I've seen all people wearing masks and we thank you all for that.

block-time updated-timeUpdated at 4.17am GMT

block-time published-time 4.05am GMT

The Western Australian government is also locking down fly in, fly out mine workers.

Mark McGowan:

If you must work, and you cannot do it from home, you may leave home, but it has to be for an essential purpose.

We have communicated with all companies that no one should be leaving Perth, Peel or the south-west regions to fly to a mine site this week, with some limited exemptions, especially for specialists required to keep [the mine] operating.

We are asking everyone to do the right thing here.

block-time updated-timeUpdated at 4.19am GMT

block-time published-time 4.01am GMT

During the WA lockdown, you will also have to scan in while picking up food to take-away.

Basically, if you head out, you have to scan in where you go.

block-time updated-timeUpdated at 4.03am GMT

block-time published-time 4.00am GMT

Mark McGowan moves on to movement within WA:

In terms of travel around the state, as you know the Perth metropolitan area, the Peel region, and the south-west region are now in lockdown. Anyone in these regions should not leave during the lockdown period.

People can enter Perth, Peel or the south-west only to access or deliver essential health and emergency services, and other essential requirements, [then] to return to their home.

WA police have established seven checkpoints in the Perth area, and another eight in the regions.

Residents currently in Perth, Peel and the south-west are required to remain until the end of the restriction period, unless you meet an exceptional circumstance. Police will ask you to simply justify why you need to be out and about during the lockdown.

If you need to travel between regions, please ensure you have a supporting evidence, such as a letter from your employer, or evidence or a medical employment. For the purposes of this lockdown, like we did early last year, Perth and Peel are treated as one region.

People who need to travel for one of the four reasons can do so between both and Peel. A G2G pass system for these regions is in development and expected to be rolled out later today. This will be like when we had regional travel restrictions.

We have been here before, we know what is required and are getting it done. I also want to clarify a few things from overnight. Overall the message from everyone is to stay home.

block-time updated-timeUpdated at 4.05am GMT

block-time published-time 3.57am GMT

The list of locations visited by a confirmed case in WA can be found at [*the Healthy WA website, here*](https://www.healthywa.wa.gov.au/Articles/A_E/Coronavirus/Locations-visited-by-confirmed-cases).

block-time updated-timeUpdated at 4.05am GMT

block-time published-time 3.55am GMT

As Perth festival anxiously awaits an update from premier Mark McGowan on the five-day lockdown due to Covid-19, the event's spin-off festival, Fringe World, has already moved to cancel dozens of shows over the next week.

The major festival is due to open on Friday, but Fringe World has been running since 15 January and was not scheduled to close until 14 February.

The scale of Fringe World is enormous: hundreds of shows staged across more than 150 venues.

Last year's festival recorded an audience of more than 800,000.

In December the event became mired in controversy after it emerged that [*artists and promoters were being asked to sign contracts*](https://www.theguardian.com/culture/2020/dec/18/perths-fringe-festival-under-fire-for-gag-order-clause-in-artist-contracts) agreeing not to protest against or make disparaging comments about the event's sponsor, fossil fuel giant Woodside.

A statement issued on Monday by the fringe festival's organiser, Artrage, said ticket holders for events over the next five days would receive full refunds. It was hopeful shows would resume on Friday.

block-time updated-timeUpdated at 3.59am GMT

block-time published-time 3.54am GMT

Western Australia records no new Covid cases

The WA premier, Mark McGowan, is holding his press conference:

Overnight Western Australia has recorded no further local cases of Covid-19. To repeat, no new local cases of Covid, and no new overseas cases in hotel quarantine.

Yesterday, 3171 tests were conducted at a public Covid clinics.

A majority of these tests were done in the afternoon and evening, and normally we would only have about 500 tests on a Sunday.

So that increased number is welcome. We need to get more tests done and I will talk about that shortly. There has been extensive testing of the close contacts of the contacts of the positive case and that will continue.

Those contacts have tested negative. Of those, 11 high risk contacts have been moved into high hotel quarantine as extra precaution. In total to date we have identified 66 close contacts, all of which have been tested, or will be today, will in quarantine.

block-time updated-timeUpdated at 4.00am GMT

block-time published-time 3.52am GMT

Jim Chalmer s and Mark Butler are holding their press conference, in response to Scott Morrison's speech.

Chalmers:

If this government wasted less money on those rorts, they would have more money to help people in this country who are still struggling... Today at the press club he had the opportunity to set out what he would do for those 2 million Australians who cannot find a job or who cannot find enough hours to support their loved ones, all of those millions of Australians who cannot get ahead because wages were stagnant before and they are especially stagnant now, this was his opportunity today and he missed.

He also had an opportunity today to say something meaningful about cleaner energy and about net zero emissions by 2050. He missed the opportunity today to commit to net zero commissions by 2050, he missed the opportunity to say unequivocally that we will provide the jobs and opportunities which will flow from that commitment.

He missed an opportunity to join with 120 countries, all of the states... the business communities, the unions and organisations and others, who have all made a commitment to net zero emmissions - because they understand something the prime minister does not: net zero emissions is all about jobs and opportunities for Australians.

For as long as this prime minister continues to play party room POS politics over cleaner and cheaper energy, Australia will be denied those opportunities and increasingly isolated in the international community.

block-time updated-timeUpdated at 4.11am GMT

block-time published-time 3.30am GMT

Media companies to plead guilty to breaching George Pell suppression order

Media companies will plead guilty to breaching a suppression order in relation to 2018 reporting on the trial verdict of George Pell, with other charges against the companies, and all charges against individual reporters and editors, to be dismissed.

The supreme court has just heard that the Victorian director of public prosecutions will withdraw the vast majority of charges against 27 companies and individuals. Charges of sub judice contempt have also been dismissed against all the media companies.

It is a significant development in the trial, which is continuing this afternoon. The [*trial had been set to run*](https://www.theguardian.com/media/2021/jan/30/pell-contempt-case-journalists-under-scrutiny-after-27-charged-over-verdicts-coverage) for another fortnight.

The guilty plea from media companies including News Corp and Nine Entertainment relate to publications in some of Australia's most prominent newspapers and websites, including the Daily Telegraph, the Herald Sun, the Age and the Sydney Morning Herald.

Cardinal George Pell outside court in Melbourne in February 2019. Photograph: Andy Brownbill/AP

block-time updated-timeUpdated at 7.45am GMT

block-time published-time 3.19am GMT

Sarah Hanson-Young has laid out the Greens' demands for support for the government's proposed media code:

The Greens will be seeking amendments to the bill that:

* Require news organisations to spend the revenue from the code on resourcing public interest journalism

1. Require the 12-month review of the code to report on the impact that the code is having on small, independent and start-up publications

In addition to these amendments, the Greens are calling on the government to commit to establishing a permanent public interest news gathering trust, a proposal put forward in the recent media reform green paper.

block-time updated-timeUpdated at 3.21am GMT

block-time published-time 3.18am GMT

Christian Porter has responded to the donations disclosures by pointing out how much Labor receives from the union movement, drawing these conclusions:

The latest figures put beyond any that doubt who calls the shots of Anthony Albanese and the Labor party.

Political donation ***data*** released by the Electoral Commission shows that in 2019-20, unions provided almost $5m to Labor.

Attorney general and minister for industrial relations Christian Porter said:

At a time when Australians most need cooperation rather than partisan politics, not even a global pandemic has slowed down or caused any rethink at all to the massive amounts of money the union movement has funnelled to its mates in the Labor party.

Surely that money would have been better spent with a focus on the real and immediate needs of workers during the last year.

At a time when union members are most in need of practical assistance, the unions still seem to be focused on business as usual - transmitting of huge amounts of membership fees to Labor politicians. That there are better ways to spend money for workers benefit during a pandemic is evidenced by the fact that at the same time millions in membership fees goes direct to Labor and political campaigning, the ACTU continues to ask government for funding to support awareness campaigns for workers. How does that work?

It's some galaxy brain stuff, when you consider how much the private sector has donated to Porter's own side of politics.

Because the counter-factual to this argument can only be that if unions are calling the shots for the Labor party, because of their donations, which could have been better spent on workers, then the private sector companies - such as Anthony Pratt's Pratt Holdings, which donated $1.55m to the Coalition - have to be privy to the same arguments, right?

Related: [*Liberals handed back $33,800 from Lebanon-based firm, political donation disclosures show*](https://www.theguardian.com/australia-news/2021/feb/01/liberals-handed-back-33800-from-lebanon-based-firm-political-donation-disclosures-show)

block-time updated-timeUpdated at 3.24am GMT

block-time published-time 3.02am GMT

Jim Chalmers and Mark Butler will be responding to Scott Morrison's speech in just a moment.

block-time published-time 2.47am GMT

Scott Morrison is then asked to comment on the situation in Myanmar:

These are rather disturbing developments. I am aware of those troubling reports and the foreign minister has been following them closely and Marise [Payne] has already issued a statement on this matter.

The details are very limited because of communications, and it is still relatively early in Myanmar.

We have been a longstanding supporter of Myanmar's democratic transition, including the election in November. I was the first minister of our government when we were first elected in 2013 to visit Myanmar when I was the then minister for immigration.

I am somewhat aware of the significant challenges that country has faced over many years, as it seeks to take their path forward. Clearly, there are very significant hurdles for them still to overcome and the tensions are still very present.

We have joined in a statement last Friday opposing any efforts to alter the election outcome and urging the military and all parties to adhere to democratic norms. We have done that with Canada, the United Kingdom, United States, New Zealand, Norway, Switzerland and EU countries as well.

We all hope for Myanmar, we all hope for what I know the Myanmar people want to achieve. I found them the most beautiful of people when I was there, so peaceful in nature but having suffered such terrible violence over the course of their nation's history. I hope.

Military vehicles are seen outside city hall in Yangon on Monday. Myanmar's army has declared it has taken control of the country. Photograph: Reuters

block-time updated-timeUpdated at 3.06am GMT

block-time published-time 2.45am GMT

Patting ourselves on the back for being a "successful multicultural nation" does not do anything to solve the very real and alive problems in our society right now.

Absolutely nothing. It's a platitude that is designed to make those who might be feeling guilty feel better about not doing anything.

block-time updated-timeUpdated at 2.47am GMT

block-time published-time 2.43am GMT

Scott Morrison is asked to comment on the Collingwood report.

We get the usual "we have things to do, but we're pretty great at this" response.

And then we get a mention of the "chains on ships" again.

Morrison:

I'll give you a personal view. This is an issue that has vexed, you know, countries like ours and the United States, Canada, New Zealand for centuries, and we are each struggling to find peace for our nations along this journey.

We've had significant challenges in this country, but I believe we're working to overcome them.

The Closing the Gap initiative that was set up by prime minister Rudd, a very noble and an outstanding initiative, and one which I supported and our party room supported at the time, but we had to get beyond what was a very noble intent and actually get a much more cooperative set of targets that actually got us to the end of the journey.

Reconciliation will be achieved in this country when young Indigenous boys and girls in this country can grow up with the same opportunities as every other Australian. That's my goal, and I'm very committed to it.

But when we spoke about Australia Day this year, we talked about, of course, our 60,000 years of Indigenous heritage, we talked about our chains in ships including my great, great grandfather, and then we talked about the waves to come.

I believe - no, I know that Australia is the most successful multicultural country on the planet. When I speak to other leaders, they ask me about how we achieve this.

That doesn't mean we have our challenges or our issues, but it does mean that we're very conscious of the great benefits of the cohesion of our society, and where there are problems, we try and deal with them, we try and deal with them. And so I think that is the noble spirit of Australians. And I would encourage us to continue on that path.

block-time updated-timeUpdated at 2.48am GMT

block-time published-time 2.40am GMT

Question: My question is, if science sets the debate for the pandemic, why doesn't it set the pace for climate change, given they both represent existential threats to community?

Scott Morrison:

I have the text here. I'm pretty sure I said science here.

... I said science and technology. And that's true. So I'm not sure the point you're seeking to make. If you go back across the energy history of the world, often will find that the big transformational developments that have happened in economies have happened because of the changes in technology borne by science.

Shale oil, for example, in the United States - completely changed not only the price of energy, which drove a manufacturing revolution in the United States, but for the first time, I think, since Nixon first called for it, the US had energy independence and that had a profound impact on their global outlook.

That happened because of science and technology, and research, and major advances, and it changed the world. And if we go back across all of this, whether it's electric vehicles, or whatever it happens to be - batteries, the work we're doing on hydrogen, I mean is going to change the world - then it comes from science and technology.

The science I'm talking about is the science that fixes things, that gives you solutions, that actually creates a path. I'm simply saying that if - I thought, Special Envoy Kerry was making this point the other day. He said the US could reduce their emissions to zero tomorrow and it wouldn't solve the problem. Why?

Because all the emissions increases are happening in developing countries. Now, they're not going to switch off their economies. They're not going to do it! I tell you why they will do it, in terms of making a change - if there's commercial technology that enables them to do it.

And that's why we want to partner with them, we want to partner with India on these issues, with Indonesia, with Vietnam. We have to focus on the how now. That's what we need to do get emissions done and that's what's going to change things. That's what we're doing. That's the action we're taking. It's science-led all the way.

Question: Science does deliver the technology, prime minister, but the point is that science also tells us what we should be trying to achieve. Isn't it better to have opinion galvanised by looking at what the science says about what we need to do?

Morrison:

Well, as I outlined, we're seeking to get to net zero. We'd preferably like to see it happen by 2050, as I said. It could happen sooner with significant technological change. But if there isn't the technological change, then, it's just a bit of paper.

So we all know where we need to go. Now is the time to focus on how we're going to get there. So if we can produce hydrogen, as Angus tells me, at $2 a kilo, then, we can get there.

If we can't, it's going to be very hard. And so, they're the targets I'm interested in, achieving those, because I know they'll achieve the bigger target, which is where we're seeking to head. If we do that, I don't have to put, and will not put, that tax burden on Australians, particularly regional Australians, that some seem to want us to do.

block-time updated-timeUpdated at 2.43am GMT

block-time published-time 2.35am GMT

We'll hear from Mark McGowan very soon.

enltrWA premier Mark McGowan and health minister Roger Cook will give a press conference at 11.30am local time [*@AmyRemeikis*](https://twitter.com/AmyRemeikis?ref_src=twsrc%5Etfw) that's 2.30pm for those watching on the east coast

- Calla Wahlquist (@callapilla) [*February 1, 2021*](https://twitter.com/callapilla/status/1356068215542046725?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 2.36am GMT

block-time published-time 2.31am GMT

Question: Prime minister, what concrete action will you take to ensure those companies that took tens of millions of dollars from taxpayers or jobkeeper and funnelled it through to executives through bonuses and dividends are going to pay it back?

Scott Morrison:

I'm not in the politics of envy\*. I'll leave that to my opponents.

We put in place a scheme with jobkeeper that gave this country certainty at the most profoundly challenging period it's faced since the second world war. When you go through a crisis and you're 10 months down the track, sometimes you forget what it was like 10 months ago. Josh and I don't. And neither does my cabinet.

We were staring into the abyss. And some countries have gone into that abyss. We have not. And the way that was achieved was providing the certainty that those businesses that were facing that environment had the certainty of that support, and we legislated it. Six months, it's in.

You can bank on that. You can put your plans to work on that. You can employ your people and keep them in jobs. Jobkeeper saved 700,000 jobs.

I'd say that's pretty significant and I say that made a big change. Now, the law is the law. The law that we put in place and passed through the parliament ensured that those funds were provided into the corporate

Now, if there are some companies that feel that they want to hand that back, great! Good for them. But let's not lose sight in some sort of envy narrative that that program did not change the course of the nation.

\*Compare and contrast this answer with robodebt

Scott Morrison greets treasurer Josh Frydenberg at the press club. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 2.38am GMT

block-time published-time 2.29am GMT

Question: In your speech you said in the year ahead was the vaccine rollout and the stewardship of the economy to get people back on their feet. To purists listening in, there is a lack of bold reform or ideas proposals. You're not talking about large-scale economic reform or anything like that. Is it your view that people just aren't up for that at the moment given what they've been through the last year, and, in that context, where is your thinking on superannuation and having a crack at that?

Scott Morrison:

Well, you're talking to someone who has had pretty heavy involvement in superannuation over the last five years and what we've been taking through parliament. I'm aware of this narrative.

I've just outlined to you $29bn in investment, including Snowy, major infrastructure projects, Sydney West Airport, the Inland Rail. A $5bn-plus digital transformation strategy.

I note we've taken modest reforms to the parliament and they're not easy to get through the parliament. I'm not one to pursue things for the sake of vanity. I like to get things done and not waste time on things that don't get done because that doesn't help anybody. The changes help people.

The workforce challenges I really think are being under-appreciated in this economy. When I read those articles, what I hear is: "You want me to put on a carbon tax and you want me to put up the GST."

Apparently they are the holy grails of economic reform in this country. I'm not putting on a carbon tax and I'm not putting up the GST. They're just tax increases. That's all they are.\*

Investing in skills, transformationally changing the way that we train our young people based on the skills they'll need in the future, rather than the rear-vision mirror, where we used to throw money around and hope it found its way to someone somewhere, these are visions we need going forward.

We are abolishing an entire schedule of personal income tax - an entire schedule.

So, look, we're doing the things that are needed to grow the economy. And to grow the economy this year in particular, the health strategy around the vaccine is obviously fundamental, but the economic recovery plan that we're pursuing is strong, it's consistent, it's getting done and it's getting results.

\*Morrison has a massive smile as he says this. You can almost hear the social media clips being rushed out by Liberal HQ as we speak.

block-time updated-timeUpdated at 2.32am GMT

block-time published-time 2.26am GMT

The Spectator Index has reported the Myanmar military has assumed control of the nation and declared a state of emergency for a year.

block-time published-time 2.25am GMT

Back on the refusal to censure Craig Kelly, and why the prime minister doesn't get a cookie for saying "he's not a doctor, but he does a great job in his electorate" - it's because his message extends well beyond his electorate and that of actual experts.

enltrhere's the Australian Government's Department of Health Facebook page vs Craig Kelly's number of interactions over the last 6 months. [*pic.twitter.com/1rzatuJTZ8*](https://t.co/1rzatuJTZ8)

- CAMERONWILSON (@cameronwilson) [*February 1, 2021*](https://twitter.com/cameronwilson/status/1356064488273838080?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 2.28am GMT

block-time published-time 2.22am GMT

Question : I've noticed in your speech that you ever-so-slightly hardened your language of climate change, net zero by 2050, that you would like to see it preferably by 2050 when it comes to Australia. Given the solution has to be technology- and science-based, do you think that in the next months you will be so assured that you can achieve it by 2050 that you might harden that even further towards a commitment by the time Australia goes to the Glasgow Climate Change talks?

Scott Morrison:

Well, what I can say is what I said to the Australian people at the last election... When I can tell you how we get there, that's when I'll tell when we're going to get there.

I gave them that commitment at the last election and I'm going to stick to that.

When we know that, I'm potentially at a position to say more. But that position has not arrived, and I'm not aware of it arriving, frankly, in too many other places. We make these commitments when we don't know how we get there.

If you don't get there by technology, if that's not used, then the only way to get there is by a tax\*.

So my commitment to Australians is I will not tax our way to net zero by 2050 is a very, very important one and I will hold my faith with the Australian people on those issues. So we will see how the technology develops.

We will see the great work that Alan Finkel and Angus Taylor is doing... but we won't be having higher electricity prices or tax.

The person I have running our energy and emissions reduction hasn't spent a lifetime coming up with new taxes. He's spent a lifetime coming up with new technologies.

\*This is not a binary choice. It is not just technology or tax. No one is floating a tax. Regardless, there is a cost to technology as well. This is not a zero sum game.

Scott Morrison at the press club in Canberra today. Photograph: Mick Tsikas/AAP

block-time updated-timeUpdated at 2.27am GMT

block-time published-time 2.16am GMT

What are factors the government is considering as part of its decision on how much to permanently raise the unemployment benefit?

All of them.

But you won't hear what it has decided anytime soon, despite the clock ticking down to when it is scrapped entirely.

Morrison:

The labour market is very sensitive to all these issues and the settings that sit under the unemployment benefit. It is true we've maintained it at a much higher level through the Covid supplement, but at some time these arrangements will adjust.

We haven't made any agreement yet, but we will look at the need to have people in jobs because you will always get paid more in jobs than you will on a benefit. At least, that's how it should be.

block-time updated-timeUpdated at 2.18am GMT

block-time published-time 2.11am GMT

The first question is on why Scott Morrison allows Craig Kelly to air his conspiracy theories without censure from the government.

He does not censure Kelly, even now.

Well, we've been very clear to point out where you get your information from. You don't get it from Facebook.

You get it from official government websites, and that's what I encourage everyone to do. That's what we're doing.

And that's what we're investing in.

Don't go to Facebook to find out about the vaccine. Go to official government websites.

You want to understand about vaccines, go and talk to Brendan Murphy over there, that's what I do.

He is asked explicitly about Kelly.

Morrison:

He's not my doctor and he's not your. But he's does a great job in Hughes.

block-time updated-timeUpdated at 2.15am GMT

block-time published-time 2.08am GMT

Scott Morrison has left about 20 minutes for questions, if it runs by the normal time for a press club address.

He finishes his speech with this:

Despite one of the toughest years in our nation's history, Australia stands strong at the start of 2021. There is still, though, much to do. But we know our comeback is underway.

The actions we take this year will continue to recover what has been lost and enable us to build again for the future. In 2021, I'm supremely confident and optimistic that we will continue as a people to make our own Australian way through the challenges ahead, and that Australians will once again emerge stronger, safer and together on the other side.

block-time updated-timeUpdated at 2.17am GMT

block-time published-time 2.07am GMT

There isn't a lot of new announcements in this speech - so far, it has mostly been a repeat of the "this is what we're doing" lines from last year.

But this is interesting.

Scott Morrison:

For millennia, Indigenous Australians have lived the principles of caring for country. I believe those principles must underpin how our government exercises environmental stewardship.

In addition to carrying on the work in relation to emissions reduction, climate resilience, implementing our export ban on waste, plastic, and funding for new and upgraded recycling facilities around the country to build a world-class waste management sector\*, this year we will turn the spotlight on ***agriculture*** and the environment - soils, water, our oceans.

Australia's soils are estimated to store some 3.5% of the total stocks of global soil organic carbon against our 5.2% of global land area.

Poor soil management have and continues to result in the loss of soil organic carbon. Now, that's what makes the national soil strategy so important.

The strategy will be delivered as part of the 2021-22 budget the treasurer will hand down later this year. It will include practical actions and focus on a national monitoring program to assess the conditions of Australian soils, research and development, and to assist with implementation, capacity-building and extension. It will be a fitting legacy, I believe, to the great work and advocacy of our former governor general and national soils advocate, the late Major General Michael Jeffrey.

It is one pillar of our Ag 2030 plan.

The importance of investing in the health of our soil, water and landscapes was born out by the recent independent review of our national environmental legislation and by the findings of the bushfires royal commission.

While we have always contended with extreme weather, our new normal is increasing and more severe droughts, floods, fires and storms. So we are continue to harness the natural resourcefulness and innovation of Australians to ensure we adapt and build resilience to these strategies.

\*We had to revamp our recycling and waste management centres, as Pacific nations stopped taking our garbage.

block-time updated-timeUpdated at 2.12am GMT

block-time published-time 1.54am GMT

The camera panned to Dan Tehan as Scott Morrison says this - he apparently found it hilarious:

Getting to net zero, whether here or anywhere else, should be about technology - not taxes and high prices.

In Australia, we're not waiting on this. We're getting on with it.

Emissions fell by 3% in the year to June '20. To they lowest level since 1998. Meaning, we are now nearly 17% below 2005 levels. These are the facts. Now, this compares to reductions of approximately 9% on average across the OECD, 1 % in New Zealand and less than 1% in Canada. So we're not waiting.

Part of the reason our emissions dropped is because we changed the way we measure emissions.

For the latest on where Australia is heading, there is, as always, the indomitable Adam Morton:

Related: [*Australia needs to cut emissions by at least 50% by 2030 to meet Paris goals, experts say*](https://www.theguardian.com/australia-news/2021/jan/28/australia-needs-to-cut-emissions-by-at-least-50-by-2030-to-meet-paris-goals-experts-say)

block-time updated-timeUpdated at 1.57am GMT

block-time published-time 1.52am GMT

The prime minister moves onto climate.

He once again says the government won't tax its way into emissions reduction.

This being a new year, I once again remind you that no one is saying we tax our way into emissions reductions.

We have moved on from that. The world has moved on from that. It's too late now - we are all looking at different ways of getting there, and no one in Australia is saying taxes.

It is a straw-man argument you are going to hear over and over and over again this year - but at this point it's completely moot. No one is saying taxes.

block-time updated-timeUpdated at 1.54am GMT

block-time published-time 1.50am GMT

As reported, there are no plans to continue jobkeeper and the jobseeker Covid supplement.

Scott Morrison:

We know our jobkeeper and many household supports have helped to boost families and businesses balance their balance sheets by more than 2.5 billion.

This has been a game-changer like no other we have seen in this country, JobKeeper, for millions of Australians.

It saved not just livelihoods - it saved lives.

There is now a large sum of money available to be spent across the economy and that's what's going to help create jobs and help maintain the momentum of our economic recovery, and that is where it needs to be right now, those funds - in Australians' public.

Indeed, in 2021, the government will continue putting more money back into Australians' pockets, keeping more of what they earned to support their families and businesses, the low- and middle-income tax offset, the tax cut from 26 to 25% for small and medium-size businesses, creating jobs and our loss carry-back providing a much-needed cash flow boost for those businesses who continue to do it stuff.

block-time updated-timeUpdated at 1.53am GMT

block-time published-time 1.41am GMT

Government aims to have Australians vaccinated by October

Scott Morrison has laid out a bit more detail about the vaccination strategy:

Our aim is to, overall, give Australians the opportunity to be vaccinated by October of this year, commencing in just a few weeks' time.

Now, our guidance, I stress, is that first vaccinations remain on track to be in Australia, ready for shipping and distribution to priority groups in late February.

However, the priority will be on the situation of Australians overseas, which will we will continue to monitor and update the Australian people accordingly.

This initiative is backed by $1.9bn for the vaccine rollout, on top of the more than $4.4bn allocated for vaccine purchases, medical support and support for our partner countries. It's a big job.

This brings the Australian government's total support for Covid-19 vaccines and treatments to $6.3bn.

'First vaccinations remain on track to be in Australia,' Scott Morrison says. Photograph: Christopher Furlong/Getty Images

block-time updated-timeUpdated at 2.42am GMT

block-time published-time 1.38am GMT

Scott Morrison:

There are five priorities, areas, that I want to speak about today in relation to 2021.

The first of those: suppress the virus and deliver the vaccine.

Secondly, cement our economic recovery to create jobs and more jobs.

Three, to continue to guarantee the essential services that Australians rely on.

Fourthly, to protect and secure Australians' interests in a challenging world.

And finally, to care for our country.

block-time updated-timeUpdated at 1.50am GMT

block-time published-time 1.37am GMT

Back to Scott Morrison's speech, we get a rundown of how well Australia has done during the pandemic.

Also, BREAKING: the Australian prime minister loves Australia and doesn't think you would ever want to be anywhere else.

So groundbreaking stuff, so far

block-time updated-timeUpdated at 1.50am GMT

block-time published-time 1.35am GMT

Marise Payne responds to Myanmar political situation

I guess we should be thankful Michael McCormack is not acting prime minister today, given his response to the US insurrection.

The foreign affairs minister, Marise Payne, has issued Australia's official response:

The Australian government is deeply concerned at reports the Myanmar military is once again seeking to seize control of Myanmar and has detained state counsellor daw Aung San Suu Kyi and president U Win Myint.

Australia is a long-standing supporter of Myanmar and its democratic transition. We call on the military to respect the rule of law, to resolve disputes through lawful mechanisms and to release immediately all civilian leaders and others who have been detained unlawfully.

We strongly support the peaceful reconvening of the national sssembly, consistent with the results of the November 2020 general election.

block-time updated-timeUpdated at 1.51am GMT

block-time published-time 1.32am GMT

Scott Morrison addresses press club

The prime minister is on his feet and behind the lectern for his first major speech of 2021.

block-time updated-timeUpdated at 1.35am GMT

block-time published-time 1.31am GMT

And Queensland is remaining shut to the WA hotspots.

So that is pretty much everyone, except NSW.

block-time published-time 1.21am GMT

ACT chief health officer Kerryn Coleman has just announced that no one from the three affected regions in Western Australia will be allowed to enter the territory without an exemption.

Those already in the ACT who have spent time in great Perth area, Peel or the south-west region since 25 January must isolate immediately and get tested for Covid-19. Even if they receive a negative result, they must remain isolation until Friday 9pm, when the lockdown in Perth is slated to end.

The same rules will apply to ACT residents wishing to return home from the lockdown regions.

A flight full of politicians from WA arrived in Canberra yesterday ahead of parliament sitting this week. While their staff must continue to isolate, politicians are being asked to fill out an application as an essential worker, which would allow them to attend parliament and conduct essential work, but must quarantine at all other times.

Coleman said:

Like we have said before, this is not the start to 2021 that we had hoped for, but the realities of Covid-19 is that we need to continue responding to the challenges as they present. The situation will evolve over the next couple of days, so bear with us.

block-time updated-timeUpdated at 1.30am GMT

block-time published-time 1.03am GMT

Scott Morrison will be addressing the press club in about half an hour.

We'll bring you the highlights from the speech, as well as most of the Q and A.

If you want to see it live, it will be shown on the ABC (as usual).

block-time updated-timeUpdated at 1.13am GMT

block-time published-time 1.01am GMT

You will not be surprised to learn that Peter Dutton did not get the lockdown unity message from Western Australia.

The WA Liberals are in lockstep with the decision to lock down for five days:

enltrGenuinely shocked by the abuse RE our decision to support the lockdown. This isn't up for debate. The medical advice is that we need to go into lockdown to save lives. I will never apologise for protecting the health & safety of West Aussies. [*pic.twitter.com/1wSgLQQXyR*](https://t.co/1wSgLQQXyR)

- Zak Kirkup MP (@zrfk) [*January 31, 2021*](https://twitter.com/zrfk/status/1356020052009517059?ref_src=twsrc%5Etfw)

This morning on Sky News, Dutton was singing from the old songbook:

enltrHome Affairs Minister Peter Dutton on WA's elimination strategy: "It might be a great political slogan, it's not a realistic approach to this virus. You will send businesses broke, the surge in domestic violence when people are in lockdown for long period."

- Trudy McIntosh (@TrudyMcIntosh) [*January 31, 2021*](https://twitter.com/TrudyMcIntosh/status/1355979909198319621?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 1.19am GMT

block-time published-time 12.53am GMT

Christian Porter is allowed to leave quarantine for parliament and a ceremony at the high court:

enltrAttorney General Christian Porter has been given an exemption to leave self-isolation to attend Parliament and a ceremony at the High Court this morning [*@abcnews*](https://twitter.com/abcnews?ref_src=twsrc%5Etfw) [*pic.twitter.com/wAlzqGWxPe*](https://t.co/wAlzqGWxPe)

- Jade Macmillan (@JadeMacmillan1) [*February 1, 2021*](https://twitter.com/JadeMacmillan1/status/1356039778248974340?ref_src=twsrc%5Etfw)

block-time published-time 12.44am GMT

The Northern Territory is also closing its borders to the WA red zones, and anyone in the NT who has been in those areas - Perth, the Peel region and the south-west - will have to go into quarantine.

But if you are from Sydney you are once again welcome into the territory.

block-time updated-timeUpdated at 12.56am GMT

block-time published-time 12.42am GMT

Not sure how much this will help, given Mark McGowan's popularity in WA - but the WA Liberals have seemingly learnt from the Victorian and Queensland experience and aren't throwing all of their toys out of the cot at the five-day lockdown:

enltrGenuinely shocked by the abuse RE our decision to support the lockdown. This isn't up for debate. The medical advice is that we need to go into lockdown to save lives. I will never apologise for protecting the health & safety of West Aussies. [*pic.twitter.com/1wSgLQQXyR*](https://t.co/1wSgLQQXyR)

- Zak Kirkup MP (@zrfk) [*January 31, 2021*](https://twitter.com/zrfk/status/1356020052009517059?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 1.07am GMT

block-time published-time 12.40am GMT

The ABS have released the latest lending indicators - and it turns out we are buying homes.

I don't know who the "we' are - certainly not me, but there has been a 31.2% increase in loans since December 2019.

This is despite house prices in most major metro markets continuing to rise.

From the ABS:

The total value of new loan commitments for housing rose 8.6 per cent to $26 billion in December 2020, seasonally adjusted, a 31.2 per cent increase on December 2019.

The value of new owner occupier home loan commitments rose 8.7 per cent to $19.9 billion in December 2020, 38.9 per cent higher than December 2019.

ABS head of Finance and Wealth, Amanda Seneviratne, said: "Loan commitments for existing dwellings ***accounted*** for 53 per cent of December's rise in owner occupier housing loan commitments, while construction of new dwellings ***accounted*** for 32 per cent."

"The value of construction loan commitments grew 17.1 per cent in December, more than doubling since the June implementation of the HomeBuilder grant.

"Federal and state government measures, such as HomeBuilder, and historically low interest rates are supporting ongoing growth in housing loan commitments", Ms Seneviratne said.

block-time updated-timeUpdated at 1.09am GMT

block-time published-time 12.20am GMT

The 2019-20 AEC disclosures [*reveal*](https://transparency.aec.gov.au/Download/ReturnImageByMoniker?moniker=78-BBORX5) that Clive Palmer's Mineralogy Pty Ltd donated $5.9m to his United Australia party, on top of [*$83.3m given by his company in the previous financial year*](https://www.theguardian.com/australia-news/2020/feb/03/liberal-party-donationsproperty-tycoon-company-isaac-wakil).

Anthony Pratt's Pratt Holdings [*gave*](https://transparency.aec.gov.au/Download/ReturnImageByMoniker?moniker=78-BBZCY1) $1.55m in donations to the Coalition, with $1.3m to the Liberals and $250,000 to the Nationals.

Woodside Energy Ltd [*donated*](https://transparency.aec.gov.au/Download/ReturnImageByMoniker?moniker=78-BBZCC7) a total of $335,400, including $137,500 to Labor and $197,750 to the Coalition.

The Minerals Council of Australia paid a total of $145,700, including $27,500 for membership of the Liberals' Australian Business Network, $22,000 for the Nationals policy forum and two payments totalling $55,000 for the Federal Labor Business forum.

The Australian Hotels Association NSW donated $232,000, including $186,000 to Labor and $46,000 to the Coalition.

Other significant corporate donations included:

* Macquarie Group donated $250,000 including $138,000 to the Coalition and $112,000 to Labor

1. ANZ donated $200,000, split evenly between Labor and the Liberals
2. Wesfarmers donated $221,100, with $110,000 to both the Liberal and Labor parties
3. Tobacco giant Philip Morris donated $55,000 to the National party

block-time updated-timeUpdated at 1.11am GMT

block-time published-time 12.19am GMT

NSW reports no new local Covid cases

There have been no locally acquired cases reported in NSW overnight after just 6,023 tests.

There were six Covid cases acquired overseas.

Anyone entering NSW must complete an interstate traveller declaration confirming whether they attended [*any of the venues of concern identified by WA Health*](https://www.theguardian.com/world/2021/jan/31/covid-hotspots-western-australia-list-of-perth-and-regional-coronavirus-case-locations). Anyone who attended those venues must get tested and isolate for 14 days.

Arrivals who have been in any of the named local government areas in the Perth, Peel and south-west regions since Monday 25 January must get a Covid-19 test within 48 hours of arriving, and stay at home for five days, until 9pm on Friday 5 February. If they do not get tested they are required to remain at home for a total of 14 days.

block-time updated-timeUpdated at 12.44am GMT

block-time published-time 12.14am GMT

And you may be surprised to learn that Gladys Berejiklian has no advice for Mark McGowan over what he should do.

Surprised, because the NSW premier had a LOT of advice for her Queensland counterpart before Queensland's election. Which Annastacia Palaszczuk won, with an increased majority.

Now, there is no advice:

I would not presume to have any advice for any of our colleagues apart from saying that please judge New South Wales on our record of how we manage things here - it is not for me to suggest what other premiers should do, that is a matter for them. All of us have to be considerate of what is happening in WA at the moment. Our thoughts are with everyone in WA at the moment.

block-time updated-timeUpdated at 12.18am GMT

block-time published-time 12.12am GMT

NSW will not close borders to WA

Gladys Berejiklian says there will be extra screening for WA travellers - but the state's borders will remain open:

I have confidence that they would do all the due diligence as we have done in the past, when New Zealand or Brisbane went through this, we make sure we had those procedures in place, the key is to make sure we act quickly and to provide as much information as possible, but also to make a proportional response. We don't know of any community ***transmission*** within WA apart from the security guard, so we are acting according to that risk.

block-time updated-timeUpdated at 12.17am GMT

block-time published-time 11.46pm GMT

Democracy was reintroduced to Myanmar in 2015 when Aung San Suu Kyi won in a landslide - but the Myanmar constitution sets out a military presence in the parliament - it controls 25% of seats. That makes for an uncomfortable political marriage.

You can read more about Suu Kyi's arrest this morning, ahead of the Myanmar parliament resuming after the November election, here:

Aung San Suu Kyi, Myanmar's president and other senior ruling party figures have been detained by the military in an early morning raid, a party spokesman said on Monday.

Spokesman Myo Nyunt told Reuters that Suu Kyi, President Win Myint and other leaders had been "taken" early in the morning. "I want to tell our people not to respond rashly and I want them to act according to the law," he said, adding he also expected to be detained.

The move comes after the country's powerful military raised the spectre of staging a coup as it ramped up demands for an investigation into alleged voter fraud during last year's election, which was swept by Aung San Suu Kyi's ruling party.

The National League for Democracy won November's poll in a landslide, but has been much criticised by rights groups for its disenfranchisement of voters in conflict-wracked regions.

Related: [*Aung San Suu Kyi and other Myanmar figures detained in military raids, says ruling party*](https://www.theguardian.com/world/2021/feb/01/aung-san-suu-kyi-and-other-figures-detained-in-myanmar-raids-says-ruling-party)

block-time updated-timeUpdated at 11.51pm GMT

block-time published-time 11.40pm GMT

The Centre for Public Integrity has crunched the AEC donation returns, and found just five donors were responsible for 46% of all donations in 2019-20.

You won't be surprised to see who tops the list. Or at least, you shouldn't be:

Biggest donors

1. Mineralogy $5,910,341

2. Pratt Holdings $1,550,000

3. Woodside Energy $335,415

4. Macquarie Group $251,230

5. Australian Hotel Association $232,301

Top five total donations $8,279,287

Total donations 2019-20 $18,020,970

Percentage of total donations for 2019-20 45.94%

block-time updated-timeUpdated at 11.45pm GMT

block-time published-time 11.37pm GMT

Tasmania declares parts of WA 'high-risk' Covid areas

The Tasmanian premier, Peter Gutwein, has joined the premiers declaring Perth and WA's Peel and south-west regions high-risk areas - meaning that the Tasmanian border is closed to anyone from those areas:

Anyone attending to travel to Tasmania who has been in these high risk areas in the 14 days prior to arrival will not be permitted to enter Tasmania unless approved by the Deputy State Controller and they will be required to quarantine.

We will be looking at our exemption process. The key message is that these areas have been designated high risk and people will not be permitted to enter.

Tasmanians coming home will still be allowed to but they will need to quarantine when they arrive here in suitable premises, should they have them.

For the 108 people arriving in Hobart airport late yesterday afternoon, each person has been contacted and asked to self-isolate and will be further contacted by public health today to determine their circumstances and any requirements for further self-isolating and testing, noting some people may have travelled who haven't travelled through these regions or haven't travelled through those premises but on an individual basis, public health will work with them.

Returning Tasmanian residents will still be permitted to enter the State and isolate at home provided they have a suitable premises.

Non-Tasmanian residents who enter the state without approval will be required to go into government designated quarantine at their own expense or may be directed to leave the State.

block-time updated-timeUpdated at 11.43pm GMT

block-time published-time 11.33pm GMT

Eddie McGuire announced he would be stepping down as club president at the end of the 2021 AFL season, well ahead of the public release of the report into Collingwood's handling of racism within the club. The timing of his announcement - mid-December - would have been around when the club's board received the report.

Still, I doubt Lidia Thorpe and the Greens will be the only ones calling for his resignation today. Once again, you can't seperate politics from sport - because people don't leave their biases and attitudes at the locker room door. Change needs to come from the top - and that includes from our politicians.

block-time updated-timeUpdated at 11.42pm GMT

block-time published-time 11.23pm GMT

Greens call for Eddie McGuire to resign

The Greens' Lidia Thorpe has responded to the [*Collingwood racism report*](https://www.theguardian.com/sport/2021/feb/01/collingwood-afl-clubs-culture-of-structural-racism-condemned-in-scathing-report). The Victorian senator wants Eddie McGuire to go:

Eddie's got to go. Collingwood has been rightly singled out for its appalling structural racism. As one person we spoke to said, "If you look at every high-profile incident of racism in the game, Collingwood is there somewhere." And it's just not good enough.

As the head of the club, Eddie not only oversaw these issues - he's been part of the problem. We won't forget how he treated Adam Goodes. We won't forget how he treated Heritier Lumumba. Heritier Lumumba was right to call out these issues, and he paid a huge price for it. Today, he's been vindicated.

If we want to stamp out the rot of racism in this country, then it's going to take real leadership from all corners of our society, including sport. The club has a long way to go to restore the community's faith in their leadership. As a start, the board should grow a spine and get Eddie to resign.

block-time updated-timeUpdated at 11.29pm GMT

block-time published-time 11.11pm GMT

Switching to international news for a moment - Reuters and the ABC are reporting that Myanmar's leader, Aung San Suu Kyi, has been detained by the military, along with other figures from her government.

Myanmar held democratic elections in November. We'll have more soon.

block-time updated-timeUpdated at 11.20pm GMT

block-time published-time 11.05pm GMT

Christian Porter phoned in to Sydney radio 2GB where he spoke about whether or not he and the other WA MP's would have to spend the parliament sitting in isolation:

That's quite possible. I think ACT are making a decision this morning. So we'll sort of await further instructions, they may be granting exemptions for Parliament House, I don't know. But yeah, WA is into five days lock down and we were on a plane last night, and I think they had a good debate as to whether or not to turn the plane around, actually, but that didn't happen and we landed. So the rules are the rules and we'll abide by them. But I hope everyone in West Australia gets through it. It's something the rest of the country has obviously endured and have been affected by. So it's just one of those things that we have to sort of go through as we rollout the vaccine.

block-time published-time 10.36pm GMT

While speaking to the ABC's Fran Kelly on RN Breakfast this morning, Anthony Albanese also addressed the leadership rumbles within caucus:

The caucus has learned its lesson. We know what occurs when we're focused on ourselves. And I'm just focused on making sure that we have the best platform, the best menu if you like, that we will be taking to the Australian people at the next election, very much along the themes, as you say, Fran, no one left behind, no one held back. But making sure that Australians understand that we are on their side.

Whereas the Coalition government that's more and more focused on itself, more and more focused on looking after their mates, more and more thinking that taxpayers' money is their own money. That's why we haven't seen a national integrity commission, in spite of the fact that the government said in 2018 that they would deliver it.

Where is it, Fran? Why isn't it in place to hold the government to ***account***? Because one of the things that we're seeing across politics, across the parties, is a lack of faith in integrity in our politics. And I think that's tragic. I think most people enter politics for all the right reasons. I certainly did. I entered politics to make a difference to people's lives, particularly the vulnerable, the sort of people who I grew up with, the family I grew up in with a single mum, and I'm determined to make a difference.

block-time updated-timeUpdated at 10.51pm GMT

block-time published-time 10.33pm GMT

And just in case you can't be bothered clicking on links, the good people at About the House have tweeted out the climate change bill hearing program for you:

enltrFrom 11am, the Standing Committee on the Environment and Energy is holding public hearings for its inquiry into climate change bills. The Bills seek to alter Aus' current climate change management and establish a new Climate Change Commission. Watch ?? [*https://t.co/8DB1X3Ss2v*](https://t.co/8DB1X3Ss2v) [*pic.twitter.com/umSKc45orz*](https://t.co/umSKc45orz)

- Australian House of Representatives (@AboutTheHouse) [*January 31, 2021*](https://twitter.com/AboutTheHouse/status/1356006859849814019?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 10.36pm GMT

block-time published-time 10.24pm GMT

Scott Morrison will be making his case around lunchtime.

block-time updated-timeUpdated at 10.37pm GMT

block-time published-time 10.24pm GMT

And just in case it wasn't obvious, Anthony Albanese finished that question with:

This is a government that is prepared to attack working people and vulnerable Australians at every opportunity. And in today's speech at the National Press Club, the prime minister has to explain how getting rid of the better-off-overall test from industrial relations will help working people and will help the economy. I will give the prime minister the big hint, better-off-overall test, it's a test to see whether workers are better off by an agreement that he wants to abolish as a part of the legislation that he introduced at the end of last year.

block-time updated-timeUpdated at 10.40pm GMT

block-time published-time 10.21pm GMT

The Labor leader continued on that theme (and what he hopes will be the theme of the first half of the parliamentary year) in response to a question about Scott Morrison's coming press club speech today, and whether it is the right time to stop government stimulus:

Anthony Albanese:

I will tell you what it's time for. It's time for the government to stop sports rorts.

It's time for the government to stop spending taxpayers' money on the Liberal and National parties. It's time for the government to stop spending a billion dollars on party political advertising, funding the Liberal party pollsters to do research that we don't get to see even though taxpayers have paid for it.

And it's also time to stop the waste in the rollout of some of the government programs.

Take jobkeeper, what we know is that a whole lot of companies received jobkeeper who actually not only didn't get a downturn in their revenues, they actually got an increase in their profits and paid big bonuses to executives. And you know what they get from this government?

They get a polite, 'Oh, you might like to pay it back.' Compare that with what happened to those Australians who are vulnerable, who got affected by robodebt, $1.2bn that the government has had to pay back, who got threatening letters in the mail for debts that they didn't owe because the government alleged that what happened to their incomes didn't reflect what they said would happen to their incomes when they put that into Centrelink.

block-time updated-timeUpdated at 10.42pm GMT

block-time published-time 10.19pm GMT

Anthony Albanese stopped by the parliament doors this morning - for those who don't follow along regularly, that's where the MPs go when they have something to say, ahead of a sitting. There are plenty of ways to get into parliament without seeing journalists (there are areas we are not allowed to stop MPs) so, if they go past the doors, it is on purpose.

Here's why Albanese stopped by this morning:

I'm looking forward to holding the government to ***account***, but also, to continue the rollout of a Labor agenda, the alternative that will be put to the Australian people, whenever the election is held, whether it's 2022 when it is due, or if the prime minister decides he doesn't have confidence in his own capacity to actually last a three-year term, then sometime later this year.

block-time updated-timeUpdated at 10.43pm GMT

block-time published-time 10.08pm GMT

It's day two of the committee hearings into the Climate Change (National Framework for Adaptation and Mitigation) Bill 2020 and Climate Change (National Framework for Adaptation and Mitigation) (Consequential and Transitional Provisions) Bill 2020.

Lot's of climate heavy hitters on today's list - [*you'll find that here*](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Environment_and_Energy/ClimateBills2020/Public_Hearings).

block-time updated-timeUpdated at 10.51pm GMT

block-time published-time 9.44pm GMT

Victoria records no new Covid cases

Victoria Health has reported no locally acquired cases of Covid in the last 24 hours.

block-time updated-timeUpdated at 9.47pm GMT

block-time published-time 9.43pm GMT

It being 2021 (allegedly) the Coalition is back on the "debt and deficit" train! CHOO CHOO!

As Katharine Murphy and Daniel Hurst report before the PM's speech to the press club today:

But while trying to persuade Australians to spend and invest, Morrison will also set the scene for [*the withdrawal of the popular pandemic payments*](https://www.theguardian.com/australia-news/2021/jan/31/coalition-unlikely-to-lift-unemployment-benefits-when-jobkeeper-scrapped-in-march) that have provided support to the economy during the public health crisis.

Morrison will say the government needs to exercise "the fiscal discipline necessary to ensure that we do not overburden future generations and continue to spend taxpayers' money wisely" adding: "We are not running a blank-cheque budget."

He will say the government crafted the fiscal response to the crisis with guardrails, including emergency measures that would be temporary "and accompanied by a clear fiscal exit strategy".

"You can't run the [*Australian economy*](https://www.theguardian.com/business/australia-economy) on taxpayers' money forever."

Just a reminder: the economy was in trouble before the pandemic. The Coalition has been in power since 2013.

I was also reminded at the weekend that in 2009 Eric Abetz, the then Liberal shadow minister for science, attempted to send this message into space, as part of a Science Week stunt, which was predicted to hit a potentially inhabitable planet by 2029:

The Coalition dreams that by the time you receive this message in 2029 Australia will be free of Labor debt. Sadly we're not holding our breath.

From memory, the message didn't get past the moderators. Lucky - as it's more than a little out of date and we're years off 2029.

block-time updated-timeUpdated at 10.52pm GMT

block-time published-time 9.33pm GMT

This was announced last year - but it is now official.

enltrWelcome to the Department of Health. As of 1 February 2021, the Department of Health and Human Services will be separated into two new departments: ? The Department of Health (DH) ? The Department of Families, Fairness and Housing (DFFH) [*pic.twitter.com/HIMcDwAVGg*](https://t.co/HIMcDwAVGg)

- VicGovDH (@VicGovDH) [*January 31, 2021*](https://twitter.com/VicGovDH/status/1355989241860337668?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 10.53pm GMT

block-time published-time 9.31pm GMT

Emirates appears to have backflipped on its decision to suspend all outbound flights from the United Kingdom three days after throwing the plans of thousands of Australians stranded in Europe into chaos.

On Friday Emirates suspended all outbound flights from the UK after a British government announcement it was closing its border to passenger flights from the United Arab Emirates in an attempt to stop new Covid-19 strains entering the country.

enltrWe very much welcome the decision by [*@emirates*](https://twitter.com/emirates?ref_src=twsrc%5Etfw) to resume their outbound services from the United Kingdom. Grateful to all involved. If you were impacted by the suspension, Emirates are rebooking - but if urgent, please reach out to us. [*https://t.co/27NFWHPmE5*](https://t.co/27NFWHPmE5)

- George Brandis (@AusHCUK) [*January 31, 2021*](https://twitter.com/AusHCUK/status/1355986543626776581?ref_src=twsrc%5Etfw)

But on Monday morning, Australia's high commissioner to the UK, George Brandis, praised the airline on Twitter following an announcement it was resuming its outbound flights.

Of the 39,000 Australians registered with Dfat as wanting to return from overseas but being unable to do so, 5,800 are now in the UK. Guardian Australia has sought clarification from Emirates.

An Emirates plane. Photograph: Ishara S Kodikara/AFP/Getty Images

block-time updated-timeUpdated at 10.53pm GMT

block-time published-time 9.30pm GMT

It being February, there are two things you need to know:

* Don't, under any circumstances, unless explicitly told, buy heart-shaped jewellery. I am yet to meet someone who wants that. They'll wear it because they love you, but save everyone the pain and give the hearts a wide berth.

1. The RBA is meeting for the first time in 2021 (it doesn't meet in January). Unemployment, government bonds and the better-than-feared but still-not-great economy and what to do about it given interest rates are at 0.1%, are all on the agenda.

block-time updated-timeUpdated at 10.54pm GMT

block-time published-time 9.25pm GMT

This was one of the issues Scott Ryan, the Senate president, raised last year, after parliament was shut down during the height of the pandemic in Australia: can health advice override the responsibilities of the parliament, ie showing up for work.

MPs, of course, are representatives of their electorates. So stopping MPs from sitting in parliament denies those electorates of their representation (is the constitutional argument).

There are virtual options - but they take days to set up. Security protocols means it isn't as simple as logging into Zoom. And while there are the capabilities for MPs to set up virtual attendances from their electoral offices, the WA MPs are in Canberra hotels, which are not set up for off-site parliament attendances.

But then, it is also the responsibility of authorities to protect communities.

That's just some of the questions being worked out by ACT authorities with the parliament today.

enltr"There are some questions about whether ACT Health is allowed to prevent politicians from going to work," Health Minister Rachel Stephen-Smith tells [*@abccanberra*](https://twitter.com/abccanberra?ref_src=twsrc%5Etfw). Gotta love a town with unique constitutional questions posed by public health requirements! [*#auspol*](https://twitter.com/hashtag/auspol?src=hash&ref_src=twsrc%5Etfw)

- Anna Vidot (@AnnaVidot) [*January 31, 2021*](https://twitter.com/AnnaVidot/status/1355980588956565504?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 9.30pm GMT

block-time published-time 9.17pm GMT

ACT Health has announced it will be in contact with passengers on flights from Western Australia with more information about their quarantine requirements today.

The WA government has put Perth, the Peel region and the south-west region [*into a five-day lockdown after a security guard at one of the quarantine hotels tested positive for Covid*](https://www.theguardian.com/australia-news/2021/jan/31/much-of-western-australia-goes-into-five-day-lockdown-after-hotel-guard-tests-positive-to-uk-covid-variant) , possibly one of the new more contagious strains.

The man's three housemates have been put into isolation but have so far tested negative. He also worked as a rideshare driver (insecure work has been a recurring theme of this pandemic, unsurprisingly) but authorities don't believe he was contagious during his last shifts at his second job.

You an read the full story here:

Related: [*Much of Western Australia goes into five-day lockdown after hotel guard tests positive to UK Covid variant*](https://www.theguardian.com/australia-news/2021/jan/31/much-of-western-australia-goes-into-five-day-lockdown-after-hotel-guard-tests-positive-to-uk-covid-variant)

block-time updated-timeUpdated at 10.55pm GMT

block-time published-time 9.11pm GMT

Scott Morrison and co once again tried to tell us that sports and politics don't mix over the summer - which is complete bupkis, because everything is political and, if it's not, you're just not paying attention (or haven't had to).

As Lorena Allam and Mike Hytner report, AFL Club Collingwood is the latest sporting club being forced to grapple with how it has dealt and is dealing with racism:

Collingwood has a problem with structural racism that its senior leadership must address and it should publicly make amends to those who have paid a "very high public price" for speaking out about it, an independent investigation has found.

The report does not rule out financial compensation. It said making amends could include "reparations, compensation, public apology, and commitments to reform".

The report, called Do Better, was commissioned by the board last year. Produced by the University of Technology Sydney's distinguished professor, the Yuwaalaraay woman Larissa Behrendt, it recommended sweeping changes to how Collingwood deals with the "toxic environment" of racism in its ranks.

"What is clear is that racism at the club has resulted in profound and enduring harm to First Nations and African players. The racism affected them, their communities, and set dangerous norms for the public," the report said.

Related: [*Collingwood AFL club's culture of 'structural racism' condemned in scathing report*](https://www.theguardian.com/sport/2021/feb/01/collingwood-afl-clubs-culture-of-structural-racism-condemned-in-scathing-report)

Longtime readers of this blog would know I am a Collingwood supporter. The findings of this report have been a massive blindspot for the club and we all need to demand they do better. Cultural change starts at the top - but it is something we are all responsible for. Politicians will be asked about this today. It's not something they can shy away from either.

block-time updated-timeUpdated at 10.57pm GMT

block-time published-time 9.04pm GMT

Fresh from a Labor frontbench reshuffle, Anthony Albanese is also hoping to hit reset.

Last year Labor took a mostly backseat role, with the focus on consensus policy during the pandemic. That hasn't left a lot of time for alternative policy development, or sell. Joel Fitzgibbon has done his best to derail any climate conversations, creating discontent in the caucus room, and, with an election possibly as close as August, Labor party MPs have been getting antsy.

Labor leader Anthony Albanese. Photograph: Mike Bowers/The Guardian

So we had a reshuffle, which moved Mark Butler out of climate and into health and ageing, and Chris Bowen into the hot seat. Will that help any policy discussions move forward? Who knows.

But Albanese, who has started the week with an interview on RN Breakfast, said he is ready for the fight, and that Labor will soon start unveiling its policy platform.

Albanese was lucky to escape without serious injury after his car was hit head on by a 4WD over the summer. He says that has changed his outlook on a few things.

enltr"When you have an experience like a head-on crash with a Range Rover, you realise that you have to make every day count," [*@AlboMP*](https://twitter.com/AlboMP?ref_src=twsrc%5Etfw) on his recent car accident.

- RN Breakfast (@RNBreakfast) [*January 31, 2021*](https://twitter.com/RNBreakfast/status/1355980151285194752?ref_src=twsrc%5Etfw)

block-time updated-timeUpdated at 10.58pm GMT

block-time published-time 8.03pm GMT

Good morning and welcome to the first Politics Live blog of 2021.

Or, the first Politics Live blog of the never-ending 2020 - whatever feels more true to you.

It's a dreary morning in Canberra this morning, and not just because the MPs are back for the first time since December.

Parliament won't sit until tomorrow so today is all about agenda setting, with all sides of politics hoping to start as they mean to go on.

Scott Morrison will address the National Press Club today - he's laying out a speech, which, from the extracts which seem to have been released, is all about explaining why the jobseeker supplement (such as it is now) and jobkeeper have to end in March. It is now time, apparently, for the economy to stand on its own two feet.

If you listen really hard, you may be able to hear "early election is on the cards", but we'll see.

Meanwhile, while the Western Australian MPs are in Canberra, they are not allowed \*in\* Canberra, after [*large parts of WA were placed in lockdown late yesterday afternoon*](https://www.theguardian.com/australia-news/2021/jan/31/much-of-western-australia-goes-into-five-day-lockdown-after-hotel-guard-tests-positive-to-uk-covid-variant).

People wait in line to be tested for Covid at Royal Perth hospital on Sunday after authorities announced a snap five-day lockdown. Photograph: Trevor Collens/AFP/Getty Images

For those playing at home, that includes the attorney general, Christian Porter, who is also the leader of government business in the house. That could pose a slight issue, given that you know, one would hope there are plans for government business in the house this week. At this stage, it's a moving feast, so we'll keep you updated on what the plans for the WA MPs are.

And in case you missed it, despite Josh Frydenberg, Greg Hunt and Michael Sukkar throwing their weight behind him, Kevin Andrews [*lost his preselection battle for Menzies*](https://www.theguardian.com/australia-news/2021/jan/31/veteran-liberal-mp-kevin-andrews-loses-preselection-battle-for-menzies). He's been the member there for three or so decades, and hoped to go around for another term, so it is not an insignificant defeat. Not just for Andrews, but also the Victorian Liberal federal hierarchy, who didn't get their way.

Related: [*Veteran Liberal MP Kevin Andrews loses preselection battle for Menzies*](https://www.theguardian.com/australia-news/2021/jan/31/veteran-liberal-mp-kevin-andrews-loses-preselection-battle-for-menzies)

Followers of auspol won't be surprised to hear that Craig Kelly - who has had his preselection saved by interventions from three different federal leaders: Tony Abbott, Malcolm Turnbull and Scott Morrison over the past three elections - is once again facing a preselection threat which could bring about the end of his federal political career. Kelly has continued to derail the government advice during the pandemic, while spruiking unproven and in some cases dismissed treatments, which at least has been something different from the "climate change doesn't even go here" train he was previously riding.

We will bring you all of that, as well as anything else happening today, with the Guardian Canberra team of Mike Bowers , Katharine Murphy, Paul Karp and Daniel Hurst all bright-eyed and bushy tailed and ready to bring you up to date.

You have Amy Remeikis on the blog - you'll find me here during parliament sitting weeks (either at my desk, or rocking under it) and I'm thrilled to be back.

I hope you're ready.

block-time updated-timeUpdated at 11.00pm GMT

**Load-Date:** February 1, 2021

**End of Document**



[***Government approves $500m war memorial redevelopment – as it happened***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:61GG-HVG1-JBNF-W0NJ-00000-00&context=1516831)

The Guardian (London)

December 9, 2020 Wednesday 8:33 PM GMT

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**Section:** AUSTRALIA NEWS; Version:23

**Length:** 28524 words

**Byline:** Michael McGowan and Amy Remeikis (earlier)

**Highlight:** Sussan Ley says it will ensure the memorial ‘continues to recognise and commemorate an important part of Australia’s history’. This blog is now closedHow Australia’s industrial relations bill will affect you and your workplaceFollow our global coronavirus live blog

**Body**

block-time published-time 7.16am GMT

What we learned, Thursday 10 December.

That’s where I will leave you for tonight. Thanks for reading.

Here’s what we learned today:

* A bill that gives Asio sweeping new powers – including lowering the minimum age for compulsory questioning on terrorism-related matters to 14 years, and expanding the type of issues that can be subject to questioning to include espionage and foreign interference – sailed through parliament’s lower house with the support of the Labor Party. Labor had moved amendments, but when they failed it supported the bill anyway.

1. In the same debate, the Home Affairs minister Peter Dutton was forced to withdraw a comment branding the Greens leader Adam Bandt as an “enemy of the state”.
2. The Fair Work Commission president, justice Iain Ross, released a statement , revealing he has agreed to Christian Porter’s request to review the awards covering retail, hospitality, restaurant and registered and licensed clubs.
3. The member for Lingiari in the Northern Territory, Warren Snowden, announced he would retire at the next election.
4. The government approved a $500m redevelopment of the Australian War Memorial.
5. Scott Morrison said a Covid vaccine would be roll out in Australia prior to March, on current indications. In the same interview, with Sydney radio host Ray Hadley, the prime minister said Australia would deal with the findings of the Brereton Report “very sensitively”.

block-time updated-timeUpdated at 7.21am GMT

block-time published-time 6.52am GMT

Channel Nine is reporting that the side of a house has collapsed after strong winds in Bondi. The two people who were inside are reportedly unhurt.

enltr [*#UPDATE*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) : The entire side of a house has collapsed at Curlewis and Wellington St, Bondi. Two people are still being treated by paramedics. Updates: [*https://t.co/f9QVSwYq0W*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) Latest details coming up at 6.00pm on [*#9News*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) [*pic.twitter.com/jTyoDLk7qs*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— 9News Sydney (@9NewsSyd) [*December 10, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

block-time published-time 6.26am GMT

The bill banning gay conversion therapy has passed Victoria’s lower house.

enltrThe bill banning gay conversion therapy has passed Victoria's lower house. It will be debated in the Legislative Council when parliament resumes in 2021. More to come via [*@AAPNewswire*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Benita Kolovos ?? (@benitakolovos) [*December 10, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

block-time published-time 6.25am GMT

OK he’s talking about the Sharks now so I think we can move on.

block-time published-time 6.22am GMT

Morrison is asked whether he would establish a Royal Commission into veteran suicides.

He says he wants parliament to pass legislation for a veteran suicide commission. The bill was quietly withdrawn today because of a lack of support. Labor is pushing for a Royal Commission.

block-time updated-timeUpdated at 6.27am GMT

block-time published-time 6.18am GMT

Morrison is asked about Western Australian premier Mark McGowan’s decision not to come to the National Cabinet meeting tomorrow. McGowan isn’t attending in person because, well, he didn’t want to be in the same room as South Australian premier Steven Marshall.

WA’s strict Covid-19 rules means the state still has travel restrictions in place for SA and people who have been in contact with those from the state.

Morrison seems pretty amused by the decision, and says “I’m taking my chances with the South Australian premier tonight”.

“The WA government has a rule about travelling and association with known South Australians or something like that, which is a strange term, so anyway he’s saying I’m the premier so I’ve got to obey the rules I’ve set which is fair enough,” he says.

“But it’s a strange rule... there’s been some strange rules this year but I mean that one takes the prize [but] I’m not going to make Steven Marshall sit in the corner in a plastic suit tonight, I think we’ll be quite safe.”

block-time published-time 6.06am GMT

Good afternoon.

The prime minister, Scott Morrison, is about to appear on Sydney radio station 2GB.

I believe it’s the second time he’s appeared on the station today.

block-time updated-timeUpdated at 6.08am GMT

block-time published-time 5.53am GMT

The glorious Michael McGowan will be with you for the evening shift.

block-time updated-timeUpdated at 6.08am GMT

block-time published-time 5.53am GMT

I can not express how much of an honour it has been guiding you through this year.

I always blog parliament – but have spent most of this year on the live blog as part of the Covid response. It has been a pleasure taking you through the year – and one I won’t forget.

Your bravery, determination and humour got me through all of the long days – and we can not thank you enough for choosing us as your information source. We set out to inform without the hysteria and answer as many of your questions as we could – I hope we succeeded.

I could not have got through this year without my Guardian colleagues – and as always, there are too many to name, but a special thank you to Mike Bowers, Katharine Murphy, Paul Karp, Daniel Hurst and Sarah Martin for their work dragging me across the line in Canberra. The Guardian brains trust – including, but not limited to – Calla Walquist, Luke Henriques-Gomes, Naaman Zhou, Chris Knaus, Josh Taylor, Melissa Davey, Lisa Cox, Adam Morton, Michael McGowan, Matilda Boseley, Mostafa Rachwani, Ben Doherty, Ben Butler, Graham Readfearn, Steph Harmon, Alyx Gorman, Steph Convery, Elias Visontay, Amanda Meade, Nino Bucci, Ben Smee, Helen Sullivan, Lorena Allam, Greg Jericho, Mike Hytner, Nick Evershed and everyone else who has guided you through – thank you. I would have forgotten someone – it has been a long week, and I am sorry – but you guys are all amazing.

The Guardian team is small but mighty – the behind the scenes crew is incredible and too many to name – but thank you.

And of course, the biggest thank you, is as always, to you – thank you for joining us during this wild ride that was 2020. I haven’t forgot your messages, and you are always at the forefront of what we do. We couldn’t do it without you, so thank you.

We’ll be back – stay tuned for other blogs, and of course, the news as it happens. I’ll be back with Politics Live in February 2021. For the last time this year – take care of you.

And I mean that. It has been a rough year. Who knows what 2021 will bring us – but whatever it is, we’ll be right there with you.

block-time updated-timeUpdated at 6.07am GMT

block-time published-time 5.51am GMT

A lot of the discussion about trade diversification seems to suggest it can happen quickly or that other markets can replace the vast opportunities the Chinese market offers. Birmingham also had a reality check on that, in the ABC interview.

“Look, China is obviously a very large market. It is not only Australia’s number 1 trading partner, but it’s the number 1 trading partner for the vast majority of the countries in our region. That is the function of our geographical proximity, and the scale of the Chinese market – the scale of population, the growth of the middle class. And with that, the propensity towards premium products. So, yes, there are clearly impacts there. It’s not easy to simply pivot away. And our businesses have made commercial decisions over recent years in terms of where they sell their products. We recognise that some are now under stress and pressure as a result of the decisions China has taken.

That’s why we want to work with them through our trade offices and other avenues to help them grow into our markets. But we don’t pretend it’s ever easy to grow a new export market and, of course, the need to diversify for some means choosing access points into many different markets, not just one, if they had a more singular focus on China before.”

Updated at 5.58am GMT

5.51am GMT

The trade minister, Simon Birmingham, says China’s decision to impose an additional tariff on Australian wine “just shows that China’s making these decisions is not being based properly on the evidence”.

China’s commerce minister has today announced tariffs of about 6% based on claims Australian winemakers have received unfair benefits from government subsidies, in addition to the previously announced tariffs of as much as 200% based on “dumping” claims, [*the ABC reported*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf).

Birmingham told the ABC’s Patricia Karvelas that “a 6% tariff on top of a 200% tariff is obviously marginal compared to the initial harm that was done” but it added to concerns about the evidence base Beijing was using. He argued the claim about Australian wine “doesn’t stand up to scrutiny.

He also responded to China’s response to Australia’s response to China’s trade actions. (Birmingham said yesterday it [*looked like China was breaching*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) the free trade agreement with Australia, known as Chafta; China said those claims were unfounded):

“ I’m afraid that the evidence just doesn’t stack up in terms of China just trying to deny that there’s nothing to see here. Our wine industry knows there’s something to see here. Our live seafood industry knows that there is. Our timber industry knows that there is. Our fresh meat industry knows that there is. Our barley and grain sector knows that there is. The sectors that have seen the obvious, continuous accumulation of impacts throughout the course of this year and, indeed, in the case of the barley processors that started a couple of years ago, clearly can see a pattern of behaviour, and that pattern of behaviour is inconsistent with both the intent and the spirit, as well as the letter of CHAFTA or, of course, the commitments China has made more broadly to the World Trade Organization.”

Updated at 5.59am GMT

5.30am GMT

Labor has the matter of public importance, and then the adjournment debate begins - but parliament is all but over for 2020.

5.29am GMT

And that’s a wrap on the Christmas speeches.

5.20am GMT

Government approves $500m war memorial redevelopment

While the Christmas speeches are going on and the parliament is about to be adjourned for the year, Sussan Ley drops this:

I have today approved the Australian War Memorial redevelopment proposal under the Environment Protection and Biodiversity Act1999.

The decision, based on Departmental advice, follows a rigorous assessment of the proposal against the heritage values of the Australian War Memorial and Parliament House Vista, in keeping with both National and Commonwealth Heritage Management Principles.

In making this decision, I acknowledge the diverse range of community and stakeholder submissions made during the consultation period and the public interest in the project.

The Australian War Memorial holds a sacred place in the hearts of Australians and there are 29 strict conditions of approval to minimise and mitigate the residual impacts on the site’s National Heritage and Commonwealth Heritage values.

The Memorial will be required to prepare a Heritage Impact Assessment of the final design for my approval to ensure the site’s heritage values continue to be protected.

The iconic shape and front façade of the building will be preserved throughout this redevelopment, as will the main commemorative area including the Pool of Reflection, the Roll of Honour, the Hall of Memory, and the galleries dedicated to the First and Second World Wars.

I am satisfied the conditions of my approval will ensure the Australian War Memorial will continue to be an outstanding national museum and memorial that recognises and commemorates an important part of Australia’s history.

5.19am GMT

Anthony Albanese’s thank yous extends to the press gallery

“I thank most of you”

But he reserves a special thank you to the crew at AAP - who have been THROUGH IT this year.

Hear hear.

Teachers and Year 12s, Victorians, the grieving and the struggling also get a special thank you

5.07am GMT

Anthony Albanese now starts his Christmas speech, laughing that when he said last year was eventful, it had nothing on 2020.

“The year from hell comes to mind,” he says.

The thank yous from the Labor side are about to start. Look in your pocket - there is a thank you. Shake your head - that’s right, a thank you.

What’s that in your ear? Yup - a thank you!

5.06am GMT

Scott Morrison finishes with:

Let me conclude by saying there are a couple of things we missed in this building this year. One of those was the school groups, I’m sure. It was great to wave to them across the glass here today, but to see those schools coming back to our parliament, it’s a bit like the birds that return after a storm, Mr Speaker.

We’re passing through that storm as a country. The signs are there. I think, as we go into this time of Christmas, Mr Speaker, it gives us the time to reflect on the renewable that will take place.

And it will take place, Mr Speaker.

It will give us encouragement as we go forward into the future. Australians, my prayers for you and your family this Christmas is that you will find that peace in a year I where there has been little, and that you will find the hope and you can cleave to that hope as you go into 2021. God bless you, Australia, and thank you very much, and merry Christmas and a very happy 2021.

5.02am GMT

The thank yous are continuing. The Liberals get a thank you, the Nationals, Greg Hunt, Mathias Cormann - thank yous galore.

4.57am GMT

Everyone gets a thank you in Scott Morrison’s speech, from the community to the public service, to the defence force, to frontline and essential workers and the behind the scenes parliament workers who made the virtual parliaments happen.

You also get a thank you. Everyone gets a thank you.

Look under your chair – there’s probably a thank you there.

Updated at 4.58am GMT

4.55am GMT

Scott Morrison is delivering his Christmas speech to the parliament.

It’s like the queen’s speech, but with less staging of picture frames and more background MPs trying to look very interested while warring with their desire to run as far as they can from this place, as fast as they can.

4.53am GMT

Mike Bowers was in the chamber to catch Warren Snowdon’s resignation announcement.

He’ll serve until the next election.

The member for Lingiari, Warren Snowdon, announces his intention to retire.Photograph: Mike Bowers/The GuardianHe will be missed.Photograph: Mike Bowers/The Guardian

Updated at 4.54am GMT

4.42am GMT

Anthony Albanese and Scott Morrison have both acknowledged Warren Snowdon’s contribution.

Albanese:

Warren has been absolutely unconditionally determined to advance the interests of First Nations people and it is sad to say, I think, it would be difficult to think of anyone over such a period of time who has that as they recorded this place.

Since Federation. Certainly no one would have argued the case through native title, through land rights, through our constitutional recognition, as Warren has. That is a great legacy.

But in the great legacy and when we recognise First Nations people in the Constitution, and give them a voice to this place, as you have argued, you can feel good about making a difference and making a contribution to that change happening.

Morrison finishes with what he says is the best compliment a Liberal can give someone from Labor:

You are a good Labor man. You are a very good Labor man.

Updated at 4.45am GMT

4.34am GMT

Warren Snowdon concludes his emotional speech, with a thank you to his community:

The only reason I became a member of parliament and remain a member of parliament is because of the support I have been getting from the Aboriginal communities across the Northern Territory.

... To bring a voice in this place. I owe them so much. I have learned so much, so, so much. I have learned about respect and humility. And I have [learned] patience. Patience. They have such great patience. When I stood up here on 17 September, not here but the old Parliament House, 1987, to give my first speech, I said a number of things.

As a nation, we have yet to recognise in the court Aboriginal justice which is due.

It is still the case.

I said this nation cannot [reach] maturity until Aboriginal Australians are given full recognition and the demands by Aboriginal and Islander people for compensation for land stolen and social and cultural disruption are addressed.

In my view, this should involve appropriate members of the Constitution.

[That was in] 1987. I said it is time the politics of division in this country are put aside so the last, at last, the injustice of the Aboriginal dispossession is recognised and dealt with in a way which is satisfactory to Aboriginal Australians. 30 years ago.

Here we still argue about the need for a voice to parliament. The treaty making. Truth telling. We have an obligation and chance and we should be able to do it, prime minister.

We should be able to do it. Come with us. Let’s make it happen. I want to conclude by reminding you that I’ll be rolling a swag at the end of the term, not tomorrow.

But I want to just finish by reading a quote by Xavier Herbert.

It’s not immediately relevant today because of land rights being achieved by and large, except for the deficiencies which will be a discussion for another day.

I think it is a really strong statement which bears the need for us to actually do things. Before I go, I want to thank Pat, Marla and Luke for your wonderful support. He said this: Until we give back to the black man just a bit of land that was his, without strings to snatch it back, without anything but complete generosity of spirit and concession for the evil we have done here, until we do that, we will remain what we have always been so far, that people without integrity, not a nation but a community of thieves.

The member for Lingiari, Warren Snowdon, announces his intention to retire.Photograph: Mike Bowers/The Guardian

Updated at 4.52am GMT

4.17am GMT

Warren Snowdon says there is no bigger honour than representing your community. But he says it comes with a cost.

He takes another breath as he speaks about his family.

His partner gave birth to their first child a fortnight before his first election, and a fortnight later was in the car, travelling the electorate with him. They had another three children - but he said there were many years where he was only home eight or nine nights a month.

He worked out that over his time in parliament, he has spent two years in the air.

“So I want to say thank you Elizabeth, I love you.”

He thanks his children.

“As I love you, Frank, Tom, Tess and Jack. You are a credit to your mother. Because she raised you. I was an observer. Tolerated, but an observer”

4.13am GMT

Warren Snowdon announces retirement

The member for Lingiari says thank you to everyone for coming together to save the NT’s second’s seat.

And then, as the last member of parliament who served in the parliament since it was in Old Parliament House, he announces he will be “rolling up the swag”.

He takes a moment before announcing that - it is obviously quite emotional for him.

But he won’t be contesting the next election.

4.11am GMT

The last question time for the year ends

That’s it for 2020.

Well done to everyone not in the House - you got through it.

4.10am GMT

We just heard about living though an “uncertain pandemic” and I look forward to seeing what a certain pandemic is like, because this one hasn’t been great.

4.09am GMT

Anthony Albanese to Scott Morrison:

Does the prime minister agree that this eight-year-old government is riddled with waste and scandal including spending $30m on airport land that was worth only $3m to a Liberal party donor, $100m on sports rorts, $4.5bn to fix the second-rate copper NBN, $1.2bn to compensate robodebt victims, $20,000 on Cartier watches, and millions on his dud Covid-safe App?

Morrison:

No

That’s the whole answer.

So not sure whether he doesn’t think that is a waste of money or whether he just rejects the question (which includes things that actually happen).

Updated at 4.15am GMT

4.08am GMT

Catherine King to Scott Morrison

Why does the prime minister and the government constantly make big numbers without delivering them, including spending $6.8bn less on infrastructure than in the budget papers, announcing the National Water Infrastructure Loan Facility in 50 media releases then scrapping it, announcing the Urban Congestion Fund but spending $1 in $5 and spending nothing in the emergency response fund in bushfire-affected communities.

Morrison:

We have seen this all day from the opposition, Mr Speaker. They have saved their worst for last today. They’ve saved their worst for last.

Here, as a government, Mr Speaker, we have come together and we have been thanking Australians for their tremendous efforts this year and we continue to do that in this place, and I want to thank all those who are out there, Mr Speaker, spending the more than $100bn of infrastructure that this government has committed to over the next 10 years, Mr Speaker.

Projects like the Western Sydney International Airport, in particular.

Mr Speaker, this project is going to change not just New South Wales and Sydney, Mr Speaker, but it is going to change the entire nation. When we came to government, Mr Speaker, in 2013 I had sat on the opposition benches for six years, and over those six years I heard the leader of the opposition go on and on, and on, and on about Western Sydney International Airport. He didn’t turn a sod, Mr Speaker. He didn’t even get up a sign, Mr Speaker.

The leader of the opposition, when it comes to the Western Sydney International airport... Mr Speaker, he didn’t do anything despite the pleas, Mr Speaker, of those in his electorate and despite everything he said, he needed to do, on Western Sydney International Airport.

He was transport minister for six years, Mr Speaker, he couldn’t get a runway, he couldn’t get lift-off, Mr Speaker, he couldn’t even get himself out there to actually make the project happen

So, Mr Speaker, I’m not going to take a lecture from the Labor party when this government has been delivering the jobs on the ground that 1.5m jobs that were created before we came into the Covid-19 recession, saving 700,000 jobs, 700,000 jobs, through the economic supports we put in place during the Covid-19 pandemic. The Australian people know because they have seen this government get on with the job. They’ve seen us deliver on the ground, Mr Speaker. And this desperate leader of the opposition can crow and carry on all he likes, Mr Speaker, but the Australian people have worked him out and those behind him, Mr Speaker, have worked him out.

Updated at 4.14am GMT

3.58am GMT

Work Choices 2! [*#QT*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) [*pic.twitter.com/8lVf9bVNBU*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Tim Watts MP (@TimWattsMP) [*December 10, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

3.57am GMT

Christian Porter:

This is desperate, Mr Speaker. Absolutely desperate. Telling untruths, trying to scare people, the signs of absolute desperation.

Mr Speaker, if Yoda were here, if Yoda were here, he would remind us, if Yoda were here, he would remind us... he would remind us that fear of leadership tensions leads to the dark side, Mr Speaker.

Fear of leadership tensions leads to the dark side.

Leadership fear leads to anger.

Anger leads to wildly untrue assertions in question time.

That is the path to the dark side, Mr Speaker, and that’s the path that the Opposition is on.

I mean, I guess a Coalition MP would know – they have been through it quite a few times in the last seven years.

Updated at 3.59am GMT

3.55am GMT

Christian Porter has spent the last 2.45 minutes trying to set up a Yoda joke.

Works not, it does.

3.54am GMT

Stuart Robert just did a dixer thanking members of the community for stepping up in a series of scenarios the government should have filled, so there’s that.

3.53am GMT

As my colleague Paul Karp just quipped, there is a bit of “and so the fair work commission shall hold” about these answers from Christian Porter.

For those playing at home – Malcolm Turnbull declared Barnaby Joyce would not be found to be a dual citizen “and the high court shall so hold” and – well, we had more than one byelection that year, including New England.

Updated at 3.55am GMT

3.52am GMT

Sharon Clayton to Christian Porter:

Under the prime minister’s workplace laws, a cook working 6am to 2pm five day a week including weekends could lose $6,000 a year. Workers like these have spent 2020 worried about their livelihoods. Why is the prime minister punishing them with a cut to their take-home pay?

Porter:

Why is the member deliberately trying to scare them for no reason whatsoever...

For no reason whatsoever. Why would they deserve that after the year they’ve had? Why would the member do that?

Again, the scenario that the member has raised just wouldn’t happen. It doesn’t happen now. It would not happen under any of the changes that we are suggesting before the parliament. It simply wouldn’t happen. There are a range of protections to ensure that that scenario would never arise.

A range of very strong protections.

They start with the fact that any of these sort of applications has to commence with agreement between the parties. The union is the bargaining representative, the employees, and the employer.

Indeed, one of these questions was asked earlier by the member for Spence and not that long ago, in March 2017, the member for Spence said this, ‘All of the workers on these enterprise bargaining agreements vote to either accept the agreement or reject the agreement.

Now, what worker would vote for less pay and less conditions?’ Answer, ‘Nobody would.

That is the member for Spence. The... Fair Work Commission says it will never allow an agreement. All the matters you’ve raised could never conceivably be in the public interest, which is why it could never happen.

Updated at 3.54am GMT

3.46am GMT

I would add ‘desperate to drink my weight in wine’ to say farewell to this year to this list.

It would be fun actually to create a sliding scale of desperation. Carbon tax desperate? "No cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS" desperate? War on the weekend desperate? $100 lamb roast desperate? [*#qt*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Katharine Murphy (@murpharoo) [*December 10, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

3.44am GMT

Emma McBride to Christian Porter:

Under the prime minister’s new workplace laws, a pharmacy assistant working a 38-hour work could lose $6,000 a year. Why is the government’s Christmas “thank you” to front-line workers a cut to their take-home pay?

Porter:

They simply could not, which really raises the question, which really raises the question, why would the leader of the opposition be sending out his backbenchers to ask questions solely designed and unnecessary to scare people before Christmas.

How desperate would you have to be, how desperate would you have to be, to send out our backbenchers and ask questions based on totally false assertions and premises. Completely false.

How desperate would you have to be to do that, when the only conceivable reason for doing that would to scare people unnecessarily and unfairly.

Updated at 3.48am GMT

3.40am GMT

Anne Aly to Christian Porter:

Under the government’s legislation, a cleaner working part-time could lose $6,600 a year from their take-home pay. Why is the prime minister punishing front-line workers with a cut to their take-home pay?

Porter:

The question is, once again, untrue, incorrect, it wouldn’t happen. It doesn’t happen, and it wouldn’t happen into the future. And I think, member for Cowan, that you and I would both agree that that scenario would never be considered to be in the public interest, which is the existing test and it would be the preserve test, which is the reason why it doesn’t happen now, and it’s the reason why it would never happen into the future. And the question is, once again, desperately wrong, desperately wrong, for a desperate leader.

Updated at 3.41am GMT

3.35am GMT

Nick Champion to Scott Morrison:

Can the prime minister confirm under his new workplace laws workers who stack supermarket shelves five nights a week from 6pm to 10pm could lose up to $5,500 a year? Why is the prime minister’s Christmas ‘thank you’ to front-line workers a cut in their take-home pay?

Morrison skips this one as well and gives the nod to Christian Porter:

Well, Mr Speaker, with respect to the member for Spence’s question, the scenario that he outlines is not possibility and would not happen, not now, not under what is being proposed by way of reform, not ever.

Updated at 3.39am GMT

3.31am GMT

The thing is, the government wants to suspend BOOT for two years. And it’s lowered the test for when the exemptions to applying it can apply. Which means those previous examples don’t count here, because it is apples and oranges.

Or motorbikes and waterskies, if that is easier.

3.31am GMT

Ged Kearney to Christian Porter :

Yesterday the minister denied that a personal carer in aged care could lose up to $11,000 a year from their take-home pay under the government’s legislation. Why won’t the minister acknowledge the truth, that if there’s no better-off test, then every penalty rate and shift allowance is at risk?

Porter:

Because there is a better-off test. And it remains in the legislation. As it was always designed to do.

I think what the member is talking about is a – what’s known as contract crisis provision that was inserted into the Fair Work Act by the Labor Party, section 189.

Maybe I can share with the house the instances, very rare instances, that has been used in the past.

In 2011, under the then Labor government, the Dimaroo Aboriginal Corporation needed to allow for extreme weather events and made an application, agreed by all 19 of their employees to work their ordinary hours in a way not catered for in the award and the Fair Work Commission agreed that that was a commonsense change that was not contrary to the public interest and should be approved, and it was approved.

That seems to us to be a reasonable, limited response in a crisis circumstance. In another example, in 2011, a fresh produce business in Cairns, in 2010 after floods and cyclone Yazi and what had led in Cairns to the extreme weather event of non-occurrence in winter and had an extreme impact on fruit, under a determination was made that the application agreed to by employees, agreed to by the employer, was not contrary to the public interest, which is the firm, clear, necessary safety net test there, and that agreement was agreed to. The idea that what you are suggesting would occur, either in the present system... or the future – the idea what the member is suggesting would occur, either in the present system or in the very modest addition that we have suggested to section 189 is simply not correct.

Updated at 3.37am GMT

3.27am GMT

That was the biggest ‘I don’t even care if I’m not invited, because I’ll have my own party’ spiel I have heard since I banned my sister from my 13th birthday party and she protested by having a party with her dolls outside the living room, making us all trip over her as we went to the bathroom.

3.25am GMT

Zali Steggall gets the independent question and it’s the question of the day:

Will Scott Morrison be presenting at the climate ambition summit as he claimed? Or is what Australia has done or promised to do, not ambitious enough to get a speaking slot (as reported this week by Katharine Murphy and Adam Morton )?

Spoiler – he doesn’t have an invite ( but he uses a lot of words to admit that – most notably, by not answering the question).

Morrison:

I can assure you of this.

That Australia’s climate and energy policy will be set here in Australia.

In Australia’s national interests, not to get to a speaking slot at some international summit, Mr Speaker.

The only approval I seek, apologies for my side of government, is from the Australian public, that’s it. That’s it.

The only people I answer to in this place is the Australian people. And our government stands to serve the Australian people. Whatever country that may be, that may seek to impose... whatever on this.

...The member thinks what is relevant is whether you speak at summits or not. That is not something that troubles me or concerns me one way or the other.

If people wishes us to speak of them, we’re happy to come.

If they don’t, I’m not fussed, Mr Speaker. What matters is if you actually reduce emissions and the 16.6% fall in emissions that we’ve had since 2005, and since emissions peaked in 2007, almost 27% fall in Mr Speaker.

But on the earlier figures, this compares to a zero or a 0.2% fall in countries like Canada and New Zealand, Mr Speaker.

Australia has record investments in renewables. Australia has a plan to put the technology in place to reduce emissions and ensure we achieve the Kyoto, as we already have, and demonstrated that, an importantly, the Paris commitments before us, Mr Speaker.

What matters is what you get done and Australia is getting it done. That’s what matters to the Australian people. Not how many speeches you give, not how many ambitions you declare, Mr Speaker.

I may have an ambition to play front row forward for the Australian Wallabies but that ambition won’t be realised. But what is being realised is a Australia is meeting its emissions reduction targets...

Updated at 3.51am GMT

3.19am GMT

Christian Porter does not correct the record about Fonzie being on water skis, not a motorcycle.

Probably because he doesn’t know how to make a water ski noise.

The Fonz with the Happy Days team. (Skis and shark not pictured.)Photograph: Paramount/Everett/REX

Updated at 3.40am GMT

3.19am GMT

Michal McCormack (I legit almost forgot his name there for a moment) says something about regional Australia being at “the heart of Australia”.

Which they are. But also – that is just geography.

We then get something about planes, trains and automobiles.

Planes in the air, cars on the road, bikes over sharks [*#QT*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Daniel Hurst (@danielhurstbne) [*December 10, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

And he rounds it all off by mispronouncing ‘stoic’ just as he was striving for statesman-like.

It’s exactly how McCormack should go out - burping homilies, messing it up and looking slightly confused to find himself in the room.

Updated at 3.20am GMT

3.15am GMT

If you can’t work out how to jump over a shark, you can’t run IR. Or something.

3.15am GMT

It is all about IR.

Anthony Albanese asks Scott Morrison whether he is going to back down on the cut to take-home pay that he claims he hasn’t made?

There is a point of order because of course there is

Christian Porter:

My point of order is regarding the standing orders that allow the prime minister to have someone answer questions on his behalf that’s allowed. But it can’t be allowed with just a contemptuous nod of the head. It’s got to be referred and the parliament deserves to be treated with respect.

Tony Smith rules the question in order.

Porter takes the question too:

Yes, and the double-negative question was, “Will the PM back down on something which the government has not done?”

No. We won’t. Because we haven’t done it. And, therefore, there’s nothing to back down on. The question really, Mr Speaker, is why are the members for Watson and Grayndler on their motorcycles seeing who can jump the biggest shark. What is going on there?

[We reject] the allegation wholeheartedly. There they are on their motorcycles ‘broom-broom’ getting ready to jump the biggest shark they can find.

Why are they both trying so hard to out over-reach each other?

Anthony Albanese has a point of order:

It goes to accuracy there are children watching. A motorbike can’t jump a shark.

Porter:

We’ll explain what the phrase ‘jumping the shark’ means after question time.

But why are they both out trying to over-reach other. Why are they both trying to come out with the most absurd, ridiculous, untruth in a question that they possibly can? It’s because it’s the final audition for the one job that they both want, and that’s the person sitting over there. They both want and envy that job and that’s why we are getting this ridiculous overreach.

Updated at 3.17am GMT

3.09am GMT

Question time begins

It is the final question time of the year - and you can tell.

No one is in ANY mood today.

Updated at 3.50am GMT

2.51am GMT

It’s almost question time – strap in for another IR hour.

Updated at 2.54am GMT

2.35am GMT

Editor-at-large of the Australian Paul Kelly has launched Bridget McKenzie’s biography of ‘Black’ Jack McEwen, published by Connor Court.

It was a light-hearted affair, best exemplified by McKenzie’s quip to Michael McCormack that she’d written the book because “I had all this spare time, boss” – in reference to her resignation from cabinet over the sports grants controversy.

According to Kelly, the central thrust of McKenzie’s book is that McEwen’s role can’t be dismissed or minimised because he was a protectionist, rather, the heavily protectionist post-war “reconstruction” period is back in vogue.

Quoting from the book:

McEwen’s approach still holds true for our party. With apologies to Adam Smith, the invisible hand of McEwen is behind our Covid-response, we are all McEwenists now.

Kelly dissented from that, and got a cheer of support from Liberal MP Tim Wilson, but said the book is thought-provoking.

McKenzie said her takeaway from McEwen is that he was not “flaccidly acquiescent” in the Coalition government – “that’s not how he got things done”, and was a template of how the country party should continue.

Updated at 2.42am GMT

2.18am GMT

We are less than an hour away from the last question time of the year.

You may need something stronger than coffee.

2.16am GMT

Fair Work Commission to review penalty rates

The Fair Work Commission president, justice Iain Ross, has released a [*statement*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) , revealing he has agreed to Christian Porter’s request to review the awards covering retail, hospitality, restaurant and registered and licensed clubs.

Porter had suggested the commission consider whether to allow employers and employees to agree to “loaded rates” – which replace penalty rates with a higher base rate of pay – and to consider simplifying classifications.

Ross said:

I propose to commence a process on the commission’s own motion to consider the inclusion of loaded rates and exemption rates clauses in the priority modern awards...

The process will also consider whether any changes can be made to simplify the classification structures in the priority modern awards and any other changes proposed by any interested party.

Ross explained that the FWC has considered “loaded rates” in the past in the penalty rate cases and the four-yearly review of modern awards.

In both of these cases, the full bench noted that there was merit in considering the insertion of loaded rates into the hospitality and retail awards. In the penalty rates case the full bench indicated that it envisaged the development of loaded rates to be an iterative process undertaken in consultation with interested parties once the transitional arrangements in respect of the reductions in Sunday penalty rates was complete. The transitional arrangements have now been completed. Consistent with the view expressed in the penalty rates case it is appropriate that consideration now be given to the insertion of loaded rates into the hospitality and retail awards.

Updated at 2.34am GMT

2.14am GMT

Chris Bowen says Labor will support the stillbirth action plan:

I will support the government in any of their actions and commitments to enact this plan.

I will be keeping a close eye on the short-term commonwealth items – they look not too difficult at all for immediate action – so will advocate that we get started on those straight away.

Once again, I would like to thank everyone here for their work – whether it has been through contributing to this plan, advocating for or participating in the Senate inquiry, or making public, what has long been a private grief.

Updated at 2.45am GMT

2.10am GMT

The bells have not stopped ringing

The last scheduled sitting for the year is always busy, and in Parliament House that usually means the division bells are ringing. Auspic have captured divisions occurring in the House and [*@AuSenate*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) this morning. [*pic.twitter.com/HNTjTgUmU6*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Australian House of Representatives (@AboutTheHouse) [*December 10, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

1.59am GMT

Kristina Keneally made raising awareness and creating an action plan for stillbirth one of her goals when entering the Senate. A bipartisan committee was established to come up with a plan.

Today Greg Hunt has announced:

The Morrison Government’s National Stillbirth Action and Implementation Plan’s primary goal is to reduce stillbirths by 20% or more over the next five years. The plan has a 10-year timeframe and includes further short, medium and long-term actions.

To change these sobering ***statistics***, over the next four years the Australian Government will provide:

* $4m to support stillbirth education and awareness initiatives, particularly for groups at higher risk of stillbirth.

1. $2.1m to adapt the Safer Baby Bundle program for those priority populations, including Aboriginal and Torres Strait Islander women and women from culturally and linguistically diverse backgrounds.
2. $0.5m to develop new Clinical Care Standards and update existing clinical care guidelines relating to stillbirth.
3. $0.5m for ***data*** improvement and activities to enable long-term research on stillbirth.
4. $1.7m to develop a monitoring and evaluation framework for the plan.
5. $1m for state and territory governments to take immediate steps to increase the uptake of stillbirth autopsies and investigations.
6. $1m through a National Health & Medical Research Council grant to Monash University to conduct a trial of a wearable, low-cost device to monitor fetal movements to prevent stillbirths.

Updated at 2.05am GMT

1.43am GMT

Christian Porter said he didn’t “spring” the better off over all test part of the legislation on the unions, just “controlled the timing” despite 150 hours of consultations and round tables:

But we obviously control the timing of both when solutions to problems are raised or indeed thought of and some of those are raised in the process later rather on earlier.

1.33am GMT

Lols at the ‘staying close to home’.

We all are.

The international borders are closed. It’s not like any of us can take off to Hawaii for the holidays.

Updated at 1.35am GMT

1.27am GMT

Morrison says Australia needs to deal with Brereton findings 'very sensitively'

As Amy mentioned earlier, Scott Morrison has been on 2GB with Ray Hadley. I’m glad she’s on it as usual, because I confess I’m catching up.

Some quick takeouts from that interview.

* The PM said a Covid vaccine would be rolling out in Australia prior to March on current indications.

1. Morrison will have the premiers and chief ministers around for dinner tonight before national cabinet on Friday. Last meeting for the year tomorrow. Ho, ho, ho.
2. On the Brereton report. Hadley referenced some recent comments from the defence minister Linda Reynolds about the alleged killings of civilians and combatants being cold blooded murder. That was, in fact, the key allegation in the investigation into potential war crimes in Afghanistan, but the radio host thinks this is “like throwing petrol on the fire”. Morrison says it’s a “difficult time” and he’s sought to use “very careful language”. He says people are obviously innocent until proven guilty, but he says there is a need to deal with the findings in the Brereton report, and do that “very sensitively”. He says the response can’t be reduced to simple solutions. “There’s a history here that we have to deal with”. Hadley thinks Morrison ought to speak to the defence minister. “I understand the point, Ray,” Morrison says. Hadley thinks “these poor buggers have been thrown under a bus”. Morrison says the principle is innocent until proven guilty.
3. Hadley says he doesn’t care where Morrison goes for a Christmas break. Morrison says he’ll be staying close to home. He also hopes to speak more to Ray next year. Ho, ho, ho.

Updated at 1.39am GMT

1.24am GMT

Is Christian Porter the fall guy if the legislation doesn’t get up?

Porter:

Well, I’m responsible for the legislation, for the process that helped design the legislation, and it is early days with respect to a bill like this. And the it covers five of the most longstanding problems that exist in the system. The focus has been on four paragraphs and one page so far\*. But can I tell you, there’s going to be plenty in it to keep everyone interested and alert over the next several months, as we deal with it. And it’s a process, as I indicated previously, of continuing the dialogue, the discussion, the consultation around the draft through the committee. But the five problems that we’re seeking to fix, they can’t be left unsolved. If we can’t fix those problems in a practical way, we allow barriers to job growth to persist in an economy that desperately needs them removed.

\*It is a pretty important page.

Updated at 1.26am GMT

1.23am GMT

Christian Porter also says there has been too much focus on ‘one part’ of the IR bill – suspending the better off over all test – and not the rest of the legislation:

With respect to the omnibus bill there has been focus on one area and not a lot of focus on other areas, which in my observation would be more important, but, in any event, the government will keep that dialogue going, keep discussions occurring with all the parties and that work will continue over the summer. That will be difficult and detailed work which the government will be assisting with any way we can.

Updated at 1.27am GMT

1.22am GMT

Christian Porter confirms the government has taken the national commissioner for suicide prevention off the legislation list, after failing to get the numbers needed for it to pass the Senate:

Perhaps if we’d had more time, it may have been possible to secure that support but it has been a matter of intense discussions with the crossbench and others. It was disappointing that Labor originally supported that model and withdrew support. However, the government’s commitment to that remains absolutely rock solid and we’ll be continuing that work over summer.

1.06am GMT

Greg Hunt will launch the still birth action plan at 12.30pm.

1.03am GMT

Greens leader accuses Coalition of making 'power grab' through new Asio bill

In the parliamentary speech that [*so angered Peter Dutton*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) , the Greens leader Adam Bandt accused the government of making “a power grab that takes away people’s liberty” through the new Asio powers bill.

Bandt contended that “this last minute piece of legislation that is being rushed through should send a shiver down the spine of people who think that Australia is a place where you have the right provided that you’re not breaking the law, you have the right to go about your business freely”.

Greens leader Adam Bandt.Photograph: Mick Tsikas/AAP

Bandt also contended the powers would make Australia “a world leader in these kinds of state sanctioned tracking of citizens and coercive questioning powers”.

The Greens leader referred to concerns the Asio powers bill would have a chilling effect on journalism, whistleblowers and civil society organisations.

External legal advice prepared for GetUp argued some of the work of civil society organisations – especially those involved in environmental and human rights advocacy – may be caught by the broad definition of “acts of foreign interference” because it includes clandestine acts that “are otherwise detrimental to the interests of Australia”.

For more on that issue, [*see our story from October*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf).

Dutton withdrew his unparliamentary comment that Bandt was an “enemy of the state” but defended the need for the new powers, which expands the type of issues that can be subject to compulsory questioning beyond terrorism to include politically motivated violence, espionage and foreign interference.

It’s also worth noting that the government made several amendments today in response to recommendations of the parliamentary joint committee on intelligence and security.

That includes amending the bill to require the attorney general to take into ***account*** the best interests of the child as “a primary consideration” in deciding whether to issue a warrant allowing questioning of a minor as young as 14.

It’s also worth noting the bill that sailed through the lower house today is different from the new Australia Signals Directorate and dark web-related powers unveiled last week (my colleague wrote a useful explainer about that proposal, [*which you can find here*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) ).

Updated at 1.21am GMT

12.52am GMT

I’ve been talking to employer groups to see what they think of the two-year suspension of the better off overall test for approving workplace pay deals.

After [*Guardian Australia revealed*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) this major change on Tuesday, the Australian Industry Group and Australian Chamber of Commerce and Industry [*were quick out of the blocks in support of it*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf).

Many others are ambivalent about it – the Australian Mines and Metals Association is not focused on it because its members aren’t planning on undercutting the award, the Australian Hotels Association is not focused on it, because pubs almost all use the award to set pay rates, not enterprise agreements.

One stakeholder who was upset by the prospect of losing this reform is Peter Strong from the Council of Small Business Organisations Australia.

He told Guardian Australia:

We think it’s got to go through, it’s not about cutting pay rates it’s about managing your business and everything else in the agreement so you can survive. If you’re a worker you’d rather have a job than not have a job.

But Strong was pragmatic in the face of the possibility Christian Porter could drop the change:

You’ve got to be pragmatic. There are many other changes in the bill we’d like to see around casuals and permanent part-time workers, the fact we’re getting a bill with these changes is something we’ll celebrate. The other changes are really worthy, it would be nice to get the change to the Boot because businesses will close without it. It does have a number of protections including that the Fair Work Commission must approve the agreement... We’ll continue to pursue it, and if a business closes as a result [of the better off overall test] we will highlight it.

Updated at 1.01am GMT

12.44am GMT

You can also dance in Tasmania #sentenceswhicharenotweirdin2020

Peter Gutwein has updated the state on changes to its restrictions:

Firstly, gathering in homes will increase from 40 people to 100. Please remember to be Covid-safe, make sure there is plenty of room to spread out, have hand sanitiser available, and most importantly, if you are unwell, do not invite people to your home.

I am pleased to advise that dancing, and stand-up drinking, will be permitted by up to 100 people at indoor venues and 250 people in outdoor values from this Friday at 5pm.

Updated at 12.51am GMT

12.32am GMT

Given the last 24 hours since announcing it was suspending the ‘better off overall test’ by slipping it into the legislation has seen the unions and Labor organise in a way we haven’t seen all year, don’t be surprised if Christian Porter announces the government is dropping the ‘woot – worse off overall test’ from the IR legislation.

That’s despite spending all of question time yesterday saying it wasn’t true.

Updated at 12.37am GMT

12.30am GMT

Peter Dutton labels Greens leader Adam Bandt 'enemy of the state'

Peter Dutton has been forced to withdraw a comment branding the Greens leader as an “enemy of the state” during torrid debate on the new Asio powers bill.

The legislation – which lowers the minimum age for compulsory questioning on terrorism-related matters to 14 years, and expands the type of issues that can be subject to questioning to include espionage and foreign interference – sailed through the lower house a short time ago.

Labor attempted to move some amendments, including ensuring that a judge continue to be involved in signing off on compulsory questioning warrants rather than just putting it in the hands of the attorney general, but those amendments failed (59 votes in favour to 61 votes against).

[*Guardian Australia had previously reported on the push from Labor to keep what it described as a Howard government safeguard, or “double lock”*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) , on signing off on questioning warrants – but Labor ended up voting for the bill even without that safeguard in place.

The Greens leader, Adam Bandt, claimed the new powers would give the attorney general unfettered powers, and that Labor should be prepared to vote down the entire bill if the amendments did not succeed.

Dutton said he wanted to thank shadow attorney general Mark Dreyfus for his contribution to the debate but the home affairs minister said he hoped somebody fact checked Bandt’s “appalling contribution”.

People will take it at face value and discount it as an appalling contribution. You [Bandt] make Australians unsafe, you make Australians unsafe through your pathetic contributions and your stances in relation to these matters.

Dutton said ensuring safety and protection of the Australian community was the first priority of the Morrison government, and the security agencies needed the capability to counter the threats of politically motivated violence, terrorism espionage and foreign interference.

Both Dutton and Dreyfus pointed to the fact the bill included repeal of the more intrusive “questioning and detention” powers.

Dutton moved some amendments in response to recommendations of the parliamentary joint committee on intelligence and security. Dutton praised the work of Liberal committee chair Andrew Hastie and Labor deputy chair Anthony Byrne, whom he described as “two absolutely patriotic and professional” MPs “in complete contrast to the enemy of the state, the member for Melbourne [Bandt], as was represented before in his contribution”.

Bandt demanded that the minister withdraw and apologise for the unparliamentary remark, prompting Dutton to withdraw the comment.

Updated at 1.25am GMT

12.29am GMT

Christian Porter has announced a doorstop interview for 12.15

12.22am GMT

Queensland CHO Dr Jeannette Young has spoken on dance (not necessarily rhythm) coming back to Queensland:

This is about Queenslanders being sensible, and Queenslanders have been really, really sensible today.

That is why we have had a fantastic response in Queensland that we have had. We have not seen ***transmission***.

Same with dancing, so dance with other people as you would normally, but do not fancy the whole group, not those mosh pits you have a hundred people squashed up to gather that my daughter told me about, all squashed up together, and you do not know anyone, you are not dancing with those hundred people.

So if you are dancing with someone you met that night that is fine, just be sensible about it, and stay with that person, with your friendship group, with your family, stay in those groups, do not spread out.

So you have a couple of people here, a couple of people there, rather than everyone in a tiny little space.

Hard and fast rules do not work because people find ways to get around that because you made them hard and fast.

If you take the concept and work without people do really well, that is what has happened.

I met the industry groups yesterday, very very sensible. So I know this will work, it will be put in place, it will be managed.

The issue is that if we want to get any community ***transmission*** we would have to stop dancing, but I have no concerns about that, we did that really complete right at the start, if we need to we could do it again.

TL;DR – leave space for the holy spirit.

Updated at 12.41am GMT

12.19am GMT

As Murph reported yesterday, Bridget McKenzie has been ordered by the Senate to appear at the sports rorts committee.

She has to appear by 12 February to answer questions, under the senate order.

Don Farrell said it was a necessary, if unprecedented step:

The Select Committee had previously requested Senator McKenzie appear as a witness on no less than six occasions, but she declined every time.

Scott Morrison tried to hide his own involvement by making Senator McKenzie his scapegoat. But no longer being a Minister because you’ve breached Ministerial Standards should not allow former ministers to avoid appropriate scrutiny.

Predictably, the Morrison government voted against transparency and accountably, suggesting Senator McKenzie should not have to front the inquiry because there was no precedent of the Senate compelling a former Minister to appear.

The Morrison government’s unprecedented rorting of what was meant to be a competitive, merit-assessed grants program and its attempts to avoid scrutiny require an unprecedented solution.

Updated at 12.42am GMT

12.10am GMT

NSW has recorded no locally acquired cases of Covid – four returned travellers have tested positive, and are in hotel quarantine.

There have been no further cases linked to the woman who tested positive while working at one of the hotel quarantine sites.

Updated at 12.19am GMT

12.06am GMT

The debate over increasing Asio’s powers has become pretty heated – Daniel Hurst will have an update for you soon.

Updated at 12.08am GMT

11.58pm GMT

No surprise here – but Labor is opposing the cashless welfare card legislation when it returns to the house (the Senate amended it, changing it from permanent to extending the trial in an undisclosed deal with Centre Alliance, so the House has to tick off on the changes).

Linda Burney:

The government’s amendments are a clear concession and acknowledgement that there is significant community anxiety about this card.

This government has consistently failed to prove this works. And it has refused to release the much anticipated $2.5m University of Adelaide evaluation.

This has caused significant hardship on people placed on this card. Many have been prevented from purchasing basics and essentials at affordable prices.

It is also structurally racist – with two thirds of participants being First Nations Australians – 83% in the Northern Territory.

You only need to read Bridget Archer’s speech to the parliament to be reminded of the anxiety in the community about this card.

The question now is – what happens next? It is clear that the government is determined to expand this card – a national rollout.

The prime minister has foreshadowed it. The social services minister has foreshadowed it.

Matt Canavan and Andrew Wallace are outright calling for a national roll out.

The government has refused to rule out extending the card to new areas and more people.

Updated at 12.10am GMT

11.56pm GMT

There has been no official announcement – everything has centred around it being approved in January and then being made available in March – but I guess Scott Morrison felt like he could do with some positive speculation this morning.

Prime Minister [*@ScottMorrisonMP*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) on [*@2GB873*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) says he thinks the Covid vaccine will be available in Australia "a bit earlier" than March. But that remains the current timetable. ?? [*#7NEWS*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) [*#auspol*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Jennifer Bechwati (@jenbechwati) [*December 9, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

Updated at 12.11am GMT

11.51pm GMT

Tasmania has recorded a fourth Covid case in hotel quarantine – another member of the same family group which arrived on a flight from India has tested positive.

All are in quarantine.

Updated at 11.55pm GMT

11.49pm GMT

Australia Super hits $200bn in retirement savings management

Australia’s biggest super fund, Australian Super, is now positively gargantuan: it’s just announced it’s hit $200bn in retirement savings under management.

That’s up from $175b about six months ago and comes despite the coronavirus pandemic, treasurer Josh Frydenberg allowing savers to draw up to $20,000 from their super and the government’s continuing war on industry super funds.

The total size of Australia’s super savings is around $3tn so on a back of the envelope basis Aussie controls more than 6.5% of the retirement pile.

Chief executive Ian Silk said the fund is not only the country’s biggest but also the best performer when measured over five, 10 or 15 years.

The milestone reflects AustralianSuper’s ability to use size and scale to provide strong long-term financial returns while also driving down costs for members.

Silk’s scheduled to talk to Guardian Australia this afternoon so we should have more from him later today.

Updated at 12.03am GMT

11.48pm GMT

The parliamentary budget office has released its medium term budget projections.

[*You can find that here*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf).

Myefo is next week.

Updated at 11.56pm GMT

11.46pm GMT

The Prime Minister’s Literary awards have been announced, which Steph Harmon has covered in this lovely piece:

Related: [*Prime Minister's Literary awards: Tara June Winch wins in record-breaking year for Indigenous work*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

Art is a very special thing to have in your body, as Archibald finalist Digby Webster said – but often, it’s not valued – certainly not in ways which can financially sustain you.

Which is why prizes like this are so important (and so are grants and supporting the arts).

So damn happy for [*@OmarjSakr*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) this morning. [*pic.twitter.com/bBNi0JepEu*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Benjamin Law ??? (@mrbenjaminlaw) [*December 9, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

Updated at 11.57pm GMT

11.40pm GMT

You can dance in Queensland again.

I imagine this is how Kevin Bacon felt in Footloose, although somehow, that sentence still manages to be less boomer than this tweet from Queensland’s health minister, Yvette D’Ath.

(I saw that with affection, but honestly, someone said you could Nutbush in Queensland again and I’m pretty sure that has never happened outside of a primary school.)

It’s time to dance in [*#Queensland*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) From noon Monday 14 December [*#Queenslanders*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) can light up the dance floor (in a socially distanced way) and party like it’s 1999! [*#blameitontheboogie*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) [*pic.twitter.com/Vmkcfsnpnq*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Yvette D'Ath MP (@YvetteDAth) [*December 9, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

Updated at 11.42pm GMT

11.28pm GMT

AAP has an update on 26 January events for Sydney:

The traditional Sydney Harbour daytime program has been cancelled and Circular Quay will be closed from 5pm unless you have a restaurant booking or are attending a ticketed event.

The NSW government announced the changes on Thursday, saying Australia Day would still be a day to inspire and unify the community.

Tourism minister Stuart Ayres said Sydney and NSW had always taken centre stage on Australia Day and that would continue in a Covid-safe way.

Frontline workers will be able to attend the traditional Australia Day Live concert at the Sydney Opera House forecourt but others will have to watch on TV.

Other events include the WugulOra Morning Ceremony at Barangaroo Reserve and a Salute to Australia at Government House, both of which will be broadcast. There will also be an Oz Day 10K Wheelchair Race in The Rocks.

26 January would be an opportunity to acknowledge the resilience of Australians, especially frontline workers, Australia Day Council of NSW chair Andrew Parker said.

Updated at 11.44pm GMT

11.27pm GMT

It looks like the government has taken its (unpopular) National Commissioner for Defence and Veteran Suicide Prevention Bill off the agenda for today.

There has been a campaign for a royal commission, rather than what critics have called a ‘glorified coroner’ but so far, the government has held firm.

Although Labor’s Shayne Neumann says there has been some concession:

I had a look at the Senate Order of Business for the last two weeks. The Government’s had their National Commissioner for Defence and Veteran Suicide Prevention Bills listed. Today they’ve withdrawn it. It’s a statement of surrender by the Morison Government. And there’s now no excuse, no excuse whatsoever, for not listening to people like Julie-Ann Finney and Karen Bird, and the parents who tragically lost sons and daughters to suicide. The Government should put aside its stubbornness, its truculence and listen to the young veterans, listen to the parents. This is a national shame and a tragedy for the individuals. Families are grieving and hurting. Call a Royal Commission, Prime Minister, into veteran and defence suicide. Make sure the Terms of Reference are broad. Independent and fully empowered, a Royal Commission can look at this in a systemic way. Put aside your notions, put aside your stubbornness. Listen to the families, listen to Julie-Ann Finney. This should never happen again. We need a Royal Commission. This is a statement of surrender. The Government hasn’t listened. Their glorified coroner won’t do it. It’s an individual case by case analysis. It’s simply not good enough. Listen to the families, Prime Minister. Reach across the aisle. We will support you, Prime Minister, in a Royal Commission. Let’s deal with this issue now.

11.22pm GMT

Victoria’s regional travel program kicks off, as AAP reports ( Andrew Bolt most be stoked).

Victoria’s regional tourism voucher program is set to begin, in an attempt to kickstart tourism in bushfire and Covid-19 affected parts of the state.

Households can apply from Friday for one of 120,000 vouchers worth $200 each, which will be rolled out in stages for travel until the end of May 2021.

The minister for tourism Martin Pakula expects the scheme to be very popular, especially the first stage, which is for travel between 12 December and 22 January.

“I would expect demand to potentially outstrip supply, that’s been experienced in other parts of the country,” he said.

Households can register for the vouchers from 10 am Friday, and will receive the $200 after their trip.

But tourists will have to spend a minimum of $400 on accommodation, experiences or tours in regional Victoria, as well as at least two nights in accommodation, to be eligible for the scheme.

“We’re not handing out $200 up front, there’s got to be some appropriate rigour in this for the state,” Pakula said.

Destinations in the Yarra Valley, Mornington Peninsula and the Bellarine will be eligible for the scheme, and households can apply even if their travel has already been booked.

The $28m travel voucher scheme was announced in the state budget in November, as past of a $300m tourism package, which also allocated money to upgrade infrastructure along the Great Ocean Road, and at Wilsons Promontory and the Grampians.

Updated at 11.46pm GMT

11.14pm GMT

Some lovely news for the morning.

BREAKING NEWS: We are overjoyed to announce the birth of our second child, a lovely boy Benedict. He made an entrance, arriving ahead of schedule. Mum and Bub are both doing well. [*pic.twitter.com/vy6JYO84tt*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Matt Keogh MP (@mattkeogh) [*December 9, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

Updated at 11.46pm GMT

11.05pm GMT

Labor opened the House proceedings with Anthony Albanese attempting to suspend standing orders so the House could note:

That:

* The industrial relations legislation introduced by the Government yesterday cuts the take-home pay of workers, and

1. Therefore, pursuant to Standing Order 37(c), calls on the Minister for Industrial Relations to immediately discharge the order of the day, Fair Work Amendment (Supporting Australia’s Jobs and Economic Recovery) Bill 2020, from the Notice Paper.

(Basically he wanted the IR law scrapped and re-written to take out the WOOT (worse-off-overall-test, which is what Labor has termed the changes to the better-off-overall-all-test.)

Alan Tudge very quickly shut down the debate and the chamber moved on.

Updated at 11.49pm GMT

10.57pm GMT

Peter Dutton is introducing the latest security legislation (honestly, there is a lot and most of them just get waved through and people should really pay attention to how many bills are being passed for ‘national security’ which further infringe on rights) – [*this one is on critical infrastructure.*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

This one aims to create:

* Positive Security Obligation for critical infrastructure, including a risk management program, to be delivered through sector-specific requirements, and mandatory cyber incident reporting.

1. Enhanced cyber security obligations for those assets most important to the nation, described as systems of national significance.
2. Government assistance to relevant entities for critical infrastructure sector assets in response to significant cyber attacks that impact on Australia’s critical infrastructure assets.

The Law Council is in general in favour, but wants more independent oversight. As the bill stands, the Home Affairs minister has the oversight power. Right now, that is Dutton (but there is a cabinet reshuffle coming up).

Updated at 11.02pm GMT

10.47pm GMT

The Victorian government has released annual reports into the public sphere.

212 of them.

At once.

Merry Christmas.

10.40pm GMT

Bob Katter is once again pushing for north Queensland to be its own state.

In other news, it is a day ending in ‘y’.

Updated at 10.42pm GMT

10.39pm GMT

Last week, David Littleproud said this about Australians shirking away from fruit picking jobs:

We’ve got to be honest, Australians don’t want these jobs. They’ve moved past it. They’d rather sit on the couch than do this work.

(At the same time, the government has tutted tutted the cases where employers have paid people $3 an hour to complete the backbreaking work and said it ‘shouldn’t be happening’)

Simon Birmingham was asked if he agreed:

Well look, I think we have- the vast majority of Australians are very, very hard working, but clearly we do need to encourage more to get out there and do some of these jobs. There are jobs available in Australia right now. Yes, people may need to relocate, that’s not easy, or possible even for everybody - but for some it is, and that’s why we’ve put incentives in place.

10.36pm GMT

The federal government is trying to convince more New Zealanders to travel to Australia to pick fruit.

One problem though – New Zealand farms are also struggling to find labour to work on their own properties.

Sabra Lane asked Simon Birmingham why people would travel to Australia to pick fruit, if they didn’t want to do it at home:

Well ours, of course, offer the opportunity for travel around Australia – a holiday experience, and that is what working holiday makers are – and not necessarily people who are choosing a career or a job pathway in a particular sector. They’re people who are undertaking a short-term travel experience, where they do some work as they go around. Now, we hope that we can get some of those New Zealanders here. We equally hope that it becomes a two-way travel bubble, and it may well be that when that occurs some young Australians decide to do likewise in terms of travelling around New Zealand and doing a bit of work while they’re there.

Updated at 10.38pm GMT

10.29pm GMT

Here’s some cheery news from Graham Readfearn:

Australia’s hottest spring on record, which saw temperatures more than 2C above average, would have been “virtually impossible” without human-caused climate change, new analysis has found.

A spring as hot as the one Australians just experienced would come along only once every half a million years without the extra greenhouse gases in the atmosphere, climate scientist Dr David Karoly told the Guardian.

Karoly warned that Australia was almost certain to experience even hotter temperatures and break further records over the coming decades.

Related: [*Australia's record spring heat one-in-500,000 without climate change: analysis*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

That news comes ahead of Angus Taylor’s ‘please explain’ meeting with NSW energy minister Matt Kean, over NSW’s action on climate change, by beefing up its renewable energy grid, after members of the federal Coalition backbench had a tantrum

10.21pm GMT

Q: Are you over-egging this, though, because the government’s presented you with a weapon, basically? You’ve labelled this bill nasty, but it was Labor, and the government’s really pointing this out, it was Labor who amended the Fair Work Act back in 2009 to allow employers to set aside the safeguard of the Boot if they were facing hardships. Since then 60,000 EBAs have been approved, only 21 didn’t comply with the test and only one resulted in lower wages.

Anthony Albanese:

Because there’s a strict test in there. What we’re doing is consistent with what Labor always does, which is stand up for workers’ pay and conditions.

What the provisions in the bill that they introduced yesterday provide for is a very simple test, which is, has a business been affected by the pandemic.

Well guess what? Breaking news on Radio National: every business has been affected by the pandemic.

Some of them have been improved, it must be said, in terms of some of the retail outlets have done okay. But every business has been impacted by the pandemic.

And it’s just quite outrageous for the government to establish a consultative process, which involved the ACTU, Sally McManus and the union movement entered into that process in good faith, and they got hit from behind with this with no notice whatsoever.

Updated at 10.24pm GMT

10.19pm GMT

Anthony Albanese was on ABC RN this morning, talking IR:

We’ll examine any detail which is there. At the moment, we won’t vote for what’s there. It’s as simple as that. And that’s not the only problem, of course.

There’s other problems there, which is that if a casual is looking to be made permanent, and one of the problems that’s been identified by the pandemic is the insecure work, casuals were the first people to be thrown out during the pandemic, the insecure work creates a problem for them in terms of being able to have a mortgage, be able to have that security that a constant income provides.

And yet, under this legislation, there’s no remedy for casuals to be able to be made permanent because an employer has to agree there’s no prospect for arbitration.

What the government says is that they should just march down to the federal court.

People who are casual employees aren’t in a position to take their employer to the federal court in order to be made permanent.

Updated at 10.25pm GMT

10.00pm GMT

Victoria records 41 days of zero Covid cases

Victoria has recorded no new Covid cases for 41 days in a row.

Queensland chalked up 85 Covid free days yesterday.

Updated at 10.10pm GMT

9.58pm GMT

Speaking of uncomfortable family dinners, the nation’s leaders are getting together for a dinner at the Lodge tonight (sans Mark McGowan ) ahead of tomorrow’s in-person national cabinet, in what might be the most awkward gathering around a table since the great Remeikis kuchios (Lithuanian Christmas) airing of the grievances incident of 2005.

Given that Annastacia Palaszczuk and Gladys Berejiklian stopped speaking to each other, McGowan basically seceded Western Australia from the federation, Daniel Andrews gave daily master classes in ‘don’t start’ with Scott Morrison, who responded with a master class in passive aggressiveness, Peter Gutwein closed off his island and did his own thing, Michael Gunner threatened to keep the border closed until 2022, and Andrew Barr just tried to keep the peace, it’s not exactly going to be a warm and fuzzy reunion.

Updated at 10.26pm GMT

9.40pm GMT

In answer to a question on critics describing the cashless welfare card as racist, Michael McCormack does not say it is not racist, just that “there will always be critics for everything”.

He then has to be prodded into saying he doesn’t agree with Pauline Hanson who said yesterday that you “lose your rights on welfare”.

Not everybody gets on welfare because they want to. Not everybody ends up without a job because they want to and this year we’ve seen in the Covid-19 recession so many forced on to welfare who would never have lost their job or hours of work and of course we’re getting those people back into work.

The second go around, he manages to say “no, you don’t lose your rights” but then, like a computer with too many tabs open, freezes on regional jobs:

No, you don’t lose your rights. We’ve always had that cushion, that safety net system. Australia’s a great country. We’ve got the highest minimum wage in the world, we’ve got a welfare system that works and we’ve got the dignity of work that prospect for those people that do end on welfare, there’s the prospect now of getting a job. 54,000 jobs in regional Australia.

I say to people if they have ended up on the welfare queues, look to regional Australia. There are 54,000 jobs not just in ***agriculture*** and mining, in really well paying jobs and people need to have a look and take that leap of faith and go to a region.

Updated at 10.27pm GMT

9.35pm GMT

The state premiers and first leaders will be in Canberra tomorrow, for the first, in-person meeting of the national cabinet.

Except for Mark McGowan. In very family Christmas vibes, the WA premier is skipping the event, to avoid SA premier, Steven Marshall.

McGowan is ‘socially distancing’ from Marshall, because WA still requires SA visitors to quarantine for two weeks.

Feel free to use that as an excuse to skip out of awkward family events for the rest of time.

Updated at 10.27pm GMT

9.22pm GMT

That read out continues:

Trade:

The leaders underlined the crucial role the rules-based trading system plays in supporting Covid-19 economic recovery. They emphasised the need for open markets, greater supply chain resilience and enhanced trade and investment that contributes to sustainable development. In this context, they welcomed progress towards a comprehensive, high-quality, sustainable and inclusive Australia-EU FTA.

Security:

The leaders committed to establishing a General Security Agreement (GSA) between Australia and the Netherlands. The GSA will enable greater collaboration between our respective governments and reflects the commitment of both countries to work in partnership to uphold international law and address common strategic security challenges.

Climate change:

The leaders agreed that resolute and coordinated action is key to tackling the urgent challenge of climate change and environmental degradation. The leaders underlined their commitment to the full implementation of the Paris Agreement and to step up global action to tackle climate change in the lead up to COP26 in 2021, including through intensifying global cooperation on low emissions technologies. Both leaders acknowledged the need to achieve net zero emissions and to pursue a low emissions development strategy in accordance with the Paris Agreement. The leaders recalled the request by UNFCCC COP21 to communicate or update their Nationally Determined Contributions reflecting the highest possible ambition. Both leaders also acknowledged the importance of reducing waste and emphasised their commitment to cooperation on the circular economy.

The relationship:

The leaders welcomed the continued broadening and deepening of the bilateral economic and security relationship, including in the areas of critical minerals, disinformation and countering foreign interference, as well as cyber security and critical and emerging technology.

Updated at 10.28pm GMT

9.21pm GMT

The official read out from Scott Morrison’s virtual meeting with Mark Rutte, the Netherlands PM is out:

Covid:

The leaders expressed their deep sadness at the ongoing loss of life caused by the Covid-19 pandemic. They stressed the importance of international cooperation to overcome the health crisis, including universal, equitable and early access to safe, effective and affordable Covid-19 vaccines. They reaffirmed their commitment to re-building resilient and sustainable economies in line with open and rules-based trade. They also agreed to work together in relevant forums to promote the development of international standards to enable Covid-proof international travel.

Mhl:

The leaders committed to continue to pursue truth, justice and accountability for the 298 victims of Flight Mhl and their loved ones, including the 196 Dutch nationals and 38 people who called Australia home. The leaders reaffirmed their strong support for the work of the Joint Investigation Team and the ongoing criminal trial of four suspects in The District Court of The Hague. The leaders expressed their disappointment in the Russian Federation’s decision to withdraw from the trilateral meetings with Australia and the Netherlands regarding the Russian Federation’s role in the downing of Flight Mhl. The leaders agreed to continue to urge the Russian Federation to reconsider its decision. The leaders also acknowledged further efforts to hold the Russian Federation to ***account*** through the cases brought by the next of kin and the Netherlands against the Russian Federation in the European Court of Human Rights in relation to the downing of Flight Mhl.

Indo-Pacific:

Prime minister Morrison welcomed the Netherlands’ Indo-Pacific Guidelines and its commitment to cooperate closely with Australia and other regional countries in support of an open, inclusive and prosperous Indo-Pacific. The leaders agreed to work together to maintain regional resilience and capacity for sovereign choices and to promote and uphold international law, including the United Nations Convention on the Law of the Sea (UNCLOS).

Globalisation:

The leaders emphasised their commitment to multilateral cooperation, and to a rules-based global order. They stressed the importance of multilateral institutions, including the United Nations, the International Criminal Court, OECD, World Trade Organization and the World Health Organization, and the importance of effective, independent leadership within institutions. They confirmed their commitment to the continued and timely implementation of the World Health Assembly resolution of 19 May 2020 on Covid-19, including the impartial, independent and comprehensive evaluation into the response to the pandemic.

Updated at 9.26pm GMT

9.03pm GMT

Rex Patrick explained to the ABC why he voted no on the cashless welfare card legislation:

One of the reasons we voted for it two years ago was because the government undertook to do the very trials that are being suggested would be undertaken again to measure whether or not the card had success. One of the problems is, you know, I went to an Indigenous community outside of Ceduna and they had a fantastic leader of their community, very strong leader, and his community was doing extremely well. There was another area where it wasn’t doing as well and perhaps not because of the card, but simply because of that weaker leadership. And that’s the difficulty here – it’s hard to put your finger on what might be causing good or might be – or might be causing harm

Jacqui Lambie voted no, because she said no other support services had been built around it, despite the government saying at the time, that it would.

Updated at 9.09pm GMT

9.01pm GMT

The topics in this discussion don’t seem to match the jovial nature of the photos used, but anyway.

Thanks to my good friend Netherlands [*@MinPres*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf) for an excellent discussion. We'll keep pursuing justice for Mhl victims & agree on the need for an ambitious EU FTA, practical, technology-driven emissions reduction & more cooperation on security, open trade & secure supply chains. [*pic.twitter.com/9Fj0hqcggu*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

— Scott Morrison (@ScottMorrisonMP) [*December 9, 2020*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

Updated at 9.08pm GMT

8.50pm GMT

So is is this legislation really the worst since John Howard’s Orwellian-named WorkChoices?

Michele O’Neil:

No, it’s accurate.

It’s the first bit of legislation that absolutely opens up the capacity for people’s legal rights, their pay and conditions, to be cut.

And they talk about the fact that this can happen for two years, but that is misleading because the agreements can be made over this two-year period but agreements can last, technically, for four years but if they’re not replaced can go on and on and on.

And we, still, today have workers, 13 years later, who are on agreements that were struck during WorkChoices where they’re paid below minimum conditions and they have got no way of getting out of it.

So this idea it is a short-term measure is completely wrong. And the other thing, there are changes to the better-off-overall test that are permanent because it takes away the right to have the agreement for seven days and have it properly explained before they vote on it.

These are complex things and affect your life in a significant way. It is what you earn and what your conditions are.

Why would you permanently remove workers’ rights to get support, make sure they understand it, get it translated if they need to and understand it before they vote?

Updated at 9.08pm GMT

8.48pm GMT

The ACTU president, Michele O’Neil, chatted to ABC’s News Breakfast this morning, about the exemption changes to the “better off overall test”, which Christian Porter has said will still only be used in limited circumstances (although the legislation changes mean it can be used more often than it is now).

O’Neil:

Firstly, how would he know that and then why is he doing it?

It doesn’t require a business to be negatively impacted by Covid-19, it just says an impact, it doesn’t even make it negative.

It means that agreements can be approved that take away workers’ pay and conditions, they go backwards.

When we think about what workers and their families need and also what small business and the whole needs, we need certainty and we need people to be able to spend.

So, consumer confidence, being able to have enough money in your pocket to be able to support business is what’s going to grow jobs, not cutting people’s pay and conditions.

It’s actually really the opposite to what’s needed …

This is already a provision in the act that talks about exceptional circumstances. So it seems like this has just come out of the more extreme parts of the business lobby. It was never discussed in any working groups and we’ll oppose it and this needs to go but it’s not the only concern.

Updated at 9.07pm GMT

8.45pm GMT

The adjournment debate is set for 4.30pm in the House today.

Doesn’t look like the MPs want to stick around.

8.43pm GMT

Victoria’s chief health officer, Prof Brett Sutton, has recommend the permit scheme between Victoria and South Australia be scrapped from 12 December:

Based on current Covid exposure dates in South Australia, I have recommended the removal of Victoria’s border permit scheme from 12 December.

Operational changes have now been made at Melbourne Airport to coincide with the return of international arrivals.

Given South Australian has had zero cases in the past 10 days, and arrivals from that state present a significantly lower risk, we have moved to a spot check system for those flights, ensuring the international arrival schedule for the Covid Quarantine Victoria program is not impacted.

This is also in line with the removal of the border and voluntary testing at the road checks. To date the voluntary testing scheme of travellers from SA has not received one positive result.

Updated at 8.44pm GMT

8.32pm GMT

Good morning

Happy last sitting day for 2020!

After almost a year of live blogging, it felt like 2020 – and the parliament – would continue into infinity. But it is 10 December and the last sitting day of the year, and we made it.

Just.

Last night the Senate got fiery, after a last minute, undisclosed deal between Centre Alliance and the government saw the cashless welfare card extended for another two years in trial sites, as well as expanded to the Northern Territory.

Rex Patrick (now an independent), the swing vote up until 9.30pm or so, voted no. Stirling Griff, from Centre Alliance, then had some amendments, which the social services minister, Anne Ruston, introduced, amending her own bill, and voted yes to extending the trial, rather than making it permanent.

There were absolute scenes, as Luke Henriques-Gomes and Katharine Murphy report:

Related: [*Cashless debit card extended for two years after Senate rejects plan to make it permanent*](https://www.fwc.gov.au/documents/sites/award-flexibility-hospitality-retail/decisions-statements/2020fwc6636.pdf)

No one is saying what the deal was, and don’t be surprised if there are some legal questions that pop up – Labor and the Greens were heading down that path yesterday, with no indication they won’t pursue it, given they received no answers.

Another fight is brewing over in the House over the IR laws. Despite the government claiming it is expanding on exemptions which exist in the “better off overall test” Fair Work Act, it’s latest IR bill actually replaces those exemptions with something else, which have a lower bar. So while it is possible to exempt the BOOT now under the Fair Work Act, it’s in very limited circumstances. Those circumstances won’t be so limited under the government’s new legislation, which is what has caused all the hoohah. The government denies it but it is in the legislation. Expect that battle, along with super, to kick off and continue into the new year.

We will cover all of the last day’s shenanigans and more, as the federal parliament bids farewell to the sitting year. Feel free to drop me a line with what your strongest memory of this parliamentary year – the cancellations, the virtual attendance, the brief moment of bipartisanship, national cabinet – you tell me. It has been A YEAR. And it has been an honour to spend most of it with you, here in the live coverage.

But first, to the day. Katharine Murphy, Daniel Hurst and Paul Karp are as they have been all year, diligently at your service, as is the wonderful Mike Bowers and everyone else in the Guardian brains trust.

Grab yourself a coffee and we’ll get into it.

Updated at 8.51pm GMT

137332020-12-10T06:30:00Ztrue2020-12-09T20:33:07Zfalsefalse2020-12-10T07:47:58ZfalseAUStheguardian.com[*https://gu.com/p/fykkkfalsetruehttps://media.guim.co.uk/b43ed7811db23ab8599ac53560470e33743bb9f4/0\_365\_5472\_3283/500.jpgfalseentrueThat’s*](https://gu.com/p/fykkkfalsetruehttps://media.guim.co.uk/b43ed7811db23ab8599ac53560470e33743bb9f4/0_365_5472_3283/500.jpgfalseentrueThat’s) where I will leave you for tonight. Thanks for reading. Here’s what we learned today: A bill that gives Asio sweeping new powers – including lowering the minimum age for compulsory questioning on terrorism-related matters to 14 years, and expanding the type of issues that can be subject to questioning to include espionage and foreign interference – sailed through parliament’s lower house with the support of the Labor Party. Labor had moved amendments, but when they failed it supported the bill anyway. In the same debate, the Home Affairs minister Peter Dutton was forced to withdraw a comment branding the Greens leader Adam Bandt as an “enemy of the state”. The Fair Work Commission president, justice Iain Ross, released a statement, revealing he has agreed to Christian Porter’s request to review the awards covering retail, hospitality, restaurant and registered and licensed clubs. The member for Lingiari in the Northern Territory, Warren Snowden, announced he would retire at the next election. The government approved a $500m redevelopment of the Australian War Memorial. Scott Morrison said a Covid vaccine would be roll out in Australia prior to March, on current indications. In the same interview, with Sydney radio host Ray Hadley, the prime minister said Australia would deal with the findings of the Brereton Report “very sensitively”. Channel Nine is reporting that the side of a house has collapsed after strong winds in Bondi. The two people who were inside are reportedly unhurt. The bill banning gay conversion therapy has passed Victoria’s lower house. OK he’s talking about the Sharks now so I think we can move on. Morrison is asked whether he would establish a Royal Commission into veteran suicides. He says he wants parliament to pass legislation for a veteran suicide commission. The bill was quietly withdrawn today because of a lack of support. Labor is pushing for a Royal Commission. Morrison is asked about Western Australian premier Mark McGowan’s decision not to come to the National Cabinet meeting tomorrow. McGowan isn’t attending in person because, well, he didn’t want to be in the same room as South Australian premier Steven Marshall. WA’s strict Covid-19 rules means the state still has travel restrictions in place for SA and people who have been in contact with those from the state. Morrison seems pretty amused by the decision, and says “I’m taking my chances with the South Australian premier tonight”. “The WA government has a rule about travelling and association with known South Australians or something like that, which is a strange term, so anyway he’s saying I’m the premier so I’ve got to obey the rules I’ve set which is fair enough,” he says. “But it’s a strange rule... there’s been some strange rules this year but I mean that one takes the prize [but] I’m not going to make Steven Marshall sit in the corner in a plastic suit tonight, I think we’ll be quite safe.” Good afternoon. The prime minister, Scott Morrison, is about to appear on Sydney radio station 2GB. I believe it’s the second time he’s appeared on the station today. The glorious Michael McGowan will be with you for the evening shift. I can not express how much of an honour it has been guiding you through this year. I always blog parliament – but have spent most of this year on the live blog as part of the Covid response. It has been a pleasure taking you through the year – and one I won’t forget. Your bravery, determination and humour got me through all of the long days – and we can not thank you enough for choosing us as your information source. We set out to inform without the hysteria and answer as many of your questions as we could – I hope we succeeded. I could not have got through this year without my Guardian colleagues – and as always, there are too many to name, but a special thank you to Mike Bowers, Katharine Murphy, Paul Karp, Daniel Hurst and Sarah Martin for their work dragging me across the line in Canberra. The Guardian brains trust – including, but not limited to – Calla Walquist, Luke Henriques-Gomes, Naaman Zhou, Chris Knaus, Josh Taylor, Melissa Davey, Lisa Cox, Adam Morton, Michael McGowan, Matilda Boseley, Mostafa Rachwani, Ben Doherty, Ben Butler, Graham Readfearn, Steph Harmon, Alyx Gorman, Steph Convery, Elias Visontay, Amanda Meade, Nino Bucci, Ben Smee, Helen Sullivan, Lorena Allam, Greg Jericho, Mike Hytner, Nick Evershed and everyone else who has guided you through – thank you. I would have forgotten someone – it has been a long week, and I am sorry – but you guys are all amazing. The Guardian team is small but mighty – the behind the scenes crew is incredible and too many to name – but thank you. And of course, the biggest thank you, is as always, to you – thank you for joining us during this wild ride that was 2020. I haven’t forgot your messages, and you are always at the forefront of what we do. We couldn’t do it without you, so thank you. We’ll be back – stay tuned for other blogs, and of course, the news as it happens. I’ll be back with Politics Live in February 2021. For the last time this year – take care of you. And I mean that. It has been a rough year. Who knows what 2021 will bring us – but whatever it is, we’ll be right there with you. A lot of the discussion about trade diversification seems to suggest it can happen quickly or that other markets can replace the vast opportunities the Chinese market offers. Birmingham also had a reality check on that, in the ABC interview. “Look, China is obviously a very large market. It is not only Australia’s number 1 trading partner, but it’s the number 1 trading partner for the vast majority of the countries in our region. That is the function of our geographical proximity, and the scale of the Chinese market – the scale of population, the growth of the middle class. And with that, the propensity towards premium products. So, yes, there are clearly impacts there. It’s not easy to simply pivot away. And our businesses have made commercial decisions over recent years in terms of where they sell their products. We recognise that some are now under stress and pressure as a result of the decisions China has taken. That’s why we want to work with them through our trade offices and other avenues to help them grow into our markets. But we don’t pretend it’s ever easy to grow a new export market and, of course, the need to diversify for some means choosing access points into many different markets, not just one, if they had a more singular focus on China before.” The trade minister, Simon Birmingham, says China’s decision to impose an additional tariff on Australian wine “just shows that China’s making these decisions is not being based properly on the evidence”. China’s commerce minister has today announced tariffs of about 6% based on claims Australian winemakers have received unfair benefits from government subsidies, in addition to the previously announced tariffs of as much as 200% based on “dumping” claims, the ABC reported. Birmingham told the ABC’s Patricia Karvelas that “a 6% tariff on top of a 200% tariff is obviously marginal compared to the initial harm that was done” but it added to concerns about the evidence base Beijing was using. He argued the claim about Australian wine “doesn’t stand up to scrutiny. He also responded to China’s response to Australia’s response to China’s trade actions. (Birmingham said yesterday it looked like China was breaching the free trade agreement with Australia, known as Chafta; China said those claims were unfounded): “I’m afraid that the evidence just doesn’t stack up in terms of China just trying to deny that there’s nothing to see here. Our wine industry knows there’s something to see here. Our live seafood industry knows that there is. Our timber industry knows that there is. Our fresh meat industry knows that there is. Our barley and grain sector knows that there is. The sectors that have seen the obvious, continuous accumulation of impacts throughout the course of this year and, indeed, in the case of the barley processors that started a couple of years ago, clearly can see a pattern of behaviour, and that pattern of behaviour is inconsistent with both the intent and the spirit, as well as the letter of CHAFTA or, of course, the commitments China has made more broadly to the World Trade Organization.” Labor has the matter of public importance, and then the adjournment debate begins - but parliament is all but over for 2020. And that’s a wrap on the Christmas speeches. While the Christmas speeches are going on and the parliament is about to be adjourned for the year, Sussan Ley drops this: I have today approved the Australian War Memorial redevelopment proposal under the Environment Protection and Biodiversity Act 1999. The decision, based on Departmental advice, follows a rigorous assessment of the proposal against the heritage values of the Australian War Memorial and Parliament House Vista, in keeping with both National and Commonwealth Heritage Management Principles. In making this decision, I acknowledge the diverse range of community and stakeholder submissions made during the consultation period and the public interest in the project. The Australian War Memorial holds a sacred place in the hearts of Australians and there are 29 strict conditions of approval to minimise and mitigate the residual impacts on the site’s National Heritage and Commonwealth Heritage values. The Memorial will be required to prepare a Heritage Impact Assessment of the final design for my approval to ensure the site’s heritage values continue to be protected. The iconic shape and front façade of the building will be preserved throughout this redevelopment, as will the main commemorative area including the Pool of Reflection, the Roll of Honour, the Hall of Memory, and the galleries dedicated to the First and Second World Wars. I am satisfied the conditions of my approval will ensure the Australian War Memorial will continue to be an outstanding national museum and memorial that recognises and commemorates an important part of Australia’s history. Anthony Albanese’s thank yous extends to the press gallery “I thank most of you” But he reserves a special thank you to the crew at AAP - who have been THROUGH IT this year. Hear hear. Teachers and Year 12s, Victorians, the grieving and the struggling also get a special thank you Anthony Albanese now starts his Christmas speech, laughing that when he said last year was eventful, it had nothing on 2020. “The year from hell comes to mind,” he says. The thank yous from the Labor side are about to start. Look in your pocket - there is a thank you. Shake your head - that’s right, a thank you. What’s that in your ear? Yup - a thank you! Scott Morrison finishes with: Let me conclude by saying there are a couple of things we missed in this building this year. One of those was the school groups, I’m sure. It was great to wave to them across the glass here today, but to see those schools coming back to our parliament, it’s a bit like the birds that return after a storm, Mr Speaker. We’re passing through that storm as a country. The signs are there. I think, as we go into this time of Christmas, Mr Speaker, it gives us the time to reflect on the renewable that will take place. And it will take place, Mr Speaker. It will give us encouragement as we go forward into the future. Australians, my prayers for you and your family this Christmas is that you will find that peace in a year I where there has been little, and that you will find the hope and you can cleave to that hope as you go into 2021. God bless you, Australia, and thank you very much, and merry Christmas and a very happy 2021. The thank yous are continuing. The Liberals get a thank you, the Nationals, Greg Hunt, Mathias Cormann - thank yous galore. Everyone gets a thank you in Scott Morrison’s speech, from the community to the public service, to the defence force, to frontline and essential workers and the behind the scenes parliament workers who made the virtual parliaments happen. You also get a thank you. Everyone gets a thank you. Look under your chair – there’s probably a thank you there. Scott Morrison is delivering his Christmas speech to the parliament. It’s like the queen’s speech, but with less staging of picture frames and more background MPs trying to look very interested while warring with their desire to run as far as they can from this place, as fast as they can. Mike Bowers was in the chamber to catch Warren Snowdon’s resignation announcement. He’ll serve until the next election. Anthony Albanese and Scott Morrison have both acknowledged Warren Snowdon’s contribution. Albanese: Warren has been absolutely unconditionally determined to advance the interests of First Nations people and it is sad to say, I think, it would be difficult to think of anyone over such a period of time who has that as they recorded this place. Since Federation. Certainly no one would have argued the case through native title, through land rights, through our constitutional recognition, as Warren has. That is a great legacy. But in the great legacy and when we recognise First Nations people in the Constitution, and give them a voice to this place, as you have argued, you can feel good about making a difference and making a contribution to that change happening. Morrison finishes with what he says is the best compliment a Liberal can give someone from Labor: You are a good Labor man. You are a very good Labor man. Warren Snowdon concludes his emotional speech, with a thank you to his community: The only reason I became a member of parliament and remain a member of parliament is because of the support I have been getting from the Aboriginal communities across the Northern Territory.... To bring a voice in this place. I owe them so much. I have learned so much, so, so much. I have learned about respect and humility. And I have [learned] patience. Patience. They have such great patience. When I stood up here on 17 September, not here but the old Parliament House, 1987, to give my first speech, I said a number of things. As a nation, we have yet to recognise in the court Aboriginal justice which is due. It is still the case. I said this nation cannot [reach] maturity until Aboriginal Australians are given full recognition and the demands by Aboriginal and Islander people for compensation for land stolen and social and cultural disruption are addressed. In my view, this should involve appropriate members of the Constitution. [That was in] 1987. I said it is time the politics of division in this country are put aside so the last, at last, the injustice of the Aboriginal dispossession is recognised and dealt with in a way which is satisfactory to Aboriginal Australians. 30 years ago. Here we still argue about the need for a voice to parliament. The treaty making. Truth telling. We have an obligation and chance and we should be able to do it, prime minister. We should be able to do it. Come with us. Let’s make it happen. I want to conclude by reminding you that I’ll be rolling a swag at the end of the term, not tomorrow. But I want to just finish by reading a quote by Xavier Herbert. It’s not immediately relevant today because of land rights being achieved by and large, except for the deficiencies which will be a discussion for another day. I think it is a really strong statement which bears the need for us to actually do things. Before I go, I want to thank Pat, Marla and Luke for your wonderful support. He said this: Until we give back to the black man just a bit of land that was his, without strings to snatch it back, without anything but complete generosity of spirit and concession for the evil we have done here, until we do that, we will remain what we have always been so far, that people without integrity, not a nation but a community of thieves. Warren Snowdon says there is no bigger honour than representing your community. But he says it comes with a cost. He takes another breath as he speaks about his family. His partner gave birth to their first child a fortnight before his first election, and a fortnight later was in the car, travelling the electorate with him. They had another three children - but he said there were many years where he was only home eight or nine nights a month. He worked out that over his time in parliament, he has spent two years in the air. “So I want to say thank you Elizabeth, I love you.” He thanks his children. “As I love you, Frank, Tom, Tess and Jack.You are a credit to your mother. Because she raised you. I was an observer. Tolerated, but an observer” The member for Lingiari says thank you to everyone for coming together to save the NT’s second’s seat. And then, as the last member of parliament who served in the parliament since it was in Old Parliament House, he announces he will be “rolling up the swag”. He takes a moment before announcing that - it is obviously quite emotional for him. But he won’t be contesting the next election. That’s it for 2020. Well done to everyone not in the House - you got through it. We just heard about living though an “uncertain pandemic” and I look forward to seeing what a certain pandemic is like, because this one hasn’t been great. Anthony Albanese to Scott Morrison: Does the prime minister agree that this eight-year-old government is riddled with waste and scandal including spending $30m on airport land that was worth only $3m to a Liberal party donor, $100m on sports rorts, $4.5bn to fix the second-rate copper NBN, $1.2bn to compensate robodebt victims, $20,000 on Cartier watches, and millions on his dud Covid-safe App? Morrison: No That’s the whole answer. So not sure whether he doesn’t think that is a waste of money or whether he just rejects the question (which includes things that actually happen). Catherine King to Scott Morrison Why does the prime minister and the government constantly make big numbers without delivering them, including spending $6.8bn less on infrastructure than in the budget papers, announcing the National Water Infrastructure Loan Facility in 50 media releases then scrapping it, announcing the Urban Congestion Fund but spending $1 in $5 and spending nothing in the emergency response fund in bushfire-affected communities. Morrison: We have seen this all day from the opposition, Mr Speaker. They have saved their worst for last today. They’ve saved their worst for last. Here, as a government, Mr Speaker, we have come together and we have been thanking Australians for their tremendous efforts this year and we continue to do that in this place, and I want to thank all those who are out there, Mr Speaker, spending the more than $100bn of infrastructure that this government has committed to over the next 10 years, Mr Speaker. Projects like the Western Sydney International Airport, in particular. Mr Speaker, this project is going to change not just New South Wales and Sydney, Mr Speaker, but it is going to change the entire nation. When we came to government, Mr Speaker, in 2013 I had sat on the opposition benches for six years, and over those six years I heard the leader of the opposition go on and on, and on, and on about Western Sydney International Airport. He didn’t turn a sod, Mr Speaker. He didn’t even get up a sign, Mr Speaker. The leader of the opposition, when it comes to the Western Sydney International airport... Mr Speaker, he didn’t do anything despite the pleas, Mr Speaker, of those in his electorate and despite everything he said, he needed to do, on Western Sydney International Airport. He was transport minister for six years, Mr Speaker, he couldn’t get a runway, he couldn’t get lift-off, Mr Speaker, he couldn’t even get himself out there to actually make the project happen So, Mr Speaker, I’m not going to take a lecture from the Labor party when this government has been delivering the jobs on the ground that 1.5m jobs that were created before we came into the Covid-19 recession, saving 700,000 jobs, 700,000 jobs, through the economic supports we put in place during the Covid-19 pandemic. The Australian people know because they have seen this government get on with the job. They’ve seen us deliver on the ground, Mr Speaker. And this desperate leader of the opposition can crow and carry on all he likes, Mr Speaker, but the Australian people have worked him out and those behind him, Mr Speaker, have worked him out. Christian Porter: This is desperate, Mr Speaker. Absolutely desperate. Telling untruths, trying to scare people, the signs of absolute desperation. Mr Speaker, if Yoda were here, if Yoda were here, he would remind us, if Yoda were here, he would remind us... he would remind us that fear of leadership tensions leads to the dark side, Mr Speaker. Fear of leadership tensions leads to the dark side. Leadership fear leads to anger. Anger leads to wildly untrue assertions in question time. That is the path to the dark side, Mr Speaker, and that’s the path that the Opposition is on. I mean, I guess a Coalition MP would know – they have been through it quite a few times in the last seven years. Christian Porter has spent the last 2.45 minutes trying to set up a Yoda joke. Works not, it does. Stuart Robert just did a dixer thanking members of the community for stepping up in a series of scenarios the government should have filled, so there’s that. As my colleague Paul Karp just quipped, there is a bit of “and so the fair work commission shall hold” about these answers from Christian Porter. For those playing at home – Malcolm Turnbull declared Barnaby Joyce would not be found to be a dual citizen “and the high court shall so hold” and – well, we had more than one byelection that year, including New England. Sharon Clayton to Christian Porter: Under the prime minister’s workplace laws, a cook working 6am to 2pm five day a week including weekends could lose $6,000 a year. Workers like these have spent 2020 worried about their livelihoods. Why is the prime minister punishing them with a cut to their take-home pay? Porter: Why is the member deliberately trying to scare them for no reason whatsoever... For no reason whatsoever. Why would they deserve that after the year they’ve had? Why would the member do that? Again, the scenario that the member has raised just wouldn’t happen. It doesn’t happen now. It would not happen under any of the changes that we are suggesting before the parliament. It simply wouldn’t happen. There are a range of protections to ensure that that scenario would never arise. A range of very strong protections. They start with the fact that any of these sort of applications has to commence with agreement between the parties. The union is the bargaining representative, the employees, and the employer. Indeed, one of these questions was asked earlier by the member for Spence and not that long ago, in March 2017, the member for Spence said this, ‘All of the workers on these enterprise bargaining agreements vote to either accept the agreement or reject the agreement. Now, what worker would vote for less pay and less conditions?’ Answer, ‘Nobody would. That is the member for Spence. The... Fair Work Commission says it will never allow an agreement. All the matters you’ve raised could never conceivably be in the public interest, which is why it could never happen. I would add ‘desperate to drink my weight in wine’ to say farewell to this year to this list. Emma McBride to Christian Porter: Under the prime minister’s new workplace laws, a pharmacy assistant working a 38-hour work could lose $6,000 a year. Why is the government’s Christmas “thank you” to front-line workers a cut to their take-home pay? Porter: They simply could not, which really raises the question, which really raises the question, why would the leader of the opposition be sending out his backbenchers to ask questions solely designed and unnecessary to scare people before Christmas. How desperate would you have to be, how desperate would you have to be, to send out our backbenchers and ask questions based on totally false assertions and premises. Completely false. How desperate would you have to be to do that, when the only conceivable reason for doing that would to scare people unnecessarily and unfairly. Anne Aly to Christian Porter: Under the government’s legislation, a cleaner working part-time could lose $6,600 a year from their take-home pay. Why is the prime minister punishing front-line workers with a cut to their take-home pay? Porter: The question is, once again, untrue, incorrect, it wouldn’t happen. It doesn’t happen, and it wouldn’t happen into the future. And I think, member for Cowan, that you and I would both agree that that scenario would never be considered to be in the public interest, which is the existing test and it would be the preserve test, which is the reason why it doesn’t happen now, and it’s the reason why it would never happen into the future. And the question is, once again, desperately wrong, desperately wrong, for a desperate leader. Nick Champion to Scott Morrison: Can the prime minister confirm under his new workplace laws workers who stack supermarket shelves five nights a week from 6pm to 10pm could lose up to $5,500 a year? Why is the prime minister’s Christmas ‘thank you’ to front-line workers a cut in their take-home pay? Morrison skips this one as well and gives the nod to Christian Porter: Well, Mr Speaker, with respect to the member for Spence’s question, the scenario that he outlines is not possibility and would not happen, not now, not under what is being proposed by way of reform, not ever. The thing is, the government wants to suspend BOOT for two years. And it’s lowered the test for when the exemptions to applying it can apply. Which means those previous examples don’t count here, because it is apples and oranges. Or motorbikes and waterskies, if that is easier. Ged Kearney to Christian Porter: Yesterday the minister denied that a personal carer in aged care could lose up to $11,000 a year from their take-home pay under the government’s legislation. Why won’t the minister acknowledge the truth, that if there’s no better-off test, then every penalty rate and shift allowance is at risk? Porter: Because there is a better-off test. And it remains in the legislation. As it was always designed to do. I think what the member is talking about is a – what’s known as contract crisis provision that was inserted into the Fair Work Act by the Labor Party, section 189. Maybe I can share with the house the instances, very rare instances, that has been used in the past. In 2011, under the then Labor government, the Dimaroo Aboriginal Corporation needed to allow for extreme weather events and made an application, agreed by all 19 of their employees to work their ordinary hours in a way not catered for in the award and the Fair Work Commission agreed that that was a commonsense change that was not contrary to the public interest and should be approved, and it was approved. That seems to us to be a reasonable, limited response in a crisis circumstance. In another example, in 2011, a fresh produce business in Cairns, in 2010 after floods and cyclone Yazi and what had led in Cairns to the extreme weather event of non-occurrence in winter and had an extreme impact on fruit, under a determination was made that the application agreed to by employees, agreed to by the employer, was not contrary to the public interest, which is the firm, clear, necessary safety net test there, and that agreement was agreed to. The idea that what you are suggesting would occur, either in the present system... or the future – the idea what the member is suggesting would occur, either in the present system or in the very modest addition that we have suggested to section 189 is simply not correct. That was the biggest ‘I don’t even care if I’m not invited, because I’ll have my own party’ spiel I have heard since I banned my sister from my 13th birthday party and she protested by having a party with her dolls outside the living room, making us all trip over her as we went to the bathroom. Zali Steggall gets the independent question and it’s the question of the day: Will Scott Morrison be presenting at the climate ambition summit as he claimed? Or is what Australia has done or promised to do, not ambitious enough to get a speaking slot (as reported this week by Katharine Murphy and Adam Morton)? Spoiler – he doesn’t have an invite ( but he uses a lot of words to admit that – most notably, by not answering the question). Morrison: I can assure you of this. That Australia’s climate and energy policy will be set here in Australia. In Australia’s national interests, not to get to a speaking slot at some international summit, Mr Speaker. The only approval I seek, apologies for my side of government, is from the Australian public, that’s it. That’s it. The only people I answer to in this place is the Australian people. And our government stands to serve the Australian people. Whatever country that may be, that may seek to impose... whatever on this....The member thinks what is relevant is whether you speak at summits or not. That is not something that troubles me or concerns me one way or the other. If people wishes us to speak of them, we’re happy to come. If they don’t, I’m not fussed, Mr Speaker. What matters is if you actually reduce emissions and the 16.6% fall in emissions that we’ve had since 2005, and since emissions peaked in 2007, almost 27% fall in Mr Speaker. But on the earlier figures, this compares to a zero or a 0.2% fall in countries like Canada and New Zealand, Mr Speaker. Australia has record investments in renewables. Australia has a plan to put the technology in place to reduce emissions and ensure we achieve the Kyoto, as we already have, and demonstrated that, an importantly, the Paris commitments before us, Mr Speaker. What matters is what you get done and Australia is getting it done. That’s what matters to the Australian people. Not how many speeches you give, not how many ambitions you declare, Mr Speaker. I may have an ambition to play front row forward for the Australian Wallabies but that ambition won’t be realised. But what is being realised is a Australia is meeting its emissions reduction targets... Christian Porter does not correct the record about Fonzie being on water skis, not a motorcycle. Probably because he doesn’t know how to make a water ski noise. Michal McCormack (I legit almost forgot his name there for a moment) says something about regional Australia being at “the heart of Australia”. Which they are. But also – that is just geography. We then get something about planes, trains and automobiles. And he rounds it all off by mispronouncing ‘stoic’ just as he was striving for statesman-like. It’s exactly how McCormack should go out - burping homilies, messing it up and looking slightly confused to find himself in the room. If you can’t work out how to jump over a shark, you can’t run IR. Or something. It is all about IR. Anthony Albanese asks Scott Morrison whether he is going to back down on the cut to take-home pay that he claims he hasn’t made? There is a point of order because of course there is Christian Porter: My point of order is regarding the standing orders that allow the prime minister to have someone answer questions on his behalf that’s allowed. But it can’t be allowed with just a contemptuous nod of the head. It’s got to be referred and the parliament deserves to be treated with respect. Tony Smith rules the question in order. Porter takes the question too: Yes, and the double-negative question was, “Will the PM back down on something which the government has not done?” No. We won’t. Because we haven’t done it. And, therefore, there’s nothing to back down on. The question really, Mr Speaker, is why are the members for Watson and Grayndler on their motorcycles seeing who can jump the biggest shark. What is going on there? [We reject] the allegation wholeheartedly. There they are on their motorcycles ‘broom-broom’ getting ready to jump the biggest shark they can find. Why are they both trying so hard to out over-reach each other? Anthony Albanese has a point of order: It goes to accuracy there are children watching. A motorbike can’t jump a shark. Porter: We’ll explain what the phrase ‘jumping the shark’ means after question time. But why are they both out trying to over-reach other. Why are they both trying to come out with the most absurd, ridiculous, untruth in a question that they possibly can? It’s because it’s the final audition for the one job that they both want, and that’s the person sitting over there. They both want and envy that job and that’s why we are getting this ridiculous overreach. It is the final question time of the year - and you can tell. No one is in ANY mood today. It’s almost question time – strap in for another IR hour. Editor-at-large of the Australian Paul Kelly has launched Bridget McKenzie’s biography of ‘Black’ Jack McEwen, published by Connor Court. It was a light-hearted affair, best exemplified by McKenzie’s quip to Michael McCormack that she’d written the book because “I had all this spare time, boss” – in reference to her resignation from cabinet over the sports grants controversy. According to Kelly, the central thrust of McKenzie’s book is that McEwen’s role can’t be dismissed or minimised because he was a protectionist, rather, the heavily protectionist post-war “reconstruction” period is back in vogue. Quoting from the book: McEwen’s approach still holds true for our party. With apologies to Adam Smith, the invisible hand of McEwen is behind our Covid-response, we are all McEwenists now. Kelly dissented from that, and got a cheer of support from Liberal MP Tim Wilson, but said the book is thought-provoking. McKenzie said her takeaway from McEwen is that he was not “flaccidly acquiescent” in the Coalition government – “that’s not how he got things done”, and was a template of how the country party should continue. We are less than an hour away from the last question time of the year. You may need something stronger than coffee. The Fair Work Commission president, justice Iain Ross, has released a statement, revealing he has agreed to Christian Porter’s request to review the awards covering retail, hospitality, restaurant and registered and licensed clubs. Porter had suggested the commission consider whether to allow employers and employees to agree to “loaded rates” – which replace penalty rates with a higher base rate of pay – and to consider simplifying classifications. Ross said: I propose to commence a process on the commission’s own motion to consider the inclusion of loaded rates and exemption rates clauses in the priority modern awards... The process will also consider whether any changes can be made to simplify the classification structures in the priority modern awards and any other changes proposed by any interested party. Ross explained that the FWC has considered “loaded rates” in the past in the penalty rate cases and the four-yearly review of modern awards. In both of these cases, the full bench noted that there was merit in considering the insertion of loaded rates into the hospitality and retail awards. In the penalty rates case the full bench indicated that it envisaged the development of loaded rates to be an iterative process undertaken in consultation with interested parties once the transitional arrangements in respect of the reductions in Sunday penalty rates was complete. The transitional arrangements have now been completed. Consistent with the view expressed in the penalty rates case it is appropriate that consideration now be given to the insertion of loaded rates into the hospitality and retail awards. Chris Bowen says Labor will support the stillbirth action plan: I will support the government in any of their actions and commitments to enact this plan. I will be keeping a close eye on the short-term commonwealth items – they look not too difficult at all for immediate action – so will advocate that we get started on those straight away. Once again, I would like to thank everyone here for their work – whether it has been through contributing to this plan, advocating for or participating in the Senate inquiry, or making public, what has long been a private grief. The bells have not stopped ringing Kristina Keneally made raising awareness and creating an action plan for stillbirth one of her goals when entering the Senate. A bipartisan committee was established to come up with a plan. Today Greg Hunt has announced: The Morrison Government’s National Stillbirth Action and Implementation Plan’s primary goal is to reduce stillbirths by 20% or more over the next five years. The plan has a 10-year timeframe and includes further short, medium and long-term actions. To change these sobering ***statistics***, over the next four years the Australian Government will provide: $4m to support stillbirth education and awareness initiatives, particularly for groups at higher risk of stillbirth. $2.1m to adapt the Safer Baby Bundle program for those priority populations, including Aboriginal and Torres Strait Islander women and women from culturally and linguistically diverse backgrounds. $0.5m to develop new Clinical Care Standards and update existing clinical care guidelines relating to stillbirth. $0.5m for ***data*** improvement and activities to enable long-term research on stillbirth. $1.7m to develop a monitoring and evaluation framework for the plan. $1m for state and territory governments to take immediate steps to increase the uptake of stillbirth autopsies and investigations. $1m through a National Health & Medical Research Council grant to Monash University to conduct a trial of a wearable, low-cost device to monitor fetal movements to prevent stillbirths. Christian Porter said he didn’t “spring” the better off over all test part of the legislation on the unions, just “controlled the timing” despite 150 hours of consultations and round tables: But we obviously control the timing of both when solutions to problems are raised or indeed thought of and some of those are raised in the process later rather on earlier. Lols at the ‘staying close to home’. We all are. The international borders are closed. It’s not like any of us can take off to Hawaii for the holidays. As Amy mentioned earlier, Scott Morrison has been on 2GB with Ray Hadley. I’m glad she’s on it as usual, because I confess I’m catching up. Some quick takeouts from that interview. The PM said a Covid vaccine would be rolling out in Australia prior to March on current indications. Morrison will have the premiers and chief ministers around for dinner tonight before national cabinet on Friday. Last meeting for the year tomorrow. Ho, ho, ho. On the Brereton report. Hadley referenced some recent comments from the defence minister Linda Reynolds about the alleged killings of civilians and combatants being cold blooded murder. That was, in fact, the key allegation in the investigation into potential war crimes in Afghanistan, but the radio host thinks this is “like throwing petrol on the fire”. Morrison says it’s a “difficult time” and he’s sought to use “very careful language”. He says people are obviously innocent until proven guilty, but he says there is a need to deal with the findings in the Brereton report, and do that “very sensitively”. He says the response can’t be reduced to simple solutions. “There’s a history here that we have to deal with”. Hadley thinks Morrison ought to speak to the defence minister. “I understand the point, Ray,” Morrison says. Hadley thinks “these poor buggers have been thrown under a bus”. Morrison says the principle is innocent until proven guilty. Hadley says he doesn’t care where Morrison goes for a Christmas break. Morrison says he’ll be staying close to home. He also hopes to speak more to Ray next year. Ho, ho, ho. Is Christian Porter the fall guy if the legislation doesn’t get up? Porter: Well, I’m responsible for the legislation, for the process that helped design the legislation, and it is early days with respect to a bill like this. And the it covers five of the most longstanding problems that exist in the system. The focus has been on four paragraphs and one page so far\*. But can I tell you, there’s going to be plenty in it to keep everyone interested and alert over the next several months, as we deal with it. And it’s a process, as I indicated previously, of continuing the dialogue, the discussion, the consultation around the draft through the committee. But the five problems that we’re seeking to fix, they can’t be left unsolved. If we can’t fix those problems in a practical way, we allow barriers to job growth to persist in an economy that desperately needs them removed. \*It is a pretty important page. Christian Porter also says there has been too much focus on ‘one part’ of the IR bill – suspending the better off over all test – and not the rest of the legislation: With respect to the omnibus bill there has been focus on one area and not a lot of focus on other areas, which in my observation would be more important, but, in any event, the government will keep that dialogue going, keep discussions occurring with all the parties and that work will continue over the summer. That will be difficult and detailed work which the government will be assisting with any way we can. Christian Porter confirms the government has taken the national commissioner for suicide prevention off the legislation list, after failing to get the numbers needed for it to pass the Senate: Perhaps if we’d had more time, it may have been possible to secure that support but it has been a matter of intense discussions with the crossbench and others. It was disappointing that Labor originally supported that model and withdrew support. However, the government’s commitment to that remains absolutely rock solid and we’ll be continuing that work over summer. Greg Hunt will launch the still birth action plan at 12.30pm. In the parliamentary speech that so angered Peter Dutton, the Greens leader Adam Bandt accused the government of making “a power grab that takes away people’s liberty” through the new Asio powers bill. Bandt contended that “this last minute piece of legislation that is being rushed through should send a shiver down the spine of people who think that Australia is a place where you have the right provided that you’re not breaking the law, you have the right to go about your business freely”. Bandt also contended the powers would make Australia “a world leader in these kinds of state sanctioned tracking of citizens and coercive questioning powers”. The Greens leader referred to concerns the Asio powers bill would have a chilling effect on journalism, whistleblowers and civil society organisations. External legal advice prepared for GetUp argued some of the work of civil society organisations – especially those involved in environmental and human rights advocacy – may be caught by the broad definition of “acts of foreign interference” because it includes clandestine acts that “are otherwise detrimental to the interests of Australia”. For more on that issue, see our story from October. Dutton withdrew his unparliamentary comment that Bandt was an “enemy of the state” but defended the need for the new powers, which expands the type of issues that can be subject to compulsory questioning beyond terrorism to include politically motivated violence, espionage and foreign interference. It’s also worth noting that the government made several amendments today in response to recommendations of the parliamentary joint committee on intelligence and security. That includes amending the bill to require the attorney general to take into ***account*** the best interests of the child as “a primary consideration” in deciding whether to issue a warrant allowing questioning of a minor as young as 14. It’s also worth noting the bill that sailed through the lower house today is different from the new Australia Signals Directorate and dark web-related powers unveiled last week (my colleague wrote a useful explainer about that proposal, which you can find here). I’ve been talking to employer groups to see what they think of the two-year suspension of the better off overall test for approving workplace pay deals. After Guardian Australia revealed this major change on Tuesday, the Australian Industry Group and Australian Chamber of Commerce and Industry were quick out of the blocks in support of it. Many others are ambivalent about it – the Australian Mines and Metals Association is not focused on it because its members aren’t planning on undercutting the award, the Australian Hotels Association is not focused on it, because pubs almost all use the award to set pay rates, not enterprise agreements. One stakeholder who was upset by the prospect of losing this reform is Peter Strong from the Council of Small Business Organisations Australia. He told Guardian Australia: We think it’s got to go through, it’s not about cutting pay rates it’s about managing your business and everything else in the agreement so you can survive. If you’re a worker you’d rather have a job than not have a job. But Strong was pragmatic in the face of the possibility Christian Porter could drop the change: You’ve got to be pragmatic. There are many other changes in the bill we’d like to see around casuals and permanent part-time workers, the fact we’re getting a bill with these changes is something we’ll celebrate. The other changes are really worthy, it would be nice to get the change to the Boot because businesses will close without it. It does have a number of protections including that the Fair Work Commission must approve the agreement... We’ll continue to pursue it, and if a business closes as a result [of the better off overall test] we will highlight it. You can also dance in Tasmania #sentenceswhicharenotweirdin2020 Peter Gutwein has updated the state on changes to its restrictions: Firstly, gathering in homes will increase from 40 people to 100. Please remember to be Covid-safe, make sure there is plenty of room to spread out, have hand sanitiser available, and most importantly, if you are unwell, do not invite people to your home. I am pleased to advise that dancing, and stand-up drinking, will be permitted by up to 100 people at indoor venues and 250 people in outdoor values from this Friday at 5pm. Given the last 24 hours since announcing it was suspending the ‘better off overall test’ by slipping it into the legislation has seen the unions and Labor organise in a way we haven’t seen all year, don’t be surprised if Christian Porter announces the government is dropping the ‘woot – worse off overall test’ from the IR legislation. That’s despite spending all of question time yesterday saying it wasn’t true. Peter Dutton has been forced to withdraw a comment branding the Greens leader as an “enemy of the state” during torrid debate on the new Asio powers bill. The legislation – which lowers the minimum age for compulsory questioning on terrorism-related matters to 14 years, and expands the type of issues that can be subject to questioning to include espionage and foreign interference – sailed through the lower house a short time ago. Labor attempted to move some amendments, including ensuring that a judge continue to be involved in signing off on compulsory questioning warrants rather than just putting it in the hands of the attorney general, but those amendments failed (59 votes in favour to 61 votes against). Guardian Australia had previously reported on the push from Labor to keep what it described as a Howard government safeguard, or “double lock”, on signing off on questioning warrants – but Labor ended up voting for the bill even without that safeguard in place. The Greens leader, Adam Bandt, claimed the new powers would give the attorney general unfettered powers, and that Labor should be prepared to vote down the entire bill if the amendments did not succeed. Dutton said he wanted to thank shadow attorney general Mark Dreyfus for his contribution to the debate but the home affairs minister said he hoped somebody fact checked Bandt’s “appalling contribution”. People will take it at face value and discount it as an appalling contribution. You [Bandt] make Australians unsafe, you make Australians unsafe through your pathetic contributions and your stances in relation to these matters. Dutton said ensuring safety and protection of the Australian community was the first priority of the Morrison government, and the security agencies needed the capability to counter the threats of politically motivated violence, terrorism espionage and foreign interference. Both Dutton and Dreyfus pointed to the fact the bill included repeal of the more intrusive “questioning and detention” powers. Dutton moved some amendments in response to recommendations of the parliamentary joint committee on intelligence and security. Dutton praised the work of Liberal committee chair Andrew Hastie and Labor deputy chair Anthony Byrne, whom he described as “two absolutely patriotic and professional” MPs “in complete contrast to the enemy of the state, the member for Melbourne [Bandt], as was represented before in his contribution”. Bandt demanded that the minister withdraw and apologise for the unparliamentary remark, prompting Dutton to withdraw the comment. Christian Porter has announced a doorstop interview for 12.15 Queensland CHO Dr Jeannette Young has spoken on dance (not necessarily rhythm) coming back to Queensland: This is about Queenslanders being sensible, and Queenslanders have been really, really sensible today. That is why we have had a fantastic response in Queensland that we have had. We have not seen ***transmission***. Same with dancing, so dance with other people as you would normally, but do not fancy the whole group, not those mosh pits you have a hundred people squashed up to gather that my daughter told me about, all squashed up together, and you do not know anyone, you are not dancing with those hundred people. So if you are dancing with someone you met that night that is fine, just be sensible about it, and stay with that person, with your friendship group, with your family, stay in those groups, do not spread out. So you have a couple of people here, a couple of people there, rather than everyone in a tiny little space. Hard and fast rules do not work because people find ways to get around that because you made them hard and fast. If you take the concept and work without people do really well, that is what has happened. I met the industry groups yesterday, very very sensible. So I know this will work, it will be put in place, it will be managed. The issue is that if we want to get any community ***transmission*** we would have to stop dancing, but I have no concerns about that, we did that really complete right at the start, if we need to we could do it again. TL;DR – leave space for the holy spirit. As Murph reported yesterday, Bridget McKenzie has been ordered by the Senate to appear at the sports rorts committee. She has to appear by 12 February to answer questions, under the senate order. Don Farrell said it was a necessary, if unprecedented step: The Select Committee had previously requested Senator McKenzie appear as a witness on no less than six occasions, but she declined every time. Scott Morrison tried to hide his own involvement by making Senator McKenzie his scapegoat. But no longer being a Minister because you’ve breached Ministerial Standards should not allow former ministers to avoid appropriate scrutiny. Predictably, the Morrison government voted against transparency and accountably, suggesting Senator McKenzie should not have to front the inquiry because there was no precedent of the Senate compelling a former Minister to appear. The Morrison government’s unprecedented rorting of what was meant to be a competitive, merit-assessed grants program and its attempts to avoid scrutiny require an unprecedented solution. NSW has recorded no locally acquired cases of Covid – four returned travellers have tested positive, and are in hotel quarantine. There have been no further cases linked to the woman who tested positive while working at one of the hotel quarantine sites. The debate over increasing Asio’s powers has become pretty heated – Daniel Hurst will have an update for you soon. No surprise here – but Labor is opposing the cashless welfare card legislation when it returns to the house (the Senate amended it, changing it from permanent to extending the trial in an undisclosed deal with Centre Alliance, so the House has to tick off on the changes). Linda Burney: The government’s amendments are a clear concession and acknowledgement that there is significant community anxiety about this card. This government has consistently failed to prove this works. And it has refused to release the much anticipated $2.5m University of Adelaide evaluation. This has caused significant hardship on people placed on this card. Many have been prevented from purchasing basics and essentials at affordable prices. It is also structurally racist – with two thirds of participants being First Nations Australians – 83% in the Northern Territory. You only need to read Bridget Archer’s speech to the parliament to be reminded of the anxiety in the community about this card. The question now is – what happens next? It is clear that the government is determined to expand this card – a national rollout. The prime minister has foreshadowed it. The social services minister has foreshadowed it. Matt Canavan and Andrew Wallace are outright calling for a national roll out. The government has refused to rule out extending the card to new areas and more people. There has been no official announcement – everything has centred around it being approved in January and then being made available in March – but I guess Scott Morrison felt like he could do with some positive speculation this morning. Tasmania has recorded a fourth Covid case in hotel quarantine – another member of the same family group which arrived on a flight from India has tested positive. All are in quarantine. Australia’s biggest super fund, Australian Super, is now positively gargantuan: it’s just announced it’s hit $200bn in retirement savings under management. That’s up from $175b about six months ago and comes despite the coronavirus pandemic, treasurer Josh Frydenberg allowing savers to draw up to $20,000 from their super and the government’s continuing war on industry super funds. The total size of Australia’s super savings is around $3tn so on a back of the envelope basis Aussie controls more than 6.5% of the retirement pile. Chief executive Ian Silk said the fund is not only the country’s biggest but also the best performer when measured over five, 10 or 15 years. The milestone reflects AustralianSuper’s ability to use size and scale to provide strong long-term financial returns while also driving down costs for members. Silk’s scheduled to talk to Guardian Australia this afternoon so we should have more from him later today. The parliamentary budget office has released its medium term budget projections. You can find that here. Myefo is next week. The Prime Minister’s Literary awards have been announced, which Steph Harmon has covered in this lovely piece: Art is a very special thing to have in your body, as Archibald finalist Digby Webster said – but often, it’s not valued – certainly not in ways which can financially sustain you. Which is why prizes like this are so important (and so are grants and supporting the arts). You can dance in Queensland again. I imagine this is how Kevin Bacon felt in Footloose, although somehow, that sentence still manages to be less boomer than this tweet from Queensland’s health minister, Yvette D’Ath. (I saw that with affection, but honestly, someone said you could Nutbush in Queensland again and I’m pretty sure that has never happened outside of a primary school.) AAP has an update on 26 January events for Sydney: The traditional Sydney Harbour daytime program has been cancelled and Circular Quay will be closed from 5pm unless you have a restaurant booking or are attending a ticketed event. The NSW government announced the changes on Thursday, saying Australia Day would still be a day to inspire and unify the community. Tourism minister Stuart Ayres said Sydney and NSW had always taken centre stage on Australia Day and that would continue in a Covid-safe way. Frontline workers will be able to attend the traditional Australia Day Live concert at the Sydney Opera House forecourt but others will have to watch on TV. Other events include the WugulOra Morning Ceremony at Barangaroo Reserve and a Salute to Australia at Government House, both of which will be broadcast. There will also be an Oz Day 10K Wheelchair Race in The Rocks. 26 January would be an opportunity to acknowledge the resilience of Australians, especially frontline workers, Australia Day Council of NSW chair Andrew Parker said. It looks like the government has taken its (unpopular) National Commissioner for Defence and Veteran Suicide Prevention Bill off the agenda for today. There has been a campaign for a royal commission, rather than what critics have called a ‘glorified coroner’ but so far, the government has held firm. Although Labor’s Shayne Neumann says there has been some concession: I had a look at the Senate Order of Business for the last two weeks. The Government’s had their National Commissioner for Defence and Veteran Suicide Prevention Bills listed. Today they’ve withdrawn it. It’s a statement of surrender by the Morison Government. And there’s now no excuse, no excuse whatsoever, for not listening to people like Julie-Ann Finney and Karen Bird, and the parents who tragically lost sons and daughters to suicide. The Government should put aside its stubbornness, its truculence and listen to the young veterans, listen to the parents. This is a national shame and a tragedy for the individuals. Families are grieving and hurting. Call a Royal Commission, Prime Minister, into veteran and defence suicide. Make sure the Terms of Reference are broad. Independent and fully empowered, a Royal Commission can look at this in a systemic way. Put aside your notions, put aside your stubbornness. Listen to the families, listen to Julie-Ann Finney. This should never happen again. We need a Royal Commission. This is a statement of surrender. The Government hasn’t listened. Their glorified coroner won’t do it. It’s an individual case by case analysis. It’s simply not good enough. Listen to the families, Prime Minister. Reach across the aisle. We will support you, Prime Minister, in a Royal Commission. Let’s deal with this issue now. Victoria’s regional travel program kicks off, as AAP reports (Andrew Bolt most be stoked). Victoria’s regional tourism voucher program is set to begin, in an attempt to kickstart tourism in bushfire and Covid-19 affected parts of the state. Households can apply from Friday for one of 120,000 vouchers worth $200 each, which will be rolled out in stages for travel until the end of May 2021. The minister for tourism Martin Pakula expects the scheme to be very popular, especially the first stage, which is for travel between 12 December and 22 January. “I would expect demand to potentially outstrip supply, that’s been experienced in other parts of the country,” he said. Households can register for the vouchers from 10 am Friday, and will receive the $200 after their trip. But tourists will have to spend a minimum of $400 on accommodation, experiences or tours in regional Victoria, as well as at least two nights in accommodation, to be eligible for the scheme. “We’re not handing out $200 up front, there’s got to be some appropriate rigour in this for the state,” Pakula said. Destinations in the Yarra Valley, Mornington Peninsula and the Bellarine will be eligible for the scheme, and households can apply even if their travel has already been booked. The $28m travel voucher scheme was announced in the state budget in November, as past of a $300m tourism package, which also allocated money to upgrade infrastructure along the Great Ocean Road, and at Wilsons Promontory and the Grampians. Some lovely news for the morning. Labor opened the House proceedings with Anthony Albanese attempting to suspend standing orders so the House could note: That: The industrial relations legislation introduced by the Government yesterday cuts the take-home pay of workers, and Therefore, pursuant to Standing Order 37(c), calls on the Minister for Industrial Relations to immediately discharge the order of the day, Fair Work Amendment (Supporting Australia’s Jobs and Economic Recovery) Bill 2020, from the Notice Paper. (Basically he wanted the IR law scrapped and re-written to take out the WOOT (worse-off-overall-test, which is what Labor has termed the changes to the better-off-overall-all-test.) Alan Tudge very quickly shut down the debate and the chamber moved on. Peter Dutton is introducing the latest security legislation (honestly, there is a lot and most of them just get waved through and people should really pay attention to how many bills are being passed for ‘national security’ which further infringe on rights) – this one is on critical infrastructure. This one aims to create: Positive Security Obligation for critical infrastructure, including a risk management program, to be delivered through sector-specific requirements, and mandatory cyber incident reporting. Enhanced cyber security obligations for those assets most important to the nation, described as systems of national significance. Government assistance to relevant entities for critical infrastructure sector assets in response to significant cyber attacks that impact on Australia’s critical infrastructure assets. The Law Council is in general in favour, but wants more independent oversight. As the bill stands, the Home Affairs minister has the oversight power. Right now, that is Dutton (but there is a cabinet reshuffle coming up). The Victorian government has released annual reports into the public sphere. 212 of them. At once. Merry Christmas. Bob Katter is once again pushing for north Queensland to be its own state. In other news, it is a day ending in ‘y’. Last week, David Littleproud said this about Australians shirking away from fruit picking jobs: We’ve got to be honest, Australians don’t want these jobs. They’ve moved past it. They’d rather sit on the couch than do this work. (At the same time, the government has tutted tutted the cases where employers have paid people $3 an hour to complete the backbreaking work and said it ‘shouldn’t be happening’) Simon Birmingham was asked if he agreed: Well look, I think we have- the vast majority of Australians are very, very hard working, but clearly we do need to encourage more to get out there and do some of these jobs. There are jobs available in Australia right now. Yes, people may need to relocate, that’s not easy, or possible even for everybody - but for some it is, and that’s why we’ve put incentives in place. The federal government is trying to convince more New Zealanders to travel to Australia to pick fruit. One problem though – New Zealand farms are also struggling to find labour to work on their own properties. Sabra Lane asked Simon Birmingham why people would travel to Australia to pick fruit, if they didn’t want to do it at home: Well ours, of course, offer the opportunity for travel around Australia – a holiday experience, and that is what working holiday makers are – and not necessarily people who are choosing a career or a job pathway in a particular sector. They’re people who are undertaking a short-term travel experience, where they do some work as they go around. Now, we hope that we can get some of those New Zealanders here. We equally hope that it becomes a two-way travel bubble, and it may well be that when that occurs some young Australians decide to do likewise in terms of travelling around New Zealand and doing a bit of work while they’re there. Here’s some cheery news from Graham Readfearn: Australia’s hottest spring on record, which saw temperatures more than 2C above average, would have been “virtually impossible” without human-caused climate change, new analysis has found. A spring as hot as the one Australians just experienced would come along only once every half a million years without the extra greenhouse gases in the atmosphere, climate scientist Dr David Karoly told the Guardian. Karoly warned that Australia was almost certain to experience even hotter temperatures and break further records over the coming decades. That news comes ahead of Angus Taylor’s ‘please explain’ meeting with NSW energy minister Matt Kean, over NSW’s action on climate change, by beefing up its renewable energy grid, after members of the federal Coalition backbench had a tantrum Q: Are you over-egging this, though, because the government’s presented you with a weapon, basically? You’ve labelled this bill nasty, but it was Labor, and the government’s really pointing this out, it was Labor who amended the Fair Work Act back in 2009 to allow employers to set aside the safeguard of the Boot if they were facing hardships. Since then 60,000 EBAs have been approved, only 21 didn’t comply with the test and only one resulted in lower wages. Anthony Albanese: Because there’s a strict test in there. What we’re doing is consistent with what Labor always does, which is stand up for workers’ pay and conditions. What the provisions in the bill that they introduced yesterday provide for is a very simple test, which is, has a business been affected by the pandemic. Well guess what? Breaking news on Radio National: every business has been affected by the pandemic. Some of them have been improved, it must be said, in terms of some of the retail outlets have done okay. But every business has been impacted by the pandemic. And it’s just quite outrageous for the government to establish a consultative process, which involved the ACTU, Sally McManus and the union movement entered into that process in good faith, and they got hit from behind with this with no notice whatsoever. Anthony Albanese was on ABC RN this morning, talking IR: We’ll examine any detail which is there. At the moment, we won’t vote for what’s there. It’s as simple as that. And that’s not the only problem, of course. There’s other problems there, which is that if a casual is looking to be made permanent, and one of the problems that’s been identified by the pandemic is the insecure work, casuals were the first people to be thrown out during the pandemic, the insecure work creates a problem for them in terms of being able to have a mortgage, be able to have that security that a constant income provides. And yet, under this legislation, there’s no remedy for casuals to be able to be made permanent because an employer has to agree there’s no prospect for arbitration. What the government says is that they should just march down to the federal court. People who are casual employees aren’t in a position to take their employer to the federal court in order to be made permanent. Victoria has recorded no new Covid cases for 41 days in a row. Queensland chalked up 85 Covid free days yesterday. Speaking of uncomfortable family dinners, the nation’s leaders are getting together for a dinner at the Lodge tonight (sans Mark McGowan) ahead of tomorrow’s in-person national cabinet, in what might be the most awkward gathering around a table since the great Remeikis kuchios (Lithuanian Christmas) airing of the grievances incident of 2005. Given that Annastacia Palaszczuk and Gladys Berejiklian stopped speaking to each other, McGowan basically seceded Western Australia from the federation, Daniel Andrews gave daily master classes in ‘don’t start’ with Scott Morrison, who responded with a master class in passive aggressiveness, Peter Gutwein closed off his island and did his own thing, Michael Gunner threatened to keep the border closed until 2022, and Andrew Barr just tried to keep the peace, it’s not exactly going to be a warm and fuzzy reunion. In answer to a question on critics describing the cashless welfare card as racist, Michael McCormack does not say it is not racist, just that “there will always be critics for everything”. He then has to be prodded into saying he doesn’t agree with Pauline Hanson who said yesterday that you “lose your rights on welfare”. Not everybody gets on welfare because they want to. Not everybody ends up without a job because they want to and this year we’ve seen in the Covid-19 recession so many forced on to welfare who would never have lost their job or hours of work and of course we’re getting those people back into work. The second go around, he manages to say “no, you don’t lose your rights” but then, like a computer with too many tabs open, freezes on regional jobs: No, you don’t lose your rights. We’ve always had that cushion, that safety net system. Australia’s a great country. We’ve got the highest minimum wage in the world, we’ve got a welfare system that works and we’ve got the dignity of work that prospect for those people that do end on welfare, there’s the prospect now of getting a job. 54,000 jobs in regional Australia. I say to people if they have ended up on the welfare queues, look to regional Australia. There are 54,000 jobs not just in ***agriculture*** and mining, in really well paying jobs and people need to have a look and take that leap of faith and go to a region. The state premiers and first leaders will be in Canberra tomorrow, for the first, in-person meeting of the national cabinet. Except for Mark McGowan. In very family Christmas vibes, the WA premier is skipping the event, to avoid SA premier, Steven Marshall. McGowan is ‘socially distancing’ from Marshall, because WA still requires SA visitors to quarantine for two weeks. Feel free to use that as an excuse to skip out of awkward family events for the rest of time. That read out continues: Trade: The leaders underlined the crucial role the rules-based trading system plays in supporting Covid-19 economic recovery. They emphasised the need for open markets, greater supply chain resilience and enhanced trade and investment that contributes to sustainable development. In this context, they welcomed progress towards a comprehensive, high-quality, sustainable and inclusive Australia-EU FTA. Security: The leaders committed to establishing a General Security Agreement (GSA) between Australia and the Netherlands. The GSA will enable greater collaboration between our respective governments and reflects the commitment of both countries to work in partnership to uphold international law and address common strategic security challenges. Climate change: The leaders agreed that resolute and coordinated action is key to tackling the urgent challenge of climate change and environmental degradation. The leaders underlined their commitment to the full implementation of the Paris Agreement and to step up global action to tackle climate change in the lead up to COP26 in 2021, including through intensifying global cooperation on low emissions technologies. Both leaders acknowledged the need to achieve net zero emissions and to pursue a low emissions development strategy in accordance with the Paris Agreement. The leaders recalled the request by UNFCCC COP21 to communicate or update their Nationally Determined Contributions reflecting the highest possible ambition. Both leaders also acknowledged the importance of reducing waste and emphasised their commitment to cooperation on the circular economy. The relationship: The leaders welcomed the continued broadening and deepening of the bilateral economic and security relationship, including in the areas of critical minerals, disinformation and countering foreign interference, as well as cyber security and critical and emerging technology. The official read out from Scott Morrison’s virtual meeting with Mark Rutte, the Netherlands PM is out: Covid: The leaders expressed their deep sadness at the ongoing loss of life caused by the Covid-19 pandemic. They stressed the importance of international cooperation to overcome the health crisis, including universal, equitable and early access to safe, effective and affordable Covid-19 vaccines. They reaffirmed their commitment to re-building resilient and sustainable economies in line with open and rules-based trade. They also agreed to work together in relevant forums to promote the development of international standards to enable Covid-proof international travel. Mhl: The leaders committed to continue to pursue truth, justice and accountability for the 298 victims of Flight Mhl and their loved ones, including the 196 Dutch nationals and 38 people who called Australia home. The leaders reaffirmed their strong support for the work of the Joint Investigation Team and the ongoing criminal trial of four suspects in The District Court of The Hague. The leaders expressed their disappointment in the Russian Federation’s decision to withdraw from the trilateral meetings with Australia and the Netherlands regarding the Russian Federation’s role in the downing of Flight Mhl. The leaders agreed to continue to urge the Russian Federation to reconsider its decision. The leaders also acknowledged further efforts to hold the Russian Federation to ***account*** through the cases brought by the next of kin and the Netherlands against the Russian Federation in the European Court of Human Rights in relation to the downing of Flight Mhl. Indo-Pacific: Prime minister Morrison welcomed the Netherlands’ Indo-Pacific Guidelines and its commitment to cooperate closely with Australia and other regional countries in support of an open, inclusive and prosperous Indo-Pacific. The leaders agreed to work together to maintain regional resilience and capacity for sovereign choices and to promote and uphold international law, including the United Nations Convention on the Law of the Sea (UNCLOS). Globalisation: The leaders emphasised their commitment to multilateral cooperation, and to a rules-based global order. They stressed the importance of multilateral institutions, including the United Nations, the International Criminal Court, OECD, World Trade Organization and the World Health Organization, and the importance of effective, independent leadership within institutions. They confirmed their commitment to the continued and timely implementation of the World Health Assembly resolution of 19 May 2020 on Covid-19, including the impartial, independent and comprehensive evaluation into the response to the pandemic. Rex Patrick explained to the ABC why he voted no on the cashless welfare card legislation: One of the reasons we voted for it two years ago was because the government undertook to do the very trials that are being suggested would be undertaken again to measure whether or not the card had success. One of the problems is, you know, I went to an Indigenous community outside of Ceduna and they had a fantastic leader of their community, very strong leader, and his community was doing extremely well. There was another area where it wasn’t doing as well and perhaps not because of the card, but simply because of that weaker leadership. And that’s the difficulty here – it’s hard to put your finger on what might be causing good or might be – or might be causing harm Jacqui Lambie voted no, because she said no other support services had been built around it, despite the government saying at the time, that it would. The topics in this discussion don’t seem to match the jovial nature of the photos used, but anyway. So is is this legislation really the worst since John Howard’s Orwellian-named WorkChoices? Michele O’Neil: No, it’s accurate. It’s the first bit of legislation that absolutely opens up the capacity for people’s legal rights, their pay and conditions, to be cut. And they talk about the fact that this can happen for two years, but that is misleading because the agreements can be made over this two-year period but agreements can last, technically, for four years but if they’re not replaced can go on and on and on. And we, still, today have workers, 13 years later, who are on agreements that were struck during WorkChoices where they’re paid below minimum conditions and they have got no way of getting out of it. So this idea it is a short-term measure is completely wrong. And the other thing, there are changes to the better-off-overall test that are permanent because it takes away the right to have the agreement for seven days and have it properly explained before they vote on it. These are complex things and affect your life in a significant way. It is what you earn and what your conditions are. Why would you permanently remove workers’ rights to get support, make sure they understand it, get it translated if they need to and understand it before they vote? The ACTU president, Michele O’Neil, chatted to ABC’s News Breakfast this morning, about the exemption changes to the “better off overall test”, which Christian Porter has said will still only be used in limited circumstances (although the legislation changes mean it can be used more often than it is now). O’Neil: Firstly, how would he know that and then why is he doing it? It doesn’t require a business to be negatively impacted by Covid-19, it just says an impact, it doesn’t even make it negative. It means that agreements can be approved that take away workers’ pay and conditions, they go backwards. When we think about what workers and their families need and also what small business and the whole needs, we need certainty and we need people to be able to spend. So, consumer confidence, being able to have enough money in your pocket to be able to support business is what’s going to grow jobs, not cutting people’s pay and conditions. It’s actually really the opposite to what’s needed … This is already a provision in the act that talks about exceptional circumstances. So it seems like this has just come out of the more extreme parts of the business lobby. It was never discussed in any working groups and we’ll oppose it and this needs to go but it’s not the only concern. The adjournment debate is set for 4.30pm in the House today. Doesn’t look like the MPs want to stick around. Victoria’s chief health officer, Prof Brett Sutton, has recommend the permit scheme between Victoria and South Australia be scrapped from 12 December: Based on current Covid exposure dates in South Australia, I have recommended the removal of Victoria’s border permit scheme from 12 December. Operational changes have now been made at Melbourne Airport to coincide with the return of international arrivals. Given South Australian has had zero cases in the past 10 days, and arrivals from that state present a significantly lower risk, we have moved to a spot check system for those flights, ensuring the international arrival schedule for the Covid Quarantine Victoria program is not impacted. This is also in line with the removal of the border and voluntary testing at the road checks. To date the voluntary testing scheme of travellers from SA has not received one positive result. Happy last sitting day for 2020! After almost a year of live blogging, it felt like 2020 – and the parliament – would continue into infinity. But it is 10 December and the last sitting day of the year, and we made it. Just. Last night the Senate got fiery, after a last minute, undisclosed deal between Centre Alliance and the government saw the cashless welfare card extended for another two years in trial sites, as well as expanded to the Northern Territory. Rex Patrick (now an independent), the swing vote up until 9.30pm or so, voted no. Stirling Griff, from Centre Alliance, then had some amendments, which the social services minister, Anne Ruston, introduced, amending her own bill, and voted yes to extending the trial, rather than making it permanent. There were absolute scenes, as Luke Henriques-Gomes and Katharine Murphy report: No one is saying what the deal was, and don’t be surprised if there are some legal questions that pop up – Labor and the Greens were heading down that path yesterday, with no indication they won’t pursue it, given they received no answers. Another fight is brewing over in the House over the IR laws. Despite the government claiming it is expanding on exemptions which exist in the “better off overall test” Fair Work Act, it’s latest IR bill actually replaces those exemptions with something else, which have a lower bar. So while it is possible to exempt the BOOT now under the Fair Work Act, it’s in very limited circumstances. Those circumstances won’t be so limited under the government’s new legislation, which is what has caused all the hoohah. The government denies it but it is in the legislation. Expect that battle, along with super, to kick off and continue into the new year. We will cover all of the last day’s shenanigans and more, as the federal parliament bids farewell to the sitting year. Feel free to drop me a line with what your strongest memory of this parliamentary year – the cancellations, the virtual attendance, the brief moment of bipartisanship, national cabinet – you tell me. It has been A YEAR. And it has been an honour to spend most of it with you, here in the live coverage. But first, to the day. Katharine Murphy, Daniel Hurst and Paul Karp are as they have been all year, diligently at your service, as is the wonderful Mike Bowers and everyone else in the Guardian brains trust. Grab yourself a coffee and we’ll get into it.81930falsefalseMichael McGowan and Amy Remeikis (earlier)Australian flags fly outside the Australian War Memorial in Canberra.The member for Lingiari, Warren Snowdon, announces his intention to retire.He will be missed.The member for Lingiari, Warren Snowdon, announces his intention to retire.The Fonz with the Happy Days team. (Skis and shark not pictured.)Greens leader Adam Bandt.

**Load-Date:** December 10, 2020

**End of Document**



[***Market wrap: Warehouse REIT rises on Covid-19 driven demand***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YMJ-CRF1-DYX4-71XW-00000-00&context=1516831)

EGi Web News

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**Section:** EGI NEWS

**Length:** 40843 words

**Byline:** Tim Burke

**Body**

Warehouse REIT gained close to 5% in trading today on the back of a market update in which it said demand for its space was rising as a result of the crisis.Housebuilder Redrow rose by 9.6% after confirming that it had been approved for £300m in Covid-19 support finance.But in a rising market – the FTSE 100 closed up by 2.9% and the FTSE 250 by 3.4% – a third of the day’s steepest falls were seen in property-focused stocks.The BMO Real Estate Investments REIT closed down 7.75% at 50p, the second-furthest fall of the session. The BMO Commercial Property lost almost 5%, while Custodian REIT dropped by 5.6% after it warned of “inevitable disruption” from the coronavirus pandemic.To send feedback, e-mail [*tim.burke@egi.co.uk*](mailto:tim.burke@egi.co.uk) or tweet @\_tim\_burke or @estatesgazette

JOURNAL : Farmers Weekly

A few inexpensive, practical changes to the housing environment can make all the difference to the health, welfare and productivity of a dairy herd says Alice Miller of Friars Moor Livestock Health.

The productive dairy cow is more likely to achieve her genetic potential when allowed to thrive in the best environment.

Reviewing the dairy housing environment on your farm may highlight areas that need improvement.

The following six key areas should be considered.

See also: 6 fresh cow checks to prevent problems after calving

1. Light levels

The level of light exposure at certain production stages can have beneficial effects on milk production. The documented research findings reflect what we see in practice.

A long photoperiod (18 hours), compared to natural day length, can increase milk yield by an average of two litres/day.

However, shorter day lengths are recommended for dry cows.

Reduced light hours at eight hours during a 60-day dry period can increase milk yield in the following lactation by 3.2kg/day.

Light levels within the shed should be at least 200 lux during the day, and in periods of darkness levels should not be less than 30 lux to ensure cows can still see to move around the building.

The best buildings expose cows to maximum natural daylight levels as well as having the option of ample artificial LED lighting, so light levels can be adjusted accordingly.

But it is worth considering that where skylights are used to increase daylight levels, ambient temperature can also rise in a “greenhouse” effect.

2. Surveillance

There has been a rise in the use of surveillance cameras on farms, with features that allow 360deg views, ability to zoom and night vision.

These are becoming invaluable tools in calving areas.

Remote surveillance avoids stressful disturbance that can delay the natural onset of calving.

Equally, unnecessary calf losses can be avoided with earlier intervention and assistance where cows are seen to be experiencing difficulties.

Cameras can also be useful in other areas, for example, collecting yards to help with oestrus detection.

3. Hygiene

Adult cattle can shed high levels of bacteria such as Johne’s, salmonella and E coli, viruses such as coronavirus and rotavirus, and parasites, including cryptosporidium, in their faeces.

It is therefore important that sick cows are not left in calving pens, since levels of contamination can increase quickly and any calves inhabiting the pen will be at risk.

Often, calving pens are sited close to the collecting yard or parlour, where they become contaminated with slurry or effluent run-off, which is another source of infection for calves.

It is important that calves are not left in the calving pens for too long to help minimise infection risks.

Calving pens should be regularly steam-cleaned, organic matter removed, allowed to dry and fresh bedding replaced.

Detergents will help remove engrained dirt and biofilms, where a multitude of pathogens can survive for months.

Disinfectants should be used after detergents at the specified dilution rate.

4. Enrichment and space

More farms are exploring the idea of offering enrichment activities for adult cattle and youngstock.

Brushes for cows and calves are in constant use when seen on farm visits, but other novel ideas offer opportunities for play, such as punch bags, tractor tyres, hay bales and padded posts.

5. Comfort

Cow comfort has significant impact on welfare and health.

Cows that spend at least 12 hours/day with a dry and comfortable place to lie will be happier and have reduced mastitis and lameness risks.

Whether loosely housed or in cubicle sheds, there should be allowance for extra lying space. (See more on cubicle sheds on the AHDB website.)

The bedding substrate should be at least 6in deep to ensure cows are comfortable, avoid hock lesions and reduce cubicle refusals.

The use of rubber matting at feed faces, collecting yards and in the parlour has been found to reduce lameness.

It is important that floor surfaces are not slippery and re-grooved regularly to avoid cow injuries and encourage confidence to display bulling behaviour safely.

6. Heat stress

The effect of heat stress on cattle has been well documented.

The upper critical temperature (UCT) of adult cattle is 25C – above this, cattle are at risk of heat stress.

It is important to consider UCT is even lower when humidity levels increase.

Heat stress is a welfare issue but will also have detrimental effects, including reduced dry matter intake, milk yield reductions, poor fertility, increased embryonic loss and more clinical mastitis.

Heat stress can be avoided by ensuring buildings are well ventilated, with unrestricted air inlets and outlets.

Where there is not enough natural ventilation, mechanical ventilation systems should be considered.

Buildings that work best are those where you can control ventilation to suit daily temperature, humidity and wind speed changes, to ensure cows can always avoid thermal extremes.

Placing fans in areas where cattle are grouped and natural ventilation maybe restricted, such as the collecting yard and parlour, should also be considered and can make a huge positive difference for the cow.

It is also important to consider that a cow’s water intake requirement may increase by 10-20% in warmer conditions, with lactating cows requiring 100-130 litres/day.

Allowing enough trough space is therefore critical.

Each month an XLVets practice offers practical help. Here, we get advice on improving dairy housing to boost production and health with Alice Miller of Friars Moor Livestock Health.

JOURNAL : Farmers Weekly

Taking the time to identify the relevant site surveys for your build and engaging with the public will help smooth any planning application, says Cumbrian farmer Robert Morris-Eyton.

In 2018, Mr Morris-Eyton put forward a planning application for a new 400-cow shed and rotary parlour on a greenfield site at Beckside Farm, Millom, in the Lake District National Park.

Approval was received in just 12 weeks and the buildings erected within about six months.

The new build is located about 150m away from the existing dairy building complex, which is connected via a concrete lane. The new set-up means the business is on track to expand from 250 to 400 cows this year.

See also: Planning for housing on farmland – 6 steps to success

Farm Facts

Beckside Farm, Millom, Cumbria

263ha plus grazing rights

350 cows, increasing to 400 head

11,000 litres a cow a year

Robert Morris-Eyton runs the unit with wife Rowena and his son, Patrick – a Farmers Weekly Livestock Farmers Focus writer

850 fell ewes

Hydro power and building business

As a qualified chartered surveyor, Mr Morris-Eyton has an excellent understanding of all aspects of the planning process.

He runs Farmers Weekly through some key learnings from his own planning application process. You can also read more about the parlour and cubicle shed in What’s in Your Livestock Shed visits a £1.4m greenfield dairy

1. Bring in specialists

Planning is not for the faint-hearted. There’s a lot to it and it is technical. Speak to a building specialist to sketch out the building and someone with planning experience such as a chartered surveyor.

Do your homework and pick the right people. We used a specialist from Devon for the slurry lagoon planning, who had written the guidelines for the Environment Agency (EA).

2. Be prepared to spend

You could spend an amount equivalent to the planning application fee in getting the application ready.

Our planning fee to the National Park was £25,000 – although usually this would go to the council.

I did a lot of the preparation, but if you paid someone to do everything, it could cost another £20,000 for a similar-sized development.

3. Identify any issues before the application

I’d recommend speaking to the EA before getting too far with designing any slurry storage.

We invited them out first and they suggested tweaks to where we would site the lagoon.

Speak to the planners before you progress, and work out where the building would fit in the landscape and whether it would work aesthetically.

4. Provide planners with everything they need

There are a lot of reports that go with an application. That’s why employing a specialist is useful as they will know what is required.

Submitting all necessary documentation with the application will increase the chances of planning going through quickly (see tips box, below).

I’d recommend carrying out an ecology report as this will highlight any ecological issues that may require mitigation. Worse-case scenario, it could stop the project all together.

We knew we had protected hedgerows, so we said in our application that we would relocate them. However, most people would opt for compensatory planting elsewhere.

Showing that you’re going to put in extra trees may also help. We probably put in about 200-300 trees.

Our building specialist, Ivor Davey of CowPlan, also produced a 3D video of the proposed development and used Google Earth to show how it would fit in its surroundings.

The £2,000 cost was well worth it because people often struggle to visualise how big something is and how it fits in the location. I also had the support of chartered surveyor Julie Liddle of Robson & Liddle.

5. Explain the reasoning behind the design

In the design statement that accompanies the planning application, we explained why we needed certain aspects of the building for cow welfare. For example, we explained that we needed the buildings 25m apart for ventilation.

If you need the eaves to be 4m high with a 20deg pitch roof, explain why – it will avoid it getting thrown back stating it needs to be 3m with a 17-deg pitch, for example.

6. Consider building materials

What are the normal building materials for the area? There’s more chance of getting planning agreed if it’s aesthetically pleasing. Our roof is anthracite grey and the weather boarding is treated green timber.

7. Engage with the public

Video

We used the 3D video of the proposed development on our Facebook page before planning was submitted.

We knew the proposal was sensitive because we are in the Lake District National Park, so we thought it beneficial to get it out there.

I think it helped. If people don’t know what’s going on, rabbits can start running with misinformation. I think it’s down to personal choice as to when you go public prior to the application.

In some areas where objections may be expected, it could give the public more time to think about it.

I also took the opportunity to attend a Whicham Parish Council meeting prior to our application.

I spoke to the councillors, put up the 3D video and explained what we were doing and why. It was very well received.

They were pleased to have an opportunity to see the visuals and how it would look in the landscape.

JOURNAL : Farmers Weekly

This season is the first where growers face managing wireworm without the key pesticide Mocap (ethoprophos) that has proved effective for some years in managing the costly pest.

This means there will be a greater reliance on less-effective alternatives in combination with with cultural controls to keep the pest in check.

Farmers Weekly looks at how growers can best manage wireworm, which in severe cases can lead to crop losses.

See also: Why wheat growers need to be extra alert for yellow rust

What are wireworms?

Wireworms are the larvae of click beetles and there are about 60 species in Britain. Only a few are pests and just three key species are responsible for most of the damage in potatoes.

These include Agriotes lineatus, Agriotes obscurus and Agriotes sputator. All three are widespread across the UK and usually occur in mixed populations in the same field.

All three are equally damaging, with low populations (<100,000/ha) causing significant economic loss. Entire crops can be written off in severe cases.

What about its lifecycle?

UK species of click beetles lay eggs in May and June close to the soil surface and under the protection of grass or weedy areas. The eggs hatch after four to six weeks and need vegetation to survive.

Larvae can spend three to five years in the soil before reaching maturity (typically in July-September), when they burrow down the profile to pupate over a three- to four-week period.

There are two main activity periods for wireworm larvae in the UK. The first is between March and May and the second between September and October, with the second activity period the most damaging to potato crops.

Which potato crops are at risk?

Potato crops planted after long-term grass (more than four years) have always been considered at greatest risk of wireworm attack, as the pest favours undisturbed soil.

Populations build and remain constant at an equilibrium under a ley. Probably about 60-70% of long-term grass fields are wireworm infested.

However, wireworm damage has increasingly been seen in arable-only rotations, and this upward trend may continue as reduced tillage regimes become the norm between potato crops.

Wireworm attacks are increasingly reported close to field edges, where grassy margins grown as part of environmental schemes are more commonplace.

Research has also shown that fields with a southern or easterly aspect are more likely to harbour significant wireworm populations, as warmer soil temperatures tend to be more favourable.

Wireworm risk-assessment calendar

Assess site characteristics – 12 months before potato crop

Pheromone traps – May-June in previous crop

Soil sampling – October-March preceding planting

Bait traps – February to March preceding planting

What cultural methods help with control?

Where possible, growers should avoid growing potatoes on land with a wireworm infestation.

In arable rotations, cultivation has the greatest effect on reducing wireworm numbers, physically killing larvae and leaving them exposed to predation. Ideally, land earmarked for potatoes should be ploughed and disc-harrowed in the autumn.

From previous experiments in commonly grown UK varieties, there is no varietal resistance to wireworm damage.

Where risk is identified and a crop will be planted, choosing an early maturing variety that is suitable for a range of markets enables the crop to be lifted early and avoid peak wireworm activity in September or October.

Wireworm also like weedy conditions, helping to protect eggs before hatching, so keeping potato fields clean between the previous crop and planting will also exhaust food supplies and help suppress numbers.

Are there any conventional chemicals left?

Growers are entering their first season without granular organophosphate insecticide Mocap (ethoprophos), which has been the most effective wireworm control agent for many years.

Nemathorin (fosthiazate) offers some reduction of wireworm damage, but not on the same level as Mocap and remains a product primarily aimed at potato cyst nematode control.

It also has a 119-day harvest interval in comparison with Mocap’s 80-day interval, making it unsuitable for short-duration crops such as salad potatoes.

Nemathorin’s approval holder, Syngenta, is developing a granular soil-applied insecticide with activity against wireworm, but it is uncertain when it will make it through registration.

Ag-chem manufacturer and former Mocap approval holder Certis is also actively looking for alternative conventional and biological insecticides to help with wireworm management.

How do I assess wireworm risk before planting?

Look for clues

Most growers will be familiar with the field history of their own land, but when renting in additional hectares, it can be more difficult to know if wireworm will be a problem.

As mentioned, aspect can influence risk, while field names (such as “Old Meadow”) and old stock fencing or water troughs can suggest a history of grazing.

Inspecting weed roots (such as sow thistle) and volunteer potatoes in stubbles for damage ahead of a crop can also reveal the presence of wireworm. They can also be spotted on top of beds when walking behind a working destoner.

In areas where potatoes are grown after grass, some growers use a hedge plough – one plough furrow or skimmer share mounted on an A-frame – towed behind a small tractor or pickup to turn over a few metres of grass turf.

This is then left 30 minutes or more before returning and inspecting for the presence or absence of wireworm on the surface.

Soil sampling

A soil-sampling method developed in the 1940s uses 20 10cm soil cores for a 4-10ha field and an aggregated sample is then analysed in the laboratory for larvae numbers.

It is best carried out in the autumn and early spring, ahead of planting.

As the limit of detection for wireworm is 62,500/ha and populations below this limit can still cause significant damage in crops, the method’s usefulness is questionable, unless infestation is high.

It is also expensive and labour-intensive, and there is a poor correlation between sample results and damage seen in the crop.

Bait trapping

Bait traps are widely considered a more effective risk-assessment method. These are small, perforated plastic containers part-filled with grain and buried in the soil for 10-14 days in late March or early April, once soil temperatures are higher than 10C.

The germinating seed gives off carbon dioxide and attracts wireworm into and around the trap, with any presence of the pest influencing site selection or any control decisions.

Bait trapping is only truly effective when there is little else in the way of food sources for the wireworms, so sites where there is a growing crop or weedy sites may mask economically damaging populations. It is also unreliable for use early in the season, when the soil is cold.

Adult trapping

Adult click beetles do not migrate and only move locally, so monitoring numbers can give a good indication of potential problems – but monitoring has to be done nearly a year ahead of planting a potato crop.

Pit fall traps and sticky traps are available, but more useful pheromone traps specific to the three main species of click beetle are now sold commercially.

Placed in or around the edge of fields destined for potatoes the following spring, pheromone traps are much less labour-intensive and much more sensitive than soil sampling.

Trapping is best done in short periods (three to four days) in early May – leaving traps longer than this risks attracting beetles from outside the field.

Although traps can detect low levels of adults and provide an early warning of potential wireworm issues in the next crop, they don’t reveal larval numbers and should be backed up by other methods such as soil sampling or bait trapping.

Are there any biocontrols?

Trials in the UK have shown that mustard biofumigation crops are ineffective against wireworm. There are, however, a number of biological control products being developed or close to market that show useful activity against wireworm.

BASF hopes to have a granular biological product containing entomopathogenic fungi Beauveria bassiana approved in late 2022, ready for 2023 potato plantings.

Currently coded BAF480BCI, BASF has managed to encapsulate the active in a granule that attracts wireworm and exposes them to the fungi, which kills them after several days.

Applied at 10kg/ha through standard granule applicators, the product has been in trials across Europe alongside Mocap. Mocap averaged a 67% reduction in wireworm tuber damage across the trials, with BAF480BCI offering a slightly less than 50% reduction.

BASF says it won’t stand up to the pressures of high wireworm populations alone, but will provide very useful results as part of an integrated control strategy where numbers are more “sensible”.

German company Biocare is another firm offering a similar product, but it uses the entomopathogenic fungus Metarhizum brunneum. At present, Attracap is only approved in Germany and Luxembourg.

Applied in-furrow, the granules absorb moisture from the soil, releasing wireworm attractant carbon dioxide, which brings the pest into contact with the fungi. After infection with the fungus, wireworms die after several days, depending on soil and temperature conditions.

The Biocontrol and Natural Product (BCNP) group at Swansea University, led by Tariq Butt, has also had some success in identifying and testing biocontrol agents, including Attracap and stains of a similar entomopathogenic fungus, Metarhizum anisopliae.

West Wales-based fresh produce grower and packer Puffin Produce provided trial sites for some of the research as part of the project, carried out by PhD student Ben Clunie.

Puffin Produce field manager Stephen Mathias says the Welsh potato-growing area sometimes suffers with wireworm, as grass often features in the potato rotation.

He reports that the good wireworm mortality results achieved in the lab using the Metarhizum agents were not transferred into the field, with moderate results achieved, so currently the biocontrols wouldn’t be suitable for use in high-pressure situations.

However, he is optimistic that with further development, biological controls such as Metarhizum spp. will play a role in the future.

Mr Clunie’s study is also looking at the potential of natural fumigants and essential plant oils to inhibit or kill wireworm, with results expected once the project ends later this year.

Wireworm – view from the field

For independent potato expert Martyn Cox, the loss of a string of aggressive actives for controlling wireworm – from the 1970s up to Mocap’s withdrawal last year – means the industry must take a longer-term view to manage the pest.

Mr Cox says regulation of pesticides will not loosen and although the biocontrols coming through are useful, they won’t be as effective as Mocap, so combining all the integrated crop-management methods outlined in this article – most importantly, cultivation – is vital.

In addition, he sees the targeting of adults before they lay eggs on crop land each year as a means of driving down populations of larvae, which can be problematic for up to five years.

One adult click beetle lays about 150-200 eggs and identifying when they are active and targeting them with pyrethroid insecticides in the years between potato crops could help reduce larvae to minimal levels.

“The issue is, this would require more management input throughout the rotation, which is not always possible with current thinking, particularly on rented potato land.

“For landlords who wants to keep that revenue stream, increasing wireworm populations will soon take that away and they need to consider the benefits of controlling the pest. It also limits appeal to growers of other high-value crops such as carrots and onions.”

Increased pyrethroid use has many downsides, due to the potential effect on the environment and beneficial insects, as well as resistance issues.

As a more environmentally acceptable alternative, Mr Cox points out that Canadian potato producers have been successfully using mass pheromone- or light-trapping of adults to break the click beetle’s lifecycle.

“Although this sounds mad, pitfall traps can catch a lot of adults and the cost is low compared with alternatives," he says.

Thanks to AHDB’s research director Bill Parker for additional information and support compiling this article

JOURNAL : Farmers Weekly

Aphid migration could be more than a month earlier in some regions this season due to the relatively mild winter, which allowed the pests to over-winter in crops.

Monitoring of cereal crops is therefore essential for the rapid identification of aphid flights and effective disease control, with late-sown crops being particularly vulnerable to attack.

Steve Ellis, entomologist at crop consultants Adas, says no reports of aphids have currently been identified in winter-sown cereals, but growers should be vigilant.

See also: Alerts a vital tool in pest and disease control this spring

“Aphid population numbers are starting from a low level, so growers should monitor crops closely to see if thresholds are reached,” says Dr Ellis.

Aphid flight

Mild weather conditions saw temperatures in January and February rise above the 30-year average, meaning aphid flights in southern counties of England are expected to be a month earlier.

The suction-trap network, which is run by Rothamsted Research, has a series of weather and insect ***data*** collection sites spread across the UK.

Sites in Kirton, Lincolnshire, witnessed a 2C rise in temperature, while further south in Silwood, Berkshire, temperatures increased by 2.5C.

In the absence of abnormal weather conditions this spring, aphids are expected to fly about four weeks earlier across the majority of England from The Wash southwards and potentially five weeks earlier than average in the Silwood area.

Further north in Scotland and northern England, aphids are predicted to fly about one to three weeks earlier, due to temperatures rising by 1.5C.

“There is concern that the mild winter will cause aphid populations to rise rapidly in the summer months as a result of their earlier migration,” says Dr Ellis.

However, he adds that this winter was the fifth wettest on record in the UK, with several Atlantic storms creating deluges across the country, which may restrict aphid migration and suppress population growth.

BYDV

Dr Ellis warns growers that barley yellow dwarf virus (BYDV) is the biggest threat to cereal crops from aphid attack, with yield losses of up to 25%.

He advises growers to ensure optimum crop nutrition to enable plants to rapidly reach growth stage 31, which is the onset of stem elongation, as greater plant maturity makes crops more tolerant to pest attack.

“Many crops are now approaching growth stage 30 so are less vulnerable to damage by aphids, but later-sown crops that are under-developed will be more at risk,” he adds.

Dr Ellis also highlights that the disease is more difficult to control in spring-sown crops than winter-sown ones because migration doesn’t end during the spring and early summer months, so particular care should be taken to monitor these crops.

Sprays and thresholds

An insecticide spray should only be applied once the threshold is reached to avoid resistance build-up.

“Before growth stage 61, the threshold is reached when 50% of tillers are infested, while beyond growth stage 61, until two weeks before the end of grain filling, the threshold is reached when two-thirds of ears are infected,” says Dr Ellis.

A full rate of pyrethroid is still an effective control method if used at the correct timing as resistance has only been detected in the grain aphid but not in the bird cherry-oat aphid.

Predicted date of first catch of cereal aphids in selected Rothamsted insect survey suction traps

Site

Bird cherry-oat aphid

Grain aphid

Rose grain aphid

Dundee

25 April - 7 June

7 May - 14 June

29 April - 16 June

Newcastle

17 April - 30 May

27 April - 30 May

26 April - 4 June

Hereford

10 February - 21 May

2 April - 7 May

11 April - 26 May

Rothamsted

25 March - 1 May

31 March - 4 May

29 March - 12 May

Starcross

3 January - 3 April

2 March - 28 April

25 January - 14 April

JOURNAL : Farmers Weekly

Almost all markets are more volatile than usual, with a heady mix of crop areas, logistical strains, massive changes in demand and consumer trends. Speculative activity is also driving further uncertainty.

Wheat

Global wheat futures were pushed slightly higher midweek by a US Department of ***Agriculture*** report revealing the lowest reported US planted area since records began in 1919. Stocks were also put at lower levels than the trade had expected.

However, the pound gained strength, pushing the UK domestic market down by about £2.50/t on last week, and putting ex-farm wheat for April in a range from £147/t to £157/t and averaging £153/t on Wednesday

(1 April).

An important factor in cereal markets is the reduction in demand for fuel during the coronavirus pandemic.

This has led to the closure of about 15% of US ethanol production capacity, for which the main feedstock is maize, with a consequent depressing effect on maize prices. This in turn influenced wheat values.

Oilseed rape

Low oil use through the economic slowdown affects vegetable oils as well as crude prices, which have dropped to just above US$20 a barrel.

Biodiesel demand has in turn fallen dramatically, resulting in lower EU rapeseed crushing volumes. This has lowered oilseed rape prices, which averaged about 50p/t down on the week to Wednesday (1 April) at almost £306/t spot ex-farm and ranging from £294/t (north-east Scotland) to £311/t.

See also: Coronavirus - advice for managing and keeping staff safe

Straights

The feed price rollercoaster ride continued this week, with some useful reductions in soya meal prices as markets calm down after last week’s talk of South American port closures drew speculative futures trading. Hi-pro meal (20t bulk load April delivery) fell by about £12/t to between £375/t and £382/t on farm.

The drop in OSR prices has been limited by the tightening of rapemeal supplies for feeding as a result of the lower crush, pushing up values.

Lower US maize demand as ethanol production capacity closes is feeding through to cheaper maize-based feed ingredients, with maize gluten for April falling by £10/t on the week to between £215/t and £222/t for April deliveries.

Beef

Deadweight prime cattle prices for the week ending 28 March remained similar to the week before, with the UK steer average gaining 1.3p/kg to stand at 337p/kg, while heifers and young bull prices were flat.

Cull cow prices dipped across the UK, with the biggest falls occurring in northern England, where values dropped by 10p/kg on the week to average 234.5p/kg.

Marketing group Meadow Quality said cull prices had been hit by an oversupply of mince on the market following the closure of fast-food outlets such as McDonald’s.

Pigs

Pig prices remain flat on the week and are still well up on year-earlier levels, with the GB standard pig price (EU spec) at 163.39p/kg for the week ending 28 March.

Market analyst Peter Crichton said it is still business as usual for the sector in most cases, but concerns persist among some abattoir operators about if they will have enough staff.

He added the rising cost of inputs, particularly protein, would erode margins to an extent.

JOURNAL : Farmers Weekly

Vets and farmers have been included on the list of key workers, published by the government amid the coronavirus pandemic.

This means farm animals are still able to receive care and farmers can obtain veterinary medicines.

However, both the British Cattle Veterinary Association and The Royal College of Veterinary Surgeons are urging vigilance to reduce the spread of the Covid-19 virus and have put in place the following guidance:

Veterinary practices should be working ‘on a similar standard to out of hours’ with farm visits to be assessed using a risk-based approach.

This means animals should only be seen in emergencies or where, in the judgement of the veterinary surgeon, urgent assessment and/or treatment is needed in order to reduce the risk of patient deterioration to the point where it may become an emergency.

When on farm, farmers and vets should keep a minimum distance of 2m apart (the size of a cow).

Personal protective equipment such as coveralls and gloves should be worn at all times.

This means farmers are going to have to use inventive approaches in non-emergency situations.

See also: Coronavirus: Marts suspend breeding stock sales

Veterinary  director Tom Greenham, of Advance Milking, believes farmers can make good use of ***data*** and smart tools and adopt a collaborative approach with vets and advisers to help maintain animal health, welfare and productivity, without any extra risk to human health.

Below, he gives some advice on how this can be achieved.

Consider if the procedure is a priority

In such times, it is both inevitable and correct that certain compromises must be considered, with management of emergencies taking priority over less urgent situations.

We have seen this in the UK health service, with non-urgent operations being cancelled for three months. For animal health, similar compromises are being made to reduce contact between livestock farmers and their veterinary teams.

Think: Is the visit necessary to preserve animal welfare or food security? Are there alternatives to outside advisers travelling to the farm?

Can your vet diagnose the problem remotely?

A remote assessment of the problem, while not as effective as a conventional visit, can help identify risk factors and help pinpoint solutions.

Observations can be discussed via phone or video call (FaceTime or Zoom), allowing the whole farm team to be involved in creating a plan of action without any face-to-face meetings.

Photos could be sent to your vet for further exploration or you could carry out a virtual, live farm tour if you have sufficient connection speed.

Having highlighted the likely cause, a practical plan of action can then be put in place.

Review ***data***

Modern ***agriculture*** generates a large amount of ***data*** that is often underused and most farm staff have all the technology they need to collect useful information in the form of a smartphone.

Review what health and performance ***data*** is already being collected, for example cell counts and mastitis, and think how best it can be used to give an early warning of problems.

Milk recording may be difficult when retaining a 2m gap. However, the information is valuable, so in this case consider doing your own monthly sampling.

Adopt alternative methods of doing essential ‘non-emergency’ management

Fertility and breeding programmes may be disrupted, with far-reaching, negative consequences for production health and welfare.

It may be worth discussing blanket synchronisation programmes with your vet to ensure animal breeding continues.

Pregnancy diagnosis by milk test is available either at your monthly milk recording or as a separate sample when needed.

Phone ahead for medicines

These can be left in a designated place to avoid footfall through receptions and pharmacies.

Make sure your protocols are up-to-date

More than ever, preventing problems is better than reacting to them, so take time to review management plans for key health areas.

If staff have different areas of responsibility, then ensure they summarise the key protocols, so others can cover their work if necessary.

Keep the whole farm team updated via group chat or video call meetings. Management plans don’t have to be on hold due to social distancing.

Key take home messages:

Use ***data*** to highlight where the source of a problem may be, allowing for more efficient investigation.

Just because your vet or adviser isn’t physically on farm doesn’t mean they aren’t available to chat - keep in contact via text or phone and use photos and videos to help discuss animal health issues.

Update protocols and keep all staff in the loop in case one goes off sick.

JOURNAL : Farmers Weekly

The closure of fish and chip shops due to coronavirus has left thousands of tonnes of potatoes languishing in storage – threatening to put farmers out of business.

Although government guidelines allow takeaway food outlets to remain open, 80-90% of fish and chip shops are said to have closed their doors.

See also: Coronavirus - Guidance for farmers and contractors

The decision has seen a slump in demand for chipping potatoes.

Based in Cambridgeshire, potato merchants Abbey Produce usually supplies about 30,000t of potatoes into the chip shop trade every year.

But sales director Duncan Negus told Farmers Weekly his company hadn't been able to sell a single potato for more than a week.

Mr Negus said he understood the reasons why fish and chip shops had closed.

This included queues outside shops and government guidelines on social distancing – with police moving people on if necessary.

Help needed

But he added: “This means that growers who hold stocks for chip shops are left high and dry – potatoes are a perishable commodity with a finite time to move.”

Mr Negus said he had spoken to processors in a bid to move potatoes, but they were adequately covered because many other fast-food outlets were also shut.

Supermarket chains were also adequately supplied, he said.

“Farmers in this sector lay out vast sums of money up to 18 months in advance to crop – and if they receive no help, they will go under.”

In its latest Potato Weekly report, the AHDB said chipping markets had largely stalled due to the coronavirus lockdown.

Suppressed demand

“There are reports of chip shops cancelling orders due to closures, although some are operating in a small capacity through delivery services,” said analyst Alex Cook.

“Due to this, demand for chipping supplies [is] expected to remain suppressed until the government restrictions are lifted.”

Some growers and merchants were selling chipping stock as ware to help meet local demand – including in 25kg bags to farm shops.

“With an increasing number of consumers having turned to farm shops, it is hoped that an increasing number will return to farm shops once the pandemic has been resolved.”

Public safety

The National Federation of Fish Friers (NFFF), which represents some 10,000 fish and chip shops, said it had reluctantly advised its members to close their doors.

NFFF president Andrew Crook said: “Without help marshalling queues and with government guidelines, we cannot guarantee the safety of our employees and the general public.”

Some businesses were operating delivery services if they could do so safely and within government guidelines, said Mr Crook.

Each shop was able to feed thousands of people with a nutritious meal, and would be willing to reopen if needed to provide any assistance in a humanitarian capacity.

“We will reassess this advice on a weekly basis,” said Mr Crook.

“This is an awful situation for all. We will get through this and fish and chips will live on.”

JOURNAL : Farmers Weekly

Police are urging members of the public not to escape to the countryside to walk dogs or exercise as these actions could risk spreading the coronavirus and increase dog attacks on livestock.

Calving, lambing and field work is in full swing on farms and farmers fear that a sudden influx of people to the countryside will add an extra burden.

Insp Hagen of North Yorkshire Police’s Rural Taskforce said: “If you are walking your dog as a form of exercise in the countryside, keep it under control and on a lead near livestock.

“This advice applies all the time but please take particular care now – farmers and vets do not need any extra work.”

See also: Footpath fears over spread of coronavirus

Avoidable crime

The plea follows West Yorkshire Police reporting of 38 sheep worrying incidents in the area over the last four days, highlighting dog attacks on numerous sheep in Ilkley and Oxenhope.

These are all avoidable crimes, putting undue stress on the animals, farmers and an already resource-stretched police forces.

CLA North director Dorothy Fairburn said: “It is vital that dog owners understand their responsibilities when walking their dogs on farms or adjacent areas.

“Those using the countryside should, especially under current circumstances, be conscious that the countryside is also a place of work where the land, livestock, machinery, wildlife and environment must be respected.

“The Countryside Code is generally adhered to by the majority of people, but there are a few worrying trends either based on anti-social behaviour or a lack of awareness of the working countryside.”

Unnecessary travel

A number of rural police teams across the UK are also asking people to avoid unnecessary travel until restrictions placed on all of us to tackle the pandemic have been lifted.

They will be urging people to behave responsibly – for example, where rights of way pass close to, or through residential and ***agricultural*** properties.

It is also important that the existing government advice regarding social distancing and hand washing is adhered to.

The government’s Health Protection (Coronavirus) Regulations 2020 states people are only allowed to leave their homes for the following reasons:

Shopping for basic necessities, as infrequently as possible

One form of exercise a day – for example a run, walk, or cycle – alone or with members of your household

Any medical need, to provide care or to help a vulnerable person

Travelling to and from work, but only where this is absolutely necessary and cannot be done from home

Insp Matt Hagen, of North Yorkshire Police’s Rural Taskforce, asked rural residents to do their bit. He said: “People living in the Dales, Moors and other rural areas can also help us protect the NHS and save lives.”

Avon and Somerset Police force has been handing out leaflets to people in rural locations, near farms and beauty spots, reminding them of the restrictions.

“Each and every one of us has been instructed to avoid all unnecessary travel. You are entitled to exercise once daily. This should be by walking, running or cycling from your home address. You should not be driving to a location away from home to carry this out,” says the pamphlet.

Derbyshire Police said too many people were ignoring the advice and still making unnecessary journeys to the Peak District.

[*https://twitter.com/DerbysPolice/status/1243168931503882241*](https://twitter.com/DerbysPolice/status/1243168931503882241)

The Country, Land and Business Association (CLA) urged people to act responsibly in the countryside, limit exercise to once a day in addition to practicing social distancing, and respect the Countryside Code (PDF) which helps to protect British landscapes as well as farmers and those living there.

Three top tips for those using the countryside:

1. Livestock worrying by dogs not adequately controlled by their owners is on the increase. Please keep your dog on a lead if you are anywhere near livestock.

Even the best-trained family pet can chase sheep and wildlife if not kept under close control. Also, clear up after your dog.

2. Fly-tipping is a blight on the landscape and can cost up to £800 per incident to clear away and all at the farmer’s expense.

Please ensure you take your litter home with you and dispose of bulky waste through proper legal channels.

3. When riding a bike or driving a vehicle, slow down or stop for horses, walkers and farm animals and give them plenty of room. By law, cyclists must give way to walkers and horse- riders on bridleways.

The Countryside Code applies to all parts of the countryside in England and Wales. It aims to help everyone respect, protect and enjoy the outdoors.

JOURNAL : Farmers Weekly

Defra minister George Eustice has described farmers as “hidden heroes”, as the government considers extra help to feed the nation during the coronavirus pandemic.

It comes as the government look at ways to ensure farmers have the support and additional workers needed ahead of the busy harvest months.

See also: Coronavirus: Urgent appeal for Brits to work on farms

In an open letter to the food and drink industry, Mr Eustice said the coronavirus pandemic was perhaps the greatest health challenge the country had faced in our lifetime.

“I want to pay tribute to all those who are working around the clock to keep the nation fed,” he said.

This included people working “in our fields, processing plants, factories, wholesalers, stores and takeaways and all those moving goods around the country and to our homes”.

Seasonal workers

Mr Eustice also said he had been speaking with the industry about the “critically important issue” of seasonal workers, who usually come from Europe to pick fruit and vegetables.

“We need to mobilise the British workforce to fill that gap and make sure our excellent fruit and vegetables are on people’s plates over the summer months,” he added.

Some 70,000 seasonal workers are needed to work on UK farms annually – prompting concerns that a labour shortage could see food left to rot in fields.

Mr Eustice said: “There are already brilliant recruitment efforts under way by the industry, and I would encourage as many people as possible to sign up."

Extra support

“We will also be looking at other ways to make sure farmers have the support they need ahead of the busy harvest months, while also keeping workers safe and protected.”

In the letter, Mr Eustice said the past three weeks had been stressful and difficult for everyone working to feed the country and provide them with other essential items.

“Food retailers have faced an unprecedented increase in demand,” said Mr Eustice.

“Those working in food production and distribution have had to work harder than ever to ensure that food and drink are kept on the shelves.”

Government guidance

Mr Eustice said he was in regular dialogue with the food and drink industry, with government guidance to employers to ensure staff could do their jobs safely.

“The advice from Public Health England is that there is very little risk of the virus being spread on food or packaging,” he added.

“Everyone working in the food and drink industry has rallied in an extraordinary way to respond to this unprecedented challenge.

“Having worked in the food industry myself, I am personally enormously proud and thankful for all the work you have done in recent weeks, and will be asked to do in the weeks ahead.

“In many cases you are the hidden heroes, and the country is grateful for all that you have done.”

JOURNAL : Farmers Weekly

Freelancers and the self-employed will receive financial support during the coronavirus outbreak, the chancellor has announced.

Rishi Sunak confirmed on Thursday (26 March) that the government will support these workers by providing a taxable grant of up to 80% of their monthly net earnings, averaged over the last three years, up to £2,500 a month.

It will be available across the UK for at least the next three months and will bring self-employed workers on a par with employees furloughed under the Job Retention Scheme.

See also: Self-employed access to benefits eased due to coronavirus

Eligibility:

Trading profits of up to £50,000

Make majority of their income from self-employment

Already in self-employment with a tax return for 2019

The HMRC is working on implementing this urgently, the chancellor said, and workers will be able to access it no later than the beginning of June.

Applications can be made online and the money will be paid directly into bank ***accounts***. Anyone who missed the tax return January deadline has an additional four weeks to do so.

Mr Sunak reiterated that workers can receive support immediately through the Business Interruption Loan Scheme or benefits access being eased, and that the income tax self-assessment has been deferred by six months.

“You have not been forgotten,” said Mr Sunak. “We all stand together.”

There are five million self-employed people in the UK, generating about £300bn for the economy.

However, it has been more complicated for the government to create a system that provides a sufficient level of support to every self-employed worker.

According to the government this is because it is not straightforward to identify who is and who isn't self-employed; defining a regular pay packet is difficult and therefore it is hard to underwrite accurately; HMRC does not hold details for all self-employed people; and the Treasury has claimed that some self-employed people may be unaffected by the current situation.

In addition, it was previously announced that income tax self-assessment payments due on 31 July 2020 will be deferred to 31 January 2021. Anyone classed as self-employed will be eligible and no application is required.

JOURNAL : Farmers Weekly

An improvement in weather conditions means farms are now buzzing with activity, but it’s imperative that employers and staff given ‘key worker’ status take all the precautions outlined by the government.

The National Association of ***Agricultural*** Contractors (NAAC) has released a guidance document that offers advice on how to manage the workload while minimising the spread of the disease.

Direct contact should be avoided wherever possible and extra precautions should be taken in areas frequented by several people, such as the diesel tank.

See also: All of our coronavirus advice and news

Cab hygiene

Tractor cab hygiene must be made a priority so, where possible, employers should enforce a one person, one machine policy.

If this is not practical, cabs must be cleaned by a member of staff wearing personal protective equipment.

Be sure to wipe down all door handles and controls and ask staff to touch surfaces/open doors with their non-dominant hand, with which they will be less likely to touch their face.

Try to avoid relying on gloves unless they are frequently changed – it’s better to prioritise frequent hand washing.

It may also be worth putting a note in the cab window, reminding people not to touch the door handle and providing a phone number with which to contact the driver.

Businesses should also consider the likelihood of staff taking time off to self-isolate. With that in mind, it might be prudent to make sure several members of the team are capable of operating high-tech equipment.

However, bear in mind the challenges of training while keeping a safe distance from team members.

See also: NAAC farm contractor charges 2019-20

Assess the risk, says the NAAC

Ensure you and your staff are fully informed and taking all necessary precautions to minimise the risk of catching or spreading the virus. It’s worth considering the following:

Encourage employees to work at home, wherever possible. Office staff should be equipped to work remotely. All access to offices and workshops should be strictly limited to essential staff only and provision must be made for keeping surfaces clean and ensuring staff have access to hand washing/hand sanitation facilities.

Discourage visitors to your yard – put up notices if necessary. Ensure delivery drivers remain at least 2m away and ask for parts to be left at a distance in a secure place. Ideally, don't sign for them – most only require a name.

Close staff tearoom/facilities to avoid all close contact, only allowing access to washrooms/toilets.

If someone becomes unwell in the workplace with a new, continuous cough or a high temperature, they should be sent home immediately.

Employees should be reminded to wash their hands for 20 seconds more frequently and catch coughs and sneezes in tissues (which should be disposed of).

Frequently clean and disinfect objects and surfaces that are touched regularly, using standard cleaning products.

Make sure all staff have been issued with the latest guidance from government.

Employees will need your support to adhere to the recommendation to stay at home to reduce the spread of the virus.

Those who follow advice to stay at home, and who cannot work as a result, will be eligible for statutory sick pay (SSP) from the first day of their absence from work.

Employers should use their discretion and respect the medical need to self-isolate in making decisions about sick pay. Use discretion regarding the need for medical evidence for employees who are unwell. This will allow GPs to focus on their patients.

Employees from defined vulnerable groups should be strongly advised and supported to stay at home.

Ask customers to avoid any contact with you and your staff wherever possible – ideally have work established remotely, prior to the job. All safety risks, locations, mapping and job requirements should be fully explained by the customer prior to your arrival.

Do not share customers' machinery off-site.

Ask customers to make you aware of any of their family or staff who have contracted the virus or who are self-isolating. This will ensure that all parties respect social distance and do not unwittingly put anyone at unnecessary risk.

Bear in mind that there may be children on the farm, which pose an added health and safety risk.

You can also download and print the NAAC's checklist for contractors visiting farms (PDF) to make sure you're following all the necessary procedures.

Useful sources of information can be found on the following websites:

NHS: Coronavirus (COVID-19)

Government website: Coronavirus - what you need to do

AHDB coronavirus FAQs

NFU coronavirus updates and advice

JOURNAL : Farmers Weekly

Thousands of temporary workers are needed on British farms to help feed the nation during the coronavirus pandemic.

Jobs are available on fruit farms, arable farms, livestock farms and in pack houses – with workers also needed to fill other vacancies.

See also: Coronavirus: Urgent appeal for Brits to work on farms

Farmers Weekly has put together the following links to help put people looking for work in touch with farm businesses who need staff.

Recruitment agencies

Hops Labour Solutions

Specialist in ***agricultural*** recruitment & seasonal labour for the farm and food industry.

The following recruitment agencies piloted the government’s seasonal workers scheme and are also looking for staff:

Concordia

Recruiter of seasonal labour for the UK ***agriculture*** and horticulture industry

T: 01273 422 218

W: [*www.concordiavolunteers.org.uk*](http://www.concordiavolunteers.org.uk)

Pro-Force Recruitment

Specialising in temporary and permanent placements to the fresh produce, ***agricultural***, horticultural, warehousing and manufacturing industries.

T: 0333 335 6262

W: [*https://pro-force.co.uk*](https://pro-force.co.uk)/

CDS Labour

CDS are a labour providing company that specialises providing van drivers, lorry drivers, farm workers, packers, pickers, trades people, admin staff and many much more sectors.

T: 03333 44 21 44

W: [*http://cdslabour.co.uk*](http://cdslabour.co.uk)/

Fruit growers

British Summer Fruits, which represents 98% of soft fruit growers, is also looking for workers to help harvest and pack fresh fruit and vegetable crops.

T: 020 7575 7654

W: [*www.britishsummerfruits.co.uk/jobs*](http://www.britishsummerfruits.co.uk/jobs)

Farm businesses and food producers

The following farm businesses and food producers have been looking for temporary workers:

Cranswick

[*https://cranswick.plc.uk/news/help-us-feed-nation*](https://cranswick.plc.uk/news/help-us-feed-nation)

G's

[*https://www.gs-fresh.com*](https://www.gs-fresh.com)/

Vicarage Nurseries

Strawberry grower Vicarage Nurseries at Bretforton, Vale of Evesham, requires 250 strawberry pickers from mid-May to October. To apply, visit: [*http://vicaragenurseries.co.uk*](http://vicaragenurseries.co.uk)

If your farm business is also looking for temporary workers, please email [*johann.tasker@proagrica.com*](mailto:johann.tasker@proagrica.com) with details and a link to your website and we will add you to this list.

DISCLAIMER: Farmers Weekly does not automatically endorse the organisations and businesses listed on this webpage.

JOURNAL : Farmers Weekly

Rural landlords and tenants must work together collaboratively and compassionately during this unprecedented time, say the Tenant Farmers Association (TFA) and Country Land and Business Association (CLA).

The call relates particularly to rent payments, notices to quit and finalising new tenancy agreements, but covers all tenancy matters, the two organisations said in a joint statement.

This means neither party should seek to take advantage of the current situation or use it as an excuse to act unreasonably.

They should consider the impact of their actions on the other and avoid taking a hard line on any issue, at what is a very difficult time, said the statement.

“It is inevitable that some tenants will struggle to meet rent payments or other tenancy obligations due to cashflow difficulties or other knock-on impacts of the coronavirus situation,” said TFA national chairman Mark Coulman.

See also: Top 8 farm tenancy issues and how to solve them

“In these circumstances we are urging landlords and tenants to work together to agree alternative arrangements. We are already hearing of positive examples of landlords and tenants working together during this trying time.

The TFA has been helping members left in difficult situations due to coronavirus restrictions.

In one case, a conversation with a TFA member’s landlord's agent led to agreement on a better frequency of rental payments to help cash flow and reduce the stress of having to find large sums of money upfront.

In a second, the member has decided in light of the recent events to give up farming, but he had just gone beyond the point at which he could break his tenancy.

Although the landlord had previously rejected his notice to quit, the TFA managed to negotiate its subsequent acceptance.

CLA president Mark Bridgeman said: “We have advised landlords to discuss with farming tenants any problems they are facing so that a mutual solution can be found, and we make sure farming businesses can carry on as well as possible in these difficult circumstances.

“We also suggest that, as far as possible, current disputes are put on hold and that formal proceedings for any non-payment of rent are used only as a matter of extreme last resort.”

JOURNAL : Farmers Weekly

Defra is facing calls to follow Northern Ireland and suspend TB tests in England amid fears that vets checking cattle for the disease could spread coronavirus.

The pandemic has seen TB tests in Northern Ireland put on hold from 30 March – other than in exceptional circumstances.

But Defra insists tests will continue in England – if they can be done safely – and says farmers who refuse to comply will see herds put under restriction.

See also: How will TB tests work during the coronavirus pandemic?

Beef and dairy producers have expressed worries that allowing vets on to farms to conduct TB tests could put farm staff at risk of spreading the Covid-19 virus.

They include older farmers at higher risk of falling seriously ill from the disease.

Ulster Farmers Union deputy president David Brown said producers would be largely relieved that tests were being suspended in Northern Ireland, although some farmers with herds under restriction or wanting to get livestock tested before summer grazing would be disappointed.

“Many farmers contacted us about farm visits, including those from vets, expressing their worry about the ***transmission*** risk it would pose,” said Mr Brown.

“Given the escalating response to this pandemic, we accept it would be irresponsible to allow routine TB testing visits to continue.”

The Animal and Plant Health Agency says it is keeping the situation under constant review for England.

The agency says it recognises the potential challenges faced by farmers, and that adjustments to TB testing instructions may be made as the coronavirus pandemic progresses.

Meanwhile, Northern Ireland's farm minister, Edwin Poots, has confirmed that all routine farm inspections in the areas of environment, EU-area-based schemes, agri-food and veterinary work will be halted until 30 April at the earliest.

JOURNAL : Farmers Weekly

Milk processor Pensworth will pay its suppliers just 25% of their standard milk price until it gets an emergency government loan as it battles a slump in demand from the food service sector.

The move will see farmers get an average of 6.25p/litre this week and for the three payment days in April unless money from the government’s Coronavirus Business Interruption Loan arrives.

In a letter to farmers sent on Monday 30 March, trading director David Kent told farmers the company was in the process of arranging a substantial funding package with its bank to bring costs in line with sales.

See also: Coronavirus: Freshways first to cut price as demand slumps

He said: “We need to take these steps to ensure we have a business going forward and can maintain our supplies to the 230 hospitals and 1,700 nursing homes we supply, along with the 100,000 doorstep customers, many of whom are elderly.”

“We will bring your payment up to date once we receive the loan, which we aim to have in place within eight weeks.”

The firm will also be increasing prices, chasing customers for payment where possible, and seeking out new sales opportunities, he said.

Pensworth joins rival processor Freshways in struggling to find a home for milk that would normally have been destined for coffee shops and caterers that have been shuttered since the coronavirus closures.

Meanwhile, processors that supply supermarkets have been benefiting from a surge in demand, with Muller announcing that it will pay 1p/litre more for milk from 1 May.

This brings their standard price to 27.25p/litre for producers who have signed up to the Muller Direct Premium 2020, a raft of animal health and welfare measures which pays a 1p/litre bonus in arrears.

Government help needed

However, NFU dairy board chairman Michael Oakes warned that rapid government action is needed to ensure coronavirus does not cause parts of the dairy sector long-term damage that would limit its ability to meet demand after the crisis is over.

He said this was likely to require a temporary relaxation in competition law to allow processors to help each other meet supply, as well as a reintroduction of intervention buying to temporarily reduce supplies coming to market.

“I know George Eustice is involved,” he said. “It has gone right to the top and we are working to find solutions for the industry – both farmers and processors.”

Intervention buying is not something the NFU likes in normal times but measures beyond financial bailouts were likely to be necessary as the situation was deteriorating, he said.

The downturn is likely to spread to the manufacturing sector as cheesemakers have also seen a drop in demand as customers have not replicated their restaurant consumption in the home.

And, with the spring flush approaching, difficulties with accessing the Chinese market will put pressure on other commodities, he warned.

JOURNAL : Farmers Weekly

Farmers are being asked to remain vigilant on workplace safety if their children are at home because of the coronavirus pandemic.

The children of farmers, farmworkers and vets have been classed as key workers, which means many will still be attending school.

However, other parents will have chosen to keep their children at home over concerns about spreading the virus further or bringing it on to the farm.

See also: Safety campaign: ‘Working farm no place for children’

With more children now at home, the Health and Safety Executive (HSE) has reminded farmers that most children who are killed in farm incidents are family members.

The key points, released in a special bulletin for farmers, are:

Children should not be allowed in the farm workplace, and for young children they should enjoy outdoor space in a secure, fenced area

Any access to the work area by children under 16, for example for education, or work experience, should be planned and fully supervised by an adult not engaged in any work activity

Children under the age of 13 years are specifically prohibited from driving or riding on any ***agricultural*** machine

The NFU has reminded farmers that children employed on a farm must have a permit from the local authority.

And that everyone in a farm workplace has a responsibility to protect, and every employer is required by law to manage any risks.

Create boundaries

NFU deputy president Stuart Roberts said juggling childcare was now another pressure for some farmers already working flat out to help keep supermarket shelves stocked.

He urged farmers to put in place whatever measures they could to keep children away from the workplace.

“I know this is not always possible, but as more children are going to be at home for the foreseeable future, boundaries are crucial in helping to protect them during this time.

“We must remember that farms are first and foremost a working environment.”

The Ulster Farmers’ Union (UFU) also urged parents to remain vigilant.

***Agriculture*** has one of the highest fatal accident rates of any industry in Northern Ireland.

UFU deputy president Victor Chestnutt said: “Children view farms as one big play area and fail to understand the consequences that go hand in hand with playing around machinery, equipment and livestock.

“It is vital that every farmer and farming family take the necessary steps to protect themselves and their family.”

Safety guides

The Farm Safety Foundation has written two new guides which could be useful for farmers who are keeping children away from school because of coronavirus.

The guides have been sent to all rural primary schools, land-based colleges, universities and national young farmers’ clubs to be shared with their pupils, students and members.

HSE has a range of resources and guides published to help those working on the farm, including keeping children safe.

JOURNAL : Farmers Weekly

Farm contractors or agri-businesses that usually pay VAT bills by direct debit should cancel them immediately if they want to defer their payment, say accountants.

There is an option to defer quarterly VAT payments from 20 March until 30 June 2020, as part of the financial measures to help companies cope with the business lockdown to combat the spread of coronavirus.

See also: Business Clinic: Will residential investment affect my VAT?

No application is required and businesses will be given until the end of the 2020-21 tax year to pay any liabilities that have accumulated during the deferral period.

Catherine Vickery, associate director for accountant Old Mill, said most of the goods sold by farmers are zero-rated for VAT, so traditionally farm businesses are more likely to be reclaiming the tax than paying it.

However, the ability to defer could be relevant for diversified businesses and those offering services where VAT might be due, such as farm shops, wedding venues, contractors and tourism enterprises.

VAT returns must still be filed during the deferral period, pointed out Alan Pearce, Vat partner at accountant and tax consultancy Blick Rothenberg.

“The chancellor’s announcement that VAT payments are being deferred was very welcome news, but many businesses need to ensure that they have instructed their banks to cancel any upcoming direct debits until 30 June,” he said.

“If they haven’t cancelled them, they should do so now, bearing in mind that banks will normally require at least one working day's notice to cancel.”

4 VAT cashflow tips

With businesses facing disruption, Mr Pearce also suggested a range of measures to ease VAT cashflow.

Ensure all sales invoices are issued promptly and declared in the VAT period to be deferred, as the VAT payment will not be required until March 2021.

Conversely, delay large purchase invoices until after the deferral period. These can offset the input VAT against liabilities that will be due to be paid immediately after the deferral period.

After the deferral period, it may also be possible for businesses such as property landlords, leasing companies and others making "continuous supplies" of services to consider issuing requests for payment instead of tax invoices and to delay ***accounting*** for VAT until they receive payment.

Review any bad debts and include the VAT claims in the next VAT return. A VAT bad debt relief claim can be made in any period that is within four years and six months from the due date of payment. Therefore, you may want to consider delaying the claim until after the VAT period that is eligible for the VAT payment deferral.

JOURNAL : Farmers Weekly

A new scheme could see thousands of British people helping to feed the nation by working on UK farms during the coronavirus epidemic.

Farm leaders and Defra officials are discussing a new system that would match interested workers with employers, as well as other incentives aimed at encouraging students and British workers to apply for jobs on the land.

See also: Coronavirus: How to find seasonal work on farms

The Country Land and Business Association suggests up to 80,000 workers will be needed over the coming months, largely due to coronavirus restrictions preventing people from overseas coming to work on UK farms and temporary staff falling ill from Covid-19.

The latest talks saw NFU president Minette Batters meet Defra secretary George Eustice this week to discuss what the union described as “innovative and creative solutions” to the problem. Other industry leaders are also involved.

National effort

NFU vice-president Tom Bradshaw said: “We are urging the British people, university students – anyone looking for work – to mobilise behind British growers in this time of national importance and pick for Britain.”

Thousands of vacancies would be opening up in fields, polytunnels, glasshouses and packhouses across the country in the coming weeks, said Mr Bradshaw.

“We need people to help deliver healthy, affordable British fruit and vegetables from field to plate.”

He added: “It is vital that government takes the lead in putting in place a range of measures to co-ordinate and support the logistics involved in mobilising the tens of thousands of British people who will be needed to bring in our fruit and veg harvest.”

Hidden heroes

Paying tribute to everyone working round the clock to keep the nation fed, Mr Eustice said farmers and others in the food supply chain faced an unprecedented challenge.

“In many cases, you are the hidden heroes, and the country is grateful for all that you have done.”

Mr Eustice said the government would be looking at other ways to make sure farmers have the support they need ahead of the busy harvest months. In the meantime, as many people as possible should sign up to the industry's recruitment efforts.

Seasonal workers were a “critically important” issue, said Mr Eustice.

“We need to mobilise the British workforce to fill that gap and make sure our excellent fruit and vegetables are on people’s plates over the summer months.”

JOURNAL : Farmers Weekly

Auctioneer firms have suspended sales of fatstock and store cattle at three Welsh livestock marts for at least three weeks amid fears over coronavirus infection, sparking fears that others may follow.

JJ Morris’ marts at Whitland and Crymych will not operate until 18 April at the earliest, while Nock Deighton has cancelled its forthcoming marts at Newcastle Emlyn.

NFU Cymru’s livestock board chairman Wyn Evans described it as a “significant blow” and said the economic consequences for farmers would be severe if further closures follow.

See also: Advice for managing and keeping staff safe

“I am not criticising any businesses that take a decision to close marts, if they feel they need to do that to keep people safe,” said Mr Evans.

“But there is no denying how vital marts are for underpinning fatstock prices, particularly sheep.”

Farmers with store cattle to sell will also be worried, he added.

“We normally see a lot of movement of store cattle at this time of the year.

“With some marts closed, farmers and dealers will travel to marts that are trading, so the numbers of people at these will increase.”

Suspensions

The Livestock Auctioneers’ Association (LAA) had already suspended sales of dairy cattle and breeding stock.

But JJ Morris said it had taken the decision to cancel all sales to protect its staff and the farming community.

“We appreciate that marts are vital for keeping the wheels turning, but with sales of dairy cattle and breeding stock suspended for three weeks, we felt it was appropriate that we should no longer continue with our marts for now,” said Huw Evans, who runs Whitland.

Nock Deighton said it took the decision to cancel its markets at Newcastle Emlyn in part due to its town centre location.

In other parts of Britain, auctioneer firms are adhering to the LAA’s strict guidelines, including pre-registration of buyers, “drop and go” when stock are delivered, and 2m separation at all times.

Safety first

LAA secretary Chris Dodds said public health was of primary importance, but believed that with these restrictions in place, marts could operate safely.

He admitted that the removal of breeding stock and dairy cattle from trading had potentially made it less cost effective for marts to operate, but a decision on whether to close marts completely was one that had to be taken by individual companies.

“Our members are doing everything in their power to make staff feel safe against what is a silent virus,” he said.

Mr Dodds added that some marts in the north of England, which operate "back-end" sales of prime sheep and cull ewes, had decided not run these as throughput would be halved since no sales of breeding stock were permitted.

Fatstock and store cattle sales were also suspended at some marts last week, principally because the lack of demand from export markets had stagnated the supply chain.

This resulted in a reduction in deadweight prices. But with most marts operating again this week, trade is predicted to pick up again.

Food supply

Hereford Livestock Auctioneers, for example, had about 1,600 prime hoggets and store hoggets booked in for sale on Wednesday (1 April) and 600 cattle the following day.

Director Richard Hyde said it was vital that marts keep operating to sustain the food supply chain. “We need to keep the public fed and keep farm cashflows going; marts are fundamental to that.”

Across the Irish Sea

The Northern Ireland Livestock Auctioneers Association took the decision on 23 March to close all marts completely for two weeks.

Marts were also closed in the Republic of Ireland, though this week the government has allowed some limited trade to resume.

For calves, farmers are being allowed to make deliveries to mart, by appointment only, to meet specific purchase orders.

For older livestock, a weighing service for lots of cattle/sheep, by appointment, may be allowed, with the mart facilitating the transaction between a buyer and a seller.

These operations are only allowed where they are deemed essential, and steps must be taken to minimise the potential for contact between people.

JOURNAL : Farmers Weekly

New entrants and company directors may struggle to receive financial support from the government’s new scheme for the self-employed.

Chancellor Rishi Sunak announced on Thursday (26 March) that self-employed workers and freelancers would receive payments during the coronavirus outbreak.

This will amount to a taxable grant of up to 80% of monthly profit, capped at £2,500, available by early June.

See also: Coronavirus: Advice for managing and keeping staff safe

The Self-Employment Income Support Scheme (SEISS) was designed to bring self-employed workers on a par with employees furloughed under the Job Retention Scheme.

To be eligible, the worker’s trading profits must be less than £50,000, with the majority of their income coming from self-employment, and they must already be in self-employment with a tax return for 2019.

HMRC will approach people who are eligible based on ***data*** they already hold to invite them to apply online.

Workers will then receive a lump sum payment of three months of backdated support directly from HMRC.

However, these rules have proven difficult for a huge number of self-employed people, meaning many will receive no government support from this scheme.

Martyn Dobinson, partner at accountant Saffery Champness, answers some of the most common queries.

Partnerships

In the case of a trading partnership, as the partners are considered independently for income tax purposes, they will each be assessed individually for this purpose on their respective shares of the partnership profits in the relevant periods.

For example, in a two-partner partnership with average profits of £90,000 – if each partner takes a 50% share and therefore has average profits of £45,000, I’d expect both partners to be eligible, assuming the other conditions are met.

Similarly, where an individual has more than one trade, I’d expect all profits from their separate trades to be amalgamated before comparison to the limits under the scheme.

Running own company

This support scheme only applies to the self-employed, which would include sole traders and partners in a partnership.

Those who are directors or employees of their own limited companies, which is not uncommon in farming businesses, cannot benefit from the SEISS but may be able to benefit from the Coronavirus Job Retention Scheme (see ‘Alternative support’).

New entrant

To be eligible for the SEISS, an individual must have submitted an income tax self-assessment return for 2018/19, but only needs to have actually traded in the 2019/20 tax year.

They must be trading when they apply, or would have been trading had it not been for Covid-19, and they must intend to continue trading in 2020/21.

If an individual doesn’t have the full three year trading history for the trading profit averaging, then the averaging will be done considering only those years in which the individual did trade, so long as the other conditions are met.

Making a loss

If a business has recently started trading and does not have a profitable history, there will be no grant paid by the government.

Alternative support

If ineligible for SEISS, workers may be able to claim government support through the Job Retention Scheme.

HM Treasury said owner-directors could apply to furlough 80% of the PAYE element of their income for salaried staff and continue to perform their statutory obligations as company directors so long as that was all they were doing.

The business may also qualify for the Coronavirus Business Interruption Loan Scheme. There are qualification criteria and financing of up to £5m for periods up to six years can be sought.

The government will provide lenders with a guarantee of 80% on each loan and will also cover the first year’s interest payments and arrangement fees.

Meanwhile, income tax payments due by the end of July 2020 have been automatically deferred to 31 January 2021.

Any VAT payments due between 20 March and 30 June have been automatically deferred to the end of the 2020/21 tax year – VAT returns should be filed as normal.

Where a business is struggling to meet its tax commitments, time to pay arrangements can be agreed with HMRC for all taxes.

In addition, self-employed workers can apply for Universal Credit or Employment and Support Allowance.

Agri-tourism enterprises

Catherine Vickery, associate director for accountant Old Mill, warns the SEISS may leave farmers who have a seasonal agri-tourism enterprise at a slight disadvantage.

The figure that self-employed workers can claim is averaged out over 12 months, even if that income is typically generated over a much shorter period.

“If most of their income only appears in the summer months they will have lost a whole year’s income,” said Ms Vickery.

“But they will only get [three or perhaps six months] pro-rata worth of relief from the government. I can see that being a major concern for businesses.”

JOURNAL : Farmers Weekly

A young farmer in Scotland has urged the public to stay at home after confronting a dog walker whose dog was not on a lead in a field of sheep.

Emma Murdoch said farmers were stressed enough with lambing, but were now worrying about catching coronavirus from people ignoring government orders by using footpaths in the countryside.

[*https://www.facebook.com/1797158695/videos/10213104192478253/*](https://www.facebook.com/1797158695/videos/10213104192478253/)

See also: Jacob Anthony: Close footpaths to stop coronavirus spread

The sheep farmer from New Galloway pleaded with the public to stop putting farmers at risk and instead follow the measures which have seen the country enter lockdown as a result of the Covid-19 health crisis.

Taking it seriously

Speaking in a video posted on Facebook, which has received more than 330,000 views, Ms Murdoch said: “Every gate you touch, every stile you touch, if you have the virus you are giving it to a farmer.

“If we give it to the rest of the family it means the whole family is shut down for 14 days, and it also means if you are ill, how do we look after our livestock? How do we produce for the nation?

“Stay safe and stay indoors when you can.”

The farmer stressed how seriously her industry was taking the pandemic, having lived through the foot-and-mouth outbreak in 2001, which devastated farms in the UK and forced the closure of public rights of way across land.

Ms Murdoch said despite taking every precaution possible, the country was unable to stop the spread of foot-and-mouth. More than six million cows and sheep were killed in an eventually successful attempt to halt the disease.

“As the general public and as a nation, we can stop this. We have been given advice by the government to stop this virus. This is not like foot and mouth, we can stay at home,” she added.

‘Close footpaths’

Elsewhere, a beef farmer in Devon has urged the government to close footpaths to help protect her family as they begin spring calving.

Ruth Burrow, 72, wrote to her MP for East Devon, Simon Jupp, to raise concern at the number of people using the footpath which passes through her farmyard, at a time when the virus is spreading rapidly.

The farmer said she and her husband would not know how to cope if their son Paul was infected at one of the busiest and most crucial times of the year.

Dogs off leads

Sarah Kyle, who is in the middle of lambing on her farm in Walton, Cumbria also asked for footpaths to be shut. She reported seeing walkers with seven dogs that were not on leads.

She said: “We are lambing. And they have drove to get here. I’ve reported it to the police and the footpaths officer, but the footpaths need to be shut down now.

“Quite asides from the risk to our lambs, what about every gate they touched?

“We, as an at-risk family, are following the rules and staying at home but the people using rights of way over our private land are not abiding by that and are bringing risk to us. We deserve to be protected better.”

JOURNAL : Farmers Weekly

The size of the county farms estate in England continues to decrease as local authorities choose to dispose of their land in favour of a one-time cash payment.

The 69th Annual Report to Parliament on Local Authority Smallholdings in England (1 April 2018 to 31 March 2019) includes ***data*** from 39 authorities that responded to the Chartered Institute for Public Finance and Accountancy (Cipfa) survey – 43 were approached.

However, in some cases, the submitted ***data*** sets were incomplete, making it difficult to draw a direct comparison with previous years.

See also: ***Agriculture*** Bill proposes significant changes to tenancies

As of 31 March 2019, the total area of land held by the 39 authorities in England that responded was 201,117 acres (for the whole estate), of which 191,171 acres were let as smallholdings (for 38 reporting authorities).

In comparison, last year’s report showed land held by local authorities totalled 220,000 acres, almost 9% more, of which 206,580 acres were let as smallholdings.

However, three fewer authorities responded this year, which the Tenant Farmers Association (TFA) called a major disappointment.

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Land changing hands

The report’s ***data*** on acquisitions and disposals indicates a decrease in the area of land held by smallholdings authorities of 1.4%. The previous year saw a decline of 2.8%.

George Dunn, TFA chief executive, said: “It should be an absolute requirement for local authorities to provide this ***data*** to Defra.

“While it looks like there has only been a small year-on-year reduction in the area of land owned by smallholding authorities, there has been a reduction of 72 tenants.

“However, how certain can we be about this when local authorities do not treat this matter sufficiently seriously?”

A total of 257 acres were acquired by three smallholdings authorities and a total of 3,126 acres were sold or otherwise disposed of by 22 smallholdings authorities in 2018-19, according to the report.

Norfolk County Council bought the majority of these acres (247), as it did in the previous year, when it bought 440 acres of the total 465 acres acquired.

Chester West and Chester Council disposed of the greatest area (670 acres), with Somerset County Council not far behind (605 acres).

Staffordshire County Council is recorded as owning 8,256 acres on 114 holdings, receiving almost £1.16m in rent in 2018-19.

However, this is sure to change dramatically in the next report, as in February 2019, it announced plans to sell 1,700 acres, comprising 16 holdings, seven of which came to the market in October.

In comparison, a total of 6,852 acres was sold or otherwise disposed of by 24 smallholdings authorities between April 2017 and March 2018.

Over the same period the year before, the total area of county council farms in England shrank by 2,217 acres.

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Disparity in estate sizes

The 38 authorities that provided ***data*** reported they owned and let 2,400 smallholdings as of 31 March 2019.

Farm business tenancies represented 62% of the agreements, with 14% of these running for less than five years.

A total of about £23m in rent was due for the holdings and the average rent was £121/acre.

Cambridgeshire County Council continues to own the largest farms estate in the country by a big margin. It lets 32,171 acres in 251 holdings, receiving almost £4.17m in rent. The next-largest estate is Lincolnshire County Council, which owns a total of 18,753 acres.

At the other end of the scale, West Berkshire Council, Milton Keynes Council and Hartlepool Borough Council each owns just five acres.

Some are recorded in the report as having no ***data*** available, such as Herefordshire Council, which sold off its entire estate over the past few years.

In total, authorities in England had a farms revenue ***account*** net surplus of £8.93m.

Chris Cardell, NFU tenants’ forum chairman, said: “As always, the county farms survey shows the service continues to deliver value, and this can be shown by the establishment of 39 new entrants into farming businesses.

“The general trends indicate yet another year of surplus income being returned to the councils involved, after taking ***account*** of non-core income that varies from year to year.

“Thankfully, the value of the county farms structure is well recognised by this government and reference to its importance can be found in the ***Agriculture*** Bill.”

JOURNAL : Farmers Weekly

Spring is perhaps finally here, and many growers are making good progress on drilling, except on heavy land, which is still too wet to work. Conditions are still challenging, with some fields having soil that more closely resembles Plasticine.

There is a huge amount of variability in crops, with forward wheats about to receive their T0 fungicides in the North, although they are still a week off in the South. Late-drilled crops are much further behind. Septoria is being seen in these more lush crops, along with stem browning.

Winter barley is also showing disease, with rhynchosporium seen in the North West, which will be tackled with the T0 spray to help maintain tiller numbers.

See also: How to manage weeds in potato crops without diquat

South: Iain Richards

Agrii (Oxfordshire)

The country may be shutting down worryingly, but our spirits are, at least, being raised by the spell of settled weather we’ve been waiting for since well before Christmas.

Our late October/early November-drilled wheats are responding nicely to their increased first nitrogen dressing, and won’t be needing their second split until they’ve finished tillering. It’s gratifying how much they have grown during the mild winter.

Those we couldn’t get in until the start of December are obviously well behind, but still looking reasonable.

T0s are a good week off and will vary more than usual, depending on the field. With the mild winter, we are seeing a good deal of septoria in our October/November drillings.

Other than where we have enough chlorothalonil in the shed, folpet will be our multisite here, combined with an azole.

The later drillings should be much cleaner by the time they get to mid-tillering – which won’t be for a while yet. So the emphasis will be far more management than disease-led – primarily plant growth regulators, phosphites, zinc and manganese.

Mildew threat

We will be very wary of mildew, which can be so damaging to the much more important lower leaves. And we’ll be particularly alert to the threat from aphids, as many of these crops haven’t had any insecticide yet.

Also responding well to the arrival of spring are oilseed rapes on our lighter land. They’re racing into yellow bud, having had a late stem extension combination of prothioconazole and Toprex (difenoconazole + paclobutrazol) to boost branching.

Crops that have sat all winter in waterlogged ground are struggling, but slowly beginning to pick up now and will flower much later.

Thankfully, there doen’t seem to be quite as many flea beetle larvae as last year and they are not so high up the plant. Looking at the crop differences, I’m sure the waterlogging has done as much damage as the flea beetles. In addition, pigeons are still a problem on many of these later crops.

We have all our spring beans in and drilled the spring barley on lighter ground. Pea drilling will follow on from the barley on the lighter land farms.

There are, naturally, huge differences between soil types here. Aided by some useful frosts, ground that was moved in the autumn is working down nicely, with a light tickle ahead of drilling.

In marked contrast, heavier land that couldn’t be moved still isn’t workable. So, it’s going to need patience and particular care in cultivation. We know only too well how easily it can bake hard, given a couple of weeks of sun and drying winds.

With the forecast set to be reasonably fair, we have enough time to get in the 20% larger spring barley area scheduled this season.

North: Helen Brown

Hutchinsons (Cumbria)

I am excited to report that spring has finally arrived in Cumbria, signalled by the casting aside of wellingtons in favour of boots.

This spring/summer is likely to be a very difficult one for many due to the ongoing coronavirus situation.

However, the past couple of weeks have brought some welcome sunshine, and it is great to see growers in fields able to get on with land work, fertiliser/manure applications and cultivations ahead of spring cropping.

Drilling of spring wheat and barley has started in some cases and, after a long winter, it is worth considering sowing spring barleys earlier rather than later, as drilling date is key to improving yield potential.

Where conditions do not allow drilling earlier, consider increasing seed rates to counteract the reduced potential for tillering by the crop.

The only thing winter cereals have in common this season is that they are all very variable. Earlier-drilled crops are approaching growth stage 30 and T0 applications have started to be applied in these situations.

Early-sown barleys and wheats look very strong and on these, I am applying an appropriate dose of trinexapac-ethyl in the T0 spray for plant growth regulation and to reduce apical dominance.

Rhynchosporium

Inevitably, the mild and wet conditions over winter mean there is disease present in winter crops, noticeably rhynchosporium in barley.

This is especially visible in forward crops with high plant populations. A fungicide application at T0 in winter barley is important for early disease control to maintain tiller numbers, as final ear numbers are directly related to yield.

However, not all winter crops are so advanced, and weed control is the priority on some of the later-sown crops where autumn residuals were not applied, which is a common scenario this spring.

Nutrition is also important in these situations to get the crop moving. These crops have lower disease and lodging pressure.

However, they also have lower yield potential, and it is important to manage crops accordingly this spring. Nitrogen use should be based on yield potential, not on historical use, but do consider the N status of soils

East: Sean Sparling

AICC/SAS Agronomy (Lincolnshire)

With 14mm of rain since my last Crop Watch piece, and a brief three-day spell of what we believe may have been summer last week, spring drilling is well and truly under way at long last.

We’ve managed to get fields sufficiently dry to drill, although in many fields, the clods are like rocks on the top and sides, but malleable within and beneath. This apparently is as good as it’s going to get this spring in Lincolnshire.

In winter wheat, yellow rust and septoria are easy to find, along with widespread stem-based browning, which is duly noted.

But the T0 is as likely to be used to correct the widespread endemic nutrient deficiencies as it is to suppress, then protect, against further disease spread. There is plenty of chlorothalonil on hand to help with that.

Strobilurins with trace elements seem the obvious T0 choice. Growth stages of winter wheat vary between emergence and growth stage 30.

Spring drilling

Spring cereal drilling continues apace as time to complete the job rapidly runs out. Many people have 7 April firmly fixed in their mind as the date to put the drill away but, as we all know, conditions are more important than calendar date in this job and the phyllochron (time interval between leaf emergence) governs all.

We would all do well to remember spring 2018, when cereals drilled at the end of April produced forage and little more. About 120-odd growing days are required – squeezing 120 days into 90 didn’t work then and won’t work now, so once you hear that cuckoo...

Sugar beet drilling is well under way into what looks like good conditions if you squint, but which, as you get closer, resembles Plasticine over Swarfega – only time will tell if the beet seed thought that was a good idea.

OSR is showing first flowers in the rare minority of good crops, and there are still some fields where you have to get on your hands and knees to make sure the plants are still there.

Rape winter stem weevil is more widespread than I’ve seen in 30 years – but still, at least I have some toilet rolls left. Onwards.

West: Stephen Harrison

Avon (AICC/Southwest Agronomy)

The proverb March comes in like a lion and goes out like a lamb has a new twist this year. March swam in like a salmon and is riding out on a cloud of dust like a camel.

The dry spell has been welcome as it allowed long-awaited spring drilling to proceed apace.

However, the picture has not been so bright for those late-drilled crops on heavy soils. A capped soil surface, poor rooting and a large night and day temperature range have left them struggling to grow and respond to nitrogen fertiliser.

I suspect the spring crops drilled in better conditions will produce improved margins.

Where attempts were made to redrill in one of the few windows over the winter, results are poor. I suspect this may be due to undressed seed scooped from the barn carrying a high fusarium load.

In good conditions, the effects are less pronounced, but if you put the crop under pressure, performance sharply tails off, so I always advocate testing farm-saved seed.

The picture is brighter on lighter soils, where good responses to nitrogen are apparent.

As agronomists, we are truly fortunate that during the coronavirus restrictions we can carry on our essential work to help ensure the nation’s food supply. We are visiting fields alone and communicating with clients online and by phone.

New way of working

This new way of working is strange, as I greatly value face-to-face meetings, but we must not abuse the responsibility entrusted to us. We must cultivate this enhanced appreciation of British-produced food into a time beyond Covid-19.

Within Crop Advisors, our agronomy and buying group, we have held our meetings using video conferencing.  Seeing complex spreadsheets on our own desktop rather than squinting at a screen is much more effective, a pointer to how we may work in the future?

Through careful planning and ordering, we are seeing chemicals arrive on farm in a timely manner, although lead times are necessarily longer.

Stay safe and spare a thought for all those outside of ***agriculture*** who are working hard to help us.

JOURNAL : Farmers Weekly

Retail demand for fresh milk and key dairy products has remained at a peak this week, as shoppers stock up amid the coronavirus lockdown.

According to AHDB Dairy the market has seen unprecedented changes as shoppers and food producers respond to new rules designed to combat the virus.

See also: Coronavirus: How financial support package will help farms

Demand for fresh milk, cheese, butter and dairy spreads are all raised, the levy board’s latest market update shows.

AHDB analyst Patty Clayton, the report’s author, explained that while supply chains were adapting to ensure food was produced and delivered, efforts were being overshadowed by the uncertainty.

She said: “Buyers are hesitant to commit, not knowing what future demand will be – which products will be needed, where will they be purchased and at what levels.”

In the current market dairy processors have no historic trends to guide them in what or how much product to make.

“In the short-term this uncertainty is likely to cause a high degree of volatility in markets,” Ms Clayton suggested.

Domestic dairy market

The main concern in the dairy supply chain is continuity of supply.

Although milk collections are continuing and the seasonal peak in production is yet to come, processors are concerned that a growing need for workers to self-isolate could disrupt supply.

“Any widespread need for self-isolation from staff could seriously affect a processing line’s ability to produce milk,” Ms Clayton warned.

“Transport networks between farm, factory and retailer would also be disrupted without access to skilled drivers,” she added.

To help reduce pressure on processing factory lines and maintain supply of basic products, food companies have agreed to streamline their product ranges.

Exports

To date, dairy product exports have remained stable despite issues with quarantine for transport drivers and increased border checks slowing deliveries across the EU.

The introduction of EU-wide measures, including fast-track or green lanes for food exports at borders and the relaxation of limits on driver hours, are expected to help overcome any delays.

Beyond Europe, an easing of restrictions at Chinese ports has helped to reduce a backlog of imports into that country.

This would also reduce the pressure on container availability in the future, Ms Clayton noted.

Wider food market

In the wider food market, the AHDB said, an initial analysis of changing demand had found that a third of shoppers admitted to stockpiling.

Grocery sales in retail are expected to have grown in March.

Early estimates suggest 33% of consumers have been stockpiling food since the coronavirus crisis worsened while 67% say they are worried about running out.

“In addition to observed stockpiling behaviour, many meals which would normally be eaten in food service have transferred to the home,” the AHDB added.

Long-life categories such as tinned, frozen and dried goods are preferred.

This has the potential to positively affect categories such as long-life milk, powdered milk, frozen meat and frozen chips.

The report said it might also benefit meat cuts that lent themselves to bulk cooking or freezing, such as mince and diced.

JOURNAL : Farmers Weekly

A dairy farmer is demanding a public apology from People for the Ethical Treatment of Animals (Peta) after the animal rights group shared a video of his daughter on its Twitter ***account*** without permission.

The video showed Peter Hynes’ daughter Georgie reading a story to dairy calves on the family farm near Cork, Ireland.

Mr Hynes, who farms 180 Holstein-Friesian cows in partnership with his wife, Paula, said their six-year-old daughter has an incredible bond with the calves.

See also: How to deal with animal activists and difficult neighbours

The dairy farmers had initially uploaded the video on their Twitter ***account*** in response to calls from Ireland’s minister for health, Simon Harris, who asked people to share ideas about what they are doing at home to pass the time during the coronavirus pandemic.

Mr Hynes posted the video of Georgie reading a story to two dairy calves, along with the message: “Education and ***agriculture*** combined because farm kids understand #StayAtHomeStaySafe Keep up the great work #RisingToTheChallenge.”

Does reading stories to calves count Simon , education & ***agriculture*** combined because farm kids understand #StayAtHomeAndStaySafe

Keep up the great work ' ' #RisingToTheChallenge pic.twitter.com/M6AUmsT9aW

Peter hynes #TeamHynes (@Peterhynes15) March 29, 2020

The tweet has received more than 230 retweets and 2,500 “likes”, and local TV, radio and other media organisations have covered the story.

No consent

But Mr Hynes said he was disgusted after Peta used the video without his consent to promote its animal rights activism.

Peta UK posted the video with the comment: “Sadly, most cows on dairy farms are slaughtered when they’re 5 or 6. We hope that these babies will be spared the horrors of the abattoir.”

Mr Hynes told Farmers Weekly: “We are all entitled to our views. I do not enforce my views on anyone else. Likewise, I do not expect them to impose their views on me.

“With GDPR rules changing over the last couple of years, it has really set a boundary. If we put something out on social media, national media organisations always ask us for our consent to use it.

“I have asked Peta UK repeatedly to remove the video, especially as it features a minor. As a charitable organisation in the UK, I think it’s an absolute disgrace they have no intention of removing it.”

Mr Hynes has reported Peta UK’s tweet to Twitter and he has spoken to his solicitor about the next steps to take. He has also sent a written complaint to the Advertising Standards Authority. A number of other farmers have offered their support and also raised their own complaints.

Animal welfare focus

The Hynes family won the Zurich / Farming Independent Farmer of the Year award in 2017. They have a high focus on animal welfare. Their herd of 180 spring calving dairy cows spend a minimum of 300 days a year at grass.

All calves are fed three litres of colostrum at birth and stay with their mothers for 12 hours. All calves are kept in group pens. In 2019 calf mortality rate at six weeks was 1%.

All male calves are sold to Irish beef farms. Most male calves are genotyped and high genetic merit calves are sold as potential stock bulls.

Mr Hynes says the farm is fully audited by the Irish food board, Bord Bia. It has hosted numerous open day public events and farm tours, welcoming visitors from the US, Canada, Australia and France.

In addition, the Hynes have raised more than 53,000 (£47,000) for charity in the past two years and are also huge supporters of mental health awareness.

Peta response

Mimi Bekhechi, Peta’s director of international programmes, said: “Peta is in full compliance with Twitter's terms of service, but it's ironic that a dairy farmer is expressing concern about consent – something he certainly doesn't have from the cows whose bodies he exploits.

“The milk they produce is for their babies, whom they love just as much as he does his, and we suspect that his little girl would choose to save the calves she's sitting with, instead of allowing them to be slaughtered, if given the choice.”

JOURNAL : Farmers Weekly

I didn’t really want to mention the C-word, but my addled brain can’t actually remember a time BC (Before Coronavirus); it’s been all-encompassing hasn’t it?  At least the weather’s nicer though, hey?

Thankfully the impact on us has been limited so far. We’ve only had to rethink meetings and encourage staff to each keep their distance at breaktime.

We have high hygiene standards on the broiler-breeder farms regardless, so my staff are au fait with it all; although we are having to ration hand sanitiser and face masks.

See also: Coronavirus: Scottish mart introduces online sales platform

As I write this, we only have two members of staff in isolation – just under 10%, but a fellow pig farmer had a quarter of his 100-strong team off last week.

My work has totally changed, what with keeping up with the PM’s and chancellor’s updates, implementing changes to work practices, sorting contingency plans in case of delays in feed deliveries, reduced capacity at the abattoirs, staff absence, change in demand – the list goes on.

Two of the biggest changes I’ll see this week are a bit closer to home. Firstly, my 74-year-old dad has conceded that he should now be staying at home to enjoy his retirement.

This is fine in principle, but in practice not so much. I’ve had to send him home twice after I caught him tinkering with computers in the office and pottering around chicken sheds.

However, I’m not sure home is the best place for him. He’s driving mum nuts and is calling me twice a day to add single items to their shopping list – mainly beer, coffee and mini eggs, so I don’t really know how they are surviving.

Secondly, I decided not to send my son to his school nursery despite him being classed as the child of a key worker. So, from tomorrow there will be an almost-four-year-old worker on the payroll, and he shall be remunerated with Pom Bears and Smarties.

I really have no idea how this is going to work, but I envisage splashing in the foot dips 372 times a day, piglet cuddling and photocopying of body parts. At least I stockpiled gin.

Sophie Hope is a Farmer Focus writer from near Cheltenham. Read her biography

JOURNAL : Farmers Weekly

It is quite unbelievable how much the world has changed since I last wrote. At the beginning of March, I was skiing with a small group in a remote part of Italy and while coronavirus was a bit of a concern, other than extra hand washing, life was good.

Fast forward a week, and there were cases in the UK and Italy was shutting down. We now have schools closed, and the stay at home policy has become much stricter.

The impact on everyone worldwide is massive and likely to be long lasting.

See also: How to manage weeds in potato crops without diquat

While ***agriculture*** is less immediately affected, as generally we are not selling direct to the public, there is still a significant impact on normal life, family activities etc.

There is also a concern about the impact of staff having to self-isolate will have, both on farms and on the supply chain being able to continue to deliver chemicals, parts and medicines as required.

We are trying to stay separate as much as possible during work, but with some livestock operations that is not always easy.

We eventually found a source of hand sanitiser and this has now been added to shared vehicles.

Rapid growth

We have continued to have dry but cold weather, with few days above 8C since mid-February.

All winter crops have been top dressed and we started drilling spring barley on 20 March, about a week ahead of average.

Seedbed conditions are very good and when it does warm up there should be some rapid growth, putting pressure on sprayer capacity.

The chaos in the economy as a result of coronavirus has seen a sharp increase in cereal prices in the past few days, giving an opportunity to sell most of the remainder of the 2019 harvest and take a bit more cover on new crop.

Meanwhile oilseeds have followed the crude oil price downwards, but at least this has allowed me to fix the price of some fuel for harvest at significantly less than the budgeted price.

I hope that everyone stays healthy in the coming months and that by harvest we might be back to a more normal situation.

JOURNAL : Farmers Weekly

We are finally off. After what seems like an interminable period, our spring planting campaign is under way.

Normally we have potatoes and onions to plant and relatively small areas of spring barley and beans to drill. However, this spring there is a whole different perspective on the workload with a greatly increased amount of drilling to do.

On the whole, the crops we established last autumn and over the winter have fared surprisingly well. It would be true to say that there are poor patches in some places, but overall, yield potential is at acceptable levels.

See also: How to manage weeds in potato crops without diquat

I have one or two whole fields which I will rip out and start again, but it is a very small percentage. Land which remained untouched after harvest is ploughing up relatively well.

Where we chitted stubbles or carried out any other cultivations post-harvest the profile is much wetter, meaning it will be longer before we can get on it.

Who could have guessed at the time that our normal practice was the wrong thing to do.

Hungry crops

Our immediate challenge is get around the oilseed rape, winter wheat and winter barley with some nitrogen as most crops look hungry.

In a normal season I would have started the first application at least two to three weeks earlier than this one, but we needed to be sensible with ground and weather conditions.

Daffodil flower picking has proved to be a major challenge this season with a number of market challenges, mostly the weather, but also the Covid-19 situation.

We are a little way from knowing the final position, but my feeling is that it will not be where I would have liked it to be.

It was not my intention to write much about the corona virus pandemic, partly because the situation is changing so rapidly and it is impossible to know where things will be by the time this goes to print.

However, it is such an unprecedented event that I feel it is inappropriate to ignore it completely.

All we can do is try to do the right thing, whatever that is, on a day-to-day basis. It does bring home the fact that people and community are the most crucial things.

Jeremy Oatey manages 1,200ha of arable land near Plymouth in Cornwall and is 2013 Farmers Weekly Arable Farmer of the Year. Cropping includes wheat, barley, OSR, oats, beans, potatoes, onions, swedes and daffodils.

JOURNAL : Farmers Weekly

The gist of my January article was, “take a deep breath before you panic this year”. That sure didn’t last long.

Much like Europe, we have descended into full-blown Covid-19 hysteria in Kansas.

The panic selling on stock markets has even taken over ***agriculture*** commodities on the Chicago Mercantile Exchange. The meltdown defies all logic and with any sort of length will bankrupt rural America – and for no good reason.

See also: Coronavirus: Landlords asked to reduce rent for farmers

Live cattle prices quickly fell from $1.28 (£1.10) a pound on the CME Futures to 85 cents (73p).

This was of course due to supply and demand, right? Wrong. Consumers have panic bought meat and driven meat prices to multi-year highs.

Much like the fire at the Tyson beef plant six months ago, the processors have not let a tragedy go to waste and are profiteering while their suppliers (rural America) struggle.

The small, family-owned businesses in our small towns are also suffering a great deal. Restaurants have been ordered to close and the one factory in our town that makes Boeing parts is all but shuttered.

I have a friend who has a small business where he takes pictures (darn good ones) of rural Kansas and sells them to hospitals and doctors’ offices for their waiting rooms.

In the name of prudence, he may lose everything. Meanwhile, in the closest Walmart, when people got done making a panic run on the milk, they moved to the butter.

Do you melt butter and stir it in water for a milk substitute? That one is dumber than the toilet paper.

I don’t dispute that the virus has the potential to be a disaster. I am not an epidemiologist, but epidemiologists aren’t economists either.

In our rush to “flatten the curve” I worry that we also didn’t talk about the true economic costs of the consequences.

These decisions are a bit beyond my pay grade, but when Trump and other world leaders talk about treating Covid-19 like the Second World War, I can’t help but wonder if they are going to leave rural America looking like Dresden or Stalingrad.

Daniel Mushrush is a Farmer Focus writer from Kansas. Read his biography.

JOURNAL : Farmers Weekly

As we get used to this weird locked-down world, I can’t help feeling fortunate that in our industry we can at least get outside and do something legitimately useful.

It is not difficult at all to remain two metres – or often two kilometres – away from the next human being, if you’re spending your days in a tractor.

It is also very fortunate that the jet stream which has plagued us all winter has pushed off to allow high pressure back in and given us some decent weather to at last get on with some drilling, and give better conditions for our ewes to lamb in.

See also: How a grower achieved best margin with £105/ha fungicide spend

With barley, beans, linseed, rye, millet and borage to get in the ground, we have our work cut out.

As Hew gets on with drilling Explorer spring barley with our Sly Boss drill, one of my jobs has been to spray off in advance with glyphosate.

Waiting for walkers

This has been interesting lately because a large percentage of the 6,000 people that live in our village are using our farm for their daily exercise.

I think this is great, and I am always pleased to see people enjoying our footpaths.

When the footpath is alongside the field I am spraying, though, and someone is walking there as I do the headland, I feel it is only right to stop spraying and let them get out of the way.

I have spent quite a bit of my time in a stationary sprayer, waving cheerfully and wishing that they would walk a bit quicker.

I have noticed some of the local dogs being walked by different humans lately.

I assume that the partner who is usually at work, finding themselves cooped up at home, now finds the dog a great asset and the perfect excuse to get out for a while.

JOURNAL : Farmers Weekly

I never thought I would be writing a Farmer Focus with a global pandemic in full flight on British shores. I think we are all still in shock. This virus is capable of bringing the world as we know it to a standstill.

The 2008 recession was awful, but never has something had such an impact across all sectors. This virus will have far-reaching economic and human affects with thousands of people dying.

Where does farming stand in all this? Ever the optimist, there is inevitably going to be volatility which we have already seen in recent days reflected in feed prices and the topsy-turvy lamb price.

See also: Coronavirus: Advice for vets and farmers

This must lead to question marks over supermarket power and the price farmers receive. I have heard numerous comments from farmers and processors who have defended the very sparse nature of the supply chain, simply because there isn’t enough money in the job to run it with any fat left over.

It is sad that it has taken these tragic circumstances for people to realise the fragility of our supply chain. The disappearance of vegans from my social media feed has been welcome, though.

In a few short weeks we have gone from a government adviser saying farmers are not needed, to us now becoming key workers. This is further recognition that farmers are vital to feed the nation, and everyone is doing what they can to step up to the plate, just as they have done in the past.

Getting behind the new Farmers Weekly #FeedTheNation campaign is a must. We now have an opportunity to showcase how we are doing our bit and promote ***agriculture*** in a positive light.

Muller says demand for milk has increased significantly. Let’s hope it continues and this can be shared out down the supply chain.

Thank god the weather has turned. Us farmers are lucky in that our lives have been relatively uninterrupted by the lockdown scenario.

The fertiliser spinner is on and the place is greening up, the floods are almost forgotten and it was good to see that Shropshire had been included in the recent round of government flood damage funding.

Stay safe and do take the situation seriously. We need a speedy conclusion to this awful situation.

Read more about Shropshire farmer Henry Wilson.

JOURNAL : Farmers Weekly

Here's to all the lambers out there. As one of the great highlights of the farming year, lambing season is a challenging but joy-filled time for Britain’s farmers.

Farmers Weekly readers have been busy snapping all the action of the 2020 lambing season. Here are some of our favourite shots from the season so far.

Share your photos and videos of lambing on your farm by uploading them to our dedicated gallery.

See also: 13 tips for successful lambing outdoors

The day before her third birthday, Meredith wanted to help move the new mums and babies on her family farm in South Leicestershire as part of her present. Hannah Webb sent this one in.

Tom Copey shared this rather sweet shot from the lambing shed.

Here's 18-month-old Dennis feeding Lilly the lamb. Thanks to Michelle Jones for sharing this one.

Quadruplets born on Isabella Patterson's farm in County Down.

Tilly, aged 7, loves her flock of Ryeland and Coloured Ryeland sheep. She got stuck in and helped with lambing for the first time this year.

Seth has his own small flock of Coloured Ryeland sheep, which he was very excited to see produce some lovely lambs this year.

This is four-year-old Arabella checking the lambs on the farm in south Derry.

This bunch look very cozy. Thanks to Emma Newey for sharing this photo.

New entrants Flora Searson and Lewis Steer shared this great shot from lambing their native Dartmoor breed flocks on Dartmoor, Devon.

Two-year-old Anna Craig welcomes the first lamb of the year with her dad, Matthew, in County Tyrone.

Jack Hulland, aged three, helping mum Sarah out with the feeding as the lambing season gets under way.

JOURNAL : Farmers Weekly

Do you know a farmer who is going the extra distance to help vulnerable people in their rural community?

Whether clearing snow-covered roads or rescuing stranded residents in flooded homes, time and again our amazing British farmers have helped the public in times of crisis.

Beyond producing food to feed the nation, we know there will be many public-spirited farmers out there who are doing their bit to make sure those who are most at risk from Covid-19 are protected and cared for.

See also: All the latest on the coronavirus and what it means for farmers

The Farmers Weekly team want your help in recognising these truly inspirational rural heroes. Perhaps they're delivering essentials to somebody who is unable to leave home, or checking in on the elderly to make sure they aren't feeling cut off from society.

We have already told the stories of YFCs helping the vulnerable and farm shops offering deliveries and discounts to NHS workers. In this time of national emergency, we want to share the good work our farmers are doing.

To share a story with us, simply email our community editor Oli Hill or drop us a line on Facebook or Twitter. Don't forget to tell us the name of the farming hero you want to recognise, where they're from and what they're doing to make a difference in their rural community.

JOURNAL : Farmers Weekly

Young farmers around the country have been working hard to support the elderly and most vulnerable in their community in response to the coronavirus pandemic.

Volunteers from Young Farmers’ Clubs (YFC) have been delivering food, medicine and other essential supplies, as well as picking up the phone and speaking to people in self-isolation.

The National Federation of Young Farmers’ Clubs (NFYFC) has encouraged its members to help where they can (see the NFYFC website), and the response has been inspiring.

Worksop YFC organised food parcels to be delivered to the most vulnerable in Blyth, Nottinghamshire, after the local shop was broken into.

Speaking to Farmers Weekly, Georgia Betts said: “We usually meet in Blyth so when we heard about the break-in we thought there was nothing better than organising food parcels for vulnerable people in that area.”

Fundraising campaign

The club organised a fundraising campaign and members then bought, packaged and delivered essential items to people’s doorsteps in the village.

Georgia, 20, added: “It makes me feel really proud of our club, at times like this when everyone pulls together to be positive in such a negative situation.

“Some people have contacted us via Facebook just to say thank you for what we have done, and that they were quite touched by it, which makes everything worth it.”

Probus YFC has been delivering supplies and topping up electric and gas cards for the elderly in Truro and St Austell (see main image).

Sam Oatey, 21, helped spread the message online, in local newspapers and leaflets that his club was ready to help however it could.

He said: “As young farmers it very much showcases our value at a time when the situation is so serious. There needs to be people that are healthy and are able to help those who need it.

“As an organisation with such a wide spread of members across the whole UK, I think we are the perfect people to be able to do that.”

He also made a video to explain how members were helping.

In Wales, Sennybridge YFC handed out leaflets in the village and tweeted to offer their support.

Do you, or anyone you know require our help?

Sennybridge YFC are always looking to help our community in any way we can. Details on the poster, please get in touch if you need us! #trueyfc #community pic.twitter.com/b4uiiOlRZG

Sennybridge YFC (@sennybridge\_yfc) March 18, 2020

Elin Havard said a lot of people who are isolated were enjoying the chance to have a chat.

“Calls have been coming in from lots of elderly people. There was one who was ever so grateful about me getting their prescription, it meant the world to them and for me it was no real extra work.”

One supermarket was working to put customers in touch with the farmers' club, after hearing about all the work they were doing to help.

Elin said: “We have done 10 jobs so far and a lot of people will need consistent help for as long as this all goes on.

“Young farmers across the country have been so ready and eager to do anything we can to help. It’s really reminded me of the value of YFCs.”

JOURNAL : Farmers Weekly

Better demand combined with a relatively weak sterling has pushed fertiliser prices higher.

Spot demand has grown in the UK as drilling progresses at pace and the grassland sector starts to order.

Some arable ground that looked as if it would be fallowed has come back into the mix, in turn increasing demand.

See also: What new water protection powers would mean for farmers

While liquid supplies are generally only taking very few days, delivery for solid material is generally between five and 15 days from ordering, although lead times for P & K straights can be longer.

With Easter approaching, suppliers are warning that orders need to be received in good time.

UK manufactured ammonium nitrate (AN) is costing about £5/t more than it was in early March, putting it in a range from £232-£235/t for full loads with April delivery and a £2/t rise set for May.

Imported AN has, in some cases, gone up by slightly more, as a result of the pound’s lower value, to sit at £220-£227/t.

New supplies

New supplies are expected to land on the east coast shortly.

At £255-£263/t, urea prices have risen on the lower pound, although traders see little further short-term upside here, as demand will be stifled by any dry weather and any rise in temperatures because of the risk of volatilisation.

Fertiliser stocks in the UK are generally good and, so far, haulage is not the problem many were expecting it to be.

However, logistical issues, including the removal of some manufacturing capacity in Egypt by coronavirus-related staffing problems, have added to the upwards pressure.

Straights price ranges have widened, having risen anywhere between £15/t and £40/t in just four weeks, depending on product and region.

Much of the rise is demand based, say traders, and while lead times are the longest on these products in many cases, availability is generally not a problem.

Blends have risen largely on the back of more expensive P & K straights.

Fertiliser update (£/t delivered April 2020)

UK 34.5% N

Imported AN

Granular urea 46% N

Potash MOP

Phosphate DAP

Phosphate TSP

£232-£235

£220-£227

£255-£263

£260-£275

£335-£338

£282-£290

0:24:24

(blend)

20:10:10

(blend)

25:5:5

(blend)

£260-£264

£235-£245

£225-£233

All illustrated prices are based on full loads for cash payment on 28-day terms.

JOURNAL : Farmers Weekly

The secret of making a complete tit of yourself is to be sure no one sees it.

We’ve all done it over the years: tripping over the enormous vacuum cleaner pipe while cleaning the grain store, or banging your head on a sticking-out bit of machinery that you knew perfectly well was there.

You don’t swear/curse/check for blood/rub it frantically until you’ve had a casual look around. If the coast is clear, then you can let loose with some historic English phrases.

See also: Read more Flindt on Friday

So when I managed to get my new drill stuck in the road, it was just my luck that the world and his wife were there. “Stuck in the road”? Let me explain.

I was crossing one of the little lanes that go through our farm, and this bit of lane is unique.

Whereas all the others are sunken lanes, this is the only “proud” one. The ground either side is lower than the Tarmac.

I’ve crossed it a thousand times in the past 35 years, totally free of incident, so I was full of confidence as I approached.

Just as I was wrestling with the padlock on the gate into the pasture the other side, Kilmeston’s Chief Trespassers were coming along the bridleway with their loose dog.

I thought that this was not the time for snide comments about how refreshing it was to see them on a Right of Way, so we exchanged a virus-separated and slightly frosty “good evening”.

Nothing to see here

It was fortunate that I hadn’t taken the moral high ground, because a minute later, the high ground struck back: I was stuck.

The new ST4 is a long bit of kit, and I discovered that if you have the tractor back wheels on one side of the lane, and the Horsch back wheels on the other side of the lane, half a dozen sturdy tines will embed themselves in the road.

Fortunately, I was in low-rev trundle mode, taking it steady with an unfamiliar machine, and managed to spot the problem before I changed down and floored the throttle.

What next, though? I lifted the tractor link arms, which freed up the front tines, and crept backwards the way I’d come.

By now, the Trespassers were watching from a distance, wondering what the heck was going on. I gave them a slightly embarrassed wave. A hint of a smirk crossed their faces as they headed off.

Reverse psychology

The only solution was to turn left, up on to the road, reverse 30 yards back along the road, then turn right off the road and down the slope again. Simple.

Or it would have been if Mr and Mrs Sensible and their children hadn’t arrived in the middle of it on bicycles, clad in sensible helmets and sensible hi-vis jackets, and proceeded to swarm around the tractor and drill while deciding where to go next.

Luckily none of them noticed the odd corrugations in the road that had just been made.

I finally got across the pasture to the arable land, and the drilling went perfectly. And who was there to see my arrow-straight craftsmanship? No one.

And yet when my son was kindly dropping off my truck so I could get home later in the evening, he failed to spot that the source of the Itchen had moved east into the pasture this year (it’s called Springshot for a reason), and got stuck up to the axles.

It was in full view of Hinton Ampner Gardens and about a mile of bridleway. Guess how many passers-by saw his unfortunate bit of driving. Yup, none. Typical. Just typical.

JOURNAL : Farmers Weekly

France’s ***agriculture*** minister has declared glyphosate is an essential tool of the agroecological transition, raising hopes of a change in policy stance in the country.

Speaking on a French news television channel, Didier Guillaume said cover cropping is a recognised practice in the agroecological transition and to do this, there is a need for the weedkiller glyphosate.

See also: Video: German grower warns against glyphosate ban

“I believe it’s one litre of glyphosate per hectare,” said Mr Guillaume. “If there is no glyphosate, soil conservation ***agriculture*** can’t be done.”

“Until we can find an alternative in the months ahead, my position on glyphosate is clear: we are going to continue soil conservation ***agriculture*** with glyphosate.”

Explore alternatives

The French ***agriculture*** ministry has called on national agencies for food and the environment to investigate and identify viable alternatives to glyphosate, which has been a long-term goal.

“We have gone into overdrive. We have asked the French Agency for Food, Environmental and Occupational Health & Safety (ANSES) and the National Institute of Agronomic Research (INRA) in the following weeks to give us the dates, objectives and direction.

“Today, it’s not about replacing one chemical with another. For example, if there are solutions to replacing the use of glyphosate in vineyards, what can we do?

“But then, there are sectors where there are currently no alternatives, such as conservation ***agriculture***.”

Mr Guillaume described the use of glyphosate in soil conservation ***agriculture*** as a “virtuous agroecological practice”.

“We know now that if we want to protect the soils, keep carbon in the soils and fight against global warming, we need to work with cover crops,” he said.

“We must stop having these big empty fields. We must capture nitrogen and carbon and therefore use cover crops.”

French growers have welcomed the minister’s comments, which come just months after the government announced a plan to ban almost half of the nation’s 69 glyphosate-containing products by the end of 2020 “due to a lack or absence of scientific ***data*** ruling out any carcinogenic risk”.

Grower reaction

Frédéric Thomas, one of the leading conservation ***agriculture*** farmers in France, said: “It’s a standpoint that we welcome. It’s clear. It’s politically quite strong.

“In a certain way, it’s a return to reason, a return to science, a return to a form of compromise in which ***agriculture*** has always played its role.”

Mr Thomas thanked conservation tillage farmers and everyone in the industry over the past three years who had worked towards this “success”.

“It’s very strong recognition for conservation ***agriculture***, which was a bit of an overlooked form of ***agriculture***,” he said. “On the other hand, we must recognise this is only a first step. We have an important job to do to continue the momentum and ensure our fields and farms are a true reflection of our discourse.”

Farm demonstrations

Mr Thomas urged farmers to avoid getting involved in partisan debates on glyphosate and instead welcome politicians, journalists, industry leaders and people onto farms to see for themselves the presence of bees and biodiversity in cover crops.

“If we have healthy soils, the foods that are coming out of these fields, wheat, maize, etc, will be of better quality. The relationship between the quality of fields and the quality of the food on our plates is an emerging topic where we also have a lot to bring to the table.”

The debate over the safety of glyphosate has been raging since 2015 when the World Health Organisation’s International Agency for Research on Cancer (IARC) concluded that it is a “probable carcinogen to humans”.

Bayer CropScience, which manufactures the glyphosate-containing herbicide Roundup, faces more than 42,000 lawsuits in the US alleging glyphosate-based herbicides cause cancer. The company has vowed to fight the claims and it has repeatedly defended the 40-year safety record of glyphosate.

JOURNAL : Farmers Weekly

In one of the more common-sense moves by the government in recent weeks, farmers, farmworkers and everyone else in the food supply chain have been identified as “key workers”.

But, as Farmers Weekly columnist Guy Smith says in this week’s Opinion, now is not the time to say “we told you so” – how ever overdue such recognition might be.

Covid-19 is, without doubt, a massive wake-up call to a government that has, for far too long, failed to appreciate the crucial importance of farmers in supplying the nation’s food, while overseeing the long-term decline in our levels of self-sufficiency.

See also: Find all our coronavirus content in one place

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Read more articles by Philip Clarke

The UK is currently just 61% self-sufficient in all food and 75% in indigenous food.

Each year, the NFU highlights what it calls “self-sufficiency day” – the notional day where the country would run out of food if we relied solely on British produce. Last year, that would have been 11 August.

Clearly, that is not going happen, despite Covid-19 and despite the fact output has already been compromised by the wet winter just passed.

International trade is continuing, there is stock in the system and farmers are working flat out to catch up.

Disruption to supply chain

But the disruption to the supply chain we have witnessed shows just how complex and fragile things are.

Already we have seen great market volatility. The sheep trade, in particular, has been hard hit by cancelled export orders, the loss of food service sales and the threat of border closures.

The cessation of some livestock markets this week threatens to destabilise things even more.

As the crisis develops, there are serious questions about the whole food supply chain’s ability to cope.

Labour shortage

One of the biggest challenges is going to be labour – especially in the horticultural sector, where the soft fruit season gets under way soon.

Yes, British people have been showing strong interest in some of the jobs now on offer. But will they turn up and will they hack it?

There will also have to be a fundamental shift in the way the supply chain functions.

Selling direct

Record grocery sales in the past few weeks have left shop shelves empty of some items, while the closure of food service outlets has created surpluses elsewhere. Diverting from one sector to the other is far from easy.

Some farmers are already bridging the gap, stepping up their efforts to deliver food direct to consumers. Others are using online tools to develop local sales, while the crisis is proving a bit of a boon for many farm shops.

The government has also made considerable efforts to keep businesses afloat, with a range of support measures for the employed and self-employed. But it needs to consider the longer-term perspective, too.

Brexit extension

It should accept now that an extension to the Brexit transition period is needed, to avoid the possibility of “no-deal” with the European Union at the end of this year.

It should also call a halt to free-trade negotiations with other countries until the current crisis is resolved.

Above all, it needs to revisit its plans for future domestic farm policy, adding greater weight to basic food production, rather than obsessing about environmental delivery.

For too long, the government has been confident we will always be able to buy from abroad what we cannot produce at home, favouring a cheap food policy over one based on strategic need.

The unfolding events around coronavirus show the time for change is overdue.

JOURNAL : Farmers Weekly

Rutland farm manager Matt Houldcroft is set to put his least productive land into environmental schemes to prepare for a future “public money for public good” farm policy.

He is taking out of production a river meadow field prone to flooding, creating wide field margins and planting up awkward corners with trees to anticipate the change in farm subsidy support.

See also: Why growers should sign up for greening ahead of new scheme

Farm facts

R&R Mills, Woodside Farm, Ketton Road, Empingham, Oakham, Rutland

Farming 400ha including winter wheat and barley, spring wheat and beans, and oilseed rape on largely limestone brash soil.

Contracting a further 1,800ha for nine other businesses

One 12ha field by the River Welland crossed by two footpaths which sometimes floods is set for a mix of wide field margins and environmentally friendly wild flowers.

“It is more profitable to put this field into an environmental scheme than to grow winter wheat or oilseed rape,” he tells Farmers Weekly.

River margins

Extra wide 12m grass margins are to be used up against the river as water is pumped from the water course into the nearby Rutland Water reservoir for drinking water.

Mr Houldcroft has signed up the 400ha of arable land he directly manages for a five-year Countryside Stewardship scheme under the Wildlife Offer section, starting at the beginning of this year.

This Wildlife Offer is not competitive, as opposed to the other two options of higher tier and mid tier, and will give him a hopefully easy transition to the new Environmental Land Management (ELM) schemes to be rolled out from 2024.

As area-based subsidies under the Basic Payment Scheme (BPS) will be gradually phased out in favour of ELM, Mr Houldcroft was keen to prepare for a future without direct subsidies.

“We wanted to supplement farm income with the wildlife scheme which will be focused on the less productive land,” he adds.

Limestone brash

The Woodside farm he manages for R&R Mills grows winter wheat and barley, spring wheat and beans, and oilseed rape on light limestone brash soil about six miles east of Oakham.

The farm also contracts a further 1,800ha on which he manages stewardship schemes for nine other businesses across a range of land types.

Jim Egan, technical adviser at Kings – the cover crop and wild flower seed business of agronomy group Frontier – says it make sense to be in environment schemes to prepare for ELM.

“If you are in Countryside Stewardship, and when ELM comes along and is better than Countryside Stewardship, then growers will be allowed to switch into ELM,” he says.

He calculates that such Wildlife Offers under Countryside Stewardship should bring in a payment of £3,500-5,000 a year per 100 hectares, contributing a reasonable income for taking less-fertile land out of production.

Scheme minimums

Under the scheme, the farm needs to put a minimum of 1% of its land into pollen and nectar mixes which pay £511/ha/year over five years and 2% into wild bird seed mix paying £640/ha/year, again over five years.

The first can be established with a seed cost of about £150-200/ha to last five years, while the wild bird mix will need re-seeding within the five-year life of the scheme with an annual mix starting at about £40/ha and a two-year mix at just under £70/ha.

Mr Houldcroft is looking to plant the pollen and nectar mix close to footpaths and openly flowering crops such as oilseed rape and beans, and hopes to see improvement in wildlife in an area which is seeing ospreys over Rutland Water.

Other options in the scheme include buffering around water courses at widths of 12m or 24m, such as close to the River Welland, bringing in £353/ha.

The wildflower mixes and margins are calculated to take 10% of the farm’s land out of production – for a farm which looks to produce an average yield of 9-10t/ha for winter wheat.

“We are looking to protect a part of our income when we know that BPS payments will decline,” he says.

Allerton alert to switchover to ELM

Phil Jarvis is hoping to enter a mid-tier scheme next year to reduce cropping risk on a farm which was one of the first to try out environmental schemes nearly three decades ago.

He is head of farming at the heavy land Allerton Project farm in south Leicestershire, and looks to the Countryside Stewardship scheme to regenerate ***agriculture*** as direct subsidy payments are tapered away.

Farm facts

Allerton Project, Loddington House, Loddington, Leicestershire

Farming 320ha including winter wheat and barley, spring and winter bean, and spring and winter oats on clay and clay loam soils.

“We are going into agri-environmental schemes to prepare for ELM as we watch the government for further detail of these new schemes,” he says.

He manages 320ha at Loddington, some six miles south of Oakham, for a charity set up in 1992 to demonstrate that farming can work well together with wildlife.

Lower inputs and lower risk

High-input cereal production on marginal land will be increasingly risky in the future, he believes, and this type of environment scheme could help the farm move towards lower inputs and lower risk.

He has chosen the mid-tier of the Countryside Stewardship scheme as it opens up more options to Wildlife Offers in addition to the pollen and nectar mixes and wild bird seed mixes. This will start at the beginning of 2021 and replace an existing scheme.

These include using cover crops at £114/ha, paying capital costs for maintaining hedges and ponds and growing low-input cereals at £266/ha, which are all very interesting options for grade 3 marginal arable land at Loddington.

There are the further options of a two-year legume-rich fallow which pays £522/ha/year to build up fertility, but must not be grazed or silaged, while grass herbal leys at £309/ha/year can he grazed and could be useful for blackgrass control.

Farming partnership

The Allerton Project farms together with a neighbour, sharing equipment and farming practices, making an 800ha block with neighbour’s sheep grazing grass leys at Loddington.

The farm grows winter wheat and barley, spring and winter beans, and spring and winter oats, and one option that interests Mr Jarvis is low-input cereals.

This option pays £266/ha with the object of producing an open structured cereal crop with a seed rate of 50-100kg/ha to encourage farmland birds, brown hares, rare arable plants, and bees and beneficial insects.

“High input cereals on marginal land are very risky, and this type of option could be right for us,” he says. This option would be even more interesting if linked to growing cover crops at £114/ha.

Feed the birds

A further option he will take up is supplementary feeding of song birds paying £632/t/year, where 70% of the grain can come from the farm and 30% from bought-in seed such as sunflowers and millet.

He expects the scheme to take 15% of land out of production and 7-8% in fallow or rotation, and bring in about £40,000/year over five years.

At present, the farm’s annual BPS payment is £60,000 and current environmental schemes are worth £20,000, but with BPS set to decline and eventually disappear then environmental schemes will become more important.

He sees opportunities in what he calls “organic fusion“ that is being paid for fertility building with herbal leys, with or without livestock, and to produce food by climate-friendly farming methods with fewer inputs.

“It’s not about yield, it will be about profit margin without BPS,” he says.

Hill farms follow trailblazing route

A group of upland farmers are being paid to improve the environment in a trial which could be a blueprint for a future UK farming support policy.

Five grassland beef and sheep farms are being paid up to £5,000 to encourage species-rich river meadow and cut stocking rates in a payment by results scheme run by the National Trust.

The payments for the charity's tenant farmers in Yorkshire and Lancashire are aimed at improving soil health and encouraging an ideal habitat for pollinators such as bees.

National Trust ecologist Elizabeth Sullivan says the scheme looks to encourage better farming to support nature and has been enthusiastically embraced by its tenant farmers.

“We are exploring different ways that ***agricultural*** payments can be made in the future to benefit nature,” she says.

The five farms are largely in the Yorkshire Dales National Park with two in upper Wharfedale, one each in Wensleydale and Swaledale, and the final one just over the Lancashire border in the Forest of Bowland.

Two payments

A first payment of up to £173/ha over a three-year period is made to farmers to encourage rich meadow land to create a flora abundance and attract a wide range of pollinators.

The farmers are given management freedom with this species-rich meadow which is typically aimed at producing a late hay crop rather than multiple cuts of silage.

A second soil health payment can be made of up to £55/ha, with the highest payment given for pastures with high legumes illustrating both good rooting and low stock grazing.

Farmers could apply for both payments and be paid up to £228/ha. They pick areas of their farms for the scheme and the largest of the five farms has 45ha in the scheme. The areas picked must not be in other environmental schemes to avoid double payment.

The National Trust has 1,500 tenant farmers and 23 in the Yorkshire Dales National Park. The scheme started in 2018 with three farms and picked up another two in 2019.

“The results for the soil improvement scheme have come back really positive with the five farms all in the top two payment bands, while results for the pollination scheme are very positive,” she says.

JOURNAL : Farmers Weekly

Dedicated housing for transition cows has improved post-calving cow health at a Welsh dairy farm.

John and Anna Booth invested in the new facility at Rhual Dairy, an AHDB Strategic Dairy Farm, near Mold, in 2018. The shed has provided more room, enabling the transition period to be extended to four weeks.

The previous infrastructure only had sufficient space for managing cows on a transition ration for up to two weeks.

See also: How a US dairy is extending its voluntary waiting period

“We were getting everything else right, but we couldn’t get the cow transition right, we were always short of space,’’ Mr Booth admits, who runs a year-round calving herd of 336 Holstein Friesians.

In total, cows are dry for eight weeks.

Dry cow ration

It is formulated to deliver 120 megajoules (MJ) of energy is made up of 18kg third-cut silage, 6kg haylage bales, 6kg maize silage, 3.5kg chopped straw, 2kg protein blend and 0.150kg dry cow minerals.

They move to a far-shed and transfer to the close-up, transition shed for the last three to four weeks.

The transition shed has calving pens and the cows are moved to these at the point of calving and remain here for 48 hours after calving, before joining the milking group.

About the shed

The transition shed contains 27 cubicles – seven of which are portable and can be moved to create extra feed space or an additional calving pen – and three calving pens.

At the same time, the Booths invested in a new tub diet mixer from a barrel mixer, which chops straw to the short length required in the transition ration.

“That is doing a much better job that our old wagon so, although the base of the ration is much the same, it’s the processing of it that has changed.

"The diet is more consistent and we are seeing higher intakes on that,’’ says Mr Booth, who adds intakes have improved 10%.

Benefits

Since the changes were put in place, cases of retained foetal membranes are down from 3% to 2%, left displaced abomasums from 5% to 1% and milk fever cases have halved, to less than 1%.

“Cows are calving down a lot easier, they are cleaner and we are getting more or less no cases of milk fever.’’

Advice to improve transition

Phil Clarke of P&L Agri Consulting described the dry period as the single most important phase of production.

“These are the most important cows on the farm, treat them like queens and they will repay you,’’ said Mr Clarke.

Below, he makes some recommendations to improve success:

The dry period should be no shorter than six weeks

Cows need to develop a good appetite and rumen capacity in the close-to-calving period

To achieve this, maximise trough space – ideally 90cm a cow

Target 40-45% dry matter (DM) in the diet – add liquid to the ration if it is higher than this

Aim for a DM intake of 12-14kg and energy intake of 115-120MJ a cow a day and 13-5-15.5kg protein

Keep potassium as low as possible. Make specific dry cow silage that hasn’t had slurry applied to it. If you can separate fields and don’t put any slurry on these, it will make your life much easier in terms of milk fever and other health issues

Magnesium-to-potassium ratio should be at a maximum of 1:4 – if the ratio is greater then add more magnesium to the ration

Key health take-away messages

Dr Mo Kemp, of Wern Vets, the farm vet at Rhual Dairy, offer the following advice:

Monitor the energy levels of cows pre-calving by checking urine pH and ketone levels

Maintain body condition score (BCS) at 2.5-3 – it should be the same at drying-off as at calving

BCS monthly and consider increasing it to fortnightly in the dry period

Drying-off should be a specific task, not a job done at the end of milking, and an exceptional level of cleanliness is vital

Use surgical spirit and cotton wool, not the wipes that come with the tubes, and allow the cows to stand for 30min after drying-off

Inspect cows daily in the first week after drying-off

JOURNAL : Farmers Weekly

Farm adviser, Alison Cross, believes that farmers should act together in groups to get the best out of Britain’s future farming policy and so have a wide impact on the environment.

This will become more important as farm subsidies switch to the “public money for public good” mantra under a new ***agriculture*** policy as Britain leaves the EU.

This means that all farm subsidy payments will be linked to helping the environment, whereas currently two-thirds of the £3bn-plus of annual farm subsidies are paid on the area farmed.

Mrs Cross believes those acting together to address environmental priorities can learn from each other to protect wildlife as farmers move to new Environmental Land Management (ELM) schemes.

“We would favour farmers working together to give them greater focus under the ELM policy,” she says. ELM is due to start taking over from the farmed-area based Basic Payment Scheme (BPS) subsidy in 2024.

See also: Why growers should sign up for greening ahead of new scheme

Fact file: Alison Cross

55 client farmers on advisory list across Hampshire and neighbouring counties

16 years in an advisory role with a focus on environmental issues

5,000ha covered across the Wallop Brook Farmers Group

Soils and water

Mrs Cross, the Farmers Weekly Arable Adviser of the Year 2019, sees a promising future as farmers move to a policy centred on improving soils and water quality.

She has organised a group of farmers in the Wallop Brook area in Hampshire, near Stockbridge, on light chalky soils, to focus on improving the environment while still keeping farming profitable.

“On soil health we are learning more, and this could be further developed under ELMs,” says Mrs Cross, who is principal farm adviser with Arcadian Farm Advice – part of the Hampshire and Isle of Wight Wildlife Trust.

Working together, the group has learned more about the distribution of the rare corn bunting in the area, finding it to be more widespread than first thought.

Double drilling

The group has also introduced targeted measures to benefit the bird, included double drilling, which Royal Society for the Protection of Birds research suggests increases the number of birds fledged

This ground-nesting bird favours denser areas for nesting, and by siting these double-drilled areas in the middle of fields, farmers can ensure nesting birds are less vulnerable to predators.

In addition, farmer members are working with the Plantlife charity, the Royal Botanic Gardens at Kew and the Hampshire and Isle of Wight Wildlife Trust on a wild flower conservation project that might see the return of the rare red wine-coloured Pheasant’s Eye.

This endangered wild flower appears to thrive well when soils are disturbed rather than in minimum tillage or no-tillage systems, so certain areas are being ploughed to try to help the flower’s revival.

The group of 20 farmers is also working with Elizabeth Stockdale, head of farming systems at the crop consultant Niab, on a soil health project, to look at how different practices might affect soil health – including the application of compost, manures, sewage sludge and under different cultivations.

Group formation

This group was set up two years ago with £10,000 a year funding from Defra for a three-year period to protect the fragile chalkland landscape by improving soils and avoiding pollution of the gin-clear chalk streams.

Mrs Cross is now busy setting up a similar, second group of farmers around Christmas Common on the edge of the Chiltern Hills in Oxfordshire, on very similar free-draining land.

Here, the focus will be on connectivity, in terms of linking areas of flowering pollinator mixes, and also deer management as these wild animals are damaging arable crops.

About Farmers Weekly Awards 2020

The Farmers Weekly 2020 Arable Adviser of the Year Award is sponsored by FMC.

Join Farmers Weekly in celebrating the farming industry and recognising the hard work of UK farmers and enter the awards today.

Alternatively, nominate a deserving individual for an award.

For more information about the Farmers Weekly Awards 2020, pay a visit to the official website.

JOURNAL : Farmers Weekly

Somerset dairy farmer James Read has halved his fertiliser bill by using a slurry inoculant.

When Mr Read replaced his parlour with robots in 2008, it meant housing had to be redesigned. He decided to install slatted floors, with an underground slurry pit and a robotic scraper.

But that presented its own challenges; minimising the odour and keeping the slurry uniform.

Having been advised against installing an aerating system to agitate the slurry, Mr Read decided to use beneficial bacteria to do the job for him.

Mr Read and his son, Harry, who milk 260 cows at Pyrland Farm, in Taunton, brew their own bacteria mix (Actiferm) to keep costs down.

They buy a starter mix from Agriton, add it to molasses and water, and brew it at 36C in a 200-litre barrel with a fish tank heater.

See also: Slurry separation options compared

Farm facts

162ha – permanent and temporary pasture, maize and potatoes

260 pedigree Holstein cows, plus 200 followers

Averaging 12,000 litres per 305-day lactation

Year-round calving

2019: 24 cases of mastitis/100 cows

Somatic cell count: 163,000 cells/ml on average

First-cut silage in 2019 analysed 25.3% dry matter, 16.3% protein, 75.8% D-value, 12.1 MJ/kg ME

Actiferm is a mix of effective micro-organisms and contains activated bacteria, yeasts and fungi.

A fresh mix is brewed every six months and it costs less than £1,000.

The cows are housed on mattresses with sawdust bedding, which Mr Read replaces three times a week.

Once the beds are cleaned, he adds 10 litres of the concentrate to 100 litres of water (for 180 cows) and, using a watering can, sprinkles it on the backs of the beds before spreading the sawdust.

By using the liquid instead of hydrated lime, the good bacteria create a healthy environment that acts to reduce mastitis.

The beneficial microbes end up scraped into the slurry, where they get to work; fermenting it, eradicating any crust, locking in the nutrients and reducing odour.

What the trials show

Kingshay trials showed total nitrogen content in slurry treated with N-Hance and Actiferm was 12% higher than the control after 12 weeks, at 0.243% weight for weight.

Ammonium content was also 12% higher, at 0.148% weight for weight. This means slurry is retaining the ammonium nutrient, rather than releasing it as ammonia gas, so more will then be available to the plant.

The increase in plant-available nitrogen boosted the value of slurry by up to £0.26/t freshweight.

Reduced crusting also had an economic benefit, because less stirring was required. This made pumping through umbilical systems easier.

Other trials have shown that if you store slurry for three months before using it in the AD plant, the energy produced from it drops by 31%.

But if you treat the slurry with both Actiferm and N-Hance while it is stored, the energy production actually increases by 3%.

A weekly application of N-Hance and quarterly application of Actiferm costs about £1 a cow a month. Actiferm alone costs about 20p a cow a month. But if you brew your own, the price drops to about 10p a cow a month.

Slurry and fertiliser application

Mr Read bought a trailing shoe in 2012 and is now making better use of his slurry.

Before the first slurry application, he agitates the slurry with a jet pump stirrer twice, for three to four hours, towards the end of February, and then gives it just a small stir before filling the tanker each time.

“As you don’t get a crust, it’s very easy to stir – we just need to mix the sawdust in,” he explains.

“If you get the fermentation right, it’s a lot less pungent, and it doesn’t attract flies, either. When we stir it, we put the fans on, but we don’t need to take the cows out of the sheds.”

Silage leys get their first application of 37cu m/ha in March, and Mr Read tops this up with 20-25cu m/ha after each cut, with four taken in total. He then calculates inorganic fertiliser use requirements on top.

Now just three lots of fertiliser applications are made: 250kg nitrogen/ha before first cut, 220kg N/ha at second cut and 150kg N/ha for the third.

“We’ve cut our fertiliser use in half,” he explains. This has also been helped by having more slurry storage capacity and doing soil sampling.

How does it work?

Effective micro-organisms act in the same way as probiotic drinks or silage inoculants. The beneficial bacteria create the right environment.

In the case of slurry, the aim is to produce anaerobic fermentation, as this locks in nutrients and reduces gaseous losses. In contrast, aerobic conditions mean the manure rots, releasing ammonia, methane and carbon dioxide into the atmosphere.

Actiferm contains 40 effective micro-organisms, including lactic acid bacteria, yeasts, fungi, phototropic bacteria and actinomycetes bacteria, explains Agriton's Andrew Sincock.

Enzymes produced by the microbes break down fibrous plant material, which mean slurry and manure is taken into the soil faster, making the energy and nutrients available to growing plants.

It should be applied at a rate of 20 litres/100cu m of slurry every three months. Chemicals from parlour washings and foot-baths will deactivate the effective micro-organisms, so should not be disposed of into slurry.

If this is not possible, N-Hance should be used to neutralise the chemicals, at a start-up rate of 2 litres, diluted into 20 litres of water, per 100cu m of slurry, followed by a weekly maintenance dose of 1 litre, diluted in 10 litres of water.

JOURNAL : Farmers Weekly

Applying liquid fertiliser to grass plant leaves can cut costs by £15/ha and double dry matter yields compared with conventional compound nitrogen, trials have shown.

The trials on four Welsh farms showed foliar fertiliser significantly increased nitrogen use efficiency – that is the amount of grass grown compared to the quantity of product applied.

About the trial

In the first year of the three-year European Innovation Partnership (EIP) Wales project, standard nitrogen was applied at 50kg N/ha.

Foliar feed, based on urea and humic acid and more commonly used in horticulture systems, which are applied at a rate of 9kg N/ha every three weeks from 16 February to 30 October.

The product and application costs for each treatment worked out at £26/ha for the foliar feed and £41/ha for conventional fertiliser.

See also: 6 steps to improve your fertiliser use efficiency

The trial farms in Pembrokeshire and Ceredigion range in height from just 30m above sea level to 270m.

On all four farms, the nitrogen use efficiency – the increase in dry matter (DM) yield achieved per kg of N applied – of both products was compared to the DM yield of a plot on each farm that received no fertiliser.

Trial results

All four foliar feed plots considerably outperformed those that had standard fertiliser applied

The foliar feed plot on the lowest lying farm grew an additional 52.8kg/DM for each kg of N applied, compared with 22.4kg/DM in the conventional plot

Even the farm at 270m, which grew the least amount of grass, captured an additional 18.1kg/DM for each kg of N applied, compared to 8kg/DM in the conventional plot

Foliar fertiliser efficiency was about 80-85% in optimum conditions, while conventional ground-applied products were around 50-60%

Between 60-70% less nutrient was used on the foliar feed plots than on the conventional plots, to grow between 12.7-18.3t of grass DM

However, the conventionally applied fertiliser did produce more DM yield overall. Plots treated with the compound fertiliser produced the greatest amount of grass over a 12-month period – 18.8t DM/ha compared to 18.3t DM/ha for foliar feed

Soil and grassland consultant Nigel Howells, of Nigel Howells Consultancy, who is advising during the trial, explains why foliar feed has helped boost yields.

"Leaves have pores between cell structures, which act as the entry point for nutrients.

"Foliar feed – because it gets taken in by the grass leaf –  is not dependent on soil temperature, so a ryegrass plant would not be reliant on the soil being warmer than 5C to make use of it," says Mr Howells.

Yield aside, foliar feed could have multiple benefits for grassland farmers going forward, he suggests.

Previous trials have proven foliar feeding can decrease the amount of total N necessary, while minimising N losses through runoff.

In the case of compound fertiliser, nutrients are applied to the ground before being washed into the topsoil by rain and then taken up by the root system of the plants.

A host of factors, such as soil compaction, drainage, bio-activity, soil temperature and dry or wet weather, can affect the nutrient release and uptake by the grass with this method.

The fact compound grew slightly more grass was not surprising, according to Mr Howells, who says this was due to the fact less foliar product was applied.

Livestock performance

As well as the yield effect and efficiency of use, the three-year trial focused on the impact on livestock performance.

Mr Howells says the nitrogen content in the fresh grass on each of the three plots on every farm was monitored.

“To date, levels in the foliar feed plots haven’t exceeded 700 parts per million (ppm) post-application, whereas in the conventional plots some readings peaked at 1,800ppm,” he says.

“This is relevant as the higher levels in the grass will require the stock eating it to use more energy to digest it, making it less available for producing milk and meat, or for maintaining condition and fertility.”

Clover content was also examined and was found to be higher in the plots that had received foliar feed or no treatment.

Further information

You can find more information on the EIP Wales website  or contact [*eipwales@menterabusnes.co.uk*](mailto:eipwales@menterabusnes.co.uk)

EIP Wales' Farming Connect mentoring programme is delivered by Menter a Busnes, and has received funding through the Welsh Government Rural Communities – Rural Development Programme 2014-2020. This draws funding from the European ***Agricultural*** Fund for Rural Development and the Welsh government.

JOURNAL : Farmers Weekly

Three of the big-name pickup manufacturers have launched new versions of their trucks.

The Nissan Navara Off-Roader AT32 and Isuzu D-Max AT35 have been tweaked by well-known pickup pimping company Arctic Trucks. Changes are largely cosmetic, with most of the running gear remaining as it is on the standard versions.

See also: New Land Rover Defender to get three-seat front row

Key new features on the Navara include a full aluminium shield underneath to reduce weight and limit impact damage when off road, while new 31.6" Nokian tyres apparently improve fuel economy and help to smooth the on-road ride.

Satin black alloy wheels with dual valves are also fitted.

Parts carried over from the previous Arctic Trucks model include the Bilstein performance suspension, wheel arch extensions and AT32 branding.

There's no word on cost yet, but expect to find it north of £40k and at the top of Nissan's price list.

Meanwhile, the D-Max has also had a suspension alteration, with the Fox set-up replaced with new a Bilstein performance system, as featured on the Navara.

Other tweaks include new side steps and badging on the wings and tailgate.

The D-Max retains Isuzu’s 125,000-mile/five-year warranty and a 3.5t towing capacity. The price for an automatic version with the 1.9-litre engine is a rather juicy £40,995.

Mitsubishi has also added a new model to its recently redesigned L200 range.

The Trojan sits between the 4Life and Warrior models and takes plenty of its styling from the higher-spec Barbarian pickups, including 18in alloys and a gawdy chrome grille.

The new model is already in showrooms and comes with Mitsubishi’s Super Select four-wheel-drive system. On-the-road price is £24,699.

JOURNAL : Farmers Weekly

These are very worrying and unprecedented times for the whole country. It’s almost surreal; all the fear, daily virus updates and empty shelves seems likes part of a horror movie.

The fields on some of the highest ground we farm afford a panoramic view, part of which encompasses the usually incredibly busy M4 corridor.

However, these past few days paint a very different picture – the hugely diminished volume of traffic is similar to that on Christmas Day.

See also: Coronavirus: Help us find farm heroes helping the community

Unfortunately, this is not echoed on the footpaths. Even after Boris’s lockdown, we are still having foot traffic through our farmland.

Now the schools have closed their doors to most pupils, we have had parents trespassing by bringing their children to play in our fields on pushbikes and even motorbikes.

In the next field, we have ewes with new-born lambs. Just beyond them are heavily pregnant ewes, all easily frightened.

I understand that part of the government’s statement was to exercise once a day. But it is ludicrous for the public to then head to private farms the length and breadth of the country to enjoy a moment of fresh air.

Many of us livestock farmers are lambing at the moment. We are functioning on very little sleep, some of us with less help than usual.

Most of us also have a fear of picking up the virus, not just because of the health implications, but for the sake of animal welfare. If all the family contract it, who will feed and water the livestock?

I find it astounding that the government has not closed public footpaths through farmland. We are classed as ‘key workers’, yet they are prepared to take the risk of us coming into contact with potential Covid-19 carriers. No farmers, no food.

It would be far better to implement restrictions on public rights of way sooner rather than later. This will not only protect the health of those that are trying to feed the nation, it will decrease the risk of panic if a large proportion of farmers are taken out of action. We do not want to become the users of resources, we want to be providing them.

We cannot control the situation that is going on in the country, no one can. But, to a certain extent, we should be allowed the powers to be able to limit the risk.

We cannot self-isolate on our sofas, we have a nation that is relying on us, just as it always has.

As dark as the weeks ahead are likely to be, it is crucial for us, as an industry, to stand strong together. In a world of uncertainty, one thing is certain – people will need food, and farmers must continue to produce it.

JOURNAL : Farmers Weekly

Growers can use fungicide products containing the active ingredient epoxiconazole, such as Adexar, until late 2021, after the Chemicals Regulation Division (CRD) confirmed when the ban on their use would come into effect.

The broad-spectrum azole fungicide was first registered as a molecule in 1993 and has been a mainstay of disease control programmes in a range of crops for more than two decades.

See also: On-farm fungicide trial reveals most profitable approach

Some of its major uses have been controlling septoria and rusts in wheat, with BASF’s straight epoxiconazole product Opus and more recently its SDHI-azole formulations such as Adexar (fluxapyroxad + epoxiconazole) being familiar product brand names.

It is also an important tool in other cereal crops and sugar beet, where it helps to control beet rust in formulated products such as Opera (epoxiconazole + pyraclostrobin).

The fungicide has been in the regulatory spotlight for a long time, with the EU classifying the active as an endocrine disruptor that poses a risk to human health and the environment.

The active is widely used and the announcement will be welcomed by growers and agronomists alike, as they can now plan with some certainty about its availability over the next 18 months.

Epoxiconazole withdrawal timeline

Last date for sale and supply: 31 October 2020

Last date for disposal, storage and use: 31 October 2021

JOURNAL : Farmers Weekly

Makita has added a wide selection of new kit to its battery-powered ground care product range as it encourages users to make the switch from petrol engines to eco electric machines.

See also: On test: Electric strimmers deliver petrol-powered performance

Alongside its hand tool range, which extends from cordless drills to chop saws and even a coffee maker, the firm plans to add a two-speed, 18V grease gun to the catalogue of 70-odd battery-powered outdoor products.

Much of the big kit now runs on a pair of 18V batteries to provide power outputs that compete with petrol equivalents.

The lithium-ion 18V LXT batteries run everything from sanders to strimmers, so if you already have a decent stock of batteries and chargers then buying bare tools offers a significant cost saving.

 Blower

Most big arable farms will have ditched the humble brush in favour or a leaf blower to speed up clearing grain stores and Makita’s new DUB363 blower runs from two of its 18V batteries, giving it 36V of power.

Cleverly, this machine can be switched from blowing to hoovering with the fan acting as an impeller to mulch twigs and leaves as they enter the bag.

In blowing mode, the run time is nine to 30min depending on the battery size used and there is a constant trigger speed mode, which helps to relieve pressure on the operator’s finger.

Air flows at 65m/sec but, surprisingly, noise levels are a similar level to petrol machines at just shy of 95dBa. Cost for the body alone is £530, whereas buying two 6Ah batteries and a charger bumps the cost up to £1,130.

Chainsaw

The latest brushless technology means small chainsaws can offer genuine competition to petrol equivalents and Makita’s new DUC256 top-handled saw could tempt occasional users who don’t want the faff of carting around a two-stroke mix.

Using the twin 18V battery setup, the brushless motors can offer chain speed of 20m/sec from the 250mm bar, which the company says is equivalent to a 35cc petrol saw.

There is also a clever torque boost mode that, when engaged, offers an extra 1.5hp to cut through harder woods.

This lasts for 30secs before it reverts back to standard power, and it's only possible to activate the boost function five times before it is restricted to protect the motors.

Other features include an electric chain brake, auto power on/off and a battery life indicator for each unit.

For those users that require a little more grunt, the DUC405 has a 400mm long bar and runs from two 18V batteries. This model is aimed at professional users, and features captive nuts to prevent them being dropped when removing the sprocket cover

Prices start at £435 for the top-handled DUC256 and £450 for the bigger DUC405.

Brushcutter

The lower vibration and noise produced by an electric brushcutter means these machines are a common sight among professional operators.

The brushless motor for the DUR369 strimmer is now in the head to help balance the machine, given the lack of an engine. The new model has three speed settings along with a three-second reverse to help operators who get in a tangle.

This is the largest brushcutter in the electric range, exerting 1kW of power, equivalent to a 35cc petrol machine. Makita’s Active Drive Technology senses when the force on the head increases, and speeds up the revolutions to deal with tough grass.

Compared with a similarly powered Makita petrol brushcutter at 7.1kg, the electric model weighs just 5.9kg, while noise is drastically reduced from 106.7dBa to just 93.8dBa.

Prices for the twin-handled brushcutter start at £590 for the body only and go to £1,190 when ordered with two batteries and a charger.

Battery backpack

There is also a clever battery backpack that can hold four of the 18v batteries and increase performance of tools.

Unlike some other packs that have built-in batteries, being able to remove dead cells and insert fully charged ones means there is no need to return to base to refuel.

It can fit both single and dual battery tools with run times extended significantly. For instance, Makita’s brushcutter goes from a standard output of 67mins up to 134mins when powered by the backpack.

JOURNAL : Farmers Weekly

Scientists at Bristol University have proposed an alternative method of evaluating livestock emissions that more accurately reflects the nutritional benefits of beef.

They claim that incorporating a measure known as Recommended Dietary Intakes (RDIs) into the emissions metric would see beef compare more favourably with other meats.

See also: How slurry cooling technology can cut ammonia on pig units

The difference is huge, with beef production ***accounting*** for lower emissions than free-range chicken under the recalculation.

The measure was explained by environmental consultant Sarah Jones in an article on Promar International’s website.

“The current focus on cattle production over-simplifies what is a very complicated subject,” said Ms Jones.

Much of the argument around livestock farming focuses on the global warming potential (GWP) of meat and dairy thanks to greenhouse gas production by animals, she explained.

For each 100g of meat produced, beef cattle create almost 2kg of carbon dioxide equivalent (CO2e) – the standard unit for measuring carbon footprints.

When compared with intensively reared chicken, which produces less than 0.5kg CO2e per 100g of meat, cattle appear to be much less environmentally friendly.

But this simplistic measure fails to grasp the nutritional output being achieved within each kg of meat compared with the CO2e, Ms Jones said.

New work on emissions

She highlighted the work carried out by Bristol University sustainable ***agriculture*** expert professor Michael Lee which was presented at the Sustainable Food Trust’s recent conference.

Professor Lee developed the new approach to measuring GHGs in beef production by incorporating RDIs.

At the conference Prof Lee explained that people didn’t eat to consume kilos of a product, they ate to consume the nutrients they needed.

The RDI system recognises this fact and ***accounts*** for beef’s high nutritional value per kg and its concentration of vital vitamins and minerals such as omega-3 fats and vitamin E.

This then allows a better comparison to foods which have much lower nutrient levels per kg, yet on the surface, have a lower carbon footprint, Ms Jones said.

Scientists using this metric have revealed that emissions from beef cattle reared on concentrates are actually less than 0.05kg CO2e per 1% of RDI.

That is just a fraction of the 2kg CO2e per 100g calculated in the standard GWP measurement, said Ms Jones.

Factoring in the nutritional value showed that emissions from those same cows were 2.25-times lower than free-range chicken.

JOURNAL : Farmers Weekly

A fungicide programme tailored to the season gave the best wheat yield response and the highest margin in an on-farm trial conducted by Cambridgeshire grower Russell McKenzie last year.

In a growing season which started off dry before rain arrived in June, it was the right year for showing that it’s possible to retrieve yield later on. And responding to the conditions is important, even further into the growing season, he believes.

Surprisingly, use of an SDHI at T3, which followed a T1/T2 programme based on an azole/strobilurin mix plus chlorothalonil, came out on top with an average 4.93t/ha yield response, producing a £614/ha margin over costs.

“With any fungicide programme, there’s always an element of guessing what’s going to happen with the weather,” says Mr McKenzie.

See also: Why wheat growers need to be extra alert for yellow rust

“What was obvious from our trial in 2019 is that we need to maintain some flexibility in order to deal with increasingly unpredictable weather.”

 Russell McKenzie’s key questions in 2019

What influence does varietal resistance have?

What does a standard fungicide programme deliver?

Does nutrition make a difference?

What happens if the programme is tailored to seasonal developments?

With the help of BASF, he took the opportunity to compare seven different input programmes – untreated plots plus six different treatments. These included a nutrition-only based programme, as well as one without an SDHI component at T1 and T2 and three with the leading manufacturer options of two SDHIs used at T1 and T2.

The sixth and final choice was the best performing – holding back the SDHI component until T3 and using azole and strobilurin chemistry at T1 and T2, along with multisite chlorothalonil.

Yield, costs and margins for the four different approaches

Treatment

Yield response (t/ha)

Cost (£/ha)

Margin over cost (£/ha)

Nutrition only

0.95

74

59

Aazole/strob/chlorothalonil

T1 and T2

3.49

57.78

431

SDHI T1 and T2

3.17

93.15

351

Season approach

4.93

76.68

614

Wheat at £140/t, SDHI at T1 and T2 had T0 of tebuconazole + chlorothalonil

While septoria pressure was initially low, yellow rust came in early, with some of the 11 varieties in the trial showing early signs of infection.

“Some varieties expressed high levels of infection early on, but it was interesting to see how adult plant resistance kicked in later on in the growing season,” he recalls.

“Skyscraper, which we grow on the farm, wasn’t one of those initially infected.

“Wasabi was one of the worst infected early, around growth stage 30-32, but amazingly it was virtually clean of yellow rust by GS39. Yellow rust is such a dynamic situation and doesn’t seem to obey the resistance-rating rules, so it was good to see resistance still working.”

Varieties in trial

Barrel

Kerrin

Firefly

Gravity

Skyfall

Lantern

Wasabi

Skyscraper

Spotlight

Crusoe

Sundance

In the untreated plots, the average yield was 8.92t/ha. Under this regime, top-performing varieties were Firefly at 10.53t/ha and Barrel at 10.17t/ha, while Gravity at 6.53t/ha and Kerrin at 6.5 t/ha were at the bottom.

“Barrel was a real surprise as it has one of the lowest septoria resistance ratings on the AHDB Recommended List at 4.3, but it reflects the season and early dominance of yellow rust.”

Nutrition only

Where a nutrition programme was used instead of fungicides, there were big differences between varietal responses.

While Spotlight showed no response to the programme, Firefly gave a 0.88t/ha response. In general, the less resistant varieties responded more.

“Overall the nutrition programme didn’t do as well as we had hoped. Bear in mind that it had a total cost of £74/ha.”

His reason for testing a nutrition approach was to get a better understanding of the potential of products such as Biotrac, an algae-based biostimulant, and their place in a programme.

Whether they work, when they should be applied and how they might help alleviate stress were all under scrutiny, but the 2019 results were inconclusive.

Having no SDHI chemistry in the programme gave an average response of 3.49t/ha – a bit higher than the 3.17t/ha response achieved when SDHIs were used at T1 and T2. This may have been a reversed result if septoria was present earlier.

“It was the right year for it, as disease pressure was low for most of the season,” says Mr McKenzie.

“In the trial, all three SDHI options at T1 and T2 were trialled from the three leading manufacturers, but there wasn’t really a huge difference between them.”

Again, varietal differences were seen, with the dirtier varieties such as Gravity and Kerrin giving responses of more than 5t/ha.

“Even Extase gave a 2t/ha response, which was far higher than we had anticipated.”

Late season control

In the best performing programme, holding back the SDHI until T3 (following a non-SDHI programme at T1 and T2), when Librax was applied, gave an average response of 1.43t/ha from that application alone, he reveals.

Those plots also remained greener throughout the trial.

“Where there’s rainfall in June, it would seem to work well. I just wish I’d been brave enough to use the same approach on our commercial crops.”

Variety responses to this T3 approach were analysed, which showed that it was a rust-dominated result, with huge responses from some varieties compared with their untreated yields.

More significantly, the top end treated yield of all the varieties was relatively close.

For Mr McKenzie, this clearly demonstrated that although there is a wide spread of response levels, even the cleaner varieties respond significantly to a well-balanced fungicide programme.

“Reducing the risk with a cleaner variety that may be a few percentage points down on yield on paper doesn’t always lead to significantly different yields on farm.”

Six different input programmes tested

1.     BASF

 T1 Adexar 1 litre/ha + chlorothalonil 1 litre/ha

T2 Librax 1.25 litres/ha

T3 Unizeb Gold 1 litre/ha + Toledo 0.43 litres/ha

2.     Bayer

T1 Aviator 1 litre/ha + chlorothalonil 1 litre/ha

T2 Ascra 1.25 litres/ha

T3 Unizeb Gold 1 litre/ha + Toledo 0.43 litre/ha

3.     Syngenta

T1 Aviator 1 litre/ha + chlorothalonil 1 litre/ha

T2 Elatus Era 0.8 litre/ha

T3 Unizeb Gold 1 litre/ha + Toledo 0.43 litre/ha

4.     Season approach

 T1 Amistar Opti 1 litre/ha + Epic 0.75 litre/ha

 T2 Comet 0.4 litre/ha + Epic 0.6 litres/ha + chlorothalonil 1 litre/ha

T3 Librax 1 litre/ha

5.     No SDHI

T1 Amistar Opti 1 litre/ha + Epic 0.65 litre/ha

T2 Comet 0.4 litre/ha + Epic 0.6 litre/ha + chlorothalonil 1 litre/ha

T3 Unizeb Gold 1 litre/ha + Toledo 0.43 litre/ha

6.     Nutrition

T1 Biotrac + Mn + Zn + Mg + Cu + Bridgeway

T2 Mg +B + Magphos K +Zn + Bridgeway + PGA

T3 Magphos K + S

Trial work objectives

The need for realistic and relevant ***data*** on which to base future decisions is behind the on-farm trials being conducted by Russell McKenzie.

Faced with continual changes to the fungicide line-up and the steady arrival of new varieties, he is investigating how both can be put to best use on his farm in the most cost-effective way.

“Having ***data*** from our own farm is invaluable and will become even more important,” he says. “The results from 2019 threw up a few surprises and made me realise that I should have been brave enough to trust my instincts more.”

Last year he set out to investigate the contribution of varietal resistance and nutrition to disease control, as well as comparing different fungicide programmes alongside an approach that was tailored to the season.

This year, he is hoping to repeat some of the work, but on wheat drilled much later at the beginning of February.

“That’s new territory for me,” he says. “But it could be very useful. All of our commercial crops are behind where we would like them to be, so gathering knowledge on the best way to manage them seems sensible.

“Perhaps nutrition and biostimulants will play a greater role this year.”

Actives

Adexar: epoxiconazole + fluxapyroxad

Amistar Opt:  azoxystrobin + chlorothalonil

Ascra: bixafen + fluopyram + prothioconazole

Aviator:  bixafen + prothioconazole

Comet: pyraclostrobin

Elatus Era:  benzovindiflupyr + prothioconazole

Epic: epoxiconazole

Librax: fluxapyroxad + metconazole

Toledo: tebuconazole

Unizeb Gold: mancozeb

JOURNAL : Farmers Weekly

It is late March and, as I write from a remote part of Northumberland, we are in the throes of lambing. People on my patch are not so concerned with catching a virus, but with keeping their new arrivals alive. It seems that spring has just got colder than winter.

Like all rural estates, we have sought to diversify and, over the past 12 years, have invested in all sorts of initiatives to reduce our exposure to ***agriculture*** and traditional rural business. Unfortunately, it seems that Covid-19 has, as nature often does, found a weakness in this approach.

See also: Find all our coronavirus content in one place

Our wedding bookings this year, while not huge, were better than ever before. But all of these are now looking to postpone until 2021. The holiday accommodation, at this moment, looks like it will struggle to let, and our garden openings, heritage tours and corporate events programme all look under threat.

But weirdly, there are some opportunities evolving. Prior to lockdown, we took an enquiry from a family who wanted to “isolate” somewhere remote for at least two months in our largest property. It’s a staycation, but not as we know it.

Cath, who runs our local shop and post office, is doing a roaring trade as the “social isolators” and homeworkers, particularly the older ones, don’t just buy their paper and fags from her now, but their whole weekly shop.

I had a long conversation with my friend, Paul Cowie, research fellow at the Centre for Rural Economy, Newcastle University, who is looking into rural workspaces. His observation was that, in the longer term, providing shared workspace in rural areas with good connectivity is a real opportunity.

A greater acceptance of home working could also help this new and thriving sector in the rural economy.

My limited exposure to social media suggests that some rural businesses are quickly innovating and diversifying. Offering more takeaway services or home deliveries and suggesting purchases of gift vouchers are just a couple of the ideas proving popular.

This period will also prove a valuable time to get all those things you wanted to change sorted out. The track for the catering team that serves our marquee site can now be done, as we have time. The redecorating of one of the older cottages can be achieved without the pressure of guests due to arrive.

In the 2001 foot and mouth crisis, my grandfather, then aged 98 and having farmed all his life, said “it’s not a bad thing, it’ll give the land a rest”. I feel slightly the same about the current situation. It’s awful, but it does present opportunities and, crucially, some time to really think about what we are doing.

Having said that, the truth is we are best placed when risk is spread and, like any other economy or environment, diversity is key.

In our wonderful countryside, we have an asset than can provide sustenance, experience, enjoyment and tranquillity. This crisis may well mean that people think more carefully in future about travelling abroad and, as our supply chains are challenged, it may prove that over-reliance on food imports is unwise. It could be a win for both the traditional and the diversified.

So if, through all of this extraordinary and ghastly business, a wider understanding emerges that rural Britain is not the poor relation to global markets and urban society, but an asset brimming with opportunity, the long-term outlook may be more positive than we think.

Willy Browne-Swinburne is a Northumbrian landowner, farmer and businessman

JOURNAL : Farmers Weekly

The world is a different place to what it was just a month ago, and this is a different column to that which I would normally write.

Food standards, security, sustainability and the need for a good departure from the EU – all remain vital issues, but are parked for now in deference to the need for an unprecedented global response to the Covid-19 pandemic.

See also: Farmers must pull together in coronavirus crisis

For the time being, farmers and government will work together – as always in times of national crisis – for the good of the nation, until the threat has passed.

The question I wish to pose, however, is: “How are you?”.

The farming community has been through the mill these past three years; from genuine business concerns over the impact of Brexit and future legislative arrangements, to the devastating effects of climate change, to the relentless assaults on our industry by so-called environmentalists and celebrities, the media and even our own government.

We’ve had a time of it, but we forge on.

Take some time to think about yourself; how are you feeling, really? Are you carrying a burden which would be better shared? There’s absolutely no shame in it. Lightening the load can positively affect all areas of your life

The automatic response is always to say: “I’m fine.” Most are. Some who aren’t may even believe they are. But the Covid-19 crisis has introduced yet another element to the pressures on many in our industry.

***Agriculture*** may be less affected than some sectors by the current restrictions and worries, but we’re all human; we all have frailties; we can all suffer from isolation; we all worry about the future.

Myself, I recently broke down before a dozen strangers on a professional development course. This, I must add, is unusual for me.

We’d been invited to conduct some personal self-analysis – not something I’d ever devoted much thought to.

A remarkable convergence of events that week exposed in me feelings which I realised had been consuming me for more than a decade, slowly filling me with self-doubt and recrimination.

I’m grateful to have experienced this enlightening opportunity – and for the invaluable support of my understanding course-mates.

I am fine. But my point is this: first, take some time to think about yourself; how are you feeling, really? Are you carrying a burden which would be better shared? There’s absolutely no shame in it. Lightening the load can positively affect all areas of your life.

Second, reach out to those around you. Check that they’re okay. You never know who might be struggling, or what help you might be able to offer.

Third, be kind, especially online. You don’t know what issues people are dealing with behind the computer screen.

As an industry, we’ve become much better at talking about mental health in recent years. It’s no longer a taboo subject, and the number of charities available to help farmers through difficult situations is constantly expanding.

NFU president Minette Batters has been showing compassionate and commendable leadership on this issue too, vigorously highlighting the consequences of careless criticism of farmers by, especially, the national media.

I know many members were genuinely heartened to receive something as simple, but heartfelt, as her recent voice message reassuring them that the NFU was there to help them through this difficult time in our national life. Small gestures can mean a lot.

So look after yourselves. Look after each other. Ask for help if you need it. Give help willingly if asked. And always, always, be kind.

JOURNAL : Farmers Weekly

What an irony that, just as the miserable weather of the past six months broke, allowing us back on the land, suddenly the country is in the grip of something much, much worse than a very wet winter.

At these times you count your blessings. The extra acres of spring drilling keep us occupied when we need a distraction.

Furthermore, unlike others, we can work safely in the isolation of our tractor cabs or out in the fresh spring air.

See also: Farmers must pull together in coronavirus crisis

Added to that is the knowledge that people are suddenly more concerned about food supplies which, in turn, gives us an increased sense of purpose.

With supermarket shelves being stripped bare, our role as food producers seems enhanced.

But while the temptation now is to talk up our own importance, we need to be careful. For starters, it is those in the medical profession, stepping up to put themselves in the front line of this terrible virus, who are the heroes, not us.

Second, at a time of national crisis it pays to silently and stoically do our bit without fanfare.

Let others come to their own conclusions about the importance of a secure supply of affordable food without us taking to our soapboxes shouting, “we told you so”.

There are lessons here from the last two times we had similar challenges as a nation.

During the First World War, despite the fact that food was a key to the war effort, farmers came out of it with a slightly tarnished reputation that they had profited from higher prices.

This PR setback was one reason why, after the war, politicians were prepared to once more sacrifice home ***agriculture*** on the altar of free trade.

It may be ill-advised to try to make political capital from concerns about food supplies at this time of crisis.

By the early 1920s, farming was sent back to its pre-war depression as Britain returned to importing the vast majority of its food.

The experience of the Second World War was different. Farmer leaders had learnt some PR lessons from 20 years earlier.

Christopher Neville, the NFU president in 1942, often defied the demands of his members who asked for better guaranteed prices.

He recognised it was not the time to plead a special case, but rather to show solidarity with the national war effort.

Writing in Farmers Weekly in 1942, Mr Neville reminded farmers that, due to their wartime efforts, they “have earned the goodwill of the population to an extent never attained before”.

He added: “This goodwill will be of incalculable value when the war is over and the policy of post-war ***agriculture*** is decided.”

He was right. After the war, the 1947 ***Agriculture*** Act was put in place to provide a backdrop for UK ***agriculture*** to thrive.

It is true many of us in the past have warned government that it needs to take declining home production and food security more seriously, because one day this country could face challenges that might need a vibrant domestic ***agriculture***.

But maybe now, as this pandemic sweeps across our nation, it is the time to moderate our messages. It may be ill-advised to try to make political capital from concerns about food supplies at this time of crisis.

It is when this deadly virus has passed, rather than during its course, that we should ask what lessons were learnt.

For now, the farming community needs to simply ask what it can do to help. The politicking can wait for a better time.

JOURNAL : Farmers Weekly

Sand is the gold standard when it comes to cow comfort and udder health, meaning that many farmers are looking at ways to upgrade from mats to sand bedding.

Its inert nature means sand harbours less mastitis causing pathogens, and also helps to keep cows clean and comfortable - all of which combine to aid health and lying times.

See also: Slurry separation options compared

Consultant, Andy Dodd from The Farm Consultancy Group, runs through the various factors to consider before converting to sand:

1. Think about slurry handling

Slurry handling is the number one consideration when thinking about moving to sand. On systems with underground channels or slats, sand can cause issues with slurry flow.

It’s worthwhile installing a slurry separator with a sand lane. This will ensure only the liquid enters the slurry store and will remove the need to dig the store out. A slurry separator will cost about £50,000-£60,000.

When putting up a new shed, consider using V channels rather than the standard U-shaped channels where sand can settle.

2. Consider equipment wear and tear

Sand will increase wear and tear on equipment, so be aware that chains and bearings will wear quicker. It could also halve the lifetime of any chain systems in underground channels.

Any automatic scrapers will also have to work harder to scrape slurry with sand. Consider scraping more frequently to reduce pressure or moving to tractor scraping.

3. Consider heel stone height and bed depth

The height of the existing heel stone will dictate how you convert existing cubicles to sand.

Mr Dodd believes 30cm (12”) is the maximum height for a heel stone, with no detrimental effect on foot health seen up to this level.

If the existing heel stone is 23cm (9in) for example, there is room to increase its height. As a result, it may be more cost effective to bolt a 5x10cm (2x4in) plank or angle iron on the back of the bed and fill in the bed with sand.

If the existing heel stone is already at 30cm (12”), the bed will need to be dug down. For example, 20-25cm (8-10in) of concrete could be removed from the bed and then built up with 5-10cm (2-4in) of chalk before 13-15cm (5-6in) of sand is added on top. The chalk provides a free-draining layer and reduces sand requirements.

Mr Dodd views 10-15cm (4-6in) of sand as the optimum sand depth – any more increases the likelihood of sand wastage off the back of the beds.

4. Get cubicle dimensions right

Sand can raise the height of the bed.

If the bed is raised 10-15cm (4-6in) for example, the whole cubicle will need to be moved 10-15cm (4-6in) higher.

If cows were lying well on the mats before making changes, make a note of the measurements and replicate them with the sand, but lift the cubicle higher. If you don’t, cows may not lie correctly.

Be sure to use the right measurements for your herd, rather than generic numbers.

5. What’s the pH of your land?

Know the pH of your soils. Sand is alkaline so if you apply alkaline slurry to soils that already have a high pH, you could compromise crop performance.

Target slurry towards more acidic ground or think about how you might export slurry and FYM.

6. Choose the right sand

Be aware of where sand is being sourced. Dredged sand in-particular may be cheaper, but can have a higher bacterial load, which could compromise udder health.

When in doubt, get sand analysed for bacterial load.

Generally, farmers opt for quarry or beach sand. The source chosen will largely depend on geography. Be aware that haulage will add to overall costs.

7. Ensure you manage cubicles well

Cubicle management is just as important on sand as it is with any other bedding material.

Any wet material needs to be forked out daily – if not twice daily – and beds should be topped up two to three times a week.

Level out any dips in the bed, otherwise milk can pool, causing bacteria risk.

Case study: Green Farm

Converting existing cubicles to sand and building a new, deep-bed sand cubicle shed has been one of several factors which have helped improve udder health at Green Farm, Shrewsbury.

Last year, dairy farmer Matthew Thomas decided to convert some of the cubicles in “the worst sheds” to help tackle challenges with somatic cell counts and mastitis.

Farm facts

480 cows yielding 12,000 litres a cow a year.

£13/t – cost of sand, versus about £130/t for sawdust.

£15,000/ year - cost of sand used in the modified cubicle buildings, versus £16,800 with sawdust.

170,000 cells/ml – winter somatic cell counts after moving to sand.

22 mastitis cases/100 cows – seen in January-February after moving to sand, scraping more and milking three times a day, versus 67 cases in May-July on sawdust.

The farm also moved to three times a day milking and increased scraper frequency.

Since then, yields have increased from 35 litres a cow a day to 41 litres, and mastitis cases have almost halved.

In the existing shed, Mr Thomas opted for the simplest and cheapest option, removing the mats and attaching a 10cm (4in) angle iron to the top of the 20cm (8in) curb, creating a 10cm (4in) sand bed. It took two people one day to convert 100 cubicles.

See also: 7 considerations before converting to sand on your dairy

“It was very simple. You can do it with unskilled labour between milkings. It was really profitable as it didn’t cost me in [additional] labour, just in steel,” he says.

In the new shed, he opted for 20cm sand beds with a crushed stone base. He views 10cm as the minimum for cow comfort and believes the new shed is the gold standard.

“In the old shed, I’ve made a two-star shed into a four-star shed and the new shed is five-star,” he says.

Sand has proved cheaper than the sawdust used previously. However, there have been added handling costs. The old shed has tunnels and a slurry tower, which means sand can block up the system.

“It does get blocked, but I’ve found a solution,” he explains. “I’ve put a piece of pipe inside the tunnel and I flush it through with an umbilical pipe every day. That keeps the slurry circulating around and then it’s pumped to the tower.”

A digger is now hired every six months to dig out the tower. Two tractors and spreaders are also hired to spread the solid material. This equates to additional costs of £5,000/year.

To justify this, Mr Thomas calculates that cows need to produce 0.25 litres more a cow a day, which they are.

With the combined benefits of udder health and cow comfort, he believes the pros outweigh the cons of sand. “I don’t think it’s going to be an easy product long-term, but it’s great for the cows,” he says.

JOURNAL : Farmers Weekly

Three men have been jailed for the illegal slaughter of hundreds of sheep and lambs on farms across Northamptonshire.

Robert Iordan, 23, and Florin Nutu, 36, were each sentenced to four years and four month,s and a third man, Viorel Manu, 39, two years and 11 months.

The men were responsible for at least a dozen recorded incidents of illegal sheep slaughtering on farms in the Midlands county last year.

See also: What to do if you’re a victim of sheep rustling

More than 120 sheep and lambs died in the sickening four-month killing spree between 22 June and 7 October.

Northampton Crown Court was told that the killings caused severe distress to farmers. The men travelled across the county, killing and butchering sheep in order to steal the meat and profit from it.

In one incident, a farmer made the grim discovery of butchered carcasses of 15 sheep while her two young children were with her. The remains had been discarded at the edge of the field, with one carcass hanging from a barbed wire fence.

 Blood-soaked knives

The court heard that police arrested the men on the A14 in the early hours of 7 October near Welton, Lincolnshire, after they were caught fleeing the scene of an attack.

Officers found blood-soaked butcher knives and the carcasses of nine sheep in the back of their van.

Speaking to the men via video link at Northampton Crown Court, Judge Adrienne Lucking described the killings as “gruesome and distressing”.

Judge Lucking said: “The sheep were in each case stolen for their meat, butchered in the fields, and their unwanted body parts left strewn around for their owners to find.

“On one occasion two very young children were completely traumatised finding their sheep slaughtered and butchered, such that they were screaming at the sight.”

Illegal meat chain

The court heard that the men became involved in the killings out of desperation for money. Police are still trying to trace who bought the illegal meat.

Iordan and Nutu, both of Dunsink Road, Birmingham, pleaded guilty to conspiracy to steal in relation to the slaughter and butchery of livestock.

Father-of-one Manu, of no fixed address, changed his plea to guilty on the day of his trial for the same offence. He was given a shorter sentence as he  took part in only one offence.

In a statement read to the court, the NFU said: “The successive strain of events over several months put an immeasurable amount of stress on farmers and their families and is something we hope never to see again.”

Lead investigator Det Con Jamie Cooper of Northamptonshire Police said: “These crimes caused farmers a great deal of upset and anger last year and I'd like to thank them and the wider rural community for their support and patience during our investigation.”

Sheep rustling on the rise, warns insurer

A rural insurer is urging livestock farmers to take steps to prevent becoming victims of sheep rustling.

NFU Mutual estimates farm animals worth £3m were stolen in 2019, a staggering increase of nearly 20% in two years.

Rebecca Davidson, rural affairs specialist at NFU Mutual, says highly organised criminal gangs are behind a recent rise in sheep rustling.

“This form of crime is devastating for farming families, who find the remains of slaughtered animals in the field. For smaller farmers, the loss of a number of stock can wipe out profits and disrupt the operation of the farm for years as they rebuild flocks,” she said.

In the past few days, NFU Mutual has received reports of sheep being butchered in farmers’ fields – presumably committed by criminals seeking to cash in on current public concerns of food shortages due to the coronavirus crisis.

In March, there were reports of a number of rustling incidents, including 70 suspected stolen sheep recovered by police when they stopped a livestock transporter in North Yorkshire, and 47 lambs stolen from Monmouthshire.

To deter livestock thieves, NFU Mutual advises farmers to:

. Ensure stock is clearly marked and records are up to date

. Graze animals in fields away from roads where possible

. Consider a sheep fleece marking system such as TecTracer

. Join a farm or rural watch schemes to share information about crime

JOURNAL : Farmers Weekly

The Ulster Farmers’ Union (UFU) has welcomed the decision to relax the three-crop rule in Northern Ireland.

The union said Daera’s announcement was a “positive result” for farmers who were struggling to meet crop diversification requirements after record rainfall in February.

The derogation will apply to all farms with more than 30ha of arable land.

Originally devised by Brussels, the three-crop rule requires farmers managing more than 30ha of arable land to grow at least three different crops.

See also: Three-crop rule finally relaxed in England

David Matthews, UFU seeds and cereals chairman, said: “This much-needed derogation will be well received in particular by our arable and horticulture farmers in Northern Ireland.

“The derogation will alleviate some of the current pressure on farms during this difficult time.”

The UFU had called on the government to consider the challenges facing farmers in Northern Ireland after the sustained spell of wet weather.

Mr Matthews added: “Daera’s derogation will make a huge difference to UFU growers who have faced months of relentless heavy rain, waterlogging and flooding of fields leaving them unable to plant and establish crops for 2020.”

It comes after the three-crop rule was finally relaxed for farmers in England following months of lobbying by industry leaders.

The rule is being relaxed for all farmers for 2020 – not just flood-hit growers unable to get crops in the ground, said Defra in an announcement on 20 March.

JOURNAL : Farmers Weekly

The loss of diquat means potato crop desiccation will be a longer and more protracted process, which could increase the risk of late-season diseases such as tuber blight and rhizoctonia.

Rapid burndown of potato haulm was a valuable tool in helping manage disease, by rapidly removing foliage that could be at risk from virus-carrying aphids and blight.

Therefore, disease programmes may need changing for the latter part of the season.

Here we ask three specialist potato agronomists for their thoughts on managing disease in crops desiccated without diquat.

See also: Tips on desiccating potato crops without diquat

John Sarup, Spud Agronomy

It's not that easy to sit at a desk while “self isolating” to put pen to paper and try to predict what is going to happen to the potato crop at the end of this season. However, I will have a go.

Nitrogen inputs

Firstly, how should we manage nitrogen inputs? It is likely that soil nitrogen availability will be on the low side due to the autumn and winter rainfall, so without doing any soil min N testing, we are in the dark.

If we apply too much nitrogen, crops will be difficult to kill before harvest, skin set might be delayed and there is a risk of disease – either from late blight or dry rot/gangrene on the back of damage at harvest.

When thinking about nitrogen, always take ***account*** of manures. You can always apply more nitrogen, but if you put it all on at once, you can’t take it off.

Where possible, for maincrop potatoes, I have always preferred to put two-thirds of the N requirement in the base, with the rest going on around tuber initiation. For salads and seed, all go on in the base.

It is worth remembering that nitrate N is mainly used by the plant for foliage production.

We don’t harvest foliage, so we only need enough to achieve full ground cover and maintain that cover long enough to allow the crop to bulk and achieve the desired size for the market.

It goes without saying – but I will say it anyway – that one poorly timed cultivation will compromise rooting and nutrient availability, so it is crucial to check that cultivations are not being carried out at depths where the soil is at or beyond its plastic limit.

Disease management

Secondly, we need to manage disease. Consider rhizoctonia, black dot and verticillium (known as the early dying complex) – all of which can attack the root system and affect yield and quality.

These can often be exacerbated by the presence of free-living nematodes and potato cyst nematodes, therefore, managing these pests is also crucial.

Late blight populations seem to change from year to year, but one thing is for sure, we need to have a robust anti-resistance strategy in place where different active ingredients are mixed, targeting the right products at the right time.

Tuber blight will always be a worry and, with the loss of diquat, crop canopies may be greener for longer. It is therefore important to understand which products are active on tuber blight.

I avoid the use of fluazinam products due to resistance concerns and rely on Ranman Top or Shinkon/Gachinko and Infinito.

Care needs to be taken to minimise resistance. Ranman Top and Shinkon/Gachinko are in the same resistance group, so a maximum of six applications can be made. Planning the desiccation process to include applications of these products will be vital.

Actives

Gozai - pyraflufen

Infinito - fluopicolide + propamocarb

Ranman Top - cyazofamid

Shinkon/Gachinko - amisulbrom

Spotlight - carfentrazone

Ben Lowe, Agrovista

Our first growing season without diquat is finally upon us, after 18 months of constant debate on how we are going to manage crops after this valuable active ingredient has gone.

What is clear from discussions, and backed up by trials, is that both desiccation and disease control begin at the planning stage.

Burn-down period

An extended burn-down period leaves the crop at risk for longer and attention to detail is paramount through this phase. Gone are the days of a two-spray approach anytime in the summer or autumn.

My expectation, following Agrovista’s trials of desiccation without diquat, is that the burn-down period will start slightly earlier and finish slightly later to hit the same bulking targets for each crop's end market.

Nutrient application

Nutrient application is the starting base, with nitrogen the key focus. If a crop becomes deficient in nitrogen late in the growing season, Altenaria solani will be the main risk.

However, historically, luxurious doses of nitrogen are often used. So, in most cases, there is room to make small downward tweaks to dose rates to aid quick and effective desiccation without loss in yield or quality.

Tissue testing of the crop has become a valuable tool in a grower’s armoury. This allows accurate and speedy analysis of what is going on within the plant, which hidden hunger is holding back yield, and what could be leaving the crop open to disease.

Magnesium, manganese and sulphur are all often deficient as the crop grows quickly. Remember that a healthy plant is far more robust at combating disease, especially late on in the year.

A new and popular tool last season was biostimulant Equilbrium, which is formulated from amino acids and seaweed extract. This product is a stress reliever and can really lift a backwards crop or push yields in a standard crop.

Aphids

An extended desiccation period leaves the crop susceptible to aphids, with the plant at risk until there is no longer any green tissue in the field, including stems.

This is an important factor for seed growers, but my main concern would be home-saved seed from a ware crop, where the focus may not be on aphid control.

Regularly monitoring the crop and ensuring phasing in of insecticides allows room for extra applications late in the season, with alternating modes of action being key.

It wouldn’t be a potato article if I didn’t mention blight at least once.

With extended desiccation, blight risk is also extended, with a real chance of zoospores being present in later-season crops, when conditions turn cold.

Poor timing or using products without soil activity drastically increases the risk of tuber blight, which brings most growers out in a cold sweat.

Cyazofamid will be my main recommendation to control tuber blight, within a sequenced approach to protect the active and ensure optimum control.

Martyn Cox, Blackthorn Arable

With the loss of diquat and as some extremely aggressive blight strains are now widespread, the risk of tuber blight could be high if, as expected, haulm death is slower than growers are used to.

Blight

Trials at AHDB sPot farms last season demonstrated that PPO-inhibitor herbicides Gozai and Spotlight take seven to 10 days longer than diquat to achieve complete kill. Not attaining complete kill as fast as with diquat is a serious concern.

Last season's benevolent weather mainly kept a lid on late-season blight, but in 2017, even very low levels of green leaf allowed severe tuber blight infections to occur.

There were significant levels of tuber blight around, and even a low level (<5%) in a crop can spell disaster. Therefore, in a non-flail situation, crops may well be at greater risk, as some leaf and stem remained in certain trials after 21 days.

The industry is aware that blight sprays need to be used with desiccants, as even 0.5% green leaf area can result in severe infection, which means growers will need to use more fungicides during burndown.

Which fungicide?

We already have a reduced armoury against tuber blight, as fluazinam is now much less effective on 37 A2, so we need to have a strategy to protect the remaining actives with tuber light activity.

The most reliable are the Qii fungicides and Infinito.

We face a situation where we could see 50% of the Qii allocation being applied after burndown and we really need to avoid this, as the risk of selecting for resistance is the major concern in the years ahead.

We see situations where burndown can start as late as early October, but this is going to leave growers in a really tricky situation, because dull, cool conditions do not favour the activity of the desiccants we now have.

PPO-inhibitor herbicides need bright light to be effective. Even spraying in the evening rather than at midday can make a big difference in the control achieved.

Nitrogen

As far as preparing crops for effective flailing, we do need to reduce lodging. This means nitrogen must be managed carefully, but this is easier said than done.

A knee-jerk reaction to simply reduce N should be avoided, as we have just experienced a very wet winter. The 2019 season followed a very dry winter with higher soil mineral nitrogen (SMN) and 2018 crops faced severe drought, so what do we use as a benchmark?

RB209 gives guidance, but a lot of varieties will be grown this year with no real guidance on crop maturity and N requirement and this is far from ideal.

After the wet winter we have just had, SMN levels will typically be lower than last spring, so a 30kg/ha reduction from last year will be achieved by changing nothing. Soil conditions also need to be considered, as they are rapidly going from very wet to dry and hard.

While SMN and applied N are a major factor in canopy duration, we also found in 2019 that the provenance of the seed played a big part in effectiveness of haulm destruction.

We saw earlier-than-expected senescence in many crops, despite higher-than-average soil N, and seed produced from crops that suffered extreme heat seems to have been a major factor in this.

When we consider all the variables we have seen in the past two seasons, it makes it very hard to know what to use as a benchmark.

In 2018, we had crops flowering in September after the drought, which followed a wet winter, but in 2019, the exact opposite happened. All we can do is use the information we have and make the best estimate for the current season.

JOURNAL : Farmers Weekly

Pig numbers in the UK hit a 16-year high at 4.7 million head in December 2019, according to the latest Defra figures.

The department’s figures for 1 December show the total herd was 2% up on the same date in 2018, making it the largest year-end pig herd since 2003.

The biggest increase was seen in England, where numbers grew by 3% to 3.78 million head.

See also: Top tips to pass a pig farm assurance scheme audit

The upward trend in the English herd is in stark contrast to Scottish Government figures, which show a decline of about 7% in overall numbers north of the border.

The Scottish breeding herd has dropped by 5%, which helped cause a small decline in the total UK breeding herd from 406,000 head in 2018 to 404,000 head last December.

However, AHDB analyst Bethan Wilkins urged caution in interpreting the Scottish figures because they appeared to go against evidence suggesting production was being ramped up.

"Given the significant improvement in profitability in 2019, we believe herd expansion has been under way.

“Slaughter levels between December [2019] and February [2020] were 6% higher year-on-year, pointing to increased pig numbers, perhaps even more so than suggested by the census,” said Ms Wilkins.

She added that while the female breeding herd declined slightly in Defra’s census, AHDB analysis suggested the breeding herd had expanded.

The significant rise in throughput over the past three months pointed toward an increase in sow numbers in mid-2019, which was unlikely to have been reversed later in the year, she said.

Prices stable

Meanwhile, pig prices have remained relatively stable this week, despite worries about labour shortages and supply chain disruption during in the coronavirus crisis.

AHDB senior analyst Duncan Wyatt said: “To say demand in the UK has been unsettled would be an understatement.

“Responses put in place to battle the coronavirus have led eating-out volumes to drop dramatically, while retail purchases have risen sharply.”

EU-spec SPP for the week ending 21 March edged downwards by only 0.07p/kg to average 163.15p/kg.

Likewise, spot prices remained strong, with some traders putting them at 170p/kg or more.

“As well as any short-term clamour for British pork in the retail sector, it may also be reopening Chinese ports, backed by plentiful import demand, that is behind this strength,” Mr Wyatt suggested.

Export insight

Pigmeat exports remained elevated moving into 2020, as more product continued to be sent to China.

In January, EU-28 exports of pigmeat, including offal, rose by 27% year-on-year to total 407,100t.

Within this, exports of fresh/frozen pork increased by 32% to 264,800t, AHDB figures show.

Volumes sent to China in January more than doubled on the year to total 174,700t but this influenced shipments to other key markets – namely Japan, South Korea and the US.

Exports to these countries suffered double-digit declines, the AHDB said.

JOURNAL : Farmers Weekly

The farming industry has been paying its own special tribute to the NHS and social care workers tackling the coronavirus pandemic.

Across the UK, millions of people took to their doorsteps and windows for a “Clap For Carers” tribute at 8pm on Thursday evening (26 March) to applaud NHS workers and carers.

Farmers made their own personal tributes, posting photos and videos on social media using the hashtags #clapforourcarers and #thankyouNHS.

See also: Coronavirus: Urgent appeal for Brits to work on farms

Warwickshire farmer William Forsyth and his team lined up two Case IH 535 Quadtrac tractors and two Horsch 12m drills to spell out the letters “NHS”.

Local joiner and farmworker Edward Atkinson then flew a drone over the team, recording aerial footage of the workers wearing masks, standing 2m apart in line and applauding together. The video, which has been uploaded to Twitter, Facebook and Instagram, has received hundreds of views and likes.

Mr Forsyth told Farmers Weekly: “We wanted to do something special to show our appreciation and to show the farming community is thinking about the NHS and care workers.

“They are going through a really tough time. I cannot imagine how hard it must be for them, and I hope this video might just give them a bit of an uplift. Our thoughts and prayers are with them at this challenging time – we really appreciate how hard they are working under very difficult conditions.”

Mr Forsyth said farmers are working hard during this busy spring period, drilling crops, calving and lambing. “Farmers are decent folk. We can feed the nation. Buy British,” he added.

Warwickshire farmer and ***agricultural*** contractor Chris Gardner said on Facebook: “Even though we’re fairly isolated at the farm, we could still hear vehicle horns and local noise in support of our heroic NHS staff at 8pm this evening. Fantastic!!”

Denbighshire sheep farmer Ll .r Jones posted his own personal tribute on Facebook, recorded in his sheep shed, using cards with messages as the animals bleated in the background.

“To all the doctors, nurses, carers, GPs, 500,000 volunteers and all the NHS staff that make it work. Thank You. Diolch.”

Dairy co-operative Arla Foods UK posted a video on social media of its farmer owners, factory workers and drivers applauding NHS staff and care workers.

“There are no words to express our gratitude to every individual working on the front line and supporting the NHS. From everyone who works at Arla and the farmers who own our company, THANK YOU,” said Arla.

[*https://twitter.com/ArlaFoodsUK/status/1243266502993817600*](https://twitter.com/ArlaFoodsUK/status/1243266502993817600)

Agronomy company Agrii said it had donated all of the personal protective equipment (PPE) from its Dunkirk depot to the “incredible staff” at Addenbrooke's Hospital, in Cambridge.

The company tweeted: “A small gesture in the grand scheme of things but we hope it helps.”

[*https://twitter.com/AgriiUK/status/1243478140686606338*](https://twitter.com/AgriiUK/status/1243478140686606338)

Meanwhile, Defra farm minister George Eustice paid his own tribute to farmers up and down the land, working hard to produce the nation’s food.

He said: “There are many key workers that are crucial to the resilience of our country. Our NHS staff will be working harder than ever in the weeks ahead. Those of you working to provide the nation with food and other essentials are also delivering an absolutely vital service.

“In many cases, you are the hidden heroes, and the country is grateful for all that you have done.”

JOURNAL : Farmers Weekly

Hogg finishers targeting the late market after paying elevated store prices might be pleased to break even after supply chains have been rocked by the coronavirus outbreak.

Lamb prices tumbled 70p/kg (£30 a head) last week after retailer and export demand evaporated with tightening lockdown rules.

Analysts forecast a slow price recovery based on the unknown duration of lockdown and social distancing measures at home and abroad.

AHDB analyst Rebecca Wright reassured that lamb exports to Europe were open, although cross-border checks have been stepped up.

She said the closures of public markets – such as the vast 234ha Rungis market in Paris – had limited demand and that most domestic processor closures were due to a lack of demand rather than issues with staff.

See also: What coronavirus means for farm kit orders, spares and servicing

Ayr

Craig Wilson Livestock auctioneer Drew Kennedy played down any Easter and Ramadan price rises.

“Easter and Ramadan won’t be the big social events they normally are because of social distancing rules,” he said. “These events normally come together and boost trade for the late hoggs."

He said the store lamb gamble had paid off for buyers until now, but it looked likely some lambs would do well to cover costs.

Ayr’s Monday (30 March) sale saw 809 hoggets average 47.9kg and 163p/kg and an SQQ of 171.6p/kg.

He said regional processing capacity had reduced. West Scottish Lamb, Carlisle, confirmed that it had temporarily closed, while Scotbeef’s lamb processing has been consolidated at the Vivers Scotlamb plant for staff health reasons.

Ross-on-Wye

After managing a weaker, but still comparatively buoyant, trade last week (23 March), Ross market saw an entry of 381 hoggets average £79.88 a head at an average weight of 39.47kg and level at an SQQ of 181p/kg on Monday (30 March).

Will Probert, auctioneer and valuer for RG and RB Williams, said this was less than 20% of a usual seasonal entry, but was to be expected in very challenging circumstances.

He said spring lambs were 100p/kg less on the week at £90-odd a head (230p/kg+). Best hoggs made £85 and more run-of-the-mill types sold for nearer £75.

Last week’s (23 March) trade opened strongly, but buyers got wind of lacklustre food service and continental demand before selling finished at 10:15am.

“Lambs making £106 at the start were making £92-£95 by the end of trading,” Mr Probert said.

“Stores will start growing now the weather’s turned and finishers will only have maybe six weeks to hold them.”

JOURNAL : Farmers Weekly

Mass factory closures and the lockdown of more than one-quarter of the world's population may have sent world economies into a whirlwind, but farm machinery manufacturers are doing everything they can to keep equipment working and farmers supplied.

We have been in touch with makers and dealers across the country to find out how they are managing the crisis, and all are demonstrating typical farming stoicism to keep businesses running during this challenging time.

See also: Coronavirus: Guidance for farmers and contractors

John Deere

John Deere is one of the few manufacturers to still be producing machines in Europe, with its Mannheim factory in south-west Germany operational at the time of writing.

Its parts business is also functioning as normal, with all European parts depots apparently delivering to order. However, with delivery firms at full stretch, it’s likely there will be some delays.

Dealerships have been adapting to the challenges and are continuing to deliver new machinery and parts, and carry out servicing.

Many are introducing contactless parts delivery and are keeping their customers up to date with regular bulletins by email and on social media. Some also have online stores, which are still accepting orders.

For those with newer machinery, dealers are also able to log in remotely via the JD Link telematics system, which allows some technical problems to be diagnosed without needing a field visit.

East Anglian dealer Tuckwell was one of the first dealers to shut its depots (24 March) to anyone but staff members. However, it maintains the dealership is still open on the phone for spare parts orders.

These can be collected from designated collection points outside the building or delivered to farm.

It has stopped all machinery demonstrations, but repair work is continuing and should be booked over the phone.

Claas

The big news coming out of Claas is that its combine production facility in Harsewinkel, Germany, has slowed production and will close until 17 April.

Added to that, eight of the 10 factories supplying Claas parts are entering a controlled period of shutdown, including its French tractor plant.

Claas HQ says it will provide “as many machines as possible” to the market and there is a range of new and used kit available through its dealer network.

Despite the slowdown at Harsewinkel, some divisions of the company continue to operate, including the machine and spare parts shipment in Germany and at Saxham in Suffolk.

Claas UK CEO Trevor Tyrrell says the Harsewinkel factory has committed to deliver “every retail order that has been confirmed” and, if an order is delayed, Claas and its dealers will support customers with either a demonstration unit or a young used machine.

The only orders at risk of being cancelled involve Claas UK's future stock.

There is a limited number of combines and foragers  available to buy, as well as those currently earmarked for dealer demonstrations, and the company expects them to sell out quickly.

There is more than enough stock in the system to fulfil orders for the next three months and farmers are being told not to worry about existing orders.

This view is echoed by north-west Claas dealer Rickerbys. No customer orders have been put on hold so far and it says there is a good stock of spare parts for the spring workload, with only slight delays on ordered parts.

Pre-arranged non-contact drop-off points have been used to deliver parts to customers and the firm is confident that previous country-wide crises such as BSE and foot-and-mouth have prepared the industry to cope with the challenges ahead.

Claas has also brought forward the launch of its electronic parts catalogue, which will allow machinery owners to more easily identify the parts they require by simply entering the machine model and its serial number.

The system can be accessed on the Claas website.

Orders can then be placed via the local dealer and requests will be delivered overnight from Claas UK's parts warehouse at Saxham.

Stock from the firm's Parts Logistics Centre in Hamm, Germany, should also be delivered by the next day.

Agco – Fendt and Massey Ferguson

Agco has suspended production at a number of its European sites due to the tightening supply chain and materials shortages.

These include Fendt’s German tractor plant at Marktoberdorf and cab factory in Asbach-Baumenheim, along with Massey Ferguson’s Beauvais facility in France.

Fendt says despite a good number of tractor orders, production stopped on 25 March, as Italian parts suppliers weren’t able to keep up with demand. Spare parts supply at four other Fendt sites is continuing for the time being.

The company is still shipping machines that have rolled off the production line, but there are a “good number” of orders still in the build stage during one of the busiest months.

However, dealers have three to four months’ stock of retail machines, so any gaps should be filled in the short term.

Fendt says customers still looking to buy machinery before harvest may have to compromise on model and spec.

South-west dealer Compass Tractors says some new machinery orders might not make it on farm as planned, and it is keeping a number of machines, including large tractors and foragers, in the yard to provide backup.

It is business as usual at the moment, and the firm hasn’t been notified of any delays in the delivery of new kit.

It also has a good stock of common spare parts, but says other components sourced from the continent are no longer enjoying next-day delivery. In most cases, these parts arrive two to three days later due to more stringent measures at the ports.

Massey Ferguson’s parts availability in the UK is said to be solid and the manufacturer has been in contact with several customers to put contingency plans in place to keep their farms running.

There is a potential short-term effect on UK orders due to Beauvais’ closure, and MF’s forecourt stock will be spread across the country to help fill this void.

There are currently 350 tractors on standby to help out farmers across a host of European countries, including the UK.

Agco dealer Lister Wilder says it always keeps an extensive stock of spare parts and any recent orders will get to customers quickly. However, delivery times may slow as requests rise and pressure increases on transport links.

New machinery in the dealer’s yard is plentiful at the moment and should keep up with demand until about July/August. By then, it hopes factories will have kicked back into production.

It is also helping famers fill any workforce gaps imposed as a result of travel bans by posting jobs through its social media channels.

Stage 5 engine deadline

The wider implications of lengthy factory shutdowns could hit the validity of parts, such as engines, that don’t comply with the forthcoming Stage 5 emissions laws.

Though this is more important for manufacturers than farmers, engines that meet current emissions legislation have a sell-by date of the end of this year, which is likely to be missed, given the halt in machinery builds.

A joint statement by the European mobile machinery industry has called for a temporary moratorium to allow makers that have purchased these engines – originally required to be in machines by 30 June and on sale by the end of the year – to have deadlines postponed until the situation can be reassessed.

If this doesn’t happen, many engines will have to scrapped, leading to further costs and environmental issues.

New Holland

New Holland has paused manufacturing at all of its factories and, at the time of going to print, the Basildon plant was set to be out of action until 3 April.

However, the firm says that date will be under continuous review. Completed machines are still being dispatched from the plant and it says it is working with dealers to make sure these get to customers.

Delays are to be expected, but because the factory is on UK soil, the firm says it is well placed to meet orders.

Buyers are still able to place orders, but these will not be processed until production commences again.

As for parts supply, New Holland says its priority is to keep customers going and its distribution centre in Daventry is dispatching as normal.

However, dealers and customers are no longer allowed to collect parts directly from the site.

Dealers are also functioning and have put extra measures in place to keep their parts, service and sales departments contactable and available.

These include a call-and-collect system which allows parts to be pre-ordered and collected without any human contact. They are also attending customer callouts and have put strict health-and-safety measures in place.

New Holland dealer TH White is running a skeleton workforce at some outlets, and on-farm demonstrations are continuing with the say-so of the customer and depot. New machinery installations will take place on a case-by-case basis.

The firm’s workshop is still operational, but any work carried out on farm has to be done in isolation, with the mechanic using personal protective equipment.

Deliveries are now free for customers who are self-isolating and pick-up boxes are in place outside the depots for collecting parts.

JCB

Production at JCB’s nine manufacturing plants in Staffordshire, Derbyshire and Wrexham ceased on 18 March due to a massive drop in global demand and was scheduled to recommence on 3 April.

However, the firm has recently announced it is extending this until at least the end of April.

It says demand for its ***agricultural*** machines is still strong and because its dealers always carry a stock of new machines, it is still able to fulfil customer orders. There could also be some stock sharing between dealers to plug any gaps.

The pause in production will cause some delay in the delivery of machines yet to be built, but the firm says these will be a priority once production resumes. Dealers are also continuing to take new orders.

The company will be using its new £50m Cab Systems factory to make steel housings for a brand-new design of ventilator from Dyson. A minimum of 10,000 of the JCB housings are earmarked for manufacture once Dyson receives regulatory approval for its design.

JCB’s World Parts Centre in Uttoxeter, Staffordshire, is open and distributing parts, and its dealers are continuing to operate, albeit with some adjustments to their working practices.

Lincolnshire and Yorkshire dealer Peacock and Binnington has asked all of its customers to phone to request parts and they have a closed-door collection policy.

This means phoning upon arrival at the dealership, at which point parts will be brought out and left for the customer to pick up, without breaching the 2m social distancing policy.

Servicing and repairs are continuing, but mechanics have to work in isolated conditions. They are keeping workshop repairs to a minimum and most work will be carried out on farm, with prior arrangement.

They will also use hand wash facilities/wipes before and after repair.

JOURNAL : Farmers Weekly

The Foster family, Little Houndales Farm, Driffield, East Yorkshire, has invested £150,000 in a multi-purpose beef finishing shed and handling system that is enabling the business to expand.

When son William decided to return to the farm after university, and with daughter Susie studying ***agriculture*** at Harper Adams University, third-generation farmers Peter and Mark decided it was time to grow the beef enterprise.

See also: What’s in your livestock shed? visits a Powys beef finisher

The beef and arable operation currently consists of 55 suckler cows, with all stock finished by 24 months and sold liveweight through Malton market.

Farm facts

55 cross-bred suckler cows – including Limousin, Blondes, Stabiliser and Blues

Sell finished cattle at 24 months at Malton market

Housed in mixed-sexed groups with males castrated at two to three days old

Calving February – June and calves are weaned straight into the new shed in October/November

Graze a dale during their second summer

263ha of arable growing wheat, spring and winter barley, oilseed rape, spring beans, and potatoes

40.5ha of grass

70 sheep

However, the new beef shed, which houses weaned calves, was finished in November 2019 and will enable the business to increase cattle numbers organically to 75, with 15 heifer replacements being kept back this year.

Tell us about the shed specifications

It is a single-span Shufflebottom shed measuring 100ft wide by 80ft long and has enough feed space to hold 112 head.

It also has a curved race handling system situated on the outside.

It is a steel-framed structure. The guttering system is incorporated into the shed inside the galvanised eaves and the roof is clad in fibre cement.

The central feed passage measures 4.88m – wide enough for machinery access. The scrape passage is slightly narrower at 3.3m but is still enough room for a forklift.

There is the capacity to have as many as three pens each side of the central feed passageway or it can be made into one large pen.

The animals can be shut back to scrape out and they can easily be run into the handling system.

Stock are housed on concrete which has been grooved in the feeding area for grip with a deep straw bedded area at the back.

Who designed and constructed the building?

The shed was designed by us, and the handling system by Bateman’s and supplied by GJ Taylor.

What was your initial budget and did you stick to it?

The main shed structure was on budget but if you count extras like lighting and things, it went slightly over by about £5,000.

Shed cost breakdown

Shed £66,000

Concrete floor £30,500

Concrete side panels £12,000

Pen gates and handling system £30,000

Groundworks £11,500

How is the shed ventilated?

The sides are made from concrete panels measuring 2.4m high with Yorkshire boarding on top to provide an air inlet from the sides. They were used instead of Galebreakers to reduce the cost.

Above door openings steel vented sheeting has been used to make the building more aesthetically appealing as the barn is situated next to the main road.

The roof pitch is 15deg and has a protected vented ridge to prevent rain coming in. The plan is to use the shed to store grain during the summer with the capacity to store about 1,000t of grain.

Two sliding doors are situated on one end of the shed to stop the south westerly prevailing wind.

Which features have helped ease labour requirements?

The idea of the shed was to make looking after the cattle a one-man job.

Each pen has three gates so if we need to scrape out, they can be penned back into the bedded area and we can scrape out in five minutes. Having a central feed passage means cows can also be fed quickly and straw can be blown in.

Has any aspect of the design improved animal performance or welfare?

The central feed passage is raised 8in making it easier for the cows to access feed.

The cows are fed a daily ration of silage, and a barley ration three times a day. The silage contains some potatoes and they will try to root through to find these.

However, the sides of the feed passage are slightly sloped (about 5deg) which has made it harder for cattle to sort the ration.

Tip-over troughs in each pen make providing clean water easier. Troughs are tipped out every day.

What are the best bits of the design?

The 16 LED 28w strip lights have made a massive difference to the working environment by helping extend the working hours.

Two LED lights are on a dawn to dusk sensor, so cows have light at night for feeding.

During the day a lot of our work is on the arable side of the business so we can now deal with the cows later on even when it is dark as the LED lights make it feel like it is daylight inside.

Is there anything you would change?

All the pipework for the water troughs is underground on 32mm pipes meaning there is no chance of water freezing.

The only external pipework is where the water pipe comes out of the ground to feed the trough and this has been protected with galvanised steel to prevent any damage from cows and machinery.

Each individual trough can be turned off, however, there is no isolator tap for the whole shed.

This would have been useful given we are hoping to use the shed as a temporary grain store in the summer.

Tell us about the handling system

There are three open-sided pens in the race which are useful to separate off different age groups. All the gates are 1.8m high.

A forcing circle with solid sides is used to move animals into the last bit of the race towards the crush. There are two non-returns in the race.

The 3m manual squeeze crush contains a chin scoop – which is great for tagging – and has various access points making it easy for us to access all parts of the cow and it’s small enough for calves.

We invested in a Tru Test weigh head and EID stick reader as EID.

The flooring in the handling system is concrete with a brushed finish to provide some grip and prevent slipping.

What have been the biggest benefits?

Since housing the finishing stock in the shed there have been no cases of pneumonia and handling is now a one-man job.

JOURNAL : Farmers Weekly

“Gay dating” is the most-Googled term in rural areas across the UK – that's according to a group which has been investigating trends among people looking for love and relationships online.

The number of people using Google to search for “gay dating” and “lesbian dating” in rural and more sparsely populated areas such as Cornwall and Shropshire is much higher than the average for the UK, says dating and relationships website Datingroo.

In typically LGBTQ-friendly areas such as London and Manchester these terms are searched for no more frequently than any other dating-related term.

See also: Will Vaughan France: 'It took me 15 years to come out – but my fears were unfounded'

More than one million people identified themselves as lesbian, gay or bisexual in the UK in 2017, according to the Office for National ***Statistics*** – that equates to around 2% of the entire population.

The numbers from this Datingroo study show that homosexuals are much more driven to online dating than heterosexual people.

Researchers identified four significant reasons for LGBTQ+ people in rural areas tend to date online

The lack of any "friendly places" in their area and the need for a safe place to open up and socialise with like-minded singles

Conservative religious or personal beliefs in their community that lead to anxieties of being socially rejected because of sexual preferences

Veiled or even open homo- or transphobia in their local community

Toxic and exclusive structures in local gay communities. There can be discrimination, bullying or exclusion within these groups

Building an LGBTQ+ community in a more socially conservative or religious rural area can be challenging, so many people tend to look for gay and lesbian dating on the internet, explains Patrick Wanis, an expert on human behaviour.

“The easiest option for someone who is gay and living in a smaller area that isn’t as diverse, is to connect and interact with other likeminded people via online dating," he says.

"Homosexual and bi-orientated people in the countryside can’t just go to the local bar or club and expect to meet other gay or bi-orientated people.

"For people in the LGBTQ+ community in rural areas it might even be physically safer to date online, as there is less chance of being confronted with hostility."

See also: Video: Gay farmer stories shared in emotional Landline film

He adds that it might also be a personal preference to stay anonymous after finding and connecting with other gay people in rural areas and small towns.

Agrespect – promoting diversity in ***agriculture***

Agrespect was launched in 2018 to break down barriers by sharing experiences from a diverse range of people working in ***agriculture***, including the LGBTQ+ community.

The initiative is backed by major industry brands and bodies, including the NFU, the AHDB, Massey Fergusson, Defra and Farmers Weekly.

To find out more, read the stories of the people the organisation supports and to get in touch, go to the website or search for Agrespect on Facebook, Twitter and Instagram.

Gay Farmer Helpline

Any farmer wishing to speak in confidence about their sexuality can call the helpline on 07837 931894 or get more information on the website.

**Load-Date:** April 9, 2020

**End of Document**



[***Positive Australian Covid-19 cases rise to 2,793 and states eye tighter restrictions - as it happened; Tasmania tells tourists to go home and closes national parks; SA and Queensland to go pupil-free except for children of essential workers; childcare centres remain open. This blog is now closedFollow the latest Australia coronavirus blog for live news and updates***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YH8-3P61-F021-60KG-00000-00&context=1516831)

The Guardian (London)

March 25, 2020 Wednesday 8:25 PM GMT

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**Section:** WORLD NEWS; Version:31

**Length:** 38623 words

**Byline:** Calla Wahlquist (now) and Amy Remeikis (earlier)

**Body**

block-time published-time 9.49am GMT

Where things stand tonight

We will leave our Australian coverage there for the night. You can follow our rolling global coverage [*here*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates), and read a summary of the main news in Australia   [*here*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates).

To recap:

* A second man has died from Covid-19 in Western Australia, bringing the number of deaths from the disease in Australia to 13. The man was in his 70s and had been travelling on a cruise ship, although we understand it was not the Ruby Princess.

1. Three other people, all in their 70s, died of Covid-19 in Victoria in the past 24-hours.
2. A quarter of all coronavirus cases in WA are people who have been on cruise ships, the WA government says, as it refuses to let people from two waiting cruise ships to disembark in mainland WA.
3. NSW has also banned people from disembarking from cruise ships, after the Ruby Princess disaster.
4. Prime minister Scott Morrison will attend a virtual meeting of the G20 tonig ht to ensure global supply chains remain open despite the coronavirus.
5. The Queensland parliament has been suspended until 28 April. The Australian and Tasmanian parliaments have both been suspended to August.
6. The Real Estate Institute of Australia supports calls for a six-month ban on evictions. The Shopping Centre Council of Australia has called on owners not to evict retail tenants for non-payment of rent.
7. Standard & Poor's has cut Virgin Australia's credit rating from B- to CCC.
8. A new requirement for temperature checks has caused queues and crowding at Sydney airport.
9. As of 3pm today, Australia had 2,799 confirmed cases of Covid-19 and had conducted 178,000 tests.

Take care, stay home if you're able, and we will see you in the morning.

block-time published-time 9.40am GMT

The head beekeeper of the Australian Parliament, Cormac Farrell, has farewelled his bees as access to parliament is restricted to essential staff.

enltrTelling the [*#bees*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) living at   [*@Aust\_Parliament*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) that I will miss them   [*@Aurecon*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@ANU\_Bees*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#beekeeping*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) ???   [*pic.twitter.com/P7tB6EG8ws*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Cormac Farrell (@jagungal1) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

If Farrell can socially distance from his bees, you can follow social distance guidelines too.

block-time published-time 9.20am GMT

Deputy chief medical officer Paul Kelly was also asked on 7.30 about [*crowds and queues at Sydney Airport after NSW health ordered*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) all incoming international passengers to be screened with temperature checks.

He replied:

One is the numbers of people returning from overseas are decreasing quite rapidly but there's still several thousand people every day. It's interesting that you would say that people were concerned about being held up for temperature tester. A few days ago we were being criticised for not testing enough at the airport...

That's one of the reasons why we've gone to the 14 days of self-isolation. That means staying at home, because the airports are not set up for this sort of thing. We're testing where we can. We're trying to identify people that are sick so they can be tested early.

But the general principle, if you're returning from overseas, we're assuming the whole of the world is worse off than Australia and for most of the world that is the case, and we're asking people to isolate at home, to self-monitor and that will be checked, Leigh. All states and territories are really ramping up their checking and enforcement of that home quarantine.

block-time updated-timeUpdated at 9.26am GMT

block-time published-time 9.13am GMT

The Northern Territory government issued this warning earlier today to residents of remote Indigenous communities about travel restrictions, which kick in at midnight.

It reads:

If you do not return to community by midnight tonight, you will not be able to go home for a long time.

Restrictions on travel to communities starts at midnight tonight, 11.59pm Thursday 26 March 2020.

This is to protect you and your community from the coronavirus. The safest place for you is in your community, homeland or outstation.

If you do not leave today you will have to self-quarantine (be alone, no contact with family) for 14 days. You will not be able to go back to community for a long time.

Tangentyere Council in Alice Springs was offering to pay for travel, buying bus tickets or petrol to help people get home.

block-time updated-timeUpdated at 9.18am GMT

block-time published-time 9.02am GMT

The Shopping Centre Council of Australia has urged commercial landlords not to terminate retail leases for the non-payment of rent during the coronavirus crisis.

SCCA chairman Peter Allen said he had been told by the federal government that some shopping centre owners were not "engaging with the empathy that is required during these times".

He said in a statement:

This is surprising, and if correct, very disappointing and frustrating to hear.

The SCCA asks members to ensure there are no lease terminations for non-payment of rent for small to medium-sized businesses as we work through this period.

It is vital that our industry, as a key part of the economy and our local communities, work collaboratively with government and our SME retailers to support their cashflow and jobs across the economy.

block-time updated-timeUpdated at 9.05am GMT

block-time published-time 8.50am GMT

On the ABC's 7.30 program, Australia's deputy chief medical officer, professor Paul Kelly, said "millions of masks" were expected to arrive in Australia over the next few months.

enltr"We're expecting millions of masks to arrive in the country over coming months. We have already now had 8 million that we are putting through primary health networks to our general practitioners and also to our fever clinics." Prof. Paul Kelly Deputy CMO [*#abc730*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#covid19australia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- abc730 (@abc730) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Kelly said the focus of the testing regime in Australia remained people who had returned from overseas, and known contacts of confirmed cases, who were asked to self-isolate and monitor themselves for any symptoms.

enltr"If you're sick, stay at home, minimising those number of interactions you have with other people, particularly close interactions. We've, so far, tried to do that voluntarily." Prof. Paul Kelly Deputy CMO [*#abc730*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#coronavirusaustralia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#covid19australia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- abc730 (@abc730) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time updated-timeUpdated at 9.04am GMT

block-time published-time 8.33am GMT

Sam Page, the chief executive of Early Childhood Australia, says her sector is calling on the government to continue paying the childcare subsidy, at the rate of enrolment rates on 2 March, to tide over operators as parents no longer pay their contribution.

Page told Radio National:

Early childhood services understand that parents are confused and concerned and many are holding children back at home in the interim while we're in the middle of this crisis... The problem is that, legally, services can't receive the childhood subsidy without also charging parents their contribution of the fee, unless they're directed to close by health authorities...

Which means services are in the position of having families not attending but still being charged, so then they're un-enrolling their children and withdrawing altogether from the service. The service receives no revenue and the educators and teachers are facing, we're facing, nationwide job losses.

Casuals have already lost shifts, and permanent workers will be lost. Page said essential workers needed services to remain open, but others withdrawing their children were threatening their viability.

Page said the education department had promised work was going on behind the scenes to provide support, but noted that many centres had already closed, with more to close next week, if the government did not adopt the "quick fix" of continuing to pay the subsidy.

block-time updated-timeUpdated at 9.06am GMT

block-time published-time 8.19am GMT

More than [*300 Australians on the Costa Victoria cruise ship*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) face a choice between staying onboard the potentially coronavirus-stricken vessel or disembarking in   [*Italy*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates), now the global centre of the virus outbreak.

International flights are being cancelled by airlines across the globe - Qantas is set to stop all international flights by the end of the month - meaning those who disembark in Italy could be stranded there for weeks if repatriation flights cannot be organised.

Many of the Australians on board the Costa Victoria are elderly, and some have underlying health issues, putting them in the highest risk category for a severe infection.

The Australian embassy in Rome has told passengers it is working with Costa Cruises "with a view to enabling you to return home to Australia as quickly as possible", but did not provide any detail on what was planned for the group.

block-time updated-timeUpdated at 9.07am GMT

block-time published-time 8.11am GMT

Queensland parliament has reportedly been s uspended until 28 April, due to the coronavirus.

Federal parliament and the Tasmanian state parliament have already suspended until August.

enltrBREAKING: The Queensland government - through Labor Speaker Curtis Pitt - has cancelled parliament until April 28, due to coronavirus. The Chief Health Officer today said it was safe for MPs to sit. Story on [*@australian*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) soon   [*#qldpol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#auspol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#coronavirusau*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*https://t.co/mE9PNx7lqE*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Sarah Elks (@sarahelks) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time published-time 8.01am GMT

Second death in WA was cruise ship passenger

The Western Australian Department of Health has confirmed that a man in his 70s died in a Perth hospital today after testing positive to Covid-19.

The department said:

A male in his 70s has passed away at Joondalup health campus after testing positive for Covid-19. The man was receiving care within an isolation room prior to his death. He was a cruise ship passenger.

Overnight, an additional 26 new cases of Covid-19 were confirmed, bringing the state's total to 231.

It is the 13th death connected to Covid-19 in Australia, and the second in Western Australia after the death of James Kwan, a [*78-year-old WA resident and passenger of the Diamond Princess cruise ship*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) who died on 2 March.

Three people in their 70s died in Victoria of Covid-19 in the past 24-hours.

block-time updated-timeUpdated at 8.04am GMT

block-time published-time 7.44am GMT

Adrian Kelly, the Real Estate Institute of Australia president, has lent support to a six-month ban on evictions being rolled out in New South Wales and other states and territories, telling Radio National that "everybody needs somewhere to live to ride this out".

He said:

We're 100% supportive of federal and state governments' efforts in ensuring everyone has somewhere to live. Housing is a massive industry and an economic driver for this country. There are 3m rental properties in Australia and they house 8 million Australians. With all the job losses we're seeing, we need to house all these people, many of who will be unable to pay the rent. We need to find a way to help tenants continue to pay their rent.

Asked if the commonwealth government should pay tenants' rent, Kelly noted that both commonwealth and states had worked on ensuring there were no forced evictions and he expressed hope "they've found a way to fund it". Kelly said that if landlords and real estate agents lost their income from rent, "everybody loses".

He said:

If real estate agents and all their property owners are left spinning in the breeze, we're going to have a disaster on our hands...

If the property owner has to do the right thing and house all these unemployed people in their property, they're going to need money for that... They have their own families and their own children that need to be fed.

block-time updated-timeUpdated at 7.52am GMT

block-time published-time 7.39am GMT

Meanwhile, attempts to collect unwell passengers from the cruise ship Artania, anchored off Fremantle, have hit some snags.

enltrFirst attempt to medevac elderly passenger with non COVID-19 illness from the Artania failed when the ropes to the police boat broke in the surge. They'll now try with a platform. ? [*@abcperth*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) ?   [*pic.twitter.com/55hV4fuiAD*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Nicolas Perpitch (@NicPerpitch) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time published-time 7.35am GMT

A man in his 70s has died of Covid-19 in WA

A second man has died from the novel coronavirus in Western Australia, according to reports. This brings the number of deaths in Australia to 13. Four of those deaths, all of people in their 70s, were announced today. The WA Department of Health said it would release a statement shortly confirming the latest death.

enltr [*#BREAKING*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) : WA's second death from COVID-19. A man in his 70's from the Ruby Princess has died at Joondalup Hospital today.   [*@Gary\_Adshead*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#9News*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/IdmfRed1bE*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Nine News Australia (@9NewsAUS) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time updated-timeUpdated at 7.45am GMT

block-time published-time 7.22am GMT

ALDI supermarkets have placed social distancing markers, 1.5m apart, on the floor near the checkouts to ensure people observe the correct guidelines.

They are also installing clear screens at each register to protect staff, and said security guards would "enforce customer flows", including by limiting the number of people allowed in the store at any one time.

ALDI has increased the number of products that have purchase restrictions. Basically, for all three major supermarkets, the rules are no more than one pack of toilet paper and no more than two packs of anything else that could be considered essential.

The supermarket wars appear to have died in recent days, which is lovely and very well done to all shoppers. But these restrictions are likely to remain in place in some time, lest the panic start up again.

block-time updated-timeUpdated at 7.26am GMT

block-time published-time 7.10am GMT

And some thoughts on parliaments being suspended until August, from former Tasmanian premier David Bartlett.

enltrWhile I recognise the health reasons for closing the Parliament (both State and Federal) - deeply concerned that this is a time the Executive desperately needs the scrutiny of the Parliament. When increased police powers are on the horizon. Dangerous. [*#politas*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- David Bartlett (@Bartlett\_DJ) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time published-time 7.05am GMT

Tasmania closes national parks

Tasmania is closing its national parks and reserves:

enltr [*#BREAKING*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) : All of Tasmania's national parks and reserves will close from midnight tonight   [*#covid19tas*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@abchobart*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Monte Bovill (@MonteBovill) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time updated-timeUpdated at 7.18am GMT

block-time published-time 6.58am GMT

Queensland cases rise to 493

Queensland has just issued its daily update of Covid-19 numbers. It confirmed 50 new cases on Thursday, bringing the total to 493.

That's a slight increase from the 46 new cases reported on Wednesday, but still well below the highest daily rise in that state.

As in Western Australia, Queensland Health says the majority of cases are from patients who have travelled overseas or had direct contact with a confirmed case who had travelled overseas.

Contact tracing is underway for the 50 new cases.

And as a reminder:

Queensland Health is urging anyone who has been overseas in the last 14 days and has a fever or any respiratory symptoms to see a doctor immediately. Please call ahead to the GP surgery and let them know your symptoms and travel history - this will help them prepare for your arrival.

block-time updated-timeUpdated at 7.15am GMT

block-time published-time 6.52am GMT

Virgin Australia's credit rating cut to CCC

S&P has cut Virgin Australia's credit rating to CCC, deep in junk territory, after the airline grounded 125 planes due to the coronavirus pandemic, warning the airline was at risk of defaulting on its debt.

The airline's credit rating was already in junk territory at B-.

S&P said Virgin's credit rating was continuing to develop, reflecting "our view that a default or distressed exchange appears increasingly likely over the next 12 months, absent timely government or other support and/or a swift reversal of the Covid-19 outbreak".

It said:

The prospect of timely and coordinated equity support now appears unlikely.

Virgin Australia is 90%-owned by Etihad Airways, Singapore Airlines, Nanshan Group, HNA Group and Virgin Group. To varying extents, each shareholder is experiencing their own challenging industry conditions.

The ratings agency said the Australian government might support the airline sector during the crisis.

A government bailout of aviation has been enormously controversial over the past week, with Qantas boss Alan Joyce publicly lobbying against any bailout of Virgin Australia, only to be told to knock it off by competition tsar Rod Sims.

block-time updated-timeUpdated at 6.54am GMT

block-time published-time 6.42am GMT

WA health minister Roger Cook says one of the passengers on the cruise ship Artana has been transferred to hospital in Perth - but does not have the coronavirus.

Seven people on the Artana tested positive to Covid-19 overnight and a further 18 have respiratory symptoms.

Cook said the man, in his 70s, had a life-threatening illness that was unrelated to Covid-19 and had not tested positive to the virus.

Cook said:

However, as a precaution, he is being treated in a negative pressure room at Fiona Stanley Hospital to ensure we don't take any unnecessary chances.

The Artana is anchored off Fremantle and its 800 passengers and 500 crew, none of whom are Australian, are not being allowed to disembark.

Cook said the WA government would like those on the Artana who had tested positive to Covid-19 to be transferred by the federal government to a military base, so the ship could sail on to South Africa.

block-time updated-timeUpdated at 6.44am GMT

block-time published-time 6.36am GMT

Western Australia coronavirus cases rise to 231

Western Australia has recorded 26 new cases of Covid-19, bringing its state total to 231.

Health minister Roger Cook said four of the new cases were people who were passengers on cruise ships - one from the RubyPrincess, one from the Sun Princess and two from the Voyager of the Seas.

In total, 51 cases in WA are cruise ship passengers.

Cook said that, as of Wednesday night, all of the cases in WA "have been connected in some way to overseas travel".

Fifty per cent of those people were people who have returned to Western Australia on flights. Twenty-five per cent are cruise ship passengers and 25% are close contacts with either those cruise ship passengers or people who have returned from flights.

So, obviously, that is a really strong situation for Western Australia to be in.

Cook said two cases in WA were listed as contracting the virus from an "unknown source" but were not "necessarily contracted the virus from community spread".

In these particular cases, all these are close contacts with overseas travellers. Now, by the time the overseas travellers were tested, they were negative. So, potentially, these two from unknown sources could [be] from those travellers, as they were recovering from the illness, but not before they had the opportunity to pass it on.

block-time updated-timeUpdated at 7.15am GMT

block-time published-time 6.26am GMT

Michelle Landry, the LNP member for Capricornia in far north Queensland, and Queensland senator Matt Canavan have written to Queensland premier Annastacia Palaszczuk to request her "urgent consideration for shutting north Queensland's borders".

It is worth noting that as it is not an independent jurisdiction, north Queensland does not have borders.

enltrCapricornia MP [*@mlandryMP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) and Senator   [*@mattjcan*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) have written this letter to   [*@AnnastaciaMP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) - requesting North Queensland's borders be closed to halt the spread of   [*#COVID19*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@WINNews\_ROK*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@WINNews\_TVL*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/MFUg074PvE*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Ciara Jones (@CiaraEJones) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

The request is being made because the majority of cases of Covid-19 to date have been in the south-east, particularly around Brisbane and the Gold Coast.

There are not, at this stage, formal rules against people moving within states. But all state premiers, including Palaszczuk, have repeatedly said people should stay at home for everything but essential purposes, such as a quick grocery run, and should not leave their houses to visit others or go on holiday.

Which should mean no one from southern Queensland is needlessly wandering up north.

block-time updated-timeUpdated at 6.35am GMT

block-time published-time 6.19am GMT

More details on personal payments in the SA stimulus package

A few people have asked for more information on that $500 one-off payment for people on Centrelink, which the South Australian government announced today.

It is tied to the cost-of-living concession payment, which is made available once a year to low income households in SA and is intended to help cover the cost of utilities.

In 2019, the payment [*was worth $109.70*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) per household. It's not automatic - eligible people apply between 1 July and 31 October and it can take several months to get the payment.

In response to the coronavirus, premier Steven Marshall said the payment would be brought forward and increased.

This is from his [*media statemen*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) t today:

The government will also provide a once-off boost of $500 and bring forward the 2020-21 'cost of living concession' for households who are receiving the Centrelink jobseeker payment, assisting those who are unemployed or lose their jobs as a result of the coronavirus restrictions.

For eligible homeowners, their 2020-21 payment of $215.10 will now become $715.10. Eligible tenants will receive $607.60.

block-time updated-timeUpdated at 6.41am GMT

block-time published-time 6.02am GMT

Scott Morrison will attend a virtual G20 meeting tonight, as world leaders attempt to ensure global supply chains are not broken.

The national cabinet will meet again tomorrow.

There is no press conference tonight (as of this point).

I'm logging off now, and will leave you in the very clean hands of Calla Wahlquist. I will be back on Monday. Please - take care of you.

block-time updated-timeUpdated at 6.15am GMT

block-time published-time 6.00am GMT

Where we are at

* Three more Australians have died from coronavirus, bringing the national total to 12.

1. Australia has 2,793 cases in total.
2. Peter Dutton contradicted his border force chief on the issue of whether cruise ship operators are being honest about illness on board their ships. Border force says yes, Dutton says no.
3. WA has said no one on a cruise ship will be allowed to enter WA without mandatory quarantine. He is attempting to turn back a ship, with no Australians on board, to South Africa.
4. Queensland will have pupil free days from 30 March. Schools are open for parents who have no choice.
5. South Australia will move to pupil free days from 4 April. Schools are open for parents who have no choice.
6. Western Australia will move to pupil free days from April 3. Schools are open for parents who have no choice.
7. Online learning is being worked up, for the next term for all Australian schools.
8. Hairdressers can now service clients for as long as they need (space restrictions in place).
9. Hairdressers want the government to shut them down.
10. New South Wales has announced it will be moving further with restrictions if its curve does not flatten, something Victoria has already announced. A split with the prime minister's position is imminent, with the state and federal governments hinting a consistent position is no longer possible.
11. SA has announced a further $650m in economic help, bringing its total package to $1bn. Included is $500 individual payments for those needing Centrelink assistance.
12. Testing restrictions have been loosened.
13. Labor and the Greens are pushing for a freeze on rental evictions and for a wage subsidy like the UK has in place.
14. NSW Health has ordered all passengers be screened for illness as they enter Sydney airport, after scenes of confusion at immigration lines were released on social media.
15. Australia has asked Ford to help with making ventilators.
16. A man was arrested at the Queensland border road block, driving an alleged stolen car with paper number plates.

block-time updated-timeUpdated at 6.30am GMT

block-time published-time 5.41am GMT

Labor (and the Greens) are starting to push this very hard.

enltrKeep people connected to their employers. We need to recall Parliament and establish a wage subsidy. There are different ways of implementing this but it must: 1. Be conditional on keeping people in work 2. Be sufficient for employers to be able to afford to keep employees on. [*https://t.co/HpPAgCqZXb*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Tony Burke (@Tony\_Burke) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time updated-timeUpdated at 5.45am GMT

block-time published-time 5.38am GMT

The man who was arrested attempting to cross the Queensland border, appears to have allegedly attempted the very well marked police road block in a stolen car, with paper number plates.

Police allege they found drugs and a gel blaster (sort of like the guns they use in paintball skirmish, which are fake, but hurt like a bejesus) in the car.

The man also has outstanding warrants. He'll face a magistrate court soon.

block-time published-time 5.30am GMT

The ACCC has given permission for the nation's airlines to work together, during the Covid-19 crisis:

The ACCC has today granted interim authorisation to Regional Express (Rex) allowing it to coordinate flight schedules with Virgin Australia and Qantas Airways on ten important regional flight routes during the Covid-19 pandemic.

The interim authorisation will also enable Rex, QantasLink and Virgin to share revenue from providing services on the routes. Importantly, it is conditional on airlines charging fares no higher than those in place on 1 February 2020, meaning the airlines will not be able to coordinate to raise prices.

"We recognise this is an urgent request. This authorisation will help provide certainty for regional flight operators to support services on these routes for those who need to use them," ACCC Chair Rod Sims said.

"We hope that this temporary measure will also support airlines' ability to again compete with each other on these routes once the pandemic crisis has passed."

block-time updated-timeUpdated at 5.33am GMT

block-time published-time 5.29am GMT

We'll get you more detail on this as soon as we can.

enltrBREAKING: police have just taken a man at a Queensland border checkpoint into custody. More to come [*@9NewsQueensland*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Rob Morrison (@RMorrison9) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time updated-timeUpdated at 5.32am GMT

block-time published-time 5.20am GMT

And the rental relief package is still a work in progress, it seems.

Mathias Cormann :

Tenancies are a matter that in Australia are regulated at a state level. But there is a matter that through the national cabinet, the prime minister, and premiers and chief ministers have turned their mind to and I expect there'll be announcements in relation to this.

block-time updated-timeUpdated at 5.28am GMT

block-time published-time 5.19am GMT

Mathias Cormann was also asked if the government would release the modelling it is using to make these decisions, in the same way the UK has. The short answer, is no.

We are dealing with... Covid-19 through the national cabinet in all the appropriate way. These are questions for others to answer.

What I will say to you, and what I think Australians would expect from us is that we will not make decisions, we will not make decisions based on political considerations.

We will make decisions based on what the experts advise, based on the evidence and based on, you know, objective indications.

Australians would not want us to gratuitously close down businesses in the absence of medical advice that that is what should happen.

It's very disappointing that in this time - I mean, we're all in this together. And at this time when the community actually needs the reassurance that everyone is pulling in the same direction that we get politically manufacture motivated commentary along the lines that we've seen.

block-time updated-timeUpdated at 5.31am GMT

block-time published-time 5.10am GMT

Reports [*emerged overnight*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) that the United Kingdom may allow its citizens to self-test at home for Covid-19 using a rapid finger print test, which detects antibodies in a patient's blood and can return positive results in 15 minutes.

The test kit is being evaluated, and, if deemed sufficiently accurate, will be made available for home-testing, either via Amazon delivery or from local pharmacists.

Australia has now ordered 1.5m antibody [*tests from a variety of manufacturers*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates).

Five different companies have been [*given conditional approval*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) from the Therapeutic Goods Administration to sell the rapid antibody tests. But the Australian health department has confirmed that it will not allow the tests to be used at home.

The tests will be used only in healthcare settings with the assistance of a practitioner, so patients can be given treatment and advice if needed.

"Australia requires testing for serious infectious diseases to be conducted in conjunction with a healthcare professional who can provide appropriate advice and treatment if required," a spokesperson said.

"The supply of self-tests for most serious infectious diseases, including self-tests for Covid-19, is prohibited under the Therapeutic Goods (Excluded Purposes) Specification 2010."

The government is continuing to assess the effectiveness of the tests in conjunction with the Doherty Institute.

block-time updated-timeUpdated at 5.15am GMT

block-time published-time 5.05am GMT

Dan Tehan has put out a statement on child care. At this stage it is open.

The current expert medical advice is that the child care sector should remain open except where individual services have been directed to close by health authorities.

The government is aware of the challenges facing the child care sector because of reduced attendance.

I am working with the sector to minimise the impact of Covid-19, and we already have implemented additional support arrangements.

To support the sector, we have increased the number of days, up to 62, that a child care service will continue to receive the Child Care Subsidy (CCS) when a child is absent from care. The CCS covers up to 85% of the daily costs of a child's care.

Grants ranging from $10,000 to $50,000 are available for child care providers through the Community Child Care Special Circumstances Fund to help cover business costs, including wages, to ensure services impacted by Covid-19 can continue to operate.

Families with financial difficulty can apply for funding through the ACCS (temporary financial hardship fund) to cover child care gap fees.

One of the key ways all governments can support the sector is through regulatory relief and this is on the agenda for Education Council tomorrow.

We continue to assess the issues facing the sector and we will continue to work with them to manage the impact of the coronavirus.

I will have more to say on this in the coming days.

block-time updated-timeUpdated at 5.13am GMT

block-time published-time 5.01am GMT

The Australian Academy of Science, which has asked the government to release the modelling it is using to make its Covid-19 decisions, [*has released an article on how to look after your mental health*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates).

It also has another video (fact checked) with how you can best prepare for what is coming.

Australian Academy of Science YouTube

block-time updated-timeUpdated at 5.05am GMT

block-time published-time 4.59am GMT

South Australia has announced 38 new cases of Covid-19 since yesterday.

That makes 235 cases for the state - 60 of which came from cruise ships.

A third person, a 50-year-old man, has been admitted to intensive care.

block-time published-time 4.57am GMT

Mathias Cormann also accuses Labor of being 'increasingly unhelpful', which is something Peter Dutton also said today.

Cormann:

Look, the Federal Government is working together very well with state and territory governments including the state Labor Governments, who are all working very hard to protect people's health and save lives and to provide the appropriate supports to our economy and jobs. Federal Labor's approach, sadly, has been becoming more unhelpful.

That is regrettable. Things are tough enough out there without political commentary undermining the medical advice and suggesting that we should close down even more businesses where the medical advice doesn't we should.

We are never going to close down businesses based on political decisions. If there is a decision to close down certain sectors in the economy, it is going to be because the medical advice clearly and unequivocally indicates that is required to protect people's health and to save lives.

block-time published-time 4.54am GMT

Mathias Cormann says there is not enough time to set up a new payment scheme, despite the payments not coming through the Centrelink system until 27 April. That is the line Scott Morrison has been using as well.

Cormann:

That is not the advice in front of us. As I said earlier, even using the existing system, the existing processes and programs, this is the amount of time it takes to get this additional level of support into the community. If we actually completely change the architecture and the system, that will make it much more difficult to get the necessary support into the community.

block-time updated-timeUpdated at 4.57am GMT

block-time published-time 4.53am GMT

Mathias Cormann says the government is looking at the next stage of stimulus. It doesn't look like the wage guarantee that the workers' unions want is in there, though:

Well, we've always said that our approach to this will be scalable and we, of course, will continue to assess what is an evolving situation still, and we'll continue to make judgements on how the support packages that are already out there can be further improved.

I'm not going to speculate. We've been very candid with the Australian people. Sadly, in the circumstances, businesses will close and Australians will lose their job. We've provided significant support to eligible businesses around Australia, about 700,000-odd small and medium-sized businesses, about 30,000 not-for-profit organisations who are getting cash payments of up to $100,000 from the commonwealth.

So, I mean, that is significant and unprecedented support. But, yes, I mean, we are continuing to consider what other sensible and appropriate things we can do to support business.

block-time updated-timeUpdated at 4.56am GMT

block-time published-time 4.32am GMT

But what about asymptomatic people, who may be infectious but don't have any symptoms, still being able to operate as hairdressers, so close to clients?

Dr Paul Kelly :

So no one is being forced to go to work. I'll say that for sure.

In terms of the asymptomatic carriage that may lead to people being infected, yes, that is potentially an issue.

But overwhelmingly, and I'm absolutely certain about this, it's people that have the infection and are infectious in those first few days of coughing and sneezing, they are the most infectious people.

We can't stop this completely unless we all stay at home and the lights go out and no one has anything to eat. So we have to have some sort of sense of what we can and should do there of minimising as much as possible what can be done to stop the spread.

block-time updated-timeUpdated at 4.42am GMT

block-time published-time 4.30am GMT

Dr Paul Kelly was also asked about the reverse ferret on the hairdresser time restriction. The government had ordered hairdressers could stay open but serve clients for only 30 minutes a time. This morning the government scrapped that restriction. The hairdresser lobby wants the government to just shut down their business, the same as most other services, including beauticians.

Kelly:

I'd firstly say no one is being forced to work.

For hairdressing, it's impossible to take those social distancing rules. You can't be that far away from someone if you're doing their hair.

But I've seen many things myself in hairdressers and barbers around town here in Canberra that can be done very practically: having hand sanitiser at the door; making sure people wash their hands before they come in; insisting that people that are sick don't come; stay at home.

For people that are actually hairdressers themselves, if you are sick with the symptoms of Covid, you stay at home. And then hygiene practices in the actual barber's and hairdresser's can of course be improved and we're asking people to do that at that time.

block-time updated-timeUpdated at 4.45am GMT

block-time published-time 4.26am GMT

That statement continues:

There are currently 798 Australians and 108 New Zealanders on board the ship. Based on the WA premier's announcement, we understand that guests from New Zealand will be staying onboard the ship until they can travel directly to New Zealand. All guests with an international nationality on board Vasco da Gama have informed us that they are either Australian or New Zealand residents, regardless of nationality, and all hold the appropriate visas to reside in either Australia or New Zealand. We are working to gain clarity from the WA premier on arrangements for these guests.

Please note that we have recorded no health issues with any guests or crew members on board Vasco da Gama. By Monday, our guests will have been at sea for 16 days straight without disembarking the ship or being in contact with anyone who was not a guest or crew member of CMV, which places them outside the 14-day period that the World Health Organisation indicates is the incubation period for Covid-19.

Since the WA premier made the initial announcement yesterday about our guests having to disembark on Rottnest Island, we have been working to get in touch with the WA premier to gain further clarity around the situation. We want to assure our guests onboard that we are doing everything we can to get more information about these changes, and we look forward to starting consultations with the WA premier soon.

We thank our guests and crew for their patience during this time, as we know this will be disappointing for them. We will continue to work with the state and federal Australian government, including Department of Foreign Affairs and Trade and Australian Border Force as well as the New Zealand government, including the ministry of foreign affairs and trade , and Cruise Lines International Association to gain clarity around the situation.

block-time updated-timeUpdated at 4.48am GMT

block-time published-time 4.25am GMT

The cruise operator responsible for the Vasco da Gama cruise ship, which has 800 Australians onboard, which WA premier Mark McGowan said had been told to delay its planned arrival until Monday to allow for the Rottnest Island quarantine to be established, claims it wasn't told of the new arrangements.

Dean Brazier, the managing director of Cruise & Maritime Voyages, has put out this statement:

We have just been made aware via the premier of Western Australia's media announcement that Cruise & Maritime Voyages will no longer be able to disembark guests from Vasco da Gama in Fremantle on Friday 27th March as originally agreed on Wednesday 18th March, and that guests will now be disembarked on Monday 30th March instead.

We are doing everything we can to gather the facts of this situation as soon as possible to advise our guests, agents and community of this change. Unfortunately we cannot confirm all details until the Western Australian premier's office consults with us. At this stage, we understand that on Monday, all Western Australians will be transferred to Rottnest Island to spend 14 days in self-isolation before being allowed to continue with their onwards journey.

Western Australian premier Mark McGowan has indicated via media reports that he is awaiting notice from other states and territories as to transport arrangements for the rest of our Australian guests, and at this stage they will no longer be permitted to self-isolate on Rottnest Island as he originally announced yesterday.

Contrary to the WA premier's statement, neither Cruise & Maritime Voyages nor the captain of Vasco da Gama were formally advised that our arrival into Fremantle would be delayed until Monday prior to the WA premier making his announcement to media earlier.

block-time updated-timeUpdated at 4.50am GMT

block-time published-time 4.20am GMT

Dr Paul Kelly seems to be losing his patience a little with delivering this message:

In terms of instructions I think it is pretty simple and I don't know how many times I've said this: if you're sick, stay at home.

If you're in quarantine, you stay at home. If you're in self-isolation, you stay at home. If you are a contact with someone with Covid-19, you stay at home.

I f you have just come back from overseas in the last 14 days, you stay at home.

I don't know how much clearer I can make it, seriously.

But in terms of what was discussed at national cabinet last night, it was really an agreed approach as to how that could be enforced. In several states that is enforced and I'll leave it to the states themselves to say how much the fine is and how long you can be put in prison for this because it's a state-based, state-by-state based approach.

But those rules are enforced. In Queensland, from the beginning of this matter, anyone who came back from a high risk country, when we had a small list of high risk countries, they were given a public health order, a piece of paper that said, "If you don't do this" - and it said what you needed to do, essentially stay at home - "then there are laws that can be brought into place to enforce this." Other states are now taking it seriously like that as well.

There may be further measures if people continue to ignore this, and I must say most people, the vast majority of people, are not ignoring it and they are taking that advice very seriously and that's fantastic. That's what we expect from all Australians.

block-time updated-timeUpdated at 4.23am GMT

block-time published-time 4.12am GMT

The Humane Society has had to put out a release telling Australians "bats are not to blame" for the pandemic:

Humane Society International is highly concerned at reports that paramedics are being overwhelmed by calls about bats during the Covid-19 crisis.

These calls are likely due to misinformation being spread about risks bats pose to people and are potentially jeopardising response times for critical patients as frontline responders brace for an increase in serious cases.

"At a time when health services are overburdened it's extremely irresponsible for people to be spreading blatant misinformation about the coronavirus threat bats pose to Australians. There's no truth to these claims - they do nothing but make an already terrible situation worse," said Humane Society International's head of programs, Evan Quartermain.

"Just to be clear, there are no bats in Australia that pose even the slightest threat of infecting people with Covid-19."

The misinformation appears to have originated from viruses similar to the one that causes Covid-19 having been seen in Chinese horseshoe bats, a species not present in Australia and facing far different circumstances in wet market environments. Another contributing factor may be confusion around Australian bat lyssavirus, which is present in an extremely small proportion of flying foxes and can only transfer to humans through direct contact.

The negligible disease risk bats pose can increase slightly when they are stressed -as in situations where people are directly interfering with them and their habitat. Leave them alone and there is absolutely no need for concern, even if they're right outside your window.

block-time updated-timeUpdated at 4.20am GMT

block-time published-time 4.10am GMT

Two staff at a NSW prison hospital have tested positive for Covid-19, raising further concerns about outbreaks in detention facilities.

The two people are employees at the Long Bay forensic hospital, a 135-bed facility in the Long Bay Correctional Complex. Four patients have subsequently been tested after showing symptoms.

All face-to-face visits to inmates in the nation's jails and prison hospitals were banned last week, as part of tougher distancing measures decided by the national cabinet.

State, territory and federal corrections and justice ministers are meeting today to discuss managing prisons during the pandemic.

NSW and the Northern Territory have already announced some prisoners could be released early under new emergency powers, on a case-by-case basis.

It follows a prison guard at Wolston Correctional Centre at Wacol in Queensland also being diagnosed with Covid-19.

The officer had contact with other staff and prisoners during a number of shifts over the weekend and Monday.

Queensland's Aboriginal legal service is calling for a national, coordinated approach to clarify what types of offences might be considered for conditional release. It is worried the virus will spread fast in prisons, where a high number of inmates are Aboriginal or Torres Strait Islanders and have comorbidities which make them particularly vulnerable.

block-time updated-timeUpdated at 4.12am GMT

block-time published-time 4.10am GMT

Queensland closed its borders to New South Wales residents at midnight last night, but NSW has not reciprocated - Queenslanders are still free to come and go.

That's causing concern in northern NSW, which has just 21 cases, compared with more than 440 in Queensland, most in the south-east.

Hundreds of Queensland visitors and holidaymakers are still pouring over the border into the state's north.

Janelle Saffin, the state MP for Lismore, which takes in parts of Tweed Heads and rural communities such as Tabulam and Tenterfield, says northern NSW is especially vulnerable after being hit hard by bushfires, smoke, flood and drought.

Lots of locals are calling me to say the situation is just ridiculous. Northern New South Wales has relatively few cases and yet we are locked out of Queensland, but Brisbane and Gold Coast are corona spots in Queensland and visitors from those cities are still coming in numbers into the north of the state.

Saffin is calling for a total lockdown of NSW, "the sooner the better".

block-time updated-timeUpdated at 4.40am GMT

block-time published-time 4.09am GMT

Dr Paul Kelly says Australia has so far performed 178,000 tests and has a positivity rate of under 2%

That's a lot. It's probably more on a per population basis than virtually anywhere else in the world.

It is, for example, over 25 times as many on a per capita basis as has happened in the US.

In the US at the moment, 53% of those tests are positive, which demonstrates that they have a long way to go to have enough testing being done in the United States.

Here, our positivity rate is just under 2% now - 1.5% - and that again demonstrates, firstly, that we're doing a lot; secondly, it convinces me that we're finding the ones that we need to look for.

block-time updated-timeUpdated at 4.11am GMT

block-time published-time 4.06am GMT

The deputy chief medical officer, Dr Paul Kelly, says there are now 2793 cases of Covid-19 nationally.

Australia now has capacity to do 10,000 Covid-19 tests a day.

We are continuing to scale the world for the things that have been talked about over many days, ventilators to put into our intensive care.

We're in the midst of expanding our intensive care capacity right now but including looking to buy, to purchase more ventilators both here in Australia and elsewhere.

Similarly with personal protective equipment, there have been issues with that over the past few weeks, as has been talked about a lot, but we are increasing our capacity to make masks in Australia, looking for the ways that we can increase our capacity in our national stockpile and then to push out into the front-line services that need these things as soon as possible.

block-time published-time 4.00am GMT

The United States has passed its $2tn stimulus rescue package, unanimously.

block-time updated-timeUpdated at 4.02am GMT

block-time published-time 3.52am GMT

The SA stimulus plan is mostly focused on businesses but is also including individuals:

enltrThe SA government is offering a one-off $500 benefit to everyone on a jobseeker allowance/newstart in that state.

- Calla Wahlquist (@callapilla)

[*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time updated-timeUpdated at 3.56am GMT

block-time published-time 3.49am GMT

The [*New South Wales*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) health department has   [*ordered nurses and biosecurity staff at Sydney international airport to temperature check*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) all incoming passengers, escalating that state's response to combat the spread of Covid-19 above and beyond commonwealth rules.

The directive, approved by health minister Brad Hazzard, was sent on Thursday, causing delays at [*Sydney*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) airport and prompting concern from the Community and Public Sector Union and others that social distancing is not being observed in the arrival hall.

In a statement the union said Australians returning home on Thursday "were met with mass confusion at Sydney airport, due to unplanned and badly communicated changes".

Biosecurity staff and NSW health department nurses had previously been directed to test passengers who have been in countries at high risk with Covid-19 in the past two weeks and randomly test all others for temperatures.

The union said:

Today all passengers are undergoing increased health screening. The testing space is too small for all passengers and disembarking is not being staggered to allow for social distancing.

Guardian Australia has confirmed the directive came from Hazzard and NSW [*Health*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates), and the union says similar delays are not being experienced at other airports.

block-time updated-timeUpdated at 4.11am GMT

block-time published-time 3.43am GMT

enltrParliament House kitchens will be used to help prepare meals for vulnerable community members, Legislative Council President [*@ShaunLeaneMP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) and Legislative Assembly Speaker   [*@ColinBrooksMP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) announced today. Read more at   [*https://t.co/NlOBWb0KfE*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#springst*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Victorian Parliament (@VicParliament) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

block-time published-time 3.38am GMT

South Australia adds another $650m to state stimulus package

SA premier Steven Marshall has announced a boost to its stimulus package:

If we continue to work together and play our part then I am confident that we will come out of the stronger and more resilient.

We will get through this. At a time like this, you need the state government to step up and we are, by providing $1bn in support to South Australian households and businesses.

Today, we are adding $650m to the first support package of $350m that I announced just two weeks ago.

I said then that we would take further strong action in response to the continuing impacts of the coronavirus.

We want as many businesses as possible to be able to continue operating during these unprecedented times so that people can go about and keep their jobs.

We want to relieve as much stress as possible for individuals and families. We want to keep the South Australian community and economy functioning so that, when this virus is beaten - it will be - we can bounce back as quickly as possible.

block-time updated-timeUpdated at 7.30am GMT

block-time published-time 3.33am GMT

'If you need a hair cut, get real, people's lives are at stake'

Victoria's health minister says that just because the federal government has decreed some services can remain open doesn't mean that people should go out to use them.

Victoria is getting tougher on its restrictions and has said it will move, even if the federal government doesn't.

Jenny Mikakos:

The message is very clear from us: if you are contemplating going to get a haircut or go and get a latte from the cafe, as much as possible people should be staying at home.

If you need to get a haircut, get real, people's lives are at stake. We have sadly lost three Victorians to Covid-19, I can't stress how important it is everyone follows the rules and stays at home.

For the record, the hairdresser industry lobby has called on the government to shut it down, as had the CEO of the largest haircut chain in the country.

block-time updated-timeUpdated at 3.36am GMT

block-time published-time 3.26am GMT

Shane Richardson, the general manager of South Sydney Rabbitohs, has become the highest profile NRL personality to lose his job due to the impact of the virus.

Richardson, also the famous old club's former CEO, has stood down from his position to ease the financial burden on the club which, along with every other NRL club, is feeling the impact of the postponement of the 2020 season.

"In times like these, leaders have to step forward and lead," said Richardson, who will continue to be involved with the club on a consultancy basis.

The cost of having me remain in the football department was one of our largest costs and as a club we need to cut the cloth to suit the suit.

Hundreds of staff members at every NRL club, including some head coaches, [*have been ordered to take paid and unpaid leave*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates), while the players are facing pay cuts as the game scrambles to cut costs in a bid to stay alive.

Updated at 3.34am GMT

3.22am GMT

Mathias Cormann has called a press conference for 3pm at parliament house.

Updated at 3.24am GMT

3.18am GMT

NSW Health has released its formal numbers for today, with two more children under 10 testing positive:

As at 8pm Wednesday 25 March 2020, an additional 190 cases of Covid-19 have been diagnosed since 8pm 24 March, bringing the total number of confirmed cases in NSW to 1,219.

There are currently 16 Covid-19 cases in our intensive care units and, of those cases, 10 require ventilators at this stage.

South Eastern Sydney Local Health District has confirmed a midwife at St George hospital has tested positive for Covid-19.

All patients that were in close contact with the midwife have been informed. The midwife is now in isolation and there is no ongoing risk to patients at St George hospital.

A further two children under 10 have tested positive to Covid-19, bringing the total in that age group to four.

A one-year-old girl whose parent is a confirmed case and a two-year-old girl who acquired the infection overseas have both already been isolated with family and have mild symptoms.

There are 121 confirmed cases in NSW who were on board the Ruby Princess and 31 from the Ovation of the Seas cruise ship.

A Qantas charter flight from Honolulu arrived in Sydney airport overnight to repatriate 292 passengers who were on the Norwegian Jewel. The boat has been at sea with no landing and with no one coming on to the ship for 3 weeks.

While the ship has reported no acute respiratory illness onboard, the NSW Health international airport screening team screened all of the passengers on arrival.

Five passengers with symptoms were transferred to hospital for Covid-19 testing and isolation. The remaining well passengers were transferred to a Sydney hotel to be in self-isolation for 14 days.

Updated at 3.23am GMT

3.13am GMT

Victoria coronavirus deaths rise to three

The Victorian health minister, Jenny Mikakos, says the Victorian death rate is now three, which is one more than announced this morning.

These three individuals were aged in their 70s, who all died in a Melbourne hospital.

The national toll is now at 12.

Updated at 7.35am GMT

3.11am GMT

The pandemic has exposed shortages of hospital ventilators in the worst-affected parts of the world, such as Italy and the United States. Ventilators are, of course, crucial in pumping oxygen into the lungs of the most critically ill of Covid-19 patients.

Australia currently has about 2,300 ventilators in intensive care units across the country, with an estimated surge capacity of 5,000 ICU beds and ventilators.

The Australia and New Zealand Intensive Care Society says there is no current shortage of ventilators in Australia, though there may be a temporary deficit if the nation needs to surge beyond 5,000 ICU beds.

The Australian Healthcare and Hospitals Association tells the Guardian it is satisfied with the government's planning on ventilators, but is concerned about how they will be spread evenly across the population, particularly in regional and rural areas.

The government has placed orders from domestic manufacturers for more. It is also now in talks with the car company Ford to get access to the "simplified" design capabilities it has offered the US this week.

Industry minister Karen Andrews told the Guardian:

We've made significant progress to secure further supply of ventilators and increase domestic production ahead of the peak of the virus in coming months.

Updated at 3.19am GMT

3.07am GMT

The Australian public service union has reacted to these scenes at Sydney airport this morning, recorded by Sally Prosser:

I am livid ?? This was international arrivals at [*@SydneyAirport*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) this morn. When   [*@AusBorderForce*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) was asked wtf re   [*#SocialDistancing*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) the reply was "not our problem, that's biosecurity."   [*#coronavirusaustralia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#covid19australia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/5tSxzEUZsg*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Sally Prosser (@sally\_prosser) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Australians returning home this morning were met with mass confusion at Sydney Airport, due to unplanned and badly communicated changes.

Up until today Biosecurity Officers and NSW Department of Health nurses have been testing passengers who have been in COVID-19 high risk countries in the past two weeks and randomly testing all other passengers for temperatures and asking detailed health questions all that arrive, and providing every passenger with information.

Today all passengers are undergoing increased health screening. The testing space is too small for all passengers, and disembarking is not being staggered to allow for social distancing.

The Departments of ***Agriculture***, Water and the Environment and Home Affairs must listen to the concerns of their front-line workforce who have been flagging these concerns for weeks.

Department of ***Agriculture***, Water and the Environment staff have been working hard to test and protect the Australian border, but the department is failing to provide safe workspaces.

CPSU Deputy National President Brooke Muscat-Bentley said, "What we have seen at Sydney Airport is a direct failure of government. Had the department and government listened to our members todays scenes would have been avoided."

"***Agriculture*** Minister Littleproud is missing in action. It is astonishing that the government is telling the nation to social distance and take the up most precautions but cannot take steps to assure us at our border."

"This is a failure of planning, just like we have seen with Services Australia this week. The government has known what was coming, but have just been unable or unwilling to prepare for it."

2.38am GMT

Queensland has recorded another 50 cases since yesterday, bringing its total to 493.

Updated at 2.43am GMT

2.35am GMT

Courtney Barnett and Sarah Blasko to headline Isol-Aid #2

A small glimmer of good news: IsolAid - the Australian music festival which premiered last weekend on Instagram [*and made me a bit emotional*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) - has announced its second lineup for this weekend, and it's real good.

From noon to midnight on Saturday and Sunday, 74 Australian acts will play 20 minute sets from their bedrooms/living rooms/wherever on Instagram Live; you tune into one, they throw to the next, and the game continues.

Among this weekend's lineup are some huge names: Courtney Barnett, Sarah Blasko, Josh Pyke, Camp Cope, Alex Lahey, Alex the Astronaut, Middle Kids, Montaigne and more.

[*#Isolaidfestival*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) have announced this weekend's lineup and I will see you there.   [*pic.twitter.com/yW78SpHN8X*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- steph harmon (@stephharmon) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Last weekend raised $12,000 for Support Act, which provides financial and mental health support to the music industry. It's nice to have nice things.

Updated at 2.46am GMT

2.34am GMT

Adam Morton has a bit more on what is happening in Tasmania:

The Tasmanian premier, Peter Gutwein, has told visitors to the island state to leave.

Those staying in hotels, hostels, bed and breakfasts, campsites and boarding houses and have until midnight Sunday to leave their accommodation.

Australian Associated Press reports that Gutwein told a press conference: "I'm sorry to say that, but go home. Unfortunately there will be some dislocation for people but I make no apologies for working hard to keep Tasmanians safe."

The state already has a mandatory two-week quarantine for non-essential visitors to the state.

"We're built on tourism so it hurts me to say that but do not come and put Tasmanians at risk," Gutwin said. "We're an island and we are unique in that regard. We have used our island state as an advantage."

The press conference came shortly before the state parliament was suspended until after the winter recess. It won't sit again until 18 August.

Gutwein said all elected members were still at work and parliament could be recalled earlier if there was a pressing issue that needed to be dealt with. He was in tears as he talked about tens of thousands of Tasmanians losing their jobs due to a shutdown he had enforced.

Premier Peter Gutwein is in tears talking about the forced sacking of tens of thousands of Tasmanians "at the stroke of my pen". He says it broke his heart [*#politas*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#COVID19Tas*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Emily Baker (@emlybkr) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

The government announced it would refund public school levies, cap power bills and freeze water prices as it increased its coronavirus support package from $420m to $1bn.

Updated at 2.43am GMT

2.33am GMT

Little wonder a survey of business by the ABS, conducted last week, found that half had already been hit by the virus crisis and 86% expected damage in the future.

The damage will now inevitably flow through to landlords. Announcing that Premier's stores would be closed until 22 April, the company also said that "Premier intends not to pay any rent globally for the duration of the shutdown".

Lew has long been in a battle with Australia's retail landlords, who he regards as unreasonably jacking up his rents. But he will not be alone. Businesses with no business simply cannot pay the rent.

Anecdotally, similar one-way conversations between tenants and landlords began happening in the hospitality sector a couple of weeks ago. Suddenly unemployed households are also in no position to pay rent - or will be within weeks, once they eat through accrued leave. About 30% of Australians rent, so this is an enormous problem.

While banks are willing to stall mortgage repayments on home loans for six months, there has as yet been no similar nationwide break for renters. Amid the confusion, Tasmania and New South Wales have broken ranks, moving to ban evictions during the crisis.

But a solution out of the so-called "national cabinet" of state and federal leaders has been repeatedly promised and repeatedly delayed over the past week or so as landlord lobby groups complain that they'll be ruined if anything is done to stop them turfing people out on the street.

The issue is set to be considered again tomorrow. Quick action is needed or the coronavirus crisis risks becoming a housing crisis.

Updated at 2.40am GMT

2.32am GMT

The figures out from the Bureau of ***Statistics*** today, together with the steady flow of stand downs being announced by companies, mean there are enough numbers around to get a grip on what's happening to the Australian economy.

In short, vast swaths of it are either already shut down or in the process of shutting down, and both households and businesses are now in the grip of a rental crisis.

[*Hospitality and entertainment was first to go.*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) Those businesses started sacking people more than a week ago and on Monday the entire sector was shut down at midday, tipping hundreds of thousands of people in to queues that soon stretched around the corner.

Airlines moved next, with Qantas standing down 20,000 last week and Virgin Australia this week standing down more than 8,000 - some 1,000 of whom will probably be sacked.

This week, layoffs accelerated in the retail sector, which has been badly battered by increasing - and confusing - restrictions on trade.

On Thursday, Solomon Lew's Premier Investments Group, which owns stationery chain Smiggle, Dotti and other clothing stores, stood down 9,000 employees and footwear retailer Accent Group, which owns The Athlete's Foot, stood down 5,000.

All up, among high-profile companies alone, more than 63,000 people have been tipped out of work over the past week.

This is just the tip of an unemployment iceberg: more than 280,000 people applied for benefits on Wednesday, according to the minister for government services, Stuart Robert.

Wow. More than 280,000 people have already lodged an 'intent to claim' a welfare payment at 2.30pm today, Stuart Robert has said. The option was only introduced today. People's livelihoods have been destroyed. [*#auspol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#coronavirusau*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Luke Henriques-Gomes (@lukehgomes) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 2.37am GMT

2.25am GMT

The Greens have also called for a freeze on tenant evictions.

From Adam Bandt:

The Greens have also written to the National Cabinet urging a moratorium on evictions and foreclosures as well as rent and mortgage holidays, after the New South Wales and Tasmanian parliaments over the last two days passed Greens amendments to protect renters.

Scott Morrison's trickle-down stimulus is failing to keep people in work because he refused to make jobs and wages guarantees part of his multi-billion dollar support package.

Updated at 2.33am GMT

2.21am GMT

So to recap those announcements from Mark McGowan:

* WA schools are moving to pupil free on 3 April.

1. Term two will most likely be online (with students whose parents are essential workers, supervised at school).
2. The international passengers on the Artania cruise ship, who fall ill and need treatment, will be taken to a commonwealth facility - like a defence force base - and flown home by direct flight, if their government can arrange it. Other passengers must remain on board, until the ship can return to South Africa.
3. The Australian passengers on the Vasco de Gama will be quarantined on Rottnest Island. Each state is being asked to take back their residents. There are 800 Australians on board, with 200 West Australians. The ship is due to dock in Fremantle on Monday.
4. No one from a cruise ship will be allowed off, without an escort to an isolation facility. No one gets to go home until that isolation is complete.

Updated at 2.31am GMT

2.17am GMT

Mark McGowan moves on to the Vasco de Gama which has 800 Australians on board, including 200 West Australians, which is also due to dock in Fremantle on Monday (there are also 109 New Zealanders, 33 British people and other international passengers).

Yesterday, he said all the Australian passengers would have to self-isolate on Rottnest Island.

Today, he wants the other Australian states to take back their residents:

We are in urgent talks with the other Australian states to see if they would agree to accept their citizens from the Vasco da Gama via a direct flight.

Currently we don't know how many passengers are from each state, other than the 200 from WA.

In summary, regarding the Vasco da Gama, the international passengers will be held on board until direct transport arrangements are finalised to fly them home, escorted to the airport. The crew will remain on board. All West Australians will self-isolate for 14 days at Rottnest Island.

Interstate passengers will have an option. If agreed by their home state to fly home directly or remain on the ship, self-isolating, until travel arrangements are made.

Rottnest Island will be used as a last resort for them. I am phoning each state premier about this. We would prefer they go home and self-isolate in their home state rather than stay here.

The reality is I want to make sure Rottnest Island has capacity into the future if we need to use it for other West Australians or other emergencies. I know this all sounds pretty extreme but it's the right thing to do because our first priority is the health and wellbeing of West Australians.

Updated at 2.27am GMT

2.13am GMT

Mark McGowan on the Artania cruise ship (docked at Fremantle, with no Australians on board) which has seven passengers with Covid-19:

WA's position is this: If the seven passengers need to come onshore for medical treatment, they will have to go to a commonwealth facility, such as a defence force base. If this occurred, then Germany and the Australian government can organise a plane to come and pick those passengers up and take them home. We are working with the Australian government to do this immediately. The Artania cruise ship must continue on its journey to South Africa urgently. This ship needs to leave immediately. I want the commonwealth to make that happen.

Updated at 2.20am GMT

2.10am GMT

WA premier Mark McGowan says WA will also go pupil free from 3 April.

Like Qld, NSW, SA and the ACT, schools will be open (outside of the school holidays) for parents who have no choice.

Online learning is on its way.

Updated at 2.19am GMT

2.08am GMT

Virgin Australia announced yesterday it would be grounding all Tiger Air flights.

This is the next step:

BREAKING: ALL 220 pilots at Tiger Airways will be made redundant. That's from the Australian Federation of Air Pilots. Jobs gone by the end of April.

- Julian Abbott (@JulianBAbbott) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 2.18am GMT

2.04am GMT

The Maritime Union of Australia wants the government to turn the Aurora Australis (the former Antarctic expedition ship) into a new distribution vessel for Norfolk Island:

The Aurora, affectionately known as the "Orange Roughy", this week returned from its final voyage for the Australian Antarctic Division where it delivered 12 months worth of cargo, food and fuel to remote Macquarie Island.

Norfolk Island is dealing with a growing crisis following the loss of one of two vessels that previously supplied the island, along with a massive reduction in air travel, resulting in chronic shortages of food, stock feed, building materials, and other essential supplies needed by the island's 1,800 residents.

With no port, and without the ability to handle containerised freight, the island has been left dependent on a single small vessel sailing once every two months from Auckland. For the limited goods that are supplied, freight costs have led to the doubling of prices compared to mainland Australia.

The Maritime Union of Australia argues the Aurora Australis is uniquely suited to addressing the crisis facing Norfolk Island. Not only does it have the capacity to carry 1,790 cubic metres non-containerised break bulk cargo, along with an additional deck capacity for 700 tonnes of containerised freight, but it has three decades of experience delivering supplies to remote locations.

The vessel can also carry and transfer nearly two million litres of fuel, meaning it would be able to provide all the fuel needed by vehicles, heavy machinery, and the airport on Norfolk Island.

Updated at 2.17am GMT

2.00am GMT

The Family Court has released information on parenting orders - it has been inundated with calls.

The Chief Justice of the Family Court of Australia, the Hon Will Alstergren has released a statement regardng parenting orders and the COVID-19 pandemic. See: [*https://t.co/ofRAzuQBoP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/UfzPoFFxUu*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Family Court of Aust (@FamilyCourtAU) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

1.58am GMT

All the state leaders are having a very hard time with this - particularly the smaller states, where tourism is the main economy driver.

Premier Peter Gutwein is in tears talking about the forced sacking of tens of thousands of Tasmanians "at the stroke of my pen". He says it broke his heart [*#politas*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#COVID19Tas*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Emily Baker (@emlybkr) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

1.52am GMT

Premier [*@AnnastaciaMP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) has announced schools will go "student free" from next week, but remain open for parents who have to work   [*@abcnews*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@abcbrisbane*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@TheQTU*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/2PgmD4PIKC*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Jessica van Vonderen (@jessvanvonderen) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

1.28am GMT

Veterinarians are classified as essential services and will be able to cross state borders and continue working under shutdowns currently in operation in Australia, the ***agriculture*** minister David Littleproud has said.

The Australian Veterinary Association (AVA) and the RSPCA have lobbied the government to ensure that veterinary and animal welfare services are declared "essential" and exempt from pandemic-related shutdowns, as they have been in New Zealand.

In [*a submission*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) sent to government on Sunday, the AVA said that shutting down veterinary services would impact not only animal health, welfare, and biosecurity, "but also to human health and mental wellbeing, food safety, and food supply chain integrity and continuity".

It said the AVA was willing and able to put in all necessary health and biosecurity controls.

In a statement to Guardian Australia, Littleproud said:

Veterinarians provide essential services to the ***agricultural*** sector and the general public.

The federal government has not placed any restrictions on their ability to operate.

The only confusion that has been created has been from some states closing borders but they have assured us that vets will still have the ability to operate across borders.

The RSPCA wrote to health minister Greg Hunt and other public health officials on Thursday, seeking "urgent confirmation" that its animal welfare inspectorate and other animal welfare services would be classified as essential services and allowed to continue operating.

Chief executive Richard Mussell said that people and organisations responsible for delivering "essential frontline animal care and protection services" needed clarification that they would be allowed to continue to operate.

In addition, we're seeking confirmation that other primary animal carers will be able to access the premises where animals are kept and continue to provide them with food, water, attention and medical care.

These include, for example, zoos and aquariums, stables for racing and recreational horses, animal management services and local pounds, research facilities, and other breeding, housing and boarding facilities.

Updated at 1.57am GMT

1.22am GMT

The ***agriculture*** industry is pushing for exemptions to ensure it can keep operating:

David Littleproud has told [*@afeltontaylor*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@abcrural*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) that seasonal workers/backpackers working in horticulture that have a letter from their employer should be able to cross state borders for work. There's more than 7000 seasonal workers and 140,000 backpackers now in Aust.

- Kath Sullivan (@KathSully) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

1.19am GMT

Here's one reason the Queensland health authorities have judged it OK for the local government elections and by-elections to go ahead - people keep rushing out in large numbers to the liquor stores anyway:

Strong words from QLD Health Officer Jeannette Young on local govt elections: "There is no risk going to vote on Saturday...I'm more concerns with people going to Dan Murphy's, the scenes I've seen there are appalling." [*#qldpol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#auspol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#coronavirusau*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Sarah Elks (@sarahelks) [*March 26, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 1.24am GMT

1.13am GMT

Chris Bowen also wants to see the government expedite the respiratory clinics it promised:

The clear facts published on the department of health [*website*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) confirms there are only two fever clinics up and running:

'We are setting these clinics up over the next few weeks. Clinics in Ryde, NSW, and Morayfield, Qld, started operating on 21 March 2020.

If you're not currently near Ryde, NSW, or Morayfield, Qld, there is no GP Respiratory Clinic in your area yet.'

The minister for health must take every action available to him to speed up the operation of the 100 respiratory clinics as soon as possible.

This would include any resources available through the national coordination mechanism or the Australian defence force.

Updated at 1.20am GMT

1.12am GMT

The Australian Services Union, Australian Industry Group and the Australian Chamber of Commerce have come to an agreement to improve workplace flexibility during the coronavirus crisis for clerks.

It just needs a tick off from the Fair Work Commission now.

The application seeks to provide relief to business and employees during the pandemic by:

* Allowing employees and employers to agree to change ordinary hours of work whilst an employee is working at home. This should give employees expended options to help manage their job around things like schooling children from home during the day without an employer facing additional costs for work being conducted out of usual business hours.

1. Allowing a business with one weeks' notice to direct an employee to take annual leave if it decides to close down its operations.
2. Allowing staff to work more flexibly across classifications, provided it is safe to do so and the employee has the necessary qualifications.
3. Allowing for employers to direct employees to take annual leave.
4. Increased flexibility in taking leave such as double leave at half-pay, where employers and employees agree.
5. Allowing employers to engage casual and part-time employees for shorter shifts.
6. Giving employers flexibility to reduce hours for full and part-time staff, whilst allowing employees whose hours are reduced to take on another job or ask to engage in training or additional study.

Updated at 1.39am GMT

1.08am GMT

Labor calls for ban on evicting tenants

Labor's Jason Clare, Chris Bowen and Anthony Albanese are out and about today (at the necessary social distance) to call for renters to be looked after.

We are still waiting on the decision from the national cabinet about what to do for renters. It is complicated - some landlords have lost their jobs, there are insurance implications and some people are just panicking, but a decision will need to be made soon, given that 280,000 people registered an intent to claim Centrelink benefits in one day.

Jason Clare:

Our home is our castle. In the next few months, it's going to be our fortress. More and more Australians are being told to stay at home, but you can't day at home if you don't have one.

You can't stay at home if you have been evicted. That's why we're saying we need a freeze on evictions, just like we've seen in the UK or in New Zealand, or for that matter in Tasmania.

Tasmania announced just yesterday that they are taking steps to stop evictions for the next few months.

That's the sort of practical, common-sense measure, to make sure that we protect people.

This is a health measure, as much as an economic measure. When people are being told to stay at home, we need to make sure we're not kicking people out on to the street.

And as Albo said, we've also got to protect landlords. We have to protect the home owners.

We have do protect the people who rely on that money - that rent - to pay the bills, put food on the table or to pay their mortgage.

That is why it is important that the big four banks have done what they have already promised to do - and that is defer mortgages to give people relief there.

We have to make sure that all banks, all building societies, all financial institutions that provide that finance to home owners provide the same sort of relief. Because we're all in this together. We have to make sure that we look after each other. The bottom line is that no-one should lose their home, whether they own it or rent it, because of this virus.

Updated at 1.20am GMT

12.57am GMT

South Australia to go pupil free from 4 April

On the footsteps of the Queensland announcement, South Australia is following suit, going "pupil free" from 4 April.

That means the schools will be open for people who need to send their kids there (outside of the school holidays for Easter) but parents, if they can, should keep their kids at home.

Teachers there are working on online and distance learning things as well.

Updated at 1.01am GMT

12.53am GMT

The Queensland schools announcement from the education minister, Grace Grace :

In a nutshell, student-free days from Monday. Schools are open for essential workers and workers required in the workplace. Teachers will move to developing remote learning and online learning for students, and all those learning materials for what potentially may lie ahead, we will cater for any high risk workers that have concerns, and obviously vulnerable children will be catered for as well.

12.51am GMT

The ABS has released a survey of businesses before the first round of social distancing - which shows that businesses were already falling off the cliff. [*It basically shows that people were freaking out, before the forced business closures.*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Approximately half of the Australian businesses surveyed (49%) had experienced an adverse impact as a result of Covid-19 during the mid-March ***data*** collection period and 86% of businesses expected to be impacted in future months. The collection period pre-dated the Australian government's announcement of Phase 1 Social Distancing measures.

Adverse impacts were most prevalent in accommodation & food services with over three quarters of businesses (78%) already reporting impacts and 96% of businesses reporting that they expected impacts in coming months. Businesses in professional, scientific & technical services (21%), electricity, gas and water supply (34%) and businesses in mining (37%) were the least likely to have been adversely impacted by Covid-19 in the collection period.

A reduction in local demand was the most common impact experienced (82%) and was also the most common impact expected in coming months (81%). Of impacted businesses, over a third had experienced staff shortages (36%) and 59% expected to experience staff shortages in coming months.

Updated at 12.58am GMT

12.41am GMT

Queensland kindergartens will also follow the pupil-free school examples.

Day care centres remain open, but it is advised that if you can keep your kids at home, you should.

Day cares, schools and kindys remain open for parents who have no choice but to send their children to outside care.

Updated at 12.49am GMT

12.38am GMT

The Queensland education minister, Grace Grace:

From Monday, 30 March we will be moving to student-free days, but we do stress that school also remain open for those workers who have students and are working in the essential services area, and that is obviously workers who are required in their workplace.

And the premier has outlined a couple of examples, such as those who are stacking the shelves of our supermarkets.

It's important that we remain open for these workers because we do not want to put pressure on the economy and enable those workers to be able to continue to provide for the community at large.

Long day care centres and outside school hours care will continue, but parents are reminded of the need to stay home as much as possible and adhere to the self-isolation rules.

So, they will be there essentially for those workers required in their workplace.

Teachers will be using the pupil-free time (which they can spend at home, if they wish) preparing online learning portals.

From that, you can take that schools will be closed, as least as we know them, for quite a long time.

Updated at 12.50am GMT

12.35am GMT

Queensland schools to go pupil free from next week

Queensland premier Annastacia Palaszczuk says Queensland schools will go "pupil free" from next week.

That means the schools will be open for parents who have no choice, but essentially, closed.

Updated at 1.02am GMT

12.34am GMT

'Just bonkers' - Just Cuts CEO on stay open decision

The CEO of Australia's largest haircut chain, Denis McFadden has come out very strongly against the federal government's decision to keep hairdressers open:

This decision is bonkers. It is physically impossible for stylists to do a shampoo or haircut without touching the client. It's physically impossible for stylists to do their job and keep the 4sqm which national cabinet now says "must be strictly observed".

This is not about what services can and can't be provided in a 30 minute window. This is about health of everyone in our salons, our hairdressers and our clients. Hairdressing is not an essential service. Of course I would prefer this weren't happening at all, and calling for the sector to be shut down might seem counterproductive but it simply must happen in the interests of people's health.

Without hairdressing being on the shutdown list, it is incredibly difficult for our franchise owners to take the heartbreaking but necessary steps to stand down workers so they can access available support or call for breathing space on leases.

Given the steps taken in the UK and NZ to close salons along with other non-essential businesses and given everything the medical experts are saying, we simply cannot justify the health or financial risk to our franchise owners, stylists and clients.

Australian national and state governments, we are pleading with you. We understand that you're trying to juggle protecting livelihoods and saving lives but this decision puts both at risk for our people and clients. Please act now.

Updated at 12.54am GMT

12.26am GMT

Canada has passed its $127bn coronavirus stimulus measures

12.15am GMT

Peter Dutton also directly contradicted his Border Force chief in that interview with Ray Hadley.

Asked about changed cruise ship protocols yesterday, ABF commissioner, Michael Outram explicitly said the cruise industry was on the whole, responsible, and Border Force would take ship masters at their word about whether or not flu symptoms had been present on board.

Outram: "These people don't just become a captain overnight, you know, their careers are long and the stakes are very, very high in terms of safety and wellbeing of passengers and other people at sea. And so, I've not experienced captains of these sorts of vessels who deliberately mislead and lie."

But Dutton told Hadley Australia was dealing with a "difficult situation" because of "lies":

Some cruise ships are lying about the state of passengers.

Updated at 12.20am GMT

12.08am GMT

Tasmania tells tourists to go home

Tourists in Tasmania have been ordered to go home by the state's premier, who has also implored people not to visit the island amid the coronavirus pandemic.

People staying in hotels, hostels, bed and breakfasts, campsites and boarding houses have until midnight on Sunday to leave their accommodation, the state government has announced.

"I'm sorry to say that, but go home," premier Peter Gutwein told reporters on Thursday.

"Unfortunately there will be some dislocation for people but I make no apologies for working hard to keep Tasmanians safe."

Mr Gutwein also implored non-essential visitors to stay away, noting a mandatory 14-day quarantine period on arrival for anyone not considered essential.

"We're built on tourism so it hurts me to say that but do not come and put Tasmanians at risk," he said.

"We're an island and we are unique in that regard. We have used our island state as an advantage."

Tasmania will more than double its coronavirus economic stimulus package to $1bn after an initial $420m spend last week.

"It is unprecedented. Never before has the state had to take steps of this magnitude," Mr Gutwein said.

"The health, wellbeing and safety is the government's number one priority but we need to ensure we underpin our economy and community."

Mr Gutwein said a hard lockdown was possible if people ignored current advice.

The state has recorded 42 coronavirus cases, the latest six confirmed on Wednesday night, but there remains no evidence of community ***transmission***.

Three of the cases recently travelled from overseas, two were on cruise ships and one is a close contact of a previously confirmed case.

Public health director Mark Veitch said 240 people linked to cruise ships are in self-isolation and are being monitored.

Another 80 people, who are close contacts of cases, are also in self-isolation.

Premier of Tasmania Peter GutweinPhotograph: James Gourley/AAP

Updated at 12.25am GMT

12.05am GMT

We have a bit more detail on employers' calls for wage subsidies at [*the meeting yesterday between treasury officials and peak business groups*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates), the Australian Chamber of Commerce and Industry, Australian Industry Group, Business Council of Australia, Council of Small Business Organisations Australia, the Australian Banking Association and the National Farmers Federation.

COSBOA chief executive, Peter Strong, told Guardian Australia if Australia is moving towards a shutdown the proposals for a wage subsidy need to be considered.

He said:

We [COSBOA] have got a model in mind that takes into ***account*** what's already been provided by the government, to add [a] 60% [wage subsidy] on top of that, not the full 80% [adopted by the UK], because the [Australian Council of Trade Unions] has worked out what's already been given is equivalent to 20%. So, make it a 60% wage subsidy - it works out around $21bn for three months, assuming that 1.7m are displaced from their jobs, but who knows how many it will be.

Strong says the emphasis has now shifted from whether workers have been technically retrenched, made redundant or stood down to the concept that they have been "displaced" but should return to those jobs when the crisis passes.

COSBOA also wants the efforts to improve supply chains to keep supermarket shelves stocked to be applied to smaller retailers like IGAs, petrol stations and convenience stores - so that people don't need to crowd into Coles and Woolies and the big two don't become the only place in town to get basics.

Updated at 12.15am GMT

12.04am GMT

Ray Hadley says Peter Dutton's position to not blame NSW Health, while blaming NSW Health is "very gallant" but demands "for someone to be held ***accountable***" for the death of a woman, who died after contracting Covid-19 on the Ruby Princess.

The 77-year-old woman was a passenger on the Ruby Princess, which is where she contracted the virus. She was taken straight from the ship to a New South Wales hospital by authorities after it docked.

While the decision to let the 2,700 passengers disembark should be examined, given there have been 133 cases from that one ship alone, so far, there is nothing more anyone, from any authority, could have done to stop a death from a virus which was contracted before the ship docked. She did not contract it from someone who had been released from the ship, she contracted it onboard the ship.

Hadley has other views:

...Her death has been caused by the stupidity of someone in NSW Health, or a conglomerate of people, and I appreciate what you are saying, we are in a desperate situation here, but someone died, because of a decision taken by a public servant, or by someone in government, and that person needs to be held ***accountable*** for that death.

Dutton does not correct him:

And that person will live with that mistake. We are all working to try and clean up after that mistake was made.

But no doubt, that officer within NSW Health, and many others, are making decisions today, yesterday and tomorrow that will save lives, so that is the situation they are dealing with at the moment here.

Updated at 12.09pm GMT

11.56pm GMT

Peter Dutton:

I have not been critical of NSW Health, nor the premier, I actually think it is a time, where regardless of people's politics, people need to pull together and I think that is in the national interest and I have not been critical of NSW Health.

Clearly they have made the wrong call. Somebody has made an error in relation to a decision that has been made, but I honestly believe hanging somebody out to dry in the current circumstances, is not the way to do it. I think we can work closely together, we have done that. I spoke to the premier yesterday and we will make sure we continue to work closely together.

...These people are under enormous pressure, and I want to make sure that we are supporting them, not chastising them and that is why I am not going to be critical of NSW Health. Equally, I was not going to tolerate the Australian Border Force Commissioner, or anybody in the Australian Border Force being hung out to dry. I made that point privately, and I will defend them.

Australia's Minister for Home Affairs Peter Dutton.Photograph: Darren England/AAP

Updated at 12.18am GMT

11.49pm GMT

A guard at Queensland's Wolston prison has tested positive to Covid-19.

Corrective Services said the officer had contact with officers and prisoners during a number of shifts over the weekend and Monday.

Wolston Correctional Centre is in lockdown and all staff are being individually contacted.

"We are seeking urgent advice from Queensland Health on the next steps to minimise the potential impact of this incident," a spokesperson for Queensland corrections said.

"We have ordered a forensic clean of all areas of the prison the officer attended during his shifts.

Queensland Health staff and management will talk with officers today.

All face to face visits to inmates in the nation's jails were banned last week as part of tougher distancing measures decided by the national cabinet on Friday night.

Last week, more than 370 legal, academic and criminal justice professionals signed a letter calling on governments to address mounting concerns about the implications of Covid-19 on the criminal justice system.

Some New South Wales prisoners could be released under new emergency powers announced on Tuesday by the attorney general, Mark Speakman.

The powers will give the corrections minister authority to release or parole inmates who are nearing the end of their sentences, or considered on case-by-case basis.

Corrections NSW will not have the power to release inmates sentenced for serious crimes like murder, terrorism or sexual offences and in all cases must "consider the risks to community safety, the protection of domestic violence victims and the impact on any victim before releasing an inmate".

Updated at 11.59pm GMT

11.47pm GMT

These are concerning reports and images. The Government - specifically [*@PeterDutton\_MP*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) - needs to explain what is going on here, what protocols are in place at airports, and what directions are being given to   [*@AusBorderForce*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#COVID19Aus*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*https://t.co/XtDClMzker*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Kristina Keneally (@KKeneally) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

11.44pm GMT

This also doesn't take into ***account*** the processing time for the payment.

People are losing their jobs now but the Supplement won't reach jobseekers until 27 April. They are experiencing rapidly changing financial circumstances but still have bills to pay and meals to put on the table. Action now will prevent hardship later. [*https://t.co/F2rVyhlrs2*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Linda Burney MP (@LindaBurneyMP) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

11.34pm GMT

The confusion continues - Border Force is coming under increasing pressure.

I am livid ?? This was international arrivals at [*@SydneyAirport*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) this morn. When   [*@AusBorderForce*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) was asked wtf re   [*#SocialDistancing*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) the reply was "not our problem, that's biosecurity."   [*#coronavirusaustralia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#covid19australia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/5tSxzEUZsg*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Sally Prosser (@sally\_prosser) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 11.41pm GMT

11.30pm GMT

The Australian market has opened about 1.6% up even as more companies announced they were shutting down operations and standing down thousands of staff.

Job losses and stand downs among Australian listed companies now total more than 65,000 since the middle of last week after retailer Premier Investments and travel agent Flight Centre laid off staff on Thursday morning.

Casino operator Star Entertainment Group was the biggest gainer among top 200 companies, rising more than 15% even though its operations are shut down due to the crisis.

Gold miner Northern Star Resources was the biggest loser, shedding 9% after it withdrew profit forecasts and cancelled its dividend.

Updated at 11.41pm GMT

11.27pm GMT

The Queensland local elections and the two state by-elections, are still going ahead.

Pre-polling hours have been extended to help cut down on the number of people appearing on Saturday and a low voter turn out is expected, but the elections WILL go ahead.

Updated at 11.40pm GMT

11.23pm GMT

But they won't have much time to rest, with reservists getting the warning they could be mobilised.

Warning Order for Mobilisation has gone out to Reservists today. Members are being contacted by chain of command to indicate their availability now. This is army reserve wide, which means it includes even some battalions that weren't called up during the bush fires [*#auspol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Annelise Nielsen (@annelisenews) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 11.38pm GMT

11.22pm GMT

The ADF has finished its bushfire duties:

Defence will formally cease Operation Bushfire Assist 2019-2020 on 26 March 2020, having completed the emergency and recovery tasks requested by state and local authorities.

Defence has been assisting with the bushfire efforts since early September 2019 by providing wide-ranging support as part of the national response.

Prime minister Scott Morrison thanked all personnel who provided direct support in the field, at sea, in the air, and from defence bases as part of Operation Bushfire Assist.

"I couldn't be prouder of the way Defence has been assisting emergency services across the country in these challenging circumstances," the prime minister said.

"The permanent and part-time Australian Defence Force members provided essential support to our emergency services across Australia. This remarkable hard work has made a significant difference to the immediate emergency response and the longer-term recovery which defence will continue to support."

Operation Bushfire Assist commenced on 31 December 2019 to support state fire and emergency services across New South Wales, Victoria and Queensland and later provided support to the Australian Capital Territory, South Australia and Tasmania.

Updated at 11.38pm GMT

11.21pm GMT

Virgin Australia boss Paul Scurrah has been doing TV and radio interview this morning talking about the grim state of the airline industry.

He told ABC TV that about 1,000 of the 8,000 staff the airline stood down on Wednesday will probably be made redundant, AAP reports.

Earlier, speaking on ABC radio, he said that every airline in the world would need government money to survive if the coronavirus crisis went on too long and hit back at Qantas boss Alan Joyce.

As Guardian Australia [*reported on Monday,*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) Scurrah has complained to competition tsar Rod Sims about Joyce's public campaigning against Virgin,   [*prompting Sims to tell Qantas to knock it off.*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) Scurrah said nobody knew how long the crisis would go for.

"If it goes too long, there won't be an airline in the world that can survive without government support," he said.

Asked by host Fran Kelly about his complaint to Sims, Scurrah said he would "take any action I need to to make sure we get through this and our reputation is intact".

"We need a strong aviation sector that can provide competitive pricing, it's in the public interest and it's in the tourism industry's interests as well."

Asked about Joyce's sledge that the Australian government should not support "a company that's owned by Singaporeans, Chinese, Abu Dhabi and a British billionaire" - a clear reference to Virgin's shareholders.

Scurrah agreed that they should be approached for money first, saying: "As a responsible company, yeah, we have to make sure that if and when we need cash that we try every avenue we possibly can."

He dodged questions about how long the airline could survive with its fleet largely grounded, but said any bailout of the industry should be for everyone.

"What I have said to the government is that if this goes on for a prolonged period, every airline will be turning to the government for assistance - it won't be just us," he said.

Updated at 11.36pm GMT

11.10pm GMT

Here is Gladys Berejiklian warning that New South Wales will go further if it doesn't see a reduction in Covid-19 cases.

That is after another 190 people were diagnosed with the virus since yesterday.

I do also want to say to the community that if we don't see things shifting in the numbers because of those actions, NSW will have to go further.

And I think everybody appreciates that.

But I'm saying no need to panic, supermarkets and essential things will always be available for people to obtain.

But if things haven't shifted because of the actions we took earlier in the week, and actions which I'm very pleased we took at that time, we will have to go further.

And I just want everyone to be prepared for that, not to be overly concerned or panicked, but just to know that the NSW government will go further if we have to, because it's in the interests of public safety.

And on the increased police enforcement:

I also want to thank the police yesterday, for supporting our government or having the ability to issue on-the-spot fines.

We are at a stage in the virus where we do have to reduce the spread. We have to see the number of cases transmitted in the community reduced, and we need to make sure people who are supposed to be in self-isolation or people who are supposed to exercise social distancing, if they're out and about, to exercise both of those important things. And if they're not, the police will be on hand to issue fines. But in the main we want people to please do the right thing, because if the spread continues NSW will have to take immediate action to go further.

Updated at 11.33pm GMT

11.08pm GMT

Plan International has created a 'how to talk to children about coronavirus' guide.

You'll find [*that here*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates).

Updated at 11.31pm GMT

10.51pm GMT

Not coronavirus related, but still very important:

The Australian man, charged with killing 51 people in a Christchurch far-right terrorist attack, has changed his plea to the court and will now plead guilty.

10.48pm GMT

Mass job losses continue

An additional 15,000 people have been thrown out of work this morning due to the coronavirus crisis.

Solomon Lew's retail group Premier Investments, which owns the stationery brand Smiggle and clothing chains including Just Jeans, Portmans and Dotti, will close all its stores at 6pm, standing down 9,000 people.

Travel agent Flight Centre will stand down or sack 6,000 people, including 3,800 Australian staff, due to the coronavirus crisis.

The company employs about 20,000 people worldwide.

Premier said stores would remain closed until at 22 April.

It also told its landlords it wouldn't be paying the rent during this period.

Flight Centre said that some of the 6,000 staff put out of a job would be made redundant, but did not provide numbers.

"In Australia, where international travel bans and domestic border controls are in place, about 3,800 people in sales and support roles will temporarily stand down in the near-term," the company told the ASX.

Updated at 10.59pm GMT

10.47pm GMT

The Artania cruise ship, which was turned away from Dubai and remains docked in Fremantle, has had seven passengers test positive for coronavirus.

Mark McGowan had previously ordered no passengers were to disembark, except in the case of a medical emergency.

WA Health staff are on board, testing and offering assistance, but the passengers will remain on board.

There are no Australian citizens travelling on the ship.

10.42pm GMT

Flight Centre is the latest Australian company to report Covid-19 changes to the Australian stock market.

It has stood down 3,800 Australian workers.

Globally, 6,000 people will be laid off.

That follows Virgin Australia announcing it was laying off 8,000 of its 10,000 staff yesterday and mass lay offs - 20,000 - from Qantas.

Updated at 10.56pm GMT

10.36pm GMT

Australia's spaces are emptying.

George St, Sydney 8.30 am today. Taken by No. 1 daughter Jahni. [*#covid19australia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/onJPY6oUbf*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Paul Daley (@PPDaley) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Bondi Beach. 8:30am. [*#coronavirus*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/G5qlVNbuii*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Airlie Walsh (@AirlieWalsh) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Just remember, when you are staying at home, you are doing a lot - protecting those you love, and those you'll never meet.

Not going out, seeing these empty spaces, might seem depressing, but it's really an act of care and kindness. Staying home and all the other sacrifices you are making, means others will live. And that's a huge gift.

Updated at 10.54pm GMT

10.24pm GMT

The Queensland police commissioner and senior officers have been speaking at the state border.

They say the "methodology" for closing the border could change regularly, and has already changed. So far this morning delays are stretching to about 45 minutes for cars with interstate licence plates.

Trucks travelling north on the M1 (otherwise known as Pacific Motorway) are being waved through. Cars with Queensland licence plates are also not being checked, though police say they might to do random checks to ensure people in those cars are actually locals.

Several people have already been turned away because "they did not meet any of the exemptions".

Residents on the NSW side of the border can now apply online for a [*"border pass"*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates).

The police state disaster coordinator, Steve Gollschewski, said there were clear exemptions for people to "cross the border seamlessly".

For those people in Queensland registered vehicles they'll just be waved through.

We expect there are going to be delays, there are delays, this is not going to be easy for any of us.

This is not a short term thing. People need to be prepared for this to happen for quite some time. We expect we will review the levels of compliance as we go forward and we will review how this is operating as we go forward.

In terms of whether we scale up or scale down, we do have the ability to adjust our posture. If we need to we may well have to increase those measures if people aren't being compliant.

If you are not exempt you can expect to be asked to turn around.

Updated at 10.26pm GMT

10.22pm GMT

The Australian parliament is closed to visitors.

Following the announcement by the Presiding Officers last week restricting access to Australian Parliament House (APH) including closing public access to galleries, school tours and events, the public main entrance will be closed indefinitely from 5pm 25 March to public access.

- Australian Parliament House (@Aust\_Parliament) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 10.23pm GMT

10.20pm GMT

How successful we are in flattening the curve will be evident in 'seven to ten days'

Dr Nick Coatsworth also said Australia needed to prepare itself for more deaths.

This is the social media pandemic. So we can see the images coming out of Italy and they are very concerning indeed. So there will be more deaths.

But I am absolutely confident, having practiced in this system since I graduated in 2000, that we are different to Italy, we are different to the UK and we are different to the US.

When Italy was at 2,500 cases as we have just exceeded, they had widespread community ***transmission*** already, their hospitals were already filling. They were only testing people in hospitals, so they had a massive amount under the iceberg.

We know that well over 50% of our cases are still travel related, or the contact of those people who have travelled. Now, because our borders are closed, we are pivoting that testing regime, so there is going to be much more community testing.

Within seven to ten days, we are going to get a picture, precisely, of what the measures the PM has announced this week, are going to do to the epidemic curve

And every Australian has to be their own policeman and woman now. When we are hurting, because of these measures, we are hurting because we need to flatten the curve, and when that curve flattens, every Australian will be able to look at it and think 'well, I contributed to that'.

Updated at 10.24pm GMT

10.11pm GMT

Over on ABC Breakfast, infectious disease expert Dr Nick Coatsworth, who is one of the experts advising the government on the Covid-19 pandemic, had some very, very strong words for doctors like the ABC's Dr Norman Swan who are pushing for stronger lockdowns and restrictions.

Coatsworth, who has also managed disaster and humanitarian response for two decades, says "the experts around the table" of the medical committee "do not think this will be over in weeks if you put in harder and faster measures"

This is about degrees. We have gone hard, to say that we have gone light and slow would be completely inaccurate. The measures we have got in at the moment are unprecedented. The impact they are going to have on individual families is unprecedented. I've got three kids, I've got a mum who has emphysema, I've got a wife who is a respiratory physician and I've got a sister-in-law who has lost $100,000, because she is a high live opera performer and her entire annual income is gone.

These are unprecedented measures already and I am sorry I disagree with Norman when he thinks this is going to be over in weeks if we go for harder and faster lock downs, I would like Norman to go to Darwin and tell the people of Darwin why they have to stay in their houses, when we are a continent and there is differential expression of this virus and its impact across the country.

So people can ask for the hardest and fastest, but I don't think they have thought through the impact on Australia, and Australians who are doing that."

9.49pm GMT

This morning the federal government announced the time restrictions would be lifted.

Last night the hairdresser lobby was begging for the industry to be part of the lockdown.

Approximately 40,000 hairdressers and barbers continue to be at risk following the federal government's announcement last night to leave hairdressing off its latest COVID-19 shut down list.

In addition, salons are forced to only conduct 30 minute appointments, which is not a viable time frame to conduct most hairdressing services and offer a professional experience for clients.

"This decision is outrageous," says Australian Hairdressing Council CEO Sandy Chong. "Around 40,000 hairdressers and barbers continue to be at risk of as they are directly exposed to large members of the public. Why beauty was shut down but hairdressing wasn't, I don't understand.

"The Fair Work Act, as it stands, makes it costly for businesses if they choose to stand down without the Government's directive."

Updated at 10.14pm GMT

9.45pm GMT

The ACT, which will move in lockstep with NSW, if further restrictions are ordered by the NSW government, has made the takeaway rules a little easier for licensed venues.

There is a very big craft beer industry in the ACT, so this is one small step to try and help them keep going.

Restaurants, pubs and licensed venues to get takeaway alcohol permits in the ACT ?? [*@SBSNews*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/FLzCPdGLqW*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Jamie Travers (@JamieTravers) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 9.53pm GMT

9.34pm GMT

AAP has more on the latest deaths from Covid-19:

Victoria has recorded its first coronavirus deaths, with two people succumbing to the virus overnight.

Chief Health Officer Brett Sutton confirmed the deaths of two men in their 70s.

The state's total number of confirmed cases has also risen to 520.

It comes a day after Premier Daniel Andrews warned he may implement further measures to fight the spread of the coronavirus, as the police union called for a state of disaster to be declared.

The state's tally includes four health workers at Werribee Mercy Hospital in Melbourne's outer west.

The hospital confirmed one emergency department worker tested positive to COVID-19 on Sunday.

Fellow staff members considered at risk of infection were isolated and tested, with three confirmed as also having the virus.

The Police Association has called for a state of disaster to be declared, which would give its members greater powers during the coronavirus pandemic.

About 500 police officers are tasked with enforcing the closure of non-essential services in Victoria and the mandatory 14-day self-isolation for travellers.

Individuals face fines of up to $25,000 and businesses could be forced to cough up $100,000 for breaching restrictions.

Updated at 9.54pm GMT

9.28pm GMT

Victoria, which has 520 cases of Covid-19, and just recorded its first two deaths from the virus, has been pushing for further restrictions for some time. Some time in this fast moving story is a few days, but Dan Andrews has been public about it - he will go harder, even if the PM disagrees, if he thinks it is warranted.

It is also worth noting that New Zealand has moved into its "alert 4" stage, which means all citizens will have to stay indoors for four weeks, except for necessary trips to the grocery store, or an emergency.

So the AHPPC has confirmed Victoria already requested stage 3 restrictions (only essential services open) [*#auspol*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*#covid19australia*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*https://t.co/EAMWFqdHcr*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/10wHtG2g7j*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Paul Karp (@Paul\_Karp) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 9.54pm GMT

9.24pm GMT

A few quick observations from Queensland's border closure.

Cars with Queensland licence plates appear to be being waved straight through roadblocks by police in an attempt to avoid delays. Anyone with NSW plates is looking at a 10- to 15-minute delay.

Trucks and anything that looks as thought it's freight is also being let through without a check.

There are definitely mixed feelings. Some commuters are happy at the relatively minimal disruption. Others, well, seem to think that you either go hard or go home.

"That's not a border closure, it's a detour," once commuter said. "Are we fair dinkum or what? That was laughable."

Police yesterday had said there would be a process for people to apply for a pass to ease the process but that doesn't appear to have been set up yet.

M1 northbound into Queensland. Police letting trucks through on the highway, diverting cars to checkpoints near the Gold Coast airport [*pic.twitter.com/W3456Cfis0*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Ben Smee (@BenSmee) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 9.55pm GMT

9.24pm GMT

Frontline health workers came together on the ABC's 7.30 overnight to pass on a message: Stay at home.

If you missed it on [*@abc730*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) these frontline health workers passed on a message:   [*#stayAtHome*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/3iSXXnf0Bp*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Justin Stevens (@\_JustinStevens\_) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

9.22pm GMT

Victoria's police union wants the premier to declare a state of disaster to deal with the Covid-19 crisis.

That would give police more powers to disperse people, as well as give orders which would be an offence to ignore.

You might remember that during the bushfire crisis at the beginning of the year a state of disaster was declared, which meant authorities could force people to leave their homes.

Victoria already has dedicated police to enforce the social distancing laws and has warned of new measures.

Updated at 9.56pm GMT

9.18pm GMT

Victoria records first Covid-19 deaths

[*#BREAKING*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) : First Coronavirus deaths in Victoria. Two men in their 70's have died overnight. The state has recorded 54 new cases bring the total to 520.   [*@10NewsFirstMelb*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*@10Daily*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- James Bird (@JamesBirdTEN) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

9.17pm GMT

For now, NSW will have the same lockdown strictures as the rest of the nation. But it WILL go further if the cases don't start to slow down.

NSW Health and Border Force will have to tick off on any passengers leaving any cruise ships which arrive in Sydney.

After the Border Force chief, Michael Outram, made a rare media appearance yesterday to deny that his agency or staff had any responsibility for the decision to let passengers from the Ruby Princess disperse, placing all the blame on NSW Health, Gladys Berejiklian, has refused to budge, saying her agency did nothing wrong.

More than 130 of the Ruby Princess passengers have been found to have the virus.

Updated at 9.22pm GMT

9.10pm GMT

New South Wales now has 1,219 cases of Covid-19.

That is 190 more people since yesterday.

Updated at 9.21pm GMT

9.10pm GMT

Thirty-minute rule for hairdressers lifted

The prime minister's office has just released this statement:

Following the receipt of feedback on the practical implementation of measures announced regarding barbers and hairdressers it was agreed by Premiers and Chief Ministers at National Cabinet last night that the instruction regarding 30 minutes per patron will be lifted (effective immediately), but that the 4 sq m rule per person must be strictly observed within the premises and that personal contact during the patron's visit should be minimised wherever possible.

Also it was noted that in hardship cases, States and Territories can provide exemptions in relation to attendance at funerals, but only at the margin.

National Cabinet will meet again on Friday, March 27.

So hairdressers can keep clients in for longer than 30 minutes (and for as long as the service takes) but they can't have more than the allowable amount of people in doors (one person for every 4 sq m).

Updated at 9.20pm GMT

9.08pm GMT

Gladys Berejiklian announces NSW prepared to go further with restrictions

After Danield Andrews came out yesterday and said Victoria would go further with lockdowns, if it deemed it necessary, the NSW premier has said her state would also move stronger restrictions, if needed.

Both NSW and Victoria have a bigger challenge with Covid-19, partly because of their larger populations, but also because of the travel between the states and the number of international travellers who pass through the ports.

Updated at 9.20pm GMT

9.06pm GMT

Gladys Berejiklian says there are new protocols in place for cruise ships, with no one getting off any cruise ship which docks in Sydney without a thorough check.

That's after a 68-year-old Queensland man who was onboard a Royal Caribbean cruise which docked in Sydney last week died overnight. He was the second person in Australia to have died after contracting Covid-19.

Updated at 9.19pm GMT

9.01pm GMT

As the blame game over the Ruby Princess continues, Ben Smee has this report over information given to travellers arriving in Sydney airport on Sunday:

An unknown number of international travellers arriving at [*Sydney airport*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) on Sunday were given an outdated information sheet about coronavirus precautions, including incorrect advice they could immediately return to their workplaces.

Guardian Australia understands the information handouts, which were more than a week old, were given to passengers on at least two Air [*New Zealand*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) flights that arrived in Sydney on Sunday afternoon.

All travellers returning to Australia from overseas must self-isolate for a period of 14 days, whether or not they feel unwell.

Related: [*Travellers arriving at Sydney airport on Sunday given incorrect advice about self-isolating*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 9.18pm GMT

8.52pm GMT

Prince Charles testing positive for Covid-19 has made headlines around the world. The palace says he hasn't seen the Queen in two weeks so she has not been exposed (at least not by him).

Australia's man in London, George Brandis, was at a function with the prince recently, but says he is fine.

As AAP reports:

Australian High Commissioner George Brandis has no coronavirus symptoms after hosting one of the last official functions attended by the now sick Prince of Wales.

Heir to the throne Charles, 71, is displaying "mild symptoms" of the illness but is in good health and spirits as he self isolates at Birkhall in Scotland, a spokesman said.

It's believed one of the last official engagements the Prince attended was an Australian bushfire fundraiser at Mr Brandis' official residence at Stoke Lodge in London on March 12.

But Australia House spokesman says the high commissioner, 62, has no symptoms and is following UK government guidelines.

"All of us at the Australian High Commission wish His Royal Highness a speedy recovery," the spokesman said in a statement on Wednesday.

The Prince's Clarence House office can't pinpoint whether Charles had picked up the infection at the fundraiser or not.

"It is not possible to ascertain from whom the Prince caught the virus owning to the high number of engagements he carried out in his public role during recent weeks," a spokesperson said.

His wife Camilla, 72, who is also at Birkhall, in Aberdeenshire, has tested negative for the virus, so is separating herself from the prince.

Doctors believe future king Charles became contagious on March 13, the day after he last saw his mother, the Queen.

Buckingham Palace said the 93-year-old monarch, who is staying at Windsor Castle with the 98-year-old Duke of Edinburgh, remains in good health and is following all appropriate advice.

Philip was not with the Queen at Buckingham Palace when she last met Charles on March 12.

Updated at 9.17pm GMT

8.47pm GMT

Scott Morrison will be part of a virtual G20 today as the global leaders try to work out a way to keep world supply chains open.

The world is facing a global recession, with increasing fears that the spreading virus will halt or disrupt shipping channels and supply chains, further compounding the economic crisis which has accompanied the pandemic.

Updated at 8.51pm GMT

8.42pm GMT

In case you were wondering what the last time the "greatest nation on earth", Queensland, looked like when it shut its borders, it was something like this.

People pass food, mail and goods across the closed New South Wales-Queensland border during the outbreak of Spanish Flu, 1919 Pic: [*https://t.co/PxGw6UakAc*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/BbNkuZVS7U*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- australian kitsch ?? (@OzKitsch) [*March 24, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 8.49pm GMT

8.40pm GMT

Queues form at Queensland border

Queensland's border has been closed - for the first time since 1919 (during the Spanish flu pandemic) and, as you could expect, there is slight chaos.

Thousands of people live on one side of the border and work on the other, so it's not an easy task.

Our Queensland correspondent, Ben Smee, is headed down there to see what is going on.

Queues already huge at the Queensland border with people trying to cross. [*@RNBreakfast*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/RkAHjsdt6z*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Matt Bevan ?? (@MatthewBevan) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 8.50pm GMT

8.35pm GMT

Amidst all of the devastating layoffs and industry shutdowns, regional communities are also losing their media sources.

Another regional paper has announced its closure.

More abjectly awful news. The Barrier Daily Truth, Broken Hill's 122-year-old union-owned six-day-a-week newspaper, will stand down its staff and suspend publication this week [*https://t.co/mKowW6v26K*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)   [*pic.twitter.com/q9DpViZIfm*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

- Declan Gooch (@declangooch) [*March 25, 2020*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates)

Updated at 8.48pm GMT

8.25pm GMT

Good morning

The Queensland border is now closed to all non-essential or exempted travellers. Anyone entering without an exemption will have to self-isolate for 14 days.

A 68-year-old Queensland man with a "serious underlying medical condition" died on Wednesday night after contracting Covid-19. He is the ninth person to die from the disease in Australia.

Scott Morrison acknowledged ahead of the national cabinet meeting on Wednesday night that Victoria and New South Wales are likely to impose stage 3 lockdowns.

Evacuation flights for Australians who are stuck overseas due to border controls and cancellations of commercial flights [*will be organised only "where feasible" and on a case-by-case basis*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates), meaning Australians could be stuck overseas.

NSW has [*introduced on-the-spot fines of $1,000*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) for people breaching self-isolation rules and   [*introduced new laws allowing police to fine or even jail people*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) for breaching social distancing requirements.

The Victorian government has said it may also introduce laws on social distancing, if Victorians do not heed orders to stay home.

Western Australia is [*sending 800 Australians from a cruise ship to Rottnest Island to sit out their 14-day self-isolation*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates). Foreign nationals and crew members will not be allowed to leave the cruise ship unless they are headed directly to a flight home. WA has   [*also restricted alcohol sales*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates).

Wednesday night's meeting of the prime minister and premiers was due to consider the next batch of restrictions to enforce social distancing, as well as [*financial assistance measures for renters*](https://www.theguardian.com/world/live/2020/mar/26/coronavirus-live-news-update-world-lockdown-global-deaths-india-uk-us-australia-china-latest-updates) and landlords - a package that will require cooperation with the banks and insurance companies.

The meeting was also expected to consider how the states can manage the anticipated surge in hospital admissions as coronavirus infection rates continue to climb. We'll bring you all of that and more as it unfolds.

Updated at 8.38pm GMT

181022020-03-25T20:25:41Zfalsefalse2020-03-26T21:29:04ZfalseAUStheguardian.com[*https://gu.com/p/dgj7nfalsetruehttps://media.guim.co.uk/d189dae221c03e5f899e36cf589dbdc1481df9ca/0\_549\_3775\_2265/500.jpgfalseentrueWe*](https://gu.com/p/dgj7nfalsetruehttps://media.guim.co.uk/d189dae221c03e5f899e36cf589dbdc1481df9ca/0_549_3775_2265/500.jpgfalseentrueWe) will leave our Australian coverage there for the night. You can follow our rolling global coverage here, and read a summary of the main news in Australia here. To recap: A second man has died from Covid-19 in Western Australia, bringing the number of deaths from the disease in Australia to 13. The man was in his 70s and had been travelling on a cruise ship, although we understand it was not the Ruby Princess. Three other people, all in their 70s, died of Covid-19 in Victoria in the past 24-hours. A quarter of all coronavirus cases in WA are people who have been on cruise ships, the WA government says, as it refuses to let people from two waiting cruise ships to disembark in mainland WA. NSW has also banned people from disembarking from cruise ships, after the Ruby Princess disaster. Prime minister Scott Morrison will attend a virtual meeting of the G20 tonight to ensure global supply chains remain open despite the coronavirus. The Queensland parliament has been suspended until 28 April. The Australian and Tasmanian parliaments have both been suspended to August. The Real Estate Institute of Australia supports calls for a six-month ban on evictions. The Shopping Centre Council of Australia has called on owners not to evict retail tenants for non-payment of rent. Standard & Poor's has cut Virgin Australia's credit rating from B- to CCC. A new requirement for temperature checks has caused queues and crowding at Sydney airport. As of 3pm today, Australia had 2,799 confirmed cases of Covid-19 and had conducted 178,000 tests. Take care, stay home if you're able, and we will see you in the morning. The head beekeeper of the Australian Parliament, Cormac Farrell, has farewelled his bees as access to parliament is restricted to essential staff. If Farrell can socially distance from his bees, you can follow social distance guidelines too. Deputy chief medical officer Paul Kelly was also asked on 7.30 about crowds and queues at Sydney Airport after NSW health ordered all incoming international passengers to be screened with temperature checks. He replied: One is the numbers of people returning from overseas are decreasing quite rapidly but there's still several thousand people every day. It's interesting that you would say that people were concerned about being held up for temperature tester. A few days ago we were being criticised for not testing enough at the airport... That's one of the reasons why we've gone to the 14 days of self-isolation. That means staying at home, because the airports are not set up for this sort of thing. We're testing where we can. We're trying to identify people that are sick so they can be tested early. But the general principle, if you're returning from overseas, we're assuming the whole of the world is worse off than Australia and for most of the world that is the case, and we're asking people to isolate at home, to self-monitor and that will be checked, Leigh. All states and territories are really ramping up their checking and enforcement of that home quarantine. The Northern Territory government issued this warning earlier today to residents of remote Indigenous communities about travel restrictions, which kick in at midnight. It reads: If you do not return to community by midnight tonight, you will not be able to go home for a long time. Restrictions on travel to communities starts at midnight tonight, 11.59pm Thursday 26 March 2020. This is to protect you and your community from the coronavirus. The safest place for you is in your community, homeland or outstation. If you do not leave today you will have to self-quarantine (be alone, no contact with family) for 14 days. You will not be able to go back to community for a long time. Tangentyere Council in Alice Springs was offering to pay for travel, buying bus tickets or petrol to help people get home. The Shopping Centre Council of Australia has urged commercial landlords not to terminate retail leases for the non-payment of rent during the coronavirus crisis. SCCA chairman Peter Allen said he had been told by the federal government that some shopping centre owners were not "engaging with the empathy that is required during these times". He said in a statement: This is surprising, and if correct, very disappointing and frustrating to hear. The SCCA asks members to ensure there are no lease terminations for non-payment of rent for small to medium-sized businesses as we work through this period. It is vital that our industry, as a key part of the economy and our local communities, work collaboratively with government and our SME retailers to support their cashflow and jobs across the economy. On the ABC's 7.30 program, Australia's deputy chief medical officer, professor Paul Kelly, said "millions of masks" were expected to arrive in Australia over the next few months. Kelly said the focus of the testing regime in Australia remained people who had returned from overseas, and known contacts of confirmed cases, who were asked to self-isolate and monitor themselves for any symptoms. Sam Page, the chief executive of Early Childhood Australia, says her sector is calling on the government to continue paying the childcare subsidy, at the rate of enrolment rates on 2 March, to tide over operators as parents no longer pay their contribution. Page told Radio National: Early childhood services understand that parents are confused and concerned and many are holding children back at home in the interim while we're in the middle of this crisis... The problem is that, legally, services can't receive the childhood subsidy without also charging parents their contribution of the fee, unless they're directed to close by health authorities... Which means services are in the position of having families not attending but still being charged, so then they're un-enrolling their children and withdrawing altogether from the service. The service receives no revenue and the educators and teachers are facing, we're facing, nationwide job losses. Casuals have already lost shifts, and permanent workers will be lost. Page said essential workers needed services to remain open, but others withdrawing their children were threatening their viability. Page said the education department had promised work was going on behind the scenes to provide support, but noted that many centres had already closed, with more to close next week, if the government did not adopt the "quick fix" of continuing to pay the subsidy. More than 300 Australians on the Costa Victoria cruise ship face a choice between staying onboard the potentially coronavirus-stricken vessel or disembarking in Italy, now the global centre of the virus outbreak. International flights are being cancelled by airlines across the globe - Qantas is set to stop all international flights by the end of the month - meaning those who disembark in Italy could be stranded there for weeks if repatriation flights cannot be organised. Many of the Australians on board the Costa Victoria are elderly, and some have underlying health issues, putting them in the highest risk category for a severe infection. The Australian embassy in Rome has told passengers it is working with Costa Cruises "with a view to enabling you to return home to Australia as quickly as possible", but did not provide any detail on what was planned for the group. Queensland parliament has reportedly been suspended until 28 April, due to the coronavirus. Federal parliament and the Tasmanian state parliament have already suspended until August. The Western Australian Department of Health has confirmed that a man in his 70s died in a Perth hospital today after testing positive to Covid-19. The department said: A male in his 70s has passed away at Joondalup health campus after testing positive for Covid-19. The man was receiving care within an isolation room prior to his death. He was a cruise ship passenger. Overnight, an additional 26 new cases of Covid-19 were confirmed, bringing the state's total to 231. It is the 13th death connected to Covid-19 in Australia, and the second in Western Australia after the death of James Kwan, a 78-year-old WA resident and passenger of the Diamond Princess cruise ship who died on 2 March. Three people in their 70s died in Victoria of Covid-19 in the past 24-hours. Adrian Kelly, the Real Estate Institute of Australia president, has lent support to a six-month ban on evictions being rolled out in New South Wales and other states and territories, telling Radio National that "everybody needs somewhere to live to ride this out". He said: We're 100% supportive of federal and state governments' efforts in ensuring everyone has somewhere to live. Housing is a massive industry and an economic driver for this country. There are 3m rental properties in Australia and they house 8 million Australians. With all the job losses we're seeing, we need to house all these people, many of who will be unable to pay the rent. We need to find a way to help tenants continue to pay their rent. Asked if the commonwealth government should pay tenants' rent, Kelly noted that both commonwealth and states had worked on ensuring there were no forced evictions and he expressed hope "they've found a way to fund it". Kelly said that if landlords and real estate agents lost their income from rent, "everybody loses". He said: If real estate agents and all their property owners are left spinning in the breeze, we're going to have a disaster on our hands... If the property owner has to do the right thing and house all these unemployed people in their property, they're going to need money for that... They have their own families and their own children that need to be fed. Meanwhile, attempts to collect unwell passengers from the cruise ship Artania, anchored off Fremantle, have hit some snags. A second man has died from the novel coronavirus in Western Australia, according to reports. This brings the number of deaths in Australia to 13. Four of those deaths, all of people in their 70s, were announced today. The WA Department of Health said it would release a statement shortly confirming the latest death. ALDI supermarkets have placed social distancing markers, 1.5m apart, on the floor near the checkouts to ensure people observe the correct guidelines. They are also installing clear screens at each register to protect staff, and said security guards would "enforce customer flows", including by limiting the number of people allowed in the store at any one time. ALDI has increased the number of products that have purchase restrictions. Basically, for all three major supermarkets, the rules are no more than one pack of toilet paper and no more than two packs of anything else that could be considered essential. The supermarket wars appear to have died in recent days, which is lovely and very well done to all shoppers. But these restrictions are likely to remain in place in some time, lest the panic start up again. And some thoughts on parliaments being suspended until August, from former Tasmanian premier David Bartlett. Tasmania is closing its national parks and reserves: Queensland has just issued its daily update of Covid-19 numbers. It confirmed 50 new cases on Thursday, bringing the total to 493. That's a slight increase from the 46 new cases reported on Wednesday, but still well below the highest daily rise in that state. As in Western Australia, Queensland Health says the majority of cases are from patients who have travelled overseas or had direct contact with a confirmed case who had travelled overseas. Contact tracing is underway for the 50 new cases. And as a reminder: Queensland Health is urging anyone who has been overseas in the last 14 days and has a fever or any respiratory symptoms to see a doctor immediately. Please call ahead to the GP surgery and let them know your symptoms and travel history - this will help them prepare for your arrival. Virgin Australia's credit rating cut to CCC S&P has cut Virgin Australia's credit rating to CCC, deep in junk territory, after the airline grounded 125 planes due to the coronavirus pandemic, warning the airline was at risk of defaulting on its debt. The airline's credit rating was already in junk territory at B-. S&P said Virgin's credit rating was continuing to develop, reflecting "our view that a default or distressed exchange appears increasingly likely over the next 12 months, absent timely government or other support and/or a swift reversal of the Covid-19 outbreak". It said: The prospect of timely and coordinated equity support now appears unlikely. Virgin Australia is 90%-owned by Etihad Airways, Singapore Airlines, Nanshan Group, HNA Group and Virgin Group. To varying extents, each shareholder is experiencing their own challenging industry conditions. The ratings agency said the Australian government might support the airline sector during the crisis. A government bailout of aviation has been enormously controversial over the past week, with Qantas boss Alan Joyce publicly lobbying against any bailout of Virgin Australia, only to be told to knock it off by competition tsar Rod Sims. WA health minister Roger Cook says one of the passengers on the cruise ship Artana has been transferred to hospital in Perth - but does not have the coronavirus. Seven people on the Artana tested positive to Covid-19 overnight and a further 18 have respiratory symptoms. Cook said the man, in his 70s, had a life-threatening illness that was unrelated to Covid-19 and had not tested positive to the virus. Cook said: However, as a precaution, he is being treated in a negative pressure room at Fiona Stanley Hospital to ensure we don't take any unnecessary chances. The Artana is anchored off Fremantle and its 800 passengers and 500 crew, none of whom are Australian, are not being allowed to disembark. Cook said the WA government would like those on the Artana who had tested positive to Covid-19 to be transferred by the federal government to a military base, so the ship could sail on to South Africa. Western Australia has recorded 26 new cases of Covid-19, bringing its state total to 231. Health minister Roger Cook said four of the new cases were people who were passengers on cruise ships - one from the RubyPrincess, one from the Sun Princess and two from the Voyager of the Seas. In total, 51 cases in WA are cruise ship passengers. Cook said that, as of Wednesday night, all of the cases in WA "have been connected in some way to overseas travel". Fifty per cent of those people were people who have returned to Western Australia on flights. Twenty-five per cent are cruise ship passengers and 25% are close contacts with either those cruise ship passengers or people who have returned from flights. So, obviously, that is a really strong situation for Western Australia to be in. Cook said two cases in WA were listed as contracting the virus from an "unknown source" but were not "necessarily contracted the virus from community spread". In these particular cases, all these are close contacts with overseas travellers. Now, by the time the overseas travellers were tested, they were negative. So, potentially, these two from unknown sources could [be] from those travellers, as they were recovering from the illness, but not before they had the opportunity to pass it on. Michelle Landry, the LNP member for Capricornia in far north Queensland, and Queensland senator Matt Canavan have written to Queensland premier Annastacia Palaszczuk to request her "urgent consideration for shutting north Queensland's borders". It is worth noting that as it is not an independent jurisdiction, north Queensland does not have borders. The request is being made because the majority of cases of Covid-19 to date have been in the south-east, particularly around Brisbane and the Gold Coast. There are not, at this stage, formal rules against people moving within states. But all state premiers, including Palaszczuk, have repeatedly said people should stay at home for everything but essential purposes, such as a quick grocery run, and should not leave their houses to visit others or go on holiday. Which should mean no one from southern Queensland is needlessly wandering up north. More details on personal payments in the SA stimulus package A few people have asked for more information on that $500 one-off payment for people on Centrelink, which the South Australian government announced today. It is tied to the cost-of-living concession payment, which is made available once a year to low income households in SA and is intended to help cover the cost of utilities. In 2019, the payment was worth $109.70 per household. It's not automatic - eligible people apply between 1 July and 31 October and it can take several months to get the payment. In response to the coronavirus, premier Steven Marshall said the payment would be brought forward and increased. This is from his media statement today: The government will also provide a once-off boost of $500 and bring forward the 2020-21 'cost of living concession' for households who are receiving the Centrelink jobseeker payment, assisting those who are unemployed or lose their jobs as a result of the coronavirus restrictions. For eligible homeowners, their 2020-21 payment of $215.10 will now become $715.10. Eligible tenants will receive $607.60. Scott Morrison will attend a virtual G20 meeting tonight, as world leaders attempt to ensure global supply chains are not broken. The national cabinet will meet again tomorrow. There is no press conference tonight (as of this point). I'm logging off now, and will leave you in the very clean hands of Calla Wahlquist. I will be back on Monday. Please - take care of you. Three more Australians have died from coronavirus, bringing the national total to 12. Australia has 2,793 cases in total. Peter Dutton contradicted his border force chief on the issue of whether cruise ship operators are being honest about illness on board their ships. Border force says yes, Dutton says no. WA has said no one on a cruise ship will be allowed to enter WA without mandatory quarantine. He is attempting to turn back a ship, with no Australians on board, to South Africa. Queensland will have pupil free days from 30 March. Schools are open for parents who have no choice. South Australia will move to pupil free days from 4 April. Schools are open for parents who have no choice. Western Australia will move to pupil free days from April 3. Schools are open for parents who have no choice. Online learning is being worked up, for the next term for all Australian schools. Hairdressers can now service clients for as long as they need (space restrictions in place). Hairdressers want the government to shut them down. New South Wales has announced it will be moving further with restrictions if its curve does not flatten, something Victoria has already announced. A split with the prime minister's position is imminent, with the state and federal governments hinting a consistent position is no longer possible. SA has announced a further $650m in economic help, bringing its total package to $1bn. Included is $500 individual payments for those needing Centrelink assistance. Testing restrictions have been loosened. Labor and the Greens are pushing for a freeze on rental evictions and for a wage subsidy like the UK has in place. NSW Health has ordered all passengers be screened for illness as they enter Sydney airport, after scenes of confusion at immigration lines were released on social media. Australia has asked Ford to help with making ventilators. A man was arrested at the Queensland border road block, driving an alleged stolen car with paper number plates. Labor (and the Greens) are starting to push this very hard. The man who was arrested attempting to cross the Queensland border, appears to have allegedly attempted the very well marked police road block in a stolen car, with paper number plates. Police allege they found drugs and a gel blaster (sort of like the guns they use in paintball skirmish, which are fake, but hurt like a bejesus) in the car. The man also has outstanding warrants. He'll face a magistrate court soon. The ACCC has given permission for the nation's airlines to work together, during the Covid-19 crisis: The ACCC has today granted interim authorisation to Regional Express (Rex) allowing it to coordinate flight schedules with Virgin Australia and Qantas Airways on ten important regional flight routes during the Covid-19 pandemic. The interim authorisation will also enable Rex, QantasLink and Virgin to share revenue from providing services on the routes. Importantly, it is conditional on airlines charging fares no higher than those in place on 1 February 2020, meaning the airlines will not be able to coordinate to raise prices. "We recognise this is an urgent request. This authorisation will help provide certainty for regional flight operators to support services on these routes for those who need to use them," ACCC Chair Rod Sims said. "We hope that this temporary measure will also support airlines' ability to again compete with each other on these routes once the pandemic crisis has passed." We'll get you more detail on this as soon as we can. And the rental relief package is still a work in progress, it seems. Mathias Cormann: Tenancies are a matter that in Australia are regulated at a state level. But there is a matter that through the national cabinet, the prime minister, and premiers and chief ministers have turned their mind to and I expect there'll be announcements in relation to this. Mathias Cormann was also asked if the government would release the modelling it is using to make these decisions, in the same way the UK has. The short answer, is no. We are dealing with... Covid-19 through the national cabinet in all the appropriate way. These are questions for others to answer. What I will say to you, and what I think Australians would expect from us is that we will not make decisions, we will not make decisions based on political considerations. We will make decisions based on what the experts advise, based on the evidence and based on, you know, objective indications. Australians would not want us to gratuitously close down businesses in the absence of medical advice that that is what should happen. It's very disappointing that in this time - I mean, we're all in this together. And at this time when the community actually needs the reassurance that everyone is pulling in the same direction that we get politically manufacture motivated commentary along the lines that we've seen. Reports emerged overnight that the United Kingdom may allow its citizens to self-test at home for Covid-19 using a rapid finger print test, which detects antibodies in a patient's blood and can return positive results in 15 minutes. The test kit is being evaluated, and, if deemed sufficiently accurate, will be made available for home-testing, either via Amazon delivery or from local pharmacists. Australia has now ordered 1.5m antibody tests from a variety of manufacturers. Five different companies have been given conditional approval from the Therapeutic Goods Administration to sell the rapid antibody tests. But the Australian health department has confirmed that it will not allow the tests to be used at home. The tests will be used only in healthcare settings with the assistance of a practitioner, so patients can be given treatment and advice if needed. "Australia requires testing for serious infectious diseases to be conducted in conjunction with a healthcare professional who can provide appropriate advice and treatment if required," a spokesperson said. "The supply of self-tests for most serious infectious diseases, including self-tests for Covid-19, is prohibited under the Therapeutic Goods (Excluded Purposes) Specification 2010." The government is continuing to assess the effectiveness of the tests in conjunction with the Doherty Institute. Dan Tehan has put out a statement on child care. At this stage it is open. The current expert medical advice is that the child care sector should remain open except where individual services have been directed to close by health authorities. The government is aware of the challenges facing the child care sector because of reduced attendance. I am working with the sector to minimise the impact of Covid-19, and we already have implemented additional support arrangements. To support the sector, we have increased the number of days, up to 62, that a child care service will continue to receive the Child Care Subsidy (CCS) when a child is absent from care. The CCS covers up to 85% of the daily costs of a child's care. Grants ranging from $10,000 to $50,000 are available for child care providers through the Community Child Care Special Circumstances Fund to help cover business costs, including wages, to ensure services impacted by Covid-19 can continue to operate. Families with financial difficulty can apply for funding through the ACCS (temporary financial hardship fund) to cover child care gap fees. One of the key ways all governments can support the sector is through regulatory relief and this is on the agenda for Education Council tomorrow. We continue to assess the issues facing the sector and we will continue to work with them to manage the impact of the coronavirus. I will have more to say on this in the coming days. The Australian Academy of Science, which has asked the government to release the modelling it is using to make its Covid-19 decisions, has released an article on how to look after your mental health. It also has another video (fact checked) with how you can best prepare for what is coming. South Australia has announced 38 new cases of Covid-19 since yesterday. That makes 235 cases for the state - 60 of which came from cruise ships. A third person, a 50-year-old man, has been admitted to intensive care. Mathias Cormann also accuses Labor of being 'increasingly unhelpful', which is something Peter Dutton also said today. Cormann: Look, the Federal Government is working together very well with state and territory governments including the state Labor Governments, who are all working very hard to protect people's health and save lives and to provide the appropriate supports to our economy and jobs. Federal Labor's approach, sadly, has been becoming more unhelpful. That is regrettable. Things are tough enough out there without political commentary undermining the medical advice and suggesting that we should close down even more businesses where the medical advice doesn't we should. We are never going to close down businesses based on political decisions. If there is a decision to close down certain sectors in the economy, it is going to be because the medical advice clearly and unequivocally indicates that is required to protect people's health and to save lives. Mathias Cormann says there is not enough time to set up a new payment scheme, despite the payments not coming through the Centrelink system until 27 April. That is the line Scott Morrison has been using as well. Cormann: That is not the advice in front of us. As I said earlier, even using the existing system, the existing processes and programs, this is the amount of time it takes to get this additional level of support into the community. If we actually completely change the architecture and the system, that will make it much more difficult to get the necessary support into the community. Mathias Cormann says the government is looking at the next stage of stimulus. It doesn't look like the wage guarantee that the workers' unions want is in there, though: Well, we've always said that our approach to this will be scalable and we, of course, will continue to assess what is an evolving situation still, and we'll continue to make judgements on how the support packages that are already out there can be further improved. I'm not going to speculate. We've been very candid with the Australian people. Sadly, in the circumstances, businesses will close and Australians will lose their job. We've provided significant support to eligible businesses around Australia, about 700,000-odd small and medium-sized businesses, about 30,000 not-for-profit organisations who are getting cash payments of up to $100,000 from the commonwealth. So, I mean, that is significant and unprecedented support. But, yes, I mean, we are continuing to consider what other sensible and appropriate things we can do to support business. But what about asymptomatic people, who may be infectious but don't have any symptoms, still being able to operate as hairdressers, so close to clients? Dr Paul Kelly: So no one is being forced to go to work. I'll say that for sure. In terms of the asymptomatic carriage that may lead to people being infected, yes, that is potentially an issue. But overwhelmingly, and I'm absolutely certain about this, it's people that have the infection and are infectious in those first few days of coughing and sneezing, they are the most infectious people. We can't stop this completely unless we all stay at home and the lights go out and no one has anything to eat. So we have to have some sort of sense of what we can and should do there of minimising as much as possible what can be done to stop the spread. Dr Paul Kelly was also asked about the reverse ferret on the hairdresser time restriction. The government had ordered hairdressers could stay open but serve clients for only 30 minutes a time. This morning the government scrapped that restriction. The hairdresser lobby wants the government to just shut down their business, the same as most other services, including beauticians. Kelly: I'd firstly say no one is being forced to work. For hairdressing, it's impossible to take those social distancing rules. You can't be that far away from someone if you're doing their hair. But I've seen many things myself in hairdressers and barbers around town here in Canberra that can be done very practically: having hand sanitiser at the door; making sure people wash their hands before they come in; insisting that people that are sick don't come; stay at home. For people that are actually hairdressers themselves, if you are sick with the symptoms of Covid, you stay at home. And then hygiene practices in the actual barber's and hairdresser's can of course be improved and we're asking people to do that at that time. That statement continues: There are currently 798 Australians and 108 New Zealanders on board the ship. Based on the WA premier's announcement, we understand that guests from New Zealand will be staying onboard the ship until they can travel directly to New Zealand. All guests with an international nationality on board Vasco da Gama have informed us that they are either Australian or New Zealand residents, regardless of nationality, and all hold the appropriate visas to reside in either Australia or New Zealand. We are working to gain clarity from the WA premier on arrangements for these guests. Please note that we have recorded no health issues with any guests or crew members on board Vasco da Gama. By Monday, our guests will have been at sea for 16 days straight without disembarking the ship or being in contact with anyone who was not a guest or crew member of CMV, which places them outside the 14-day period that the World Health Organisation indicates is the incubation period for Covid-19. Since the WA premier made the initial announcement yesterday about our guests having to disembark on Rottnest Island, we have been working to get in touch with the WA premier to gain further clarity around the situation. We want to assure our guests onboard that we are doing everything we can to get more information about these changes, and we look forward to starting consultations with the WA premier soon. We thank our guests and crew for their patience during this time, as we know this will be disappointing for them. We will continue to work with the state and federal Australian government, including Department of Foreign Affairs and Trade and Australian Border Force as well as the New Zealand government, including the ministry of foreign affairs and trade , and Cruise Lines International Association to gain clarity around the situation. The cruise operator responsible for the Vasco da Gama cruise ship, which has 800 Australians onboard, which WA premier Mark McGowan said had been told to delay its planned arrival until Monday to allow for the Rottnest Island quarantine to be established, claims it wasn't told of the new arrangements. Dean Brazier, the managing director of Cruise & Maritime Voyages, has put out this statement: We have just been made aware via the premier of Western Australia's media announcement that Cruise & Maritime Voyages will no longer be able to disembark guests from Vasco da Gama in Fremantle on Friday 27th March as originally agreed on Wednesday 18th March, and that guests will now be disembarked on Monday 30th March instead. We are doing everything we can to gather the facts of this situation as soon as possible to advise our guests, agents and community of this change. Unfortunately we cannot confirm all details until the Western Australian premier's office consults with us. At this stage, we understand that on Monday, all Western Australians will be transferred to Rottnest Island to spend 14 days in self-isolation before being allowed to continue with their onwards journey. Western Australian premier Mark McGowan has indicated via media reports that he is awaiting notice from other states and territories as to transport arrangements for the rest of our Australian guests, and at this stage they will no longer be permitted to self-isolate on Rottnest Island as he originally announced yesterday. Contrary to the WA premier's statement, neither Cruise & Maritime Voyages nor the captain of Vasco da Gama were formally advised that our arrival into Fremantle would be delayed until Monday prior to the WA premier making his announcement to media earlier. Dr Paul Kelly seems to be losing his patience a little with delivering this message: In terms of instructions I think it is pretty simple and I don't know how many times I've said this: if you're sick, stay at home. If you're in quarantine, you stay at home. If you're in self-isolation, you stay at home. If you are a contact with someone with Covid-19, you stay at home. If you have just come back from overseas in the last 14 days, you stay at home. I don't know how much clearer I can make it, seriously. But in terms of what was discussed at national cabinet last night, it was really an agreed approach as to how that could be enforced. In several states that is enforced and I'll leave it to the states themselves to say how much the fine is and how long you can be put in prison for this because it's a state-based, state-by-state based approach. But those rules are enforced. In Queensland, from the beginning of this matter, anyone who came back from a high risk country, when we had a small list of high risk countries, they were given a public health order, a piece of paper that said, "If you don't do this" - and it said what you needed to do, essentially stay at home - "then there are laws that can be brought into place to enforce this." Other states are now taking it seriously like that as well. There may be further measures if people continue to ignore this, and I must say most people, the vast majority of people, are not ignoring it and they are taking that advice very seriously and that's fantastic. That's what we expect from all Australians. The Humane Society has had to put out a release telling Australians "bats are not to blame" for the pandemic: Humane Society International is highly concerned at reports that paramedics are being overwhelmed by calls about bats during the Covid-19 crisis. These calls are likely due to misinformation being spread about risks bats pose to people and are potentially jeopardising response times for critical patients as frontline responders brace for an increase in serious cases. "At a time when health services are overburdened it's extremely irresponsible for people to be spreading blatant misinformation about the coronavirus threat bats pose to Australians. There's no truth to these claims - they do nothing but make an already terrible situation worse," said Humane Society International's head of programs, Evan Quartermain. "Just to be clear, there are no bats in Australia that pose even the slightest threat of infecting people with Covid-19." The misinformation appears to have originated from viruses similar to the one that causes Covid-19 having been seen in Chinese horseshoe bats, a species not present in Australia and facing far different circumstances in wet market environments. Another contributing factor may be confusion around Australian bat lyssavirus, which is present in an extremely small proportion of flying foxes and can only transfer to humans through direct contact. The negligible disease risk bats pose can increase slightly when they are stressed -as in situations where people are directly interfering with them and their habitat. Leave them alone and there is absolutely no need for concern, even if they're right outside your window. Two staff at a NSW prison hospital have tested positive for Covid-19, raising further concerns about outbreaks in detention facilities. The two people are employees at the Long Bay forensic hospital, a 135-bed facility in the Long Bay Correctional Complex. Four patients have subsequently been tested after showing symptoms. All face-to-face visits to inmates in the nation's jails and prison hospitals were banned last week, as part of tougher distancing measures decided by the national cabinet. State, territory and federal corrections and justice ministers are meeting today to discuss managing prisons during the pandemic. NSW and the Northern Territory have already announced some prisoners could be released early under new emergency powers, on a case-by-case basis. It follows a prison guard at Wolston Correctional Centre at Wacol in Queensland also being diagnosed with Covid-19. The officer had contact with other staff and prisoners during a number of shifts over the weekend and Monday. Queensland's Aboriginal legal service is calling for a national, coordinated approach to clarify what types of offences might be considered for conditional release. It is worried the virus will spread fast in prisons, where a high number of inmates are Aboriginal or Torres Strait Islanders and have comorbidities which make them particularly vulnerable. Queensland closed its borders to New South Wales residents at midnight last night, but NSW has not reciprocated - Queenslanders are still free to come and go. That's causing concern in northern NSW, which has just 21 cases, compared with more than 440 in Queensland, most in the south-east. Hundreds of Queensland visitors and holidaymakers are still pouring over the border into the state's north. Janelle Saffin, the state MP for Lismore, which takes in parts of Tweed Heads and rural communities such as Tabulam and Tenterfield, says northern NSW is especially vulnerable after being hit hard by bushfires, smoke, flood and drought. Lots of locals are calling me to say the situation is just ridiculous. Northern New South Wales has relatively few cases and yet we are locked out of Queensland, but Brisbane and Gold Coast are corona spots in Queensland and visitors from those cities are still coming in numbers into the north of the state. Saffin is calling for a total lockdown of NSW, "the sooner the better". Dr Paul Kelly says Australia has so far performed 178,000 tests and has a positivity rate of under 2% That's a lot. It's probably more on a per population basis than virtually anywhere else in the world. It is, for example, over 25 times as many on a per capita basis as has happened in the US. In the US at the moment, 53% of those tests are positive, which demonstrates that they have a long way to go to have enough testing being done in the United States. Here, our positivity rate is just under 2% now - 1.5% - and that again demonstrates, firstly, that we're doing a lot; secondly, it convinces me that we're finding the ones that we need to look for. The deputy chief medical officer, Dr Paul Kelly, says there are now 2793 cases of Covid-19 nationally. Australia now has capacity to do 10,000 Covid-19 tests a day. We are continuing to scale the world for the things that have been talked about over many days, ventilators to put into our intensive care. We're in the midst of expanding our intensive care capacity right now but including looking to buy, to purchase more ventilators both here in Australia and elsewhere. Similarly with personal protective equipment, there have been issues with that over the past few weeks, as has been talked about a lot, but we are increasing our capacity to make masks in Australia, looking for the ways that we can increase our capacity in our national stockpile and then to push out into the front-line services that need these things as soon as possible. The United States has passed its $2tn stimulus rescue package, unanimously. The SA stimulus plan is mostly focused on businesses but is also including individuals: The New South Wales health department has ordered nurses and biosecurity staff at Sydney international airport to temperature check all incoming passengers, escalating that state's response to combat the spread of Covid-19 above and beyond commonwealth rules. The directive, approved by health minister Brad Hazzard, was sent on Thursday, causing delays at Sydney airport and prompting concern from the Community and Public Sector Union and others that social distancing is not being observed in the arrival hall. In a statement the union said Australians returning home on Thursday "were met with mass confusion at Sydney airport, due to unplanned and badly communicated changes". Biosecurity staff and NSW health department nurses had previously been directed to test passengers who have been in countries at high risk with Covid-19 in the past two weeks and randomly test all others for temperatures. The union said: Today all passengers are undergoing increased health screening. The testing space is too small for all passengers and disembarking is not being staggered to allow for social distancing. Guardian Australia has confirmed the directive came from Hazzard and NSW Health, and the union says similar delays are not being experienced at other airports. SA premier Steven Marshall has announced a boost to its stimulus package: If we continue to work together and play our part then I am confident that we will come out of the stronger and more resilient. We will get through this. At a time like this, you need the state government to step up and we are, by providing $1bn in support to South Australian households and businesses. Today, we are adding $650m to the first support package of $350m that I announced just two weeks ago. I said then that we would take further strong action in response to the continuing impacts of the coronavirus. We want as many businesses as possible to be able to continue operating during these unprecedented times so that people can go about and keep their jobs. We want to relieve as much stress as possible for individuals and families. We want to keep the South Australian community and economy functioning so that, when this virus is beaten - it will be - we can bounce back as quickly as possible. Victoria's health minister says that just because the federal government has decreed some services can remain open doesn't mean that people should go out to use them. Victoria is getting tougher on its restrictions and has said it will move, even if the federal government doesn't. Jenny Mikakos: The message is very clear from us: if you are contemplating going to get a haircut or go and get a latte from the cafe, as much as possible people should be staying at home. If you need to get a haircut, get real, people's lives are at stake. We have sadly lost three Victorians to Covid-19, I can't stress how important it is everyone follows the rules and stays at home. For the record, the hairdresser industry lobby has called on the government to shut it down, as had the CEO of the largest haircut chain in the country. Shane Richardson, the general manager of South Sydney Rabbitohs, has become the highest profile NRL personality to lose his job due to the impact of the virus. Richardson, also the famous old club's former CEO, has stood down from his position to ease the financial burden on the club which, along with every other NRL club, is feeling the impact of the postponement of the 2020 season. "In times like these, leaders have to step forward and lead," said Richardson, who will continue to be involved with the club on a consultancy basis. The cost of having me remain in the football department was one of our largest costs and as a club we need to cut the cloth to suit the suit. Hundreds of staff members at every NRL club, including some head coaches, have been ordered to take paid and unpaid leave, while the players are facing pay cuts as the game scrambles to cut costs in a bid to stay alive. Mathias Cormann has called a press conference for 3pm at parliament house. NSW Health has released its formal numbers for today, with two more children under 10 testing positive: As at 8pm Wednesday 25 March 2020, an additional 190 cases of Covid-19 have been diagnosed since 8pm 24 March, bringing the total number of confirmed cases in NSW to 1,219. There are currently 16 Covid-19 cases in our intensive care units and, of those cases, 10 require ventilators at this stage. South Eastern Sydney Local Health District has confirmed a midwife at St George hospital has tested positive for Covid-19. All patients that were in close contact with the midwife have been informed. The midwife is now in isolation and there is no ongoing risk to patients at St George hospital. A further two children under 10 have tested positive to Covid-19, bringing the total in that age group to four. A one-year-old girl whose parent is a confirmed case and a two-year-old girl who acquired the infection overseas have both already been isolated with family and have mild symptoms. There are 121 confirmed cases in NSW who were on board the Ruby Princess and 31 from the Ovation of the Seas cruise ship. A Qantas charter flight from Honolulu arrived in Sydney airport overnight to repatriate 292 passengers who were on the Norwegian Jewel. The boat has been at sea with no landing and with no one coming on to the ship for 3 weeks. While the ship has reported no acute respiratory illness onboard, the NSW Health international airport screening team screened all of the passengers on arrival. Five passengers with symptoms were transferred to hospital for Covid-19 testing and isolation. The remaining well passengers were transferred to a Sydney hotel to be in self-isolation for 14 days. The Victorian health minister, Jenny Mikakos, says the Victorian death rate is now three, which is one more than announced this morning. These three individuals were aged in their 70s, who all died in a Melbourne hospital. The national toll is now at 12. The pandemic has exposed shortages of hospital ventilators in the worst-affected parts of the world, such as Italy and the United States. Ventilators are, of course, crucial in pumping oxygen into the lungs of the most critically ill of Covid-19 patients. Australia currently has about 2,300 ventilators in intensive care units across the country, with an estimated surge capacity of 5,000 ICU beds and ventilators. The Australia and New Zealand Intensive Care Society says there is no current shortage of ventilators in Australia, though there may be a temporary deficit if the nation needs to surge beyond 5,000 ICU beds. The Australian Healthcare and Hospitals Association tells the Guardian it is satisfied with the government's planning on ventilators, but is concerned about how they will be spread evenly across the population, particularly in regional and rural areas. The government has placed orders from domestic manufacturers for more. It is also now in talks with the car company Ford to get access to the "simplified" design capabilities it has offered the US this week. Industry minister Karen Andrews told the Guardian: We've made significant progress to secure further supply of ventilators and increase domestic production ahead of the peak of the virus in coming months. The Australian public service union has reacted to these scenes at Sydney airport this morning, recorded by Sally Prosser: Australians returning home this morning were met with mass confusion at Sydney Airport, due to unplanned and badly communicated changes. Up until today Biosecurity Officers and NSW Department of Health nurses have been testing passengers who have been in COVID-19 high risk countries in the past two weeks and randomly testing all other passengers for temperatures and asking detailed health questions all that arrive, and providing every passenger with information. Today all passengers are undergoing increased health screening. The testing space is too small for all passengers, and disembarking is not being staggered to allow for social distancing. The Departments of ***Agriculture***, Water and the Environment and Home Affairs must listen to the concerns of their front-line workforce who have been flagging these concerns for weeks. Department of ***Agriculture***, Water and the Environment staff have been working hard to test and protect the Australian border, but the department is failing to provide safe workspaces. CPSU Deputy National President Brooke Muscat-Bentley said, "What we have seen at Sydney Airport is a direct failure of government. Had the department and government listened to our members todays scenes would have been avoided." "***Agriculture*** Minister Littleproud is missing in action. It is astonishing that the government is telling the nation to social distance and take the up most precautions but cannot take steps to assure us at our border." "This is a failure of planning, just like we have seen with Services Australia this week. The government has known what was coming, but have just been unable or unwilling to prepare for it." Queensland has recorded another 50 cases since yesterday, bringing its total to 493. Courtney Barnett and Sarah Blasko to headline Isol-Aid #2 A small glimmer of good news: IsolAid - the Australian music festival which premiered last weekend on Instagram and made me a bit emotional - has announced its second lineup for this weekend, and it's real good. From noon to midnight on Saturday and Sunday, 74 Australian acts will play 20 minute sets from their bedrooms/living rooms/wherever on Instagram Live; you tune into one, they throw to the next, and the game continues. Among this weekend's lineup are some huge names: Courtney Barnett, Sarah Blasko, Josh Pyke, Camp Cope, Alex Lahey, Alex the Astronaut, Middle Kids, Montaigne and more. Last weekend raised $12,000 for Support Act, which provides financial and mental health support to the music industry. It's nice to have nice things. Adam Morton has a bit more on what is happening in Tasmania: The Tasmanian premier, Peter Gutwein, has told visitors to the island state to leave. Those staying in hotels, hostels, bed and breakfasts, campsites and boarding houses and have until midnight Sunday to leave their accommodation. Australian Associated Press reports that Gutwein told a press conference: "I'm sorry to say that, but go home. Unfortunately there will be some dislocation for people but I make no apologies for working hard to keep Tasmanians safe." The state already has a mandatory two-week quarantine for non-essential visitors to the state. "We're built on tourism so it hurts me to say that but do not come and put Tasmanians at risk," Gutwin said. "We're an island and we are unique in that regard. We have used our island state as an advantage." The press conference came shortly before the state parliament was suspended until after the winter recess. It won't sit again until 18 August. Gutwein said all elected members were still at work and parliament could be recalled earlier if there was a pressing issue that needed to be dealt with. He was in tears as he talked about tens of thousands of Tasmanians losing their jobs due to a shutdown he had enforced. The government announced it would refund public school levies, cap power bills and freeze water prices as it increased its coronavirus support package from $420m to $1bn. Little wonder a survey of business by the ABS, conducted last week, found that half had already been hit by the virus crisis and 86% expected damage in the future. The damage will now inevitably flow through to landlords. Announcing that Premier's stores would be closed until 22 April, the company also said that "Premier intends not to pay any rent globally for the duration of the shutdown". Lew has long been in a battle with Australia's retail landlords, who he regards as unreasonably jacking up his rents. But he will not be alone. Businesses with no business simply cannot pay the rent. Anecdotally, similar one-way conversations between tenants and landlords began happening in the hospitality sector a couple of weeks ago. Suddenly unemployed households are also in no position to pay rent - or will be within weeks, once they eat through accrued leave. About 30% of Australians rent, so this is an enormous problem. While banks are willing to stall mortgage repayments on home loans for six months, there has as yet been no similar nationwide break for renters. Amid the confusion, Tasmania and New South Wales have broken ranks, moving to ban evictions during the crisis. But a solution out of the so-called "national cabinet" of state and federal leaders has been repeatedly promised and repeatedly delayed over the past week or so as landlord lobby groups complain that they'll be ruined if anything is done to stop them turfing people out on the street. The issue is set to be considered again tomorrow. Quick action is needed or the coronavirus crisis risks becoming a housing crisis. The figures out from the Bureau of ***Statistics*** today, together with the steady flow of stand downs being announced by companies, mean there are enough numbers around to get a grip on what's happening to the Australian economy. In short, vast swaths of it are either already shut down or in the process of shutting down, and both households and businesses are now in the grip of a rental crisis. Hospitality and entertainment was first to go. Those businesses started sacking people more than a week ago and on Monday the entire sector was shut down at midday, tipping hundreds of thousands of people in to queues that soon stretched around the corner. Airlines moved next, with Qantas standing down 20,000 last week and Virgin Australia this week standing down more than 8,000 - some 1,000 of whom will probably be sacked. This week, layoffs accelerated in the retail sector, which has been badly battered by increasing - and confusing - restrictions on trade. On Thursday, Solomon Lew's Premier Investments Group, which owns stationery chain Smiggle, Dotti and other clothing stores, stood down 9,000 employees and footwear retailer Accent Group, which owns The Athlete's Foot, stood down 5,000. All up, among high-profile companies alone, more than 63,000 people have been tipped out of work over the past week. This is just the tip of an unemployment iceberg: more than 280,000 people applied for benefits on Wednesday, according to the minister for government services, Stuart Robert. The Greens have also called for a freeze on tenant evictions. From Adam Bandt: The Greens have also written to the National Cabinet urging a moratorium on evictions and foreclosures as well as rent and mortgage holidays, after the New South Wales and Tasmanian parliaments over the last two days passed Greens amendments to protect renters. Scott Morrison's trickle-down stimulus is failing to keep people in work because he refused to make jobs and wages guarantees part of his multi-billion dollar support package. So to recap those announcements from Mark McGowan: WA schools are moving to pupil free on 3 April. Term two will most likely be online (with students whose parents are essential workers, supervised at school). The international passengers on the Artania cruise ship, who fall ill and need treatment, will be taken to a commonwealth facility - like a defence force base - and flown home by direct flight, if their government can arrange it. Other passengers must remain on board, until the ship can return to South Africa. The Australian passengers on the Vasco de Gama will be quarantined on Rottnest Island. Each state is being asked to take back their residents. There are 800 Australians on board, with 200 West Australians. The ship is due to dock in Fremantle on Monday. No one from a cruise ship will be allowed off, without an escort to an isolation facility. No one gets to go home until that isolation is complete. Mark McGowan moves on to the Vasco de Gama which has 800 Australians on board, including 200 West Australians, which is also due to dock in Fremantle on Monday (there are also 109 New Zealanders, 33 British people and other international passengers). Yesterday, he said all the Australian passengers would have to self-isolate on Rottnest Island. Today, he wants the other Australian states to take back their residents: We are in urgent talks with the other Australian states to see if they would agree to accept their citizens from the Vasco da Gama via a direct flight. Currently we don't know how many passengers are from each state, other than the 200 from WA. In summary, regarding the Vasco da Gama, the international passengers will be held on board until direct transport arrangements are finalised to fly them home, escorted to the airport. The crew will remain on board. All West Australians will self-isolate for 14 days at Rottnest Island. Interstate passengers will have an option. If agreed by their home state to fly home directly or remain on the ship, self-isolating, until travel arrangements are made. Rottnest Island will be used as a last resort for them. I am phoning each state premier about this. We would prefer they go home and self-isolate in their home state rather than stay here. The reality is I want to make sure Rottnest Island has capacity into the future if we need to use it for other West Australians or other emergencies. I know this all sounds pretty extreme but it's the right thing to do because our first priority is the health and wellbeing of West Australians. Mark McGowan on the Artania cruise ship (docked at Fremantle, with no Australians on board) which has seven passengers with Covid-19: WA's position is this: If the seven passengers need to come onshore for medical treatment, they will have to go to a commonwealth facility, such as a defence force base. If this occurred, then Germany and the Australian government can organise a plane to come and pick those passengers up and take them home. We are working with the Australian government to do this immediately. The Artania cruise ship must continue on its journey to South Africa urgently. This ship needs to leave immediately. I want the commonwealth to make that happen. WA premier Mark McGowan says WA will also go pupil free from 3 April. Like Qld, NSW, SA and the ACT, schools will be open (outside of the school holidays) for parents who have no choice. Online learning is on its way. Virgin Australia announced yesterday it would be grounding all Tiger Air flights. This is the next step: The Maritime Union of Australia wants the government to turn the Aurora Australis (the former Antarctic expedition ship) into a new distribution vessel for Norfolk Island: The Aurora, affectionately known as the "Orange Roughy", this week returned from its final voyage for the Australian Antarctic Division where it delivered 12 months worth of cargo, food and fuel to remote Macquarie Island. Norfolk Island is dealing with a growing crisis following the loss of one of two vessels that previously supplied the island, along with a massive reduction in air travel, resulting in chronic shortages of food, stock feed, building materials, and other essential supplies needed by the island's 1,800 residents. With no port, and without the ability to handle containerised freight, the island has been left dependent on a single small vessel sailing once every two months from Auckland. For the limited goods that are supplied, freight costs have led to the doubling of prices compared to mainland Australia. The Maritime Union of Australia argues the Aurora Australis is uniquely suited to addressing the crisis facing Norfolk Island. Not only does it have the capacity to carry 1,790 cubic metres non-containerised break bulk cargo, along with an additional deck capacity for 700 tonnes of containerised freight, but it has three decades of experience delivering supplies to remote locations. The vessel can also carry and transfer nearly two million litres of fuel, meaning it would be able to provide all the fuel needed by vehicles, heavy machinery, and the airport on Norfolk Island. The Family Court has released information on parenting orders - it has been inundated with calls. All the state leaders are having a very hard time with this - particularly the smaller states, where tourism is the main economy driver. Veterinarians are classified as essential services and will be able to cross state borders and continue working under shutdowns currently in operation in Australia, the ***agriculture*** minister David Littleproud has said. The Australian Veterinary Association (AVA) and the RSPCA have lobbied the government to ensure that veterinary and animal welfare services are declared "essential" and exempt from pandemic-related shutdowns, as they have been in New Zealand. In a submission sent to government on Sunday, the AVA said that shutting down veterinary services would impact not only animal health, welfare, and biosecurity, "but also to human health and mental wellbeing, food safety, and food supply chain integrity and continuity". It said the AVA was willing and able to put in all necessary health and biosecurity controls. In a statement to Guardian Australia, Littleproud said: Veterinarians provide essential services to the ***agricultural*** sector and the general public. The federal government has not placed any restrictions on their ability to operate. The only confusion that has been created has been from some states closing borders but they have assured us that vets will still have the ability to operate across borders. The RSPCA wrote to health minister Greg Hunt and other public health officials on Thursday, seeking "urgent confirmation" that its animal welfare inspectorate and other animal welfare services would be classified as essential services and allowed to continue operating. Chief executive Richard Mussell said that people and organisations responsible for delivering "essential frontline animal care and protection services" needed clarification that they would be allowed to continue to operate. In addition, we're seeking confirmation that other primary animal carers will be able to access the premises where animals are kept and continue to provide them with food, water, attention and medical care. These include, for example, zoos and aquariums, stables for racing and recreational horses, animal management services and local pounds, research facilities, and other breeding, housing and boarding facilities. The ***agriculture*** industry is pushing for exemptions to ensure it can keep operating: Here's one reason the Queensland health authorities have judged it OK for the local government elections and by-elections to go ahead - people keep rushing out in large numbers to the liquor stores anyway: Chris Bowen also wants to see the government expedite the respiratory clinics it promised: The clear facts published on the department of health website confirms there are only two fever clinics up and running: 'We are setting these clinics up over the next few weeks. Clinics in Ryde, NSW, and Morayfield, Qld, started operating on 21 March 2020. If you're not currently near Ryde, NSW, or Morayfield, Qld, there is no GP Respiratory Clinic in your area yet.' The minister for health must take every action available to him to speed up the operation of the 100 respiratory clinics as soon as possible. This would include any resources available through the national coordination mechanism or the Australian defence force. The Australian Services Union, Australian Industry Group and the Australian Chamber of Commerce have come to an agreement to improve workplace flexibility during the coronavirus crisis for clerks. It just needs a tick off from the Fair Work Commission now. The application seeks to provide relief to business and employees during the pandemic by: Allowing employees and employers to agree to change ordinary hours of work whilst an employee is working at home. This should give employees expended options to help manage their job around things like schooling children from home during the day without an employer facing additional costs for work being conducted out of usual business hours. Allowing a business with one weeks' notice to direct an employee to take annual leave if it decides to close down its operations. Allowing staff to work more flexibly across classifications, provided it is safe to do so and the employee has the necessary qualifications. Allowing for employers to direct employees to take annual leave. Increased flexibility in taking leave such as double leave at half-pay, where employers and employees agree. Allowing employers to engage casual and part-time employees for shorter shifts. Giving employers flexibility to reduce hours for full and part-time staff, whilst allowing employees whose hours are reduced to take on another job or ask to engage in training or additional study. Labor's Jason Clare, Chris Bowen and Anthony Albanese are out and about today (at the necessary social distance) to call for renters to be looked after. We are still waiting on the decision from the national cabinet about what to do for renters. It is complicated - some landlords have lost their jobs, there are insurance implications and some people are just panicking, but a decision will need to be made soon, given that 280,000 people registered an intent to claim Centrelink benefits in one day. Jason Clare: Our home is our castle. In the next few months, it's going to be our fortress. More and more Australians are being told to stay at home, but you can't day at home if you don't have one. You can't stay at home if you have been evicted. That's why we're saying we need a freeze on evictions, just like we've seen in the UK or in New Zealand, or for that matter in Tasmania. Tasmania announced just yesterday that they are taking steps to stop evictions for the next few months. That's the sort of practical, common-sense measure, to make sure that we protect people. This is a health measure, as much as an economic measure. When people are being told to stay at home, we need to make sure we're not kicking people out on to the street. And as Albo said, we've also got to protect landlords. We have to protect the home owners. We have do protect the people who rely on that money - that rent - to pay the bills, put food on the table or to pay their mortgage. That is why it is important that the big four banks have done what they have already promised to do - and that is defer mortgages to give people relief there. We have to make sure that all banks, all building societies, all financial institutions that provide that finance to home owners provide the same sort of relief. Because we're all in this together. We have to make sure that we look after each other. The bottom line is that no-one should lose their home, whether they own it or rent it, because of this virus. On the footsteps of the Queensland announcement, South Australia is following suit, going "pupil free" from 4 April. That means the schools will be open for people who need to send their kids there (outside of the school holidays for Easter) but parents, if they can, should keep their kids at home. Teachers there are working on online and distance learning things as well. The Queensland schools announcement from the education minister, Grace Grace: In a nutshell, student-free days from Monday. Schools are open for essential workers and workers required in the workplace. Teachers will move to developing remote learning and online learning for students, and all those learning materials for what potentially may lie ahead, we will cater for any high risk workers that have concerns, and obviously vulnerable children will be catered for as well. The ABS has released a survey of businesses before the first round of social distancing - which shows that businesses were already falling off the cliff. It basically shows that people were freaking out, before the forced business closures. Approximately half of the Australian businesses surveyed (49%) had experienced an adverse impact as a result of Covid-19 during the mid-March ***data*** collection period and 86% of businesses expected to be impacted in future months. The collection period pre-dated the Australian government's announcement of Phase 1 Social Distancing measures. Adverse impacts were most prevalent in accommodation & food services with over three quarters of businesses (78%) already reporting impacts and 96% of businesses reporting that they expected impacts in coming months. Businesses in professional, scientific & technical services (21%), electricity, gas and water supply (34%) and businesses in mining (37%) were the least likely to have been adversely impacted by Covid-19 in the collection period. A reduction in local demand was the most common impact experienced (82%) and was also the most common impact expected in coming months (81%). Of impacted businesses, over a third had experienced staff shortages (36%) and 59% expected to experience staff shortages in coming months. Queensland kindergartens will also follow the pupil-free school examples. Day care centres remain open, but it is advised that if you can keep your kids at home, you should. Day cares, schools and kindys remain open for parents who have no choice but to send their children to outside care. The Queensland education minister, Grace Grace: From Monday, 30 March we will be moving to student-free days, but we do stress that school also remain open for those workers who have students and are working in the essential services area, and that is obviously workers who are required in their workplace. And the premier has outlined a couple of examples, such as those who are stacking the shelves of our supermarkets. It's important that we remain open for these workers because we do not want to put pressure on the economy and enable those workers to be able to continue to provide for the community at large. Long day care centres and outside school hours care will continue, but parents are reminded of the need to stay home as much as possible and adhere to the self-isolation rules. So, they will be there essentially for those workers required in their workplace. Teachers will be using the pupil-free time (which they can spend at home, if they wish) preparing online learning portals. From that, you can take that schools will be closed, as least as we know them, for quite a long time. Queensland premier Annastacia Palaszczuk says Queensland schools will go "pupil free" from next week. That means the schools will be open for parents who have no choice, but essentially, closed. The CEO of Australia's largest haircut chain, Denis McFadden has come out very strongly against the federal government's decision to keep hairdressers open: This decision is bonkers. It is physically impossible for stylists to do a shampoo or haircut without touching the client. It's physically impossible for stylists to do their job and keep the 4sqm which national cabinet now says "must be strictly observed". This is not about what services can and can't be provided in a 30 minute window. This is about health of everyone in our salons, our hairdressers and our clients. Hairdressing is not an essential service. Of course I would prefer this weren't happening at all, and calling for the sector to be shut down might seem counterproductive but it simply must happen in the interests of people's health. Without hairdressing being on the shutdown list, it is incredibly difficult for our franchise owners to take the heartbreaking but necessary steps to stand down workers so they can access available support or call for breathing space on leases. Given the steps taken in the UK and NZ to close salons along with other non-essential businesses and given everything the medical experts are saying, we simply cannot justify the health or financial risk to our franchise owners, stylists and clients. Australian national and state governments, we are pleading with you. We understand that you're trying to juggle protecting livelihoods and saving lives but this decision puts both at risk for our people and clients. Please act now. Canada has passed its $127bn coronavirus stimulus measures Peter Dutton also directly contradicted his Border Force chief in that interview with Ray Hadley. Asked about changed cruise ship protocols yesterday, ABF commissioner, Michael Outram explicitly said the cruise industry was on the whole, responsible, and Border Force would take ship masters at their word about whether or not flu symptoms had been present on board. Outram: "These people don't just become a captain overnight, you know, their careers are long and the stakes are very, very high in terms of safety and wellbeing of passengers and other people at sea. And so, I've not experienced captains of these sorts of vessels who deliberately mislead and lie." But Dutton told Hadley Australia was dealing with a "difficult situation" because of "lies": Some cruise ships are lying about the state of passengers. Tourists in Tasmania have been ordered to go home by the state's premier, who has also implored people not to visit the island amid the coronavirus pandemic. People staying in hotels, hostels, bed and breakfasts, campsites and boarding houses have until midnight on Sunday to leave their accommodation, the state government has announced. "I'm sorry to say that, but go home," premier Peter Gutwein told reporters on Thursday. "Unfortunately there will be some dislocation for people but I make no apologies for working hard to keep Tasmanians safe." Mr Gutwein also implored non-essential visitors to stay away, noting a mandatory 14-day quarantine period on arrival for anyone not considered essential. "We're built on tourism so it hurts me to say that but do not come and put Tasmanians at risk," he said. "We're an island and we are unique in that regard. We have used our island state as an advantage." Tasmania will more than double its coronavirus economic stimulus package to $1bn after an initial $420m spend last week. "It is unprecedented. Never before has the state had to take steps of this magnitude," Mr Gutwein said. "The health, wellbeing and safety is the government's number one priority but we need to ensure we underpin our economy and community." Mr Gutwein said a hard lockdown was possible if people ignored current advice. The state has recorded 42 coronavirus cases, the latest six confirmed on Wednesday night, but there remains no evidence of community ***transmission***. Three of the cases recently travelled from overseas, two were on cruise ships and one is a close contact of a previously confirmed case. Public health director Mark Veitch said 240 people linked to cruise ships are in self-isolation and are being monitored. Another 80 people, who are close contacts of cases, are also in self-isolation. We have a bit more detail on employers' calls for wage subsidies at the meeting yesterday between treasury officials and peak business groups, the Australian Chamber of Commerce and Industry, Australian Industry Group, Business Council of Australia, Council of Small Business Organisations Australia, the Australian Banking Association and the National Farmers Federation. COSBOA chief executive, Peter Strong, told Guardian Australia if Australia is moving towards a shutdown the proposals for a wage subsidy need to be considered. He said: We [COSBOA] have got a model in mind that takes into ***account*** what's already been provided by the government, to add [a] 60% [wage subsidy] on top of that, not the full 80% [adopted by the UK], because the [Australian Council of Trade Unions] has worked out what's already been given is equivalent to 20%. So, make it a 60% wage subsidy - it works out around $21bn for three months, assuming that 1.7m are displaced from their jobs, but who knows how many it will be. Strong says the emphasis has now shifted from whether workers have been technically retrenched, made redundant or stood down to the concept that they have been "displaced" but should return to those jobs when the crisis passes. COSBOA also wants the efforts to improve supply chains to keep supermarket shelves stocked to be applied to smaller retailers like IGAs, petrol stations and convenience stores - so that people don't need to crowd into Coles and Woolies and the big two don't become the only place in town to get basics. Ray Hadley says Peter Dutton's position to not blame NSW Health, while blaming NSW Health is "very gallant" but demands "for someone to be held ***accountable***" for the death of a woman, who died after contracting Covid-19 on the Ruby Princess. The 77-year-old woman was a passenger on the Ruby Princess, which is where she contracted the virus. She was taken straight from the ship to a New South Wales hospital by authorities after it docked. While the decision to let the 2,700 passengers disembark should be examined, given there have been 133 cases from that one ship alone, so far, there is nothing more anyone, from any authority, could have done to stop a death from a virus which was contracted before the ship docked. She did not contract it from someone who had been released from the ship, she contracted it onboard the ship. Hadley has other views:...Her death has been caused by the stupidity of someone in NSW Health, or a conglomerate of people, and I appreciate what you are saying, we are in a desperate situation here, but someone died, because of a decision taken by a public servant, or by someone in government, and that person needs to be held ***accountable*** for that death. Dutton does not correct him: And that person will live with that mistake. We are all working to try and clean up after that mistake was made. But no doubt, that officer within NSW Health, and many others, are making decisions today, yesterday and tomorrow that will save lives, so that is the situation they are dealing with at the moment here. Peter Dutton: I have not been critical of NSW Health, nor the premier, I actually think it is a time, where regardless of people's politics, people need to pull together and I think that is in the national interest and I have not been critical of NSW Health. Clearly they have made the wrong call. Somebody has made an error in relation to a decision that has been made, but I honestly believe hanging somebody out to dry in the current circumstances, is not the way to do it. I think we can work closely together, we have done that. I spoke to the premier yesterday and we will make sure we continue to work closely together....These people are under enormous pressure, and I want to make sure that we are supporting them, not chastising them and that is why I am not going to be critical of NSW Health. Equally, I was not going to tolerate the Australian Border Force Commissioner, or anybody in the Australian Border Force being hung out to dry. I made that point privately, and I will defend them. A guard at Queensland's Wolston prison has tested positive to Covid-19. Corrective Services said the officer had contact with officers and prisoners during a number of shifts over the weekend and Monday. Wolston Correctional Centre is in lockdown and all staff are being individually contacted. "We are seeking urgent advice from Queensland Health on the next steps to minimise the potential impact of this incident," a spokesperson for Queensland corrections said. "We have ordered a forensic clean of all areas of the prison the officer attended during his shifts. Queensland Health staff and management will talk with officers today. All face to face visits to inmates in the nation's jails were banned last week as part of tougher distancing measures decided by the national cabinet on Friday night. Last week, more than 370 legal, academic and criminal justice professionals signed a letter calling on governments to address mounting concerns about the implications of Covid-19 on the criminal justice system. Some New South Wales prisoners could be released under new emergency powers announced on Tuesday by the attorney general, Mark Speakman. The powers will give the corrections minister authority to release or parole inmates who are nearing the end of their sentences, or considered on case-by-case basis. Corrections NSW will not have the power to release inmates sentenced for serious crimes like murder, terrorism or sexual offences and in all cases must "consider the risks to community safety, the protection of domestic violence victims and the impact on any victim before releasing an inmate". This also doesn't take into ***account*** the processing time for the payment. The confusion continues - Border Force is coming under increasing pressure. The Australian market has opened about 1.6% up even as more companies announced they were shutting down operations and standing down thousands of staff. Job losses and stand downs among Australian listed companies now total more than 65,000 since the middle of last week after retailer Premier Investments and travel agent Flight Centre laid off staff on Thursday morning. Casino operator Star Entertainment Group was the biggest gainer among top 200 companies, rising more than 15% even though its operations are shut down due to the crisis. Gold miner Northern Star Resources was the biggest loser, shedding 9% after it withdrew profit forecasts and cancelled its dividend. The Queensland local elections and the two state by-elections, are still going ahead. Pre-polling hours have been extended to help cut down on the number of people appearing on Saturday and a low voter turn out is expected, but the elections WILL go ahead. But they won't have much time to rest, with reservists getting the warning they could be mobilised. The ADF has finished its bushfire duties: Defence will formally cease Operation Bushfire Assist 2019-2020 on 26 March 2020, having completed the emergency and recovery tasks requested by state and local authorities. Defence has been assisting with the bushfire efforts since early September 2019 by providing wide-ranging support as part of the national response. Prime minister Scott Morrison thanked all personnel who provided direct support in the field, at sea, in the air, and from defence bases as part of Operation Bushfire Assist. "I couldn't be prouder of the way Defence has been assisting emergency services across the country in these challenging circumstances," the prime minister said. "The permanent and part-time Australian Defence Force members provided essential support to our emergency services across Australia. This remarkable hard work has made a significant difference to the immediate emergency response and the longer-term recovery which defence will continue to support." Operation Bushfire Assist commenced on 31 December 2019 to support state fire and emergency services across New South Wales, Victoria and Queensland and later provided support to the Australian Capital Territory, South Australia and Tasmania. Virgin Australia boss Paul Scurrah has been doing TV and radio interview this morning talking about the grim state of the airline industry. He told ABC TV that about 1,000 of the 8,000 staff the airline stood down on Wednesday will probably be made redundant, AAP reports. Earlier, speaking on ABC radio, he said that every airline in the world would need government money to survive if the coronavirus crisis went on too long and hit back at Qantas boss Alan Joyce. As Guardian Australia reported on Monday, Scurrah has complained to competition tsar Rod Sims about Joyce's public campaigning against Virgin, prompting Sims to tell Qantas to knock it off. Scurrah said nobody knew how long the crisis would go for. "If it goes too long, there won't be an airline in the world that can survive without government support," he said. Asked by host Fran Kelly about his complaint to Sims, Scurrah said he would "take any action I need to to make sure we get through this and our reputation is intact". "We need a strong aviation sector that can provide competitive pricing, it's in the public interest and it's in the tourism industry's interests as well." Asked about Joyce's sledge that the Australian government should not support "a company that's owned by Singaporeans, Chinese, Abu Dhabi and a British billionaire" - a clear reference to Virgin's shareholders. Scurrah agreed that they should be approached for money first, saying: "As a responsible company, yeah, we have to make sure that if and when we need cash that we try every avenue we possibly can." He dodged questions about how long the airline could survive with its fleet largely grounded, but said any bailout of the industry should be for everyone. "What I have said to the government is that if this goes on for a prolonged period, every airline will be turning to the government for assistance - it won't be just us," he said. Here is Gladys Berejiklian warning that New South Wales will go further if it doesn't see a reduction in Covid-19 cases. That is after another 190 people were diagnosed with the virus since yesterday. I do also want to say to the community that if we don't see things shifting in the numbers because of those actions, NSW will have to go further. And I think everybody appreciates that. But I'm saying no need to panic, supermarkets and essential things will always be available for people to obtain. But if things haven't shifted because of the actions we took earlier in the week, and actions which I'm very pleased we took at that time, we will have to go further. And I just want everyone to be prepared for that, not to be overly concerned or panicked, but just to know that the NSW government will go further if we have to, because it's in the interests of public safety. And on the increased police enforcement: I also want to thank the police yesterday, for supporting our government or having the ability to issue on-the-spot fines. We are at a stage in the virus where we do have to reduce the spread. We have to see the number of cases transmitted in the community reduced, and we need to make sure people who are supposed to be in self-isolation or people who are supposed to exercise social distancing, if they're out and about, to exercise both of those important things. And if they're not, the police will be on hand to issue fines. But in the main we want people to please do the right thing, because if the spread continues NSW will have to take immediate action to go further. Plan International has created a 'how to talk to children about coronavirus' guide. You'll find that here. Not coronavirus related, but still very important: The Australian man, charged with killing 51 people in a Christchurch far-right terrorist attack, has changed his plea to the court and will now plead guilty. An additional 15,000 people have been thrown out of work this morning due to the coronavirus crisis. Solomon Lew's retail group Premier Investments, which owns the stationery brand Smiggle and clothing chains including Just Jeans, Portmans and Dotti, will close all its stores at 6pm, standing down 9,000 people. Travel agent Flight Centre will stand down or sack 6,000 people, including 3,800 Australian staff, due to the coronavirus crisis. The company employs about 20,000 people worldwide. Premier said stores would remain closed until at 22 April. It also told its landlords it wouldn't be paying the rent during this period. Flight Centre said that some of the 6,000 staff put out of a job would be made redundant, but did not provide numbers. "In Australia, where international travel bans and domestic border controls are in place, about 3,800 people in sales and support roles will temporarily stand down in the near-term," the company told the ASX. The Artania cruise ship, which was turned away from Dubai and remains docked in Fremantle, has had seven passengers test positive for coronavirus. Mark McGowan had previously ordered no passengers were to disembark, except in the case of a medical emergency. WA Health staff are on board, testing and offering assistance, but the passengers will remain on board. There are no Australian citizens travelling on the ship. Flight Centre is the latest Australian company to report Covid-19 changes to the Australian stock market. It has stood down 3,800 Australian workers. Globally, 6,000 people will be laid off. That follows Virgin Australia announcing it was laying off 8,000 of its 10,000 staff yesterday and mass lay offs - 20,000 - from Qantas. Australia's spaces are emptying. Just remember, when you are staying at home, you are doing a lot - protecting those you love, and those you'll never meet. Not going out, seeing these empty spaces, might seem depressing, but it's really an act of care and kindness. Staying home and all the other sacrifices you are making, means others will live. And that's a huge gift. The Queensland police commissioner and senior officers have been speaking at the state border. They say the "methodology" for closing the border could change regularly, and has already changed. So far this morning delays are stretching to about 45 minutes for cars with interstate licence plates. Trucks travelling north on the M1 (otherwise known as Pacific Motorway) are being waved through. Cars with Queensland licence plates are also not being checked, though police say they might to do random checks to ensure people in those cars are actually locals. Several people have already been turned away because "they did not meet any of the exemptions". Residents on the NSW side of the border can now apply online for a "border pass". The police state disaster coordinator, Steve Gollschewski, said there were clear exemptions for people to "cross the border seamlessly". For those people in Queensland registered vehicles they'll just be waved through. We expect there are going to be delays, there are delays, this is not going to be easy for any of us. This is not a short term thing. People need to be prepared for this to happen for quite some time. We expect we will review the levels of compliance as we go forward and we will review how this is operating as we go forward. In terms of whether we scale up or scale down, we do have the ability to adjust our posture. If we need to we may well have to increase those measures if people aren't being compliant. If you are not exempt you can expect to be asked to turn around. The Australian parliament is closed to visitors. Dr Nick Coatsworth also said Australia needed to prepare itself for more deaths. This is the social media pandemic. So we can see the images coming out of Italy and they are very concerning indeed. So there will be more deaths. But I am absolutely confident, having practiced in this system since I graduated in 2000, that we are different to Italy, we are different to the UK and we are different to the US. When Italy was at 2,500 cases as we have just exceeded, they had widespread community ***transmission*** already, their hospitals were already filling. They were only testing people in hospitals, so they had a massive amount under the iceberg. We know that well over 50% of our cases are still travel related, or the contact of those people who have travelled. Now, because our borders are closed, we are pivoting that testing regime, so there is going to be much more community testing. Within seven to ten days, we are going to get a picture, precisely, of what the measures the PM has announced this week, are going to do to the epidemic curve And every Australian has to be their own policeman and woman now. When we are hurting, because of these measures, we are hurting because we need to flatten the curve, and when that curve flattens, every Australian will be able to look at it and think 'well, I contributed to that'. Over on ABC Breakfast, infectious disease expert Dr Nick Coatsworth, who is one of the experts advising the government on the Covid-19 pandemic, had some very, very strong words for doctors like the ABC's Dr Norman Swan who are pushing for stronger lockdowns and restrictions. Coatsworth, who has also managed disaster and humanitarian response for two decades, says "the experts around the table" of the medical committee "do not think this will be over in weeks if you put in harder and faster measures" This is about degrees. We have gone hard, to say that we have gone light and slow would be completely inaccurate. The measures we have got in at the moment are unprecedented. The impact they are going to have on individual families is unprecedented. I've got three kids, I've got a mum who has emphysema, I've got a wife who is a respiratory physician and I've got a sister-in-law who has lost $100,000, because she is a high live opera performer and her entire annual income is gone. These are unprecedented measures already and I am sorry I disagree with Norman when he thinks this is going to be over in weeks if we go for harder and faster lock downs, I would like Norman to go to Darwin and tell the people of Darwin why they have to stay in their houses, when we are a continent and there is differential expression of this virus and its impact across the country. So people can ask for the hardest and fastest, but I don't think they have thought through the impact on Australia, and Australians who are doing that." This morning the federal government announced the time restrictions would be lifted. Last night the hairdresser lobby was begging for the industry to be part of the lockdown. Approximately 40,000 hairdressers and barbers continue to be at risk following the federal government's announcement last night to leave hairdressing off its latest COVID-19 shut down list. In addition, salons are forced to only conduct 30 minute appointments, which is not a viable time frame to conduct most hairdressing services and offer a professional experience for clients. "This decision is outrageous," says Australian Hairdressing Council CEO Sandy Chong. "Around 40,000 hairdressers and barbers continue to be at risk of as they are directly exposed to large members of the public. Why beauty was shut down but hairdressing wasn't, I don't understand. "The Fair Work Act, as it stands, makes it costly for businesses if they choose to stand down without the Government's directive." The ACT, which will move in lockstep with NSW, if further restrictions are ordered by the NSW government, has made the takeaway rules a little easier for licensed venues. There is a very big craft beer industry in the ACT, so this is one small step to try and help them keep going. AAP has more on the latest deaths from Covid-19: Victoria has recorded its first coronavirus deaths, with two people succumbing to the virus overnight. Chief Health Officer Brett Sutton confirmed the deaths of two men in their 70s. The state's total number of confirmed cases has also risen to 520. It comes a day after Premier Daniel Andrews warned he may implement further measures to fight the spread of the coronavirus, as the police union called for a state of disaster to be declared. The state's tally includes four health workers at Werribee Mercy Hospital in Melbourne's outer west. The hospital confirmed one emergency department worker tested positive to COVID-19 on Sunday. Fellow staff members considered at risk of infection were isolated and tested, with three confirmed as also having the virus. The Police Association has called for a state of disaster to be declared, which would give its members greater powers during the coronavirus pandemic. About 500 police officers are tasked with enforcing the closure of non-essential services in Victoria and the mandatory 14-day self-isolation for travellers. Individuals face fines of up to $25,000 and businesses could be forced to cough up $100,000 for breaching restrictions. Victoria, which has 520 cases of Covid-19, and just recorded its first two deaths from the virus, has been pushing for further restrictions for some time. Some time in this fast moving story is a few days, but Dan Andrews has been public about it - he will go harder, even if the PM disagrees, if he thinks it is warranted. It is also worth noting that New Zealand has moved into its "alert 4" stage, which means all citizens will have to stay indoors for four weeks, except for necessary trips to the grocery store, or an emergency. A few quick observations from Queensland's border closure. Cars with Queensland licence plates appear to be being waved straight through roadblocks by police in an attempt to avoid delays. Anyone with NSW plates is looking at a 10- to 15-minute delay. Trucks and anything that looks as thought it's freight is also being let through without a check. There are definitely mixed feelings. Some commuters are happy at the relatively minimal disruption. Others, well, seem to think that you either go hard or go home. "That's not a border closure, it's a detour," once commuter said. "Are we fair dinkum or what? That was laughable." Police yesterday had said there would be a process for people to apply for a pass to ease the process but that doesn't appear to have been set up yet. Frontline health workers came together on the ABC's 7.30 overnight to pass on a message: Stay at home. Victoria's police union wants the premier to declare a state of disaster to deal with the Covid-19 crisis. That would give police more powers to disperse people, as well as give orders which would be an offence to ignore. You might remember that during the bushfire crisis at the beginning of the year a state of disaster was declared, which meant authorities could force people to leave their homes. Victoria already has dedicated police to enforce the social distancing laws and has warned of new measures. For now, NSW will have the same lockdown strictures as the rest of the nation. But it WILL go further if the cases don't start to slow down. NSW Health and Border Force will have to tick off on any passengers leaving any cruise ships which arrive in Sydney. After the Border Force chief, Michael Outram, made a rare media appearance yesterday to deny that his agency or staff had any responsibility for the decision to let passengers from the Ruby Princess disperse, placing all the blame on NSW Health, Gladys Berejiklian, has refused to budge, saying her agency did nothing wrong. More than 130 of the Ruby Princess passengers have been found to have the virus. New South Wales now has 1,219 cases of Covid-19. That is 190 more people since yesterday. The prime minister's office has just released this statement: Following the receipt of feedback on the practical implementation of measures announced regarding barbers and hairdressers it was agreed by Premiers and Chief Ministers at National Cabinet last night that the instruction regarding 30 minutes per patron will be lifted (effective immediately), but that the 4 sq m rule per person must be strictly observed within the premises and that personal contact during the patron's visit should be minimised wherever possible. Also it was noted that in hardship cases, States and Territories can provide exemptions in relation to attendance at funerals, but only at the margin. National Cabinet will meet again on Friday, March 27. So hairdressers can keep clients in for longer than 30 minutes (and for as long as the service takes) but they can't have more than the allowable amount of people in doors (one person for every 4 sq m). After Danield Andrews came out yesterday and said Victoria would go further with lockdowns, if it deemed it necessary, the NSW premier has said her state would also move stronger restrictions, if needed. Both NSW and Victoria have a bigger challenge with Covid-19, partly because of their larger populations, but also because of the travel between the states and the number of international travellers who pass through the ports. Gladys Berejiklian says there are new protocols in place for cruise ships, with no one getting off any cruise ship which docks in Sydney without a thorough check. That's after a 68-year-old Queensland man who was onboard a Royal Caribbean cruise which docked in Sydney last week died overnight. He was the second person in Australia to have died after contracting Covid-19. As the blame game over the Ruby Princess continues, Ben Smee has this report over information given to travellers arriving in Sydney airport on Sunday: An unknown number of international travellers arriving at Sydney airport on Sunday were given an outdated information sheet about coronavirus precautions, including incorrect advice they could immediately return to their workplaces. Guardian Australia understands the information handouts, which were more than a week old, were given to passengers on at least two Air New Zealand flights that arrived in Sydney on Sunday afternoon. All travellers returning to Australia from overseas must self-isolate for a period of 14 days, whether or not they feel unwell. Prince Charles testing positive for Covid-19 has made headlines around the world. The palace says he hasn't seen the Queen in two weeks so she has not been exposed (at least not by him). Australia's man in London, George Brandis, was at a function with the prince recently, but says he is fine. As AAP reports: Australian High Commissioner George Brandis has no coronavirus symptoms after hosting one of the last official functions attended by the now sick Prince of Wales. Heir to the throne Charles, 71, is displaying "mild symptoms" of the illness but is in good health and spirits as he self isolates at Birkhall in Scotland, a spokesman said. It's believed one of the last official engagements the Prince attended was an Australian bushfire fundraiser at Mr Brandis' official residence at Stoke Lodge in London on March 12. But Australia House spokesman says the high commissioner, 62, has no symptoms and is following UK government guidelines. "All of us at the Australian High Commission wish His Royal Highness a speedy recovery," the spokesman said in a statement on Wednesday. The Prince's Clarence House office can't pinpoint whether Charles had picked up the infection at the fundraiser or not. "It is not possible to ascertain from whom the Prince caught the virus owning to the high number of engagements he carried out in his public role during recent weeks," a spokesperson said. His wife Camilla, 72, who is also at Birkhall, in Aberdeenshire, has tested negative for the virus, so is separating herself from the prince. Doctors believe future king Charles became contagious on March 13, the day after he last saw his mother, the Queen. Buckingham Palace said the 93-year-old monarch, who is staying at Windsor Castle with the 98-year-old Duke of Edinburgh, remains in good health and is following all appropriate advice. Philip was not with the Queen at Buckingham Palace when she last met Charles on March 12. Scott Morrison will be part of a virtual G20 today as the global leaders try to work out a way to keep world supply chains open. The world is facing a global recession, with increasing fears that the spreading virus will halt or disrupt shipping channels and supply chains, further compounding the economic crisis which has accompanied the pandemic. In case you were wondering what the last time the "greatest nation on earth", Queensland, looked like when it shut its borders, it was something like this. Queensland's border has been closed - for the first time since 1919 (during the Spanish flu pandemic) and, as you could expect, there is slight chaos. Thousands of people live on one side of the border and work on the other, so it's not an easy task. Our Queensland correspondent, Ben Smee, is headed down there to see what is going on. Amidst all of the devastating layoffs and industry shutdowns, regional communities are also losing their media sources. Another regional paper has announced its closure. The Queensland border is now closed to all non-essential or exempted travellers. Anyone entering without an exemption will have to self-isolate for 14 days. A 68-year-old Queensland man with a "serious underlying medical condition" died on Wednesday night after contracting Covid-19. He is the ninth person to die from the disease in Australia. Scott Morrison acknowledged ahead of the national cabinet meeting on Wednesday night that Victoria and New South Wales are likely to impose stage 3 lockdowns. Evacuation flights for Australians who are stuck overseas due to border controls and cancellations of commercial flights will be organised only "where feasible" and on a case-by-case basis, meaning Australians could be stuck overseas. NSW has introduced on-the-spot fines of $1,000 for people breaching self-isolation rules and introduced new laws allowing police to fine or even jail people for breaching social distancing requirements. The Victorian government has said it may also introduce laws on social distancing, if Victorians do not heed orders to stay home. Western Australia is sending 800 Australians from a cruise ship to Rottnest Island to sit out their 14-day self-isolation. Foreign nationals and crew members will not be allowed to leave the cruise ship unless they are headed directly to a flight home. WA has also restricted alcohol sales. Wednesday night's meeting of the prime minister and premiers was due to consider the next batch of restrictions to enforce social distancing, as well as financial assistance measures for renters and landlords - a package that will require cooperation with the banks and insurance companies. The meeting was also expected to consider how the states can manage the anticipated surge in hospital admissions as coronavirus infection rates continue to climb. We'll bring you all of that and more as it unfolds.107177falsefalseCalla Wahlquist (now) and Amy Remeikis (earlier)Premier of Tasmania Peter GutweinAustralia's Minister for Home Affairs Peter Dutton.

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[***Business groups and the study of international business: A Coasean synthesis and extension***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:671W-P2V1-F0C0-33VN-00000-00&context=1516831)

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**Body**

INTRODUCTION

Business groups (BGs) are not only prevalent across much of the globe but, in many countries and regions, are the primary form of business organization (Khanna & Yafeh, ; Kim & Song, ; La Porta, Lopez‐de‐Silanes, & Shleifer, ). Unlike the Anglo-American model of free-standing focused versus diversified firms (Amit & Livnat, ), BGs subject multiple firms with different, though often overlapping, sets of owners and managers to common overarching control. BGs are commonplace in emerging economies (e.g., Hearn, Oxelheim, Randøy, ; Kedia, Mukherjee, Lahiri, ; Khanna & Palepu, ), and in much of the developed world (e.g., Colli & Vasta, , ; Guillen, ; Zhang et al., ). Accordingly, understanding BGs is essential to understanding business in general in many parts of the world and in cross-national contexts.

The study of how BGs co-evolve with markets across the globe with divergent and changing institutions, and how they vary across markets, is of particular interest to international business (IB) scholars. Indeed, the academic literature on this topic has grown considerably over the last few decades in IB (e.g., Aggarwal, Jindal, & Seth, ; Elia, Munjal, & Scalera, ; Hernández‐Trasobares & Galve‐Górriz, ; Lahiri & Dhandapani, ; Li & Yayavaram, 2019; Piana, Vecchi, & Jimenez, ; Tan & Meyer, ) and related fields (e.g., Almeida & Wolfenzon, D. , ; Buchuk, Larrain, Muñoz, & Urzúa, ; Dan & Hui, 2019; Larrain & Urzúa, ; Larrain, Sertsios, & Urzúa, ) to become more commensurate with the economic importance of BGs.

IB has advanced our understanding of BGs in many ways, and three important challenges merit more attention. First, most IB literature reviews on BGs focus primarily on IB and management studies, and so miss IB-relevant work in other fields. Second, IB insights can clarify questions about BGs in those fields (Buckley, Doh, & Benischke, ). The prevalence of BGs across markets, and their pivotal role in the evolution of economies and institutions, attract broad interest in many other disciplines, particularly finance and economics. They are, like IB, fundamentally interested in the interactive and varied relationship between business, market environments, and economic development. Much of this work involves cross-country comparisons, as in IB research. Applying IB insights to BGs presents a promising avenue for IB scholarship to contribute beyond traditional IB research questions, answering the challenge that Buckley et al. (: 1045) raise, namely that “IB scholars have addressed important global phenomena, but find that they have had little influence outside of IB… [and would benefit from] a redirection of IB research towards ‘grand challenges’.”

The third challenge is that the literature often offers insights through multiple perspectives in disconnected ways, leading to disjointed and even prima facie contradictory conversations. Several recent high-quality literature reviews on the topic lament this discord and the literature’s failure to converge on a unique and empirically supported perspective (e.g., Locorotondo, Dewaelheyns, & Van Hulle, ; Colli & Colpan, ; Poczter, ; Carney, Gedajlovic, Heugens, Van Essen, & Van Oosterhout, , Carney, Van Essen, Estrin, & Shapiro, , ; Holmes, Hoskisson, Kim, Wan, & Holcomb, ).

This article addresses these challenges by synthesizing work on BGs in IB and multiple relevant fields. We hope to connect and enrich our conversation on BG. This exercise highlights time-honored fundamental principles commonly utilized in IB, and in many other fields, as having renewed relevance in explaining BGs. We hope that this might facilitate cross-disciplinary dialogues in BG research and expand the scope and influence of IB research as Buckley et al. () deem beneficial. This exercise thereby offers a reconciliation of the apparent discord stressed in recent review articles, arguing that many seeming disagreements derive from confounding empirical and theoretical work at different levels of aggregation (micro, meso, and macro), and stages of development (different levels of market- and hierarchy-augmenting institutional strength). Explicitly, recognizing these confounding factors points to a potential synthesis and harmonization of the BG literature that perhaps might lead to a unifying analytical framework to guide future research.

We first propose a workable and uniform definition of BGs to facilitate current and future work. We then summarize stylized historical observations on BGs’ economic significance across countries at various stages of development, their relationship with institutional development and industrial policies, and that many BGs were international ab initio. This section reveals that there are multiple patterns of relationships between BGs and institutions associated with economies at different stages of development. These patterns beg for a unifying theoretical framework that epitomizes crucial drivers of these variegated patterns.

To pave a road for the reconciliation of differentiated observations and strands of literature, we follow Granovetter () and others in viewing BGs through the lens of the Coasean theory of transaction costs. However, we argue that this approach yields maximal insight only after recognizing that BGs are mesoeconomic phenomena, inhabiting a level of aggregation between the microeconomics of individual firms and the macroeconomics of full markets. Different levels of aggregation create scope for fallacies of composition and decomposition in drawing inference from our analytical results. That is, what is good for a group need not be good for the economy nor for a specific affiliate. Distinguishing levels of aggregation reconciles much of the seeming inconsistency in prior work and, when combined with a dynamic approach to transaction costs, leads directly to the concept of time inconsistency. As such, implementing optimal decisions can render those very decisions ex post suboptimal. These concepts go far towards reconciling otherwise apparently discordant perspectives on BGs.

This reconciliation exposes a unified framework for thinking about BGs across nations in terms of market versus hierarchical transaction costs. As a hierarchical organization of economic activity at a mesoeconomic level, BGs can avoid the array of market failure problems that dramatically elevate market transaction costs at the microeconomic level (Khanna & Yafeh, ) by consolidating hierarchical transaction costs at the mesoeconomic level to achieve economies of scale (Morck & Nakamura, , b). This allows BGs to initiate a Big Push industrialization (Rosenstein-Rodan, ) without immediately running foul of hierarchical transaction costs from political rent-seeking that impedes state-directed Big Push industrialization at the macroeconomic level (Easterly, ). Economic development can strengthen market institutions, reducing market transaction costs, and strengthen hierarchical institutions, reducing hierarchical transaction costs. Where market transaction costs fall more sharply, as in Canada and the United States (US), BGs decline or are broken up, and freestanding firms take predominance. Where hierarchical transaction costs fall far more sharply, as in Sweden where development arguably increased transparency and reduced corruption more than it encouraged competition or free entry, BGs persisted. However, mesoeconomic BGs that accumulate sufficiently vast economic and political power can affect the dynamic development of institutions at the macroeconomic level.1 BGs can preserve their dominance by pushing for hierarchy-augmenting institutional development to keep mesoeconomic hierarchic transaction costs low and microeconomic market transaction costs high (Husted ). We argue that this can implicate BGs in the so-called “Middle-Income Trap” that characterizes many chronically incompletely-developed economies. All of this is consistent with firms in large BGs being exceptional performers, innovators, or employers and with large BGs not necessarily being beneficial for their national economies. We then apply this framework of “market transaction costs, hierarchy transaction costs, and group dominance” to globalization and the internationalization of BGs, to provide a more direct examination of the implications of this study for the IB literature. Moreover, the framework offers useful angles for the analysis of meaningful questions, e.g., the role BGs play in the relationship between openness and institutional development.

This paper is organized as follows. Section 2 provides a unifying definition of BGs coherent across IB and law. This definition applies to private sector BGs. Section 3 describes BGs across countries and over time to establish stylized facts consistent with the perspective we propose. Section 4 introduces conceptual tools for considering BG governance as a unique phenomenon, distinct from corporate governance, that balances hierarchical transaction costs at the (mesoeconomic) BG level versus market transaction costs at the (microeconomic) firm level. This leads into discussions of economic development affecting and affected by BGs; a unified Coasean theory of BGs based on this transaction costs balance, and possible trajectories of the co-evolution of this balance with institutional development. Finally, we apply this framework to globalization and the internationalization of BGs. The final section links these discussions to IB and future research areas.

DEFINING A BG

Some countries have bodies of formal BG Law that legally define a BG, and researchers studying such countries naturally use these definitions. However, legal definitions vary among legal systems, which in turn blurs researchers’ precise definitions. For example, including the words “legally independent firms” seems precise, yet many countries’ BG Law makes member firms of a BG jointly liable for each other’s obligations. In such a country, the firms in a family-controlled pyramidal BG, each with different sets of shareholders and managers, are de jure not legally independent. Indeed, different countries’ legal systems impose different degrees of legal dependence on firms in BGs, rendering the criterion of “legal independence” loose at best.

Hopt () surveys BG Law across countries and historically. Differences in BG Law matter. For example, Belenzon et al. () report BGs expanding faster where BG member firms are more legally independent. Research into how differences in the de jure or de facto legal independence of BG firms might affect the results of studies using ***data*** for different countries or conducting cross country studies is needed.

An important boundary condition of this paper is its focus on private-sector BGs. State-controlled BGs, such as those prevalent in China, are outside the scope of the paper. Private-sector BGs are mesoeconomic structures, but state-controlled BGs are tools of the government and thus do not fit into the synthesis we propose. State-controlled BGs are clearly important, especially in China (Ma & Lu, ; Fan, Wong, & Zhang, ; Hu, Cui, & Aulakh, ; Zhang et al., ) and Russia (Guriev, ), historically important in Austria (Stiefel, ), Canada (Arbour, ), Italy (Aganin & Volpin, 2005), Spain (Cuervo-Cazurra, ), and elsewhere, and potentially important as sovereign wealth funds that come to direct de facto BGs (Megginson & Fotak, ). Space constraints preclude encompassing these issues properly.

Germany has perhaps the most comprehensive body of BG Law.2 This formally defines a BG, assigns liability to group member firms for other member firms’ obligations, and formally lays out the duties of officers and directors to their firms’ and groups’ shareholders and stakeholders. Other countries with formal bodies of BG Law, albeit of varying depths, include Argentina, Belgium, Chile, Czechia, France, Hungary, Italy, Japan, Portugal, Slovenia, Spain, and Sweden.

However, legal systems avoid formal definitions. Many legal systems define BGs indirectly via their Securities Law, Corporations Law, Competition Law, other bodies of legislation, regulations, or precedents. For instance, South Korea’s ‘Korea Fair Trade Commission’, an anti-monopoly regulator, lists major BGs (chaebol) annually and various regulations govern their member firms’ entry into banking, M&A activity, and insolvency. ‘***Statistics*** Canada’ lists BG member firms using a 20% threshold for inferring control enshrined in Corporations Law to trace ultimate control.

These indirect definitions can also compromise member firms’ legal independence. For example, an oppression remedy in Canada’s Corporations Law allows a group firms’ stakeholders to sue the group’s ultimate controlling shareholder, whether a corporation or a natural person, under certain circumstances. Courts can deem an ultimate controlling shareholder liable as a director of a BG member firm in Britain (shadow director), Canada (deemed director), and France (dirigeant de fai), and analogous concepts exist in Germany, Italy, the Netherlands, Spain, Switzerland, and New Zealand.

Unlike some other countries, the US treats corporations as independent legal persons.3 A US corporation is not liable for the debts of another, even if the same person controls both, absent demonstrably fraudulent draining of wealth, e.g., concealing assets in a bankruptcy. In such cases, creditors have to “pierce the corporate veil” by suing the controlling shareholder or recipient firm to recover the fraudulently conveyed assets (Strasser, ; Belenzon, Lee, & Patacconi, ).

BGs in Research

Research focusing on BGs in one country justifiably uses that country’s legal definition. Legislative and administrative efforts to standardize definitions across countries in the European Union (Bermann & Pistor, ) are currently unsuccessful because these differences are economically important enough that initiatives to change them evoke intense political lobbying. International studies of BGs must, therefore, contend with inconsistent, incompatible, and absent legal definitions.

Researchers have floated rival definitions. Many are rather broad and difficult to use in empirical work. Strachan () proposes a long-term association of corporations, owners, and managers as defining a BG. Granovetter (: 454) suggests “A collection of firms bound together in some formal and/or informal ways,” adding “characterized by an ‘intermediate’ level of binding’” (Granovetter, : 95). However, others are perhaps excessively restrictive, for example, requiring a high level of unrelated diversification (Leff, ; Guillen, ). This excludes the historically prominent Insull and Van Sweringen pyramidal groups in the interwar US, whose alleged misdeeds motivated US reforms eliminating large BGs (Ramsey, ).

Other definitions assume unwarranted institutional homogeneity. Khanna and Rivkin (: 47) use “a set of firms which, though legally independent, are bound together by a constellation of formal and informal ties and are accustomed to taking coordinated action.” However, as explained above, “legal independence” depends on the country’s BG Law. US real estate firms that fully own several buildings generally do not show up in lists of BGs, yet they generally incorporate each building independently so that tenant lawsuits cannot involve the others. In contrast, German family-controlled pyramidal BGs of listed firms do show up in such lists, despite their member firms’ liability for each other’s debts under German BG law.

Such problems necessitate that scholars embrace diversity. Different research questions may require different definitions. For example, Leff () and Guillen () define a BG as a set of firms operating in unrelated industries, which is sensible where diversification is a central issue. Kandel et al. (), in investigating interwar US pyramidal BGs, define a group as a pyramidal ownership structure, in which listed firms hold control blocks in other listed firms.

A “Roughly Right” Definition

In criticizing superficial rigor in economics, John Maynard Keynes allegedly quipped, “It is better to be roughly right than precisely wrong.” In that spirit, we adopt the following definition:

Definition: A business group is a set of private-sector firms under common control but with different (though possibly overlapping) sets of owners.4

This captures the essential importance of BGs in history and political economy: they concentrate economic power more narrowly than does wealth alone. It encompasses vast pyramidal groups that give handfuls of elite families control over large fractions of national economies by controlling one or a few firms that, in turn, control many others. The term firms, rather than corporations, covers corporation-like organizational forms favored under some countries’ legal systems (Guinnanea et al., 2007).

This definition includes three sorts of BGs, illustrated in Figure . In a horizontal BG (Figure a) the ultimate controlling owner is a natural person (individual or family) controlling several firms, but not fully owning them all. These other partial owners may overlap but are not identical. Horizontal groups exist in the US, where a single person or family may own control blocks in several listed firms (Faccio, Morck, & Yavuz, ).

Three basic types of business group. aHorizontal Business Group. A controlling owner controls several businesses, each with different sets of owners. b Pyramidal Business Group. A common ultimate controlling owner directly controls some firms, which then directly control others. The ultimate controlling shareholder, directly or indirectly, controls them all. c Web Business Group. A web or intercorporate cross-holding leave participating firms collectively controlled by each other. Interlocking boards can leave a family or group of professional managers in charge of the entire group.

In a pyramidal BG (Fig. b) the ultimate controlling owner controls and either partially or fully owns one firm, called the apex firm, which controls and partially owns more firms, each of which might control and partially own yet more, and so on ad valorem. Successive additional tiers can encompass exponentially increasing numbers of firms. These structures can extend across sizeable fractions of stock markets and economies in Asia, Western Europe, Latin America, and Africa. Very large pyramidal BGs can have political economy implications if they concentrate economic power with whatever elite controls the apex firms of their country’s pyramidal BGs (Claessens, Djankov, & Lang, ; Faccio & Lang, ; Masulis, Pham, & Zein, ). A large pyramidal BG can magnify a merely large family fortune into control over a substantial fraction of a country’s GDP. Wealth concentration is be magnified into a vastly higher concentration in economic power.

In a web BG (Figure c) member firms own individually small equity stakes in each other that collectively sum to control blocks in every firm. A family can control a web BG by placing family members and key associates on all member firms’ boards, which then reelect each other or successors selected by the family. Several major South Korean family-controlled BGs, or chaebol, are web BGs. Japanese keiretsu BGs have similar webs of cross-holdings, but no family in control (Belderbos & Heijltjes, ). Instead, the CEOs of the group’s member firms cooperate loosely, most notably by defending each other against takeovers and propping up troubled member firms with trade credit, loans, or equity investments (Morck & Nakamura, ).

This definition excludes some structures elsewhere considered BGs. Conglomerates and multinational enterprises (MNEs) are not BGs here if they are unitary firms, whose owners, therefore, own all their assets in a fixed proportion. This definition also excludes large US institutional investors owning varying nontrivial stakes in multiple firms because, although these resemble horizontal BGs, the criterion of common control fails. The US Investment Company Act of 1940 lets institutional investors influence firms’ governance at shareholder meetings, but forbids any interference in investment, human relations, or other internal decisions unless they own majority stakes. Yet other structures count under our definition but are difficult to track. For example, BGs can arise via networks of interlocking boards of directors (Ayyagari, Dau, & Spencer, , ; Borgatti & Foster, ), customer–supplier relationships (Berglof & Perotti, ), or social ties (Yiu, Bruton, & Lu, : 183). Folding such structures into research on BGs is doubtlessly useful in some settings.

However, our definition is practical, in that firm-level ownership ***data*** are available historically and across countries. For listed companies in recent decades, mandatory ownership disclosure thresholds vary across countries, from stakes over 3% in the United Kingdom (UK) to stakes over 5% in the US to 20% in Canada to the top ten shareholders, whatever their stakes, in Japan. Because most small shareholders do not vote their shares, a blockholder voting less than 51% can generally appoint a firm’s board and thus its CEO. La Porta et al. () therefore define BGs by inferring control by a firm’s largest blockholder voting at least 20%. Lower control thresholds clearly provide effective control in many cases, but the lower the threshold the greater the problems from different countries’ different reporting thresholds. Subsequent work tends to use 20% or greater voting blocks to map out BGs because most countries’ thresholds match or exceed this.

Another advantage of our definition is that it does not specifically require family control. La Porta et al. () report old-moneyed family control to be a predominant characteristic of BGs. However, some prominent pyramidal BGs have apex firms without controlling shareholders. In these, professional managers of the apex firm effectively run the whole BG. Examples include Sweden’s Handelsbanken group (Högfeldt, ), mid-twentieth century Canada’s CP and Bell groups (Morck, Wolfenzon, & Yeung, ), Spain’s BBVA group (Cuervo-Cazurra, ), prewar Japan’s Nissan group (Morck & Nakamura, ), many early twentieth century US pyramidal groups (Kandel, Kosenko, Morck, & Yafeh, ) and many British merchant groups (Jones & Colpan, ). Ambiguity in natural languages leaves obscurity in any formal definition. Thus, Taiwan’s jituan qiye, controlled by inner circles of core leaders (Hamilton, : 265; Chung, ), and Japanese postwar keiretsu, web groups whose managers defend each other from shareholder pressure but otherwise act largely independently (Morck & Nakamura, ), can qualify by interpreting the word “control” increasingly broadly. We acknowledge that different definitions may be more appropriate for asking different questions. Our definition focuses on BGs and the concentration of economic and political power.

THE IMPORTANCE OF BGs

The Current Importance of BGs

Numerous research papers in IB and other fields document the importance across different economies of BGs, variously defined (e.g., Belderbos & Heijltjes, ; Bucheli, Salvaj, & Kim, ; Gaur, Pattnaik, Singh, & Lee, ; Guillén, 2003; Hu, Cui, & Aulakh, ; Kim, Kim, & Hoskisson, ; Mukherjee, Makarius, & Stevens, ). These consistently show BGs to be exceptionally unimportant in the US and UK. For example, in a very carefully executed study, Masulis et al. () (summarized in Table ) count only 3% of US listed firms (***accounting*** for about the same percentage of the market value of all listed firms) as member firms of family-controlled BGs. Their comparable figures for the UK are 2% and 2%, respectively. The table shows BGs to be much more important in most other countries and vastly more important in many of them.

The importance of business groups across countries; the number of family business groups in each major economy and their importance measured by the percent of listed firms belonging to them and the market capitalizations of their member firms as a fraction of the total market capitalization of the country’s stock exchanges.

Source: Masulis et al. ()

| **Country** | **No. of family groups** | **% in family groups** | | **Country** | **No. of family groups** | **% in family groups** | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Listed firms (%)** | **Market cap (%)** | **Listed firms (%)** | **Market cap (%)** |
| Argentina | 6 | 19 | 11 | Malaysia | 53 | 17 | 39 |
| Australia | 34 | 7 | 9 | Mexico | 12 | 26 | 49 |
| Austria | 2 | 5 | 7 | Netherlands | 5 | 5 | 5 |
| Belgium | 14 | 24 | 29 | New Zealand | 3 | 7 | 11 |
| Brazil | 22 | 21 | 15 | Norway | 7 | 9 | 4 |
| Canada | 21 | 5 | 13 | Pakistan | 19 | 23 | 10 |
| Chile | 21 | 46 | 45 | Peru | 8 | 22 | 43 |
| Colombia | 4 | 48 | 52 | Philippines | 31 | 46 | 30 |
| Czechia | 2 | 5 | 2 | Poland | 8 | 13 | 7 |
| Denmark | 7 | 10 | 20 | Portugal | 6 | 23 | 10 |
| Finland | 7 | 11 | 3 | Singapore | 19 | 11 | 41 |
| France | 32 | 11 | 9 | South Africa | 9 | 10 | 9 |
| Germany | 32 | 9 | 6 | Spain | 7 | 12 | 4 |
| Greece | 16 | 20 | 19 | Sri Lanka | 15 | 67 | 44 |
| Hong Kong | 33 | 16 | 26 | Sweden | 14 | 20 | 26 |
| Hungary | 3 | 15 | 2 | Switzerland | 5 | 4 | 1 |
| India | 59 | 29 | 23 | Taiwan | 41 | 17 | 41 |
| Indonesia | 31 | 30 | 53 | Thailand | 30 | 22 | 47 |
| Ireland | 3 | 11 | 3 | Turkey | 34 | 50 | 46 |
| Israel | 20 | 40 | 23 | UK | 19 | 2 | 2 |
| Italy | 17 | 19 | 26 | USA | 89 | 3 | 3 |
| Japan | 42 | 3 | 4 | Venezuela | 4 | 22 | 26 |
| Korea | 85 | 21 | 57 |  |  |  |  |

The figures in Table are unlikely to be precise. This is unavoidable given their focus and the differences in disclosure rules and practices across countries. For example, their focus on family-controlled BGs omits BGs controlled by an apex firm’s professional managers, such as Sweden’s Svenska Handelsbanken AB group. Including that BG would bring Sweden’s figures close to Colombia’s (Högfeldt, ). The table also understates the concentration of power behind the figures. Although Sweden has family BGs, two BGs – the Handelsbanken group and the Wallenberg family’s group – have ***accounted*** for over half of the Swedish stock market for most of the past century, and their definition omits the former (Högfeldt, ). Even among family-controlled groups, the ***data*** are likely underestimates because chains of control via unlisted firms may be undisclosed in many economies. Thus, the table very likely understates the full importance of BGs, especially in countries whose disclosure standards are weaker or less rigorously enforced.

Nonetheless, the general pattern across countries and the specific conclusion that BGs are exceptionally unimportant in the US and UK are roughly right. The figures in the table align roughly with the findings of many prior cross-country studies using different ***data*** sources and definitions (e.g., La Porta, Lopez‐de‐Silanes, & Shleifer, ; Faccio & Lang, ; Claessens et al., ; Fogel, ). They also align roughly with findings about BGs in individual countries too numerous to cite here.

This Anglo-American exceptionalism matters for two reasons. First, it biases research. Leading US and UK universities set the agenda for research in many dimensions of business and economics, so researchers’ inattention to BGs around the world is perhaps understandable. Poczter () criticizes an Anglo-American focus in corporate governance for viewing BG costs and benefits as accruing to individual BG firms.

Second, this exceptionalism is historically imperfect. Berle and Means () raise governance concerns about the separation of ownership and control, but also criticize US BGs (see esp. pp. 69-70 and pp. 184-5). Kandel et al. () show that US pyramidal BGs ***accounted*** for over 55% of the assets of non-financial NYSE firms in 1933, that many were large multi-tiered pyramids, and that a handful of families (sometimes disparaged as “robber barons”) wielded vast economic power. An early critic of concentrated economic power in the US, President Woodrow Wilson proclaimed that “no country can afford to have its prosperity originated by a small controlling class” (quoted in Brandeis, : 223).

IB research rises beyond individual nations, but so do these concerns. Many BGs were international ab initio, or internationalized over time. Many now mainly domestic BGs in diverse countries were initially organized by London or Paris merchant houses to invest capital overseas (Jones & Khanna ; Yaprak & Karademir, ; Kumar, Gaur, & Pattnaik, ; Chen & Jaw, ; Gaur & Delios, ; Colpan and Hikino, 2018b; Mukherjee et al., ; Aguilera, Crespf-Gladera, Infantes, & Pascual-Fuster, ). For example, analyzing the present without ***accounting*** for business history associates common law legal systems (as in the US and UK) with an absence of BGs. Yet both also had common law legal systems in prior decades when both hosted large BGs.

The historical Importance of BGs

BGs have waxed and waned in importance across economies and over time. Much historical work on BGs is reported in books, not journals, and so is missed in many surveys – although Colli and Colpan, (, b) is a notable exception. We draw on Colli and Colpan (, b), as well as on chapters in Colpan et al. () and Colpan and Hikino (), and especially Colpan and Hikino (2018a), along with other economic and business history research, to highlight a set of historical patterns concerning BGs. Exceptions and qualifications apply to each, so deeming them stylized facts is overzealous. Research into the exceptions and qualifications is unarguably useful, but our focus here is on patterns common to at least some economies in which BGs are prevalent and important.

BGs are historically important where they are now rare

Large BGs once existed in many high-income economies where they are now relatively rare. Large BGs were important in Australia and Canada in the early twentieth century and again in a period loosely matching the 1970s (Ville, ; Morck & Tian, ), although Australia’s early twentieth-century BGs had roots in London (Jones ). As mentioned above, large BGs were also important in the UK and the US in the early twentieth century. Large BGs arose in Israel in the late twentieth century but were largely gone by 2020 (Fried, Kamar, & Yafeh, ).

Pyramidal BGs often arise amid rapid late industrialization

Large pyramidal BGs arose and expanded during the rapid industrialization or high-growth eras of many late industrializing countries. Japan’s Taisho high-growth era, from the 1880s to the 1920s, saw its large zaibatsu pyramidal BGs arise and come to dominate its economy (Morck & Nakamura ). Canada’s high growth period, from the 1890s to the Great War, saw its stock markets dominated by BG firms (Morck & Tian, ). Sweden’s late nineteenth and early twentieth century industrialization likewise saw the rise of huge BGs. Similar patterns are evident in other late industrializing economies (Henrekson & Jakobsson, ; Högfeldt, ). BGs also arose in abortive spurts of rapid development that occurred in many Latin American countries in the early twentieth century (Jones, ).

Common law proscribed pyramidal and web BGs until the late 19th century

At common law, intercorporate equity ownership was to be avoided until the 1870s and remained legally dicey until the 1880s. Brice (, p. 96) writes “till quite recently it was doubted whether one company could be a shareholder in another; indeed, the weight of authority was in the negative.” British colonies, including the US, inherited this tradition. British reforms in 1867 permitted intercorporate equity holdings only for corporations whose charters explicitly warned shareholders of this, but uncertainties about parent–subsidiary liability in bankruptcy deterred BGs until 1893, when the Lords ruled that one company did not assume another’s debts by holding even virtually all its shares. Common law systems, except the US, accept each other’s precedents, so intercorporate equity holdings subsequently became viable in Australia, Canada, and other common law jurisdictions. The US severed its common law from the others at its independence, so intercorporate equity remained proscribed there until 1888, when New Jersey enacted legislation legalizing the practice, with other states following on, perhaps to retain incorporations and head offices (Freedland, ; Nelson, ; Grandy, ).

Horizontal and web groups arise where pyramids are illegal

Britain’s late eighteenth and nineteenth-century industrialization and the US’s mid- to late nineteenth century industrialization thus predated their legal systems accommodating pyramidal or web BGs. Consequently, the only viable BG structure was horizontal groups. These initially arose nineteenth century Britain as family trusts, legal structures letting wealthy heirs delegate management of their fortunes, accumulated during industrialization, to trustees (Mackie, ). Their possible importance while British industrialization was still in progress merits research.

Horizontal BGs also arose during the era of rapid US industrialization, roughly from the end of its civil war in the 1860s to the late nineteenth century. These were organized as voting trusts: legal structures in which investors surrendered their votes to a trustee, usually a tycoon or business family (Daunton, ). This was functionally equivalent to dual-class shares, with the organizers of the trusts having voting shares and outsiders having non-voting participation investments. Voting trusts were used extensively to organize corporate mergers. The resulting increased concentration of control in key industries led to the 1890 Sherman Antitrust Act (US antimonopoly law is still called Antitrust Law). Many large US trusts restructured into pyramidal groups in the early twentieth century, as Antitrust Law (Keller, ) was erroneously thought to be relevant only to trusts. By 1929, large pyramidal groups encompassed much of the NYSE (Kandel et al. ).

Web groups predominate only in Japan and South Korea, whose laws deter horizontal and pyramidal groups. In the late 1940s, US occupation authorities broke up Japanese pyramidal groups and imposed laws limiting listed firms from holding equity of other listed firms and banning dual-class shares.5 Web groups arose in the 1950s and 1960s (Yafeh ; Morck & Nakamura, ). In 1986, South Korea banned holding companies, firms whose assets are mainly shares in other firms (Soo, ; Lee, ). The apex firm in a very large horizontal group is necessarily a holding company, as are the apex and many intermediate firms in a large enough pyramid. So, Korean pyramidal groups restructured into web groups. Web groups thus arose only in the two countries that effectively blocked the formation of pyramidal and horizontal groups.

Many large BGs began as internationalized structures

Once intercorporate equity ownership was legal in Britain, BGs arose on the London Stock Exchange. Some were domestic, wile many were international ab initio. British merchant houses listed corporations in London that raised capital to invest in the industrialization of British colonies (Carney & Gedajlovic, , ; Jones, , ; Jones & Khanna, ; Jones & Colpan, ; Khanna & Palepu, ; Tipton, 2008). For example, Matheson and Co. controlled China Coast Steam Navigation, Indo-China Steam Navigation, Shanghai-Woosung Railway, China Railway, Canton Insurance, Ewo Bank of Shanghai, Rio Tinto Mines, Transvaal Exploration, Caucasus Copper and – through Jardine, Matheson & Co. in Hong Kong – China Sugar, Hong Kong Land, and Ewo Spinning (Chapman, : 230–51). Hong Kong’s Swire group also has colonial roots. Apex firms appear to have been listed in London, although subsidiaries could be listed in the domestic stock markets of sufficiently developed target economies. Merchant house-run BGs also raised capital in Paris to finance colonial and overseas development.

Variations of this theme appear to have been important in both Australia, whose rapid industrialization was largely financed by BGs of this form (Ville, ), and Canada, whose late nineteenth-century high-growth era featured domestically controlled BGs tapping London capital (Morck & Tian, ). India’s Tata and Birla groups also have colonial ancestry (Khanna & Palepu, ), as do BGs in Egypt (Adly, ; Vitalis, ). London merchant houses also funneled British capital into economies outside the British Empire, notably to BGs that they established in Latin American countries (Jones, , ). London merchant houses’ BGs came under local elites’ control as British power waned. Large pyramidal BGs that contain many countries’ national champion firms thus have antecedents, and in many cases direct ancestors, in turn-of-the-twentieth century British merchant house-run internationalized BGs.

Large BGs arose amid incomplete or dysfunctional markets

South Korea, among the poorest countries in the 1960s, is the newest high-income economy, so the role of its BGs in its rise is well documented. In the 1960s, South Korea was described as a “foreign aid sinkhole” (Chapin, ) rife with corruption. Its dictator over the subsequent two decades, General Park Chung-hee, nationalized the banks, suppressed official corruption, and launched two industrial policy interventions: a 1960s export promotion drive and a 1970s heavy and chemical industries (HCI) drive. Recipients of subsidies in both interventions likely shifted subsidy income from those targeted by the programs to finance other projects. As the country ascended to middle-income levels, large pyramidal chaebol BGs rapidly arose by issuing shares. These expansions appear to be driven by the need to internalize incomplete or uncompetitive product and financial markets. Koo Cha-Kyung (Aguilar & Cho, ) explains this succinctly in recounting the history of the Lucky-Goldstar (LG) chaebol:

My father and I started a cosmetic cream factory in the late 1940s. At the time, no company could supply us with plastic caps of adequate quality for cream jars, so we had to start a plastics business. Plastic caps alone were not sufficient to run the plastic molding plant, so we added combs, toothbrushes, and soapboxes. This plastic business also led us to manufacture electric fan blades and telephone cases, which in turn led us to manufacture electrical and electronic products and telecommunications equipment. The plastics business also took us into oil refining, which needed a tanker shipping company. The oil refining company alone was paying an insurance premium amounting to more than half the total revenue of the largest insurance company in Korea. Thus, an insurance company was started. This natural step-by-step evolution through related businesses resulted in the LG group as we see it today.

Park’s industrial policies were major interventions, but narrowly focused on a few firms in a few industries (Amsden, ; Woo, ; Woo-Cumings, ; Lim, ; ), and left the rest of the economy to itself. Koo mentions no guidance by technocrats. The major chaebol expanded as above, to achieve “full set diversification”, a subsidiary in every sector needed by other BG firms. Industrial policy subsidies bankrupted the state by 1979, when Park moved to end subsidies and was assassinated (Luedde-Neurath, ; Chibber, , , ). Chun Doohwan, the next dictator, reluctantly ended subsidies and growth accelerated. Democracy arrived in 1987, and living standards rose to first-world levels.

Japan’s prewar zaibatsu pyramidal BGs arose and likewise expanded to “full set” diversification in its late nineteenth and early twentieth century high-growth era (Morck & Nakamura, , b). Market institutions also developed rapidly in those decades, but perhaps not fast enough to avoid Koo’s incomplete market problems. Large highly diversified BGs may have arisen in other countries’ high-growth eras to allocate resources hierarchically to internalize incomplete markets for capital, financial services, or intermediate goods (Morck, ).

Bank-centered BGs often arose or expanded in financial crises

In the 1830s, Belgium launched an industrialization drive via subsidizing private-sector banks to lend long term, with property, plant, and equipment as collateral. Financial crises in the 1830s and 1840s left the banks owning defaulting industrial firms (Daems, ). Swedish banks lent long term, also with operating assets as collateral. The global financial crisis of the 1920s and the Great Depression bankrupted many firms into Sweden’s two largest pyramidal groups, which comprised half of the total market capitalization for much of the next century (Högfeldt, ). Bank-centered groups formed in these crises then grew as more firms defaulted in ensuing crises, and as the banks underwrote share issues to expand their existing firms or capitalize new ones. Financial crises may thus have served as BG fertilizer. The continental banking model differed historically from the Anglo-Saxon merchant banking model, in which banks primarily provided trade credit, with inventory or other liquid assets as collateral (Capie & Collins, ).6

Some countries banned bank-centered BGs

British merchant banks, largely family firms, avoided equity in industrial firms, perhaps for social prestige (Lisle-Williams, ; Capie & Collins, ). When banks deviated from this norm in some ex-British colonies, governments snapped them back into place. Canada severed banks from their BGs in the early 1920s global financial crisis. America’s 1933 Glass-Steagall Act, enacted in the Great Depression, forced the Morgan Bank to dismantle the largest US BG (Kandel et al., ).

Other countries likewise found group banks problematic in crises. The 1907 crisis worked to the relative advantage of firms in Belgium’s bank-centered groups, and Belgium severed banks from groups after the early 1920s financial crisis (Van Overfelt, Annaert, De Ceuster, & Deloof, ). South Korea nationalized banks to cleave them from groups after a late 1950s financial crisis and corruption scandal (Lim & Hahm, ). Such policies may be justifiable, in that group banks may socialize private-sector losses on a larger scale than can banks alone. A group’s bank can provide underpricing loans to its other group firms (essentially transfer pricing debt), sustaining them through a crisis even as state bailouts of banks sustain the group’s bank. The 1997 Asian Financial Crisis appears to have strengthened BGs in those economies (Boubakri, Guedhami, & Mishra, ).

Japanese economic history during its early 1920s financial crisis provides something of a controlled experiment testing this hypothesis. Most Japanese BGs contained banks (Hoshi, ; Teranishi, ). Many of these followed British banking practice, primarily financing trade credit for their fellow group firms’ customers, and survived the crisis unscathed. Others, so-called “organ banks”, lent to finance their fellow group firms’ property, plant, and equipment investment and needed government bailouts. Some got bailouts, others did not, notably the politically unconnected Suzuki group (Kato, ; Okazaki, Sawada, & Wang, ; Morck & Nakamura, : s. 4). Cross-country econometric evidence is consistent with group banks often functioning as organ banks (Morck, Yavuz, & Yeung ).

Industrial policy and autarky fertilize groups; free markets and openness wilt them

Sweden’s Social Democratic Party took power in 1932 and, with brief breaks, ruled for the rest of the twentieth century. Initially, the Social Democrats and BGs were at odds, but each grew to appreciate the other. Social Democratic prime ministers could make industrial policy deals with “big business” via a few phone calls. BGs came to appreciate the barriers to entry in dense regulations, high taxes, and generous subsidies to businesses that supported social democracy (Henrekson & Jakobsson, ; Högfeldt, ).

Evidence consistent with a symbiotic relationship between state intervention and BGs arises in other countries’ economic histories. Australia and Canada, long market-oriented economies, both delved into Swedish-style industrial policy in the 1970s and then reverted to more market-driven resource allocation. BGs in both expanded and contracted in sync with interventionism (Morck & Tian, ; Ville, ). BGs grew especially prominent in France’s trente glorieuses, three decades of interventionism after World War II, but lost ground as European Union integration intensified market competition (Cassis, ). European integration likewise left Belgian business families controlling only a few choice firms of their former BGs (Becht, ).

Industrial policy in Spain, Portugal, and countries across Latin America was historically shaped by Corporatism – a Roman Catholic social doctrine that replaced the materialistic individualism of markets with coordination by industry Associations of business owners, clergy, politicians, and labor representatives (Aganin & Volpin, 2005; Colli & Vasta, ; Morck & Yeung, ). Families controlling large groups of businesses were powerful voices in Spanish and Portuguese corporatism (Cuervo-Cazurra, ; Ferreira Da Silva & Neves, ). British merchant houses had organized many of the businesses that initiated industrialization in Latin America (Miller, ; Platt, ), but, by the mid-twentieth century advent of corporatism, local elites controlled these grupos económicos (Leff, ; Schneider, ). Corporatism effectively allowed them to set wages, prices, entry, and expansion because labor, government, and clerical association members generally lacked appropriate expertise. By vertically integrating government and big business, corporatism created hothouses for BG growth (Morck & Yeung, ).

Latin American countries’ adoption of import substitution (Prebisch, ) in the mid-twentieth century erected high trade barriers around each national economy to promote and protect domestic BGs (Garrido & Peres-Núñez, ; Hoshino, ). In an open economy, incomplete markets can be completed by importing and exporting (Skott & Ros, ; Trindade, ); under autarky, the only response may be large diversified BGs. The 1930s trade war, the breakup of colonial empires, and postwar Bretton Woods capital controls, by curtailing international trade and finance, may have favored BGs elsewhere. BGs may thus arise to internalize both markets distorted by state intervention and incomplete markets in developing economies.

Large BGs attract a common set of criticisms

In the Great Depression, US pyramidal BGs drew heavy political fire, and the same criticisms arise today where groups remain important. BGs were accused of tax avoidance (transfer pricing between group firms in sectors or states with different tax rules), and concealing cartels (seeming competitors actually in one BG), predatory pricing (transfer pricing one BG firm’s monopoly profits to another to bankrupt the latter’s competitors), abusing small shareholders (tunneling), and political rent-seeking (Morck, , b; Kandel et al., ). Similar criticisms arise today in Canada, Italy, Latin America, South Korea, and elsewhere that groups remain important (e.g., George & Kabir, ; Hellman, Jones, & Kaufmann, ; Cestone & Fumagalli, ; Majumdarand & Sen, 2007; Lim, ; Park, ; Pattnaik, Lu, & Gaur, ).

Some countries enacted legislation explicitly to break up BGs

Britain, Israel, Japan, South Korea, and the US enacted legislation explicitly designed to eradicate or greatly diminish the importance of BGs. Domestic BGs arose in early twentieth century Britain (Hadden, ) but did not persist. Late 1940s Labour Party reforms made powerful labor-run pension funds large equity investors. These forced through a London Stock Exchange 1968 Takeover Rule mandating that any bid for 30% or more of a firm’s stock be for 100%. Britain’s active takeover market culled controlled group firms from the exchange and share issuances to finance takeovers diluted control blocks in acquirers (Franks, Mayer, Rossi, ).7

The depth of the Great Depression in the US (unemployment hit 25% and industrial production fell 40%) made attacking concentrated economic power politically popular, and successive New Deal reforms (intercorporate dividend taxation, limits on BGs in Public Utilities, and the regulation as mutual funds of firms whose assets are primarily shares in other firms) rapidly eroded US pyramidal groups. By 1950, the current US system of freestanding firms was in place. Small horizontal groups remain (Faccio et al., ).

The postwar US occupation government of Japan left economic policy to New Dealers, fresh from breaking up US pyramidal groups. Intent on restoring Japan’s economic vitality as the Cold War began, they broke up Japan’s pyramidal groups, confiscating family and intercorporate equity blocks, and restructuring ex-group firms into free-standing widely held firms (Bisson, ). Before its 1952 withdrawal, the US left Japan an Antimonopoly Law banning holding companies (firms whose assets are mainly shares in other firms) to prevent pyramidal groups from re-emerging. Rather than preventing BGs, this merely ensured that the new groups that arose in the 1950s and 1960s had web structures instead (Morck & Nakamura, ).

A succession of South Korean governments sought to rein in BGs, but none (to date) has done so. For example, a 1986 prohibition of holding companies (firms whose assets are primarily shares in other firms) merely encouraged pyramidal groups to restructure into web groups (Lee, ). Calls for reining in Korea’s chaebol continue to gather force (e.g., Park, , ).

Israel’s industrialization after its 1949 independence was largely state-directed, but its later shift to a more mixed economy saw the rise of pyramidal groups. Their controlling families’ attempts to shape financial regulations became controversial in the early twenty-first century, and the government reacted with reforms forcing the unification of dual classes of shares (Lauterbach & Yafeh, ) and forbidding listed firms from controlling other listed firms that control yet others (Park, ; Hamdani, Kosenko, & Yafeh, ). The latter reform limits pyramids to two tiers of listed firms. Israeli pyramidal groups rapidly broke apart after the reforms were enacted.

ONE PERSPECTIVE TO RULE THEM ALL

Surveys of research into BGs tend towards Linnaean taxonomies, sorting research by theoretical perspective. Focusing on BGs in emerging economies, Poczter () partitions research into institutional voids, entrenchment, and exploitation perspectives. The institutional voids perspective posits BGs as end-runs around dysfunctional institutions (e.g., Chang & Hong, ; Doh et al., 2017; Elango & Pattniak, ; Fisman & Khanna, ; Khanna & Palepu, , 2010; Khanna & Yafeh, ; Langlois, ; Makhija, ; Castellacci, ; Kim & Song, ). For example, corruption stunts economic growth in markets across the globe if firms routinely cheat each other (Cuervo-Cazurra, ), but BG controlling shareholders can order their firms not to cheat each other. The entrenchment perspective casts large BGs as manifestations of elite capture (Morck & Yeung, ). By controlling firms that comprise a substantial fraction of a national economy, a BG’s controlling shareholder commands sufficient political influence to shape institutional development in ways that can lock in the very dysfunctional institutions that the BG circumvents and thus the BG’s competitive advantage against entrant firms (Rajan & Zingales, ; Morck, Wolfenzon, & Yeung ). The exploitation perspective (Johnson, La Porta, Lopez-de-Silanes, & Shleifer, ; Faccio et al. ) views BGs as mechanisms letting controlling shareholders tunnel (snatch) corporate earnings that would otherwise be disbursed as dividends to group firms’ public shareholders. This perspective also attracts significant study in IB (e.g., Faccio, Lang, & Young, ).

Carney et al. () distinguish the institutional voids perspective from a combined entrenchment/exploitation perspective. Colli and Colpan (, b) classify research by theoretical framework: agency theory (corporate insiders maximize their utility, not firm value), stewardship theory (corporate insiders are faithful stewards for certain other stakeholders), resource dependence theory (groups accumulate a critical resource – usually information), and institutional (voids) theory. Holmes et al. () sort studies of BGs into six theoretical perspectives. Granovetter () distinguishes resource dependence (BGs let firms access other firms’ key resources), strategic alliances (alliances to cope with changing supply and demand), exploitation (organizing capital against labor), or rent extraction (from the state). All of these studies are well executed and insightful and important to IB, so we rely on them below.

Such taxonomical classifications, while useful in specific tasks, tend not to yield a unified picture. Poczter () concludes that “even a cursory read of the literature immediately reveals inconsistencies that limit future research.” Carney et al. () conclude that “there is no set of results that points to a single conclusion regarding the nature of [BGs].” Colli and Colpan (, b) conclude that the field is “still developing.” Holmes et al. () avoid contrasting perspectives into their (insightful) conclusions.

These surveys are all high-quality efforts by distinguished scholars, and we accept their conclusions. Therefore, rather than offering alternative taxonomical proposals, we recall Granovetter’s () use of Coase’s () insights to build a synthesis of the current perspectives on BGs. Although the competing perspectives have changed somewhat, we argue that a Coasean synthesis remains.

Foundations of a Coasean synthesis of perspectives

This synthesis is built upon three fundamental concepts. The first is Coase’s () theory of the firm and its extensions (Williamson, , ). The second is an element of formal logic: the fallacies of composition/decomposition (e.g., Finocchiaro, ; Rowe, ). The third is time inconsistency, an insight from economic theory (e.g., Adams, Cherchye, De Rock, & Verriest, ; Miller & Alsmon, 1985), political science (e.g., Beardsley, ; Berleman, ), and IB research (e.g., Duanmu, 2014; Mirus & Yeung, ). A brief elaboration usefully sets the tone for subsequent discussions.

Theory of the Firm

Coase’s Theory of the Firm argues that organizations, such as firms, arise to minimize transaction costs, which come in two varieties. Market transaction costs impede people from buying and selling in impersonal markets. Examples include value-added taxes, sales taxes, information costs, contracting costs, and so on. Organizational (or hierarchy) transaction costs impede people from getting things done via chains of command in organizations, such as armies, bureaucracies, firms, or BGs. Examples include the costs of getting those in control of the information they need to make efficient decisions, the costs of ensuring those lower in the chain of command obey orders, and the costs of those in control making self-interested, rather than organizationally-optimal, decisions. IB scholars (e.g., Hymer, ; Buckley & Casson, ; Dunning, ; Rugman, ; Caves, ) and many others have built theories of MNEs based on the Coasean considerations, mostly focusing on reasons to internalize transactions within a firm boundary. Granovetter () drafts Coase () to explain the scale and scope of BGs along similar lines. Elaborating this approach resolves discordance between perspectives identified in recent surveys in IB and other fields.

Fallacies of composition and decomposition

A fallacy of composition8 is the false notion that what is true for an individual is true for a group containing that individual. The fallacy of decomposition is the false notion that what is true for a group is true for any individual in that group.

Both fallacies surround BGs because BGs are mesoeconomic structures. They exist at a more aggregated level than firms, the focus of microeconomics, and at a less aggregated level than economies, the focus of macroeconomics. Fallacies of composition and decomposition about BGs can, therefore, arise in both directions. What is good for an individual firm may not be good for its BG and what is good for a BG may not be good for its economy. Exploring these fallacies of composition and decomposition requires viewing BGs simultaneously at microeconomic, mesoeconomic, and macroeconomic levels.

Time inconsistency

An economic phenomenon is time inconsistent if, by following optimal strategies, economic actors change their constraints or preferences to render what they previously did suboptimal. For example, prior to an inward FDI investment, the optimal government policy promises MNEs huge profits; but, after the investment is made, the optimal government policy appropriates as much of those profits as possible (Schelling, ; Vernon, ).9 Analogous time inconsistencies arise in innovation (Nordhaus, ), and macroeconomic policy (Calvo, ). The solution is limiting governments’ future freedom of action by enshrining the rule of law, patent rights, or central bank independence (Kydland & Prescott, ).

Time inconsistency arises as large BGs alter the constraints and preferences of a range of decision-makers. For example, when institutions are weak and free-standing firms cannot trust each other, large BGs can internalize transactions between firms by subjecting them all to common control to mitigate hold-up problems (Williamson, ; Klein, Crawford, & Alchian, ; Hart & Moore, ). This facilitates rising prosperity, which boosts both the government’s and the private sector’s income. This, in turn, can finance stronger institutions, such as more efficient courts, better schools, and better trained professional managers, accountants, and analysts, all of which allow free-standing firms to more easily engage in business with each other. This then erodes large BGs’ competitive advantages, leaving their concentrated economic and political power unwarranted in the eyes of better-educated voters. BG controlling owners, initially gaining utility by building BGs that develop their economies’ institutions, might later find they gain more utility by advocating measures that protect their BGs from further institutional development. Median voters might likewise initially support measures that encourage large BGs as boosting living standards, but, once living standards are high, might find large BGs less economically invigorating.

The remainder of this section elaborates on how these concepts link seemingly discordant perspectives on BGs into a unified framework. We call this a Coasean synthesis.

Microeconomics, mesoeconomics, and macroeconomics of BGs

Economics and finance studies are usually bifurcated into microeconomics, studying utility-maximizing individuals and profit-maximizing firms, and macroeconomics, studying emergent economy-level phenomena such as money and business cycles. Similarly, in IB, this bifurcation corresponds to nation- versus firm-level analysis. In between these lie BGs, structures ranging in size from a few firms under common control to economy-spanning structures containing firms that make up substantial portions of a national economy. Cole () coins the term mesoeconomics to denote economic phenomena too aggregated for microeconomics but insufficiently aggregated for macroeconomics. Mesoeconomics thus includes evolutionary economics at the industry level; the emergence of intra- and inter-industry flows or resources; competitive and oligopolistic market structures in factor, intermediate goods, and final goods markets, as well as their underlying institutional foundations; and public policy (Ng, 1986; Ocampo, ; Mann, ). Prior work has identified BGs as mesoeconomic phenomena (Nam, ; Martucci & Rinaldi, ) and others. We argue that treating BGs at the micro-, meso-, and macroeconomic levels resolves seeming inconsistencies across perspectives by clarifying fallacies of composition and decomposition.

BGs: where microeconomics meets mesoeconomics

Various theoretical perspectives present BGs as mechanisms for avoiding uncooperative Nash equilibriums at the microeconomic (firm) level. Analyzing BGs as mesoeconomic structures connects seemingly discordant perspectives. Thinking about which sort of uncooperative Nash behavior might loom largest in different economic and social situations reveals these connections.

BGs bridge institutional voids that raise market transaction costs

Much research points to BGs being larger, more diversified, and more important where weaker institutions make market transactions more costly (e.g., Khanna & Yafeh, ; Kim & Song, ).10 For example, a firm needing high-quality inputs is harmed if its supplier surreptitiously substitutes inferior goods. New buildings crumble if construction companies are sold inferior concrete. Oil spills pollute if oil companies are sold inferior steel pipes, and so on. Incorruptible government quality inspectors would fix this. So would incorruptible courts efficiently enforcing contracts specifying high-quality product standards. Without such market-supporting institutions, users of the good rationally expect low quality and refuse to pay high prices. Low revenues leave producers unable to provide high-quality goods even if they wanted to.

This socially-inferior equilibrium arises when critical institutions are missing or ineffective, lowering trust in the market and increasing market transaction costs. Khanna and Yafeh () dub this an institutional void. A BG containing both a user and producer of an intermediate good bridges this void by internalizing the market vertically. The controlling shareholder can command their producer firm to produce high-quality intermediate goods and command their user firm to pay a high price that covers their producer firm’s high costs. The BG as a whole can then gain benefits the user firm achieves by selling more, expanding internationally, and being internationally competitive. Because many product chains interconnect (firms have multiple inputs and outputs), a BG might need a firm in each of many diverse industries, whose interdependence might be quite indirect. Economies of scale might differ across industries, and group affiliates might be commanded to operate at inefficiently small or large scales for the good of the group as a whole. Similarly, an internationalized BG’s affiliates might be commanded to function inefficiently, viewed at the firm-level, as part of a coordinated strategy involving other domestic and international affiliates that is efficient at the BG level.

Paying an intragroup transfer price above the market price for intermediate goods might look like a corporate governance problem in the buyer firm. Subsidizing a group firm to survive operating at inefficient scales might likewise look like a corporate governance problem in the donor firms. However, neither is necessarily a BG governance problem. Under a BG Law mandating running domestic and international group affiliate firms for the good of the group as a whole, shareholder activists could file no complaint. Indeed, diversified shareholders, holding both donor and recipient firms’ stocks, could be left wealthier by value-creating tunneling. The activists’ confusion arises from another fallacy of composition, this time where mesoeconomics meets microeconomics. What is good for the group need not be good for every individual group member firm viewed in isolation. Microeconomic firms sometimes have to ‘take one’ for the mesoeconomic team.

Any BG that bridges institutional voids must tunnel, which Johnson et al. () define as moving capital or other resources between BG firms at non-market prices. Bridging institutional voids, which impair markets for capital, risk, labor, human capital, intermediate goods, services, innovations, information, or any other resource, means moving resources where markets would not move them and at prices other than those prevailing in dysfunctional markets (Chang et al , Doh et al., 2017). Neither changes in donor firm valuations nor gaps between transfer and market prices can gauge the economic efficiency of intragroup transfers if BG command and control is bridging institutional voids that leave markets dysfunctional.11

This generalizes internalization theory, a major contribution of IB research (Hymer, ; Buckley and Casson, ; Dunning, ; Rugman, ; Verbeke & Kano, ; Gaur et al., ; Narula, Asmussen, Chi, & Kundu, ; Strange & Humphrey, ) and a key application of transaction cost economics (Coase, ; Williamson, , ). Some extended applications in IB include nonetheless, as shown (e.g., Brouthers, ; Verbeke & Kano, ; Kano, Ciravegna, & Rattalino, ). The critical insight of internalization theory is that global markets for buying and selling intangible services and assets function poorly because of an institutional void in intellectual property rights and their enforcement. MNEs expand to allocate innovations by command and control where market transactions are unviable. BGs do the same trick, internalizing markets, and for all manner of resources, including innovations, whenever or wherever markets work poorly.

From this distance, seemingly discordant perspectives on BGs begin lining up. For example, the resource dependency perspective views BGs as pooling information, innovations, or other information-based resources. If these were readily tradeable in impersonal markets, BGs would gain no advantage by allocating them internally through command and control. The resource dependency perspective is relevant because those markets often work poorly, so building up reserves of these resources in the group and allocating them across group firms makes economic sense. Resource dependency is a kind of institutional void-bridging to avoid high market transaction costs for these critical resources.

Applying transaction cost economics to BGs more generally suggests BGs would be more important where institutional voids make markets costlier than command and control mechanisms for allocating resources in general. Emerging economies are thought to have more gaping institutional voids of these sorts than do high-income economies. Many emerging economies have laws, regulations, and norms that leave financial, product, labor, human capital, information, and other markets marred by corruption, hidden quality problems, unfulfilled contractual promises, and unenforceable penalties for bad faith. Solitary firms doing business with other solitary firms rationally expect to cheat and be cheated. High-income countries today also had such problems some generations ago.

The thesis that BGs gain a competitive advantage over free-standing firms by internalizing ill-functioning markets accords with the empirical findings that BGs are more prominent in less-developed economies than in developed economies (La Porta et al., ; Khanna & Palepu, ; Khanna & Yafeh, ; Fogel, ; Masulis et al., ). If internal capital markets work better than formal financial markets, BG firms’ investments might poorly correlate with their share valuations (e.g., Rousseau & Kim, ). It also accords with BGs being prominent in earlier phases in the histories of many high-income economies. Internalization also accords with the extensive diversification of many large BGs in developing economies (Khanna & Yafeh, ), a topic revisited below. BGs internalizing capital, labor, intangibles, and intermediate goods markets accords with “full set diversification” by large BGs that arose in the rapid industrialization of late nineteenth and early twentieth century Japan and late twentieth century South Korea. The large extensively vertically and horizontally diversified BGs that arose in the early industrializations of many other high-income economies, including the US, may well have served similar internalization functions.

BG Governance

BGs can internalize ill-functioning markets by using control enhancement mechanism, usually a pyramidal structure, to subject multiple firms to common hierarchical command and control. To paraphrase Thomas Hobbes (), a solitary firm’s life amid weak market institutions can be “nasty, brutish and short.” Hobbes argues “Where there is no common power, there is no law, where no law, no injustice. Force, and fraud, are in war the cardinal virtues.” A common controlling owner serves as the common power that can force group firms to deal honorably with each other. A common controlling shareholder can move capital from one group firm to another to fund the highest value-added projects (Gopalan, Nanda, & Seru, ). A common controlling owner can punish managers and employees for shirking or otherwise breaking faith with dismissal or exclusion from the group’s internalized labor market (Huneeus, Huneeus, Larrain, Larrain, & Prem, ). A common controlling owner with sweeping political influence can enlist the police power of the state to protect private property even if that power is unavailable to ordinary citizens. Similarly, internationalized BGs, like simple MNEs, might compensate for weak market institutions in, as well as between, multiple national economies by internalizing both domestic and international market transactions. The central theme of BG governance is control.

Coase () determines the boundary of the firm by trading off the costs of market transactions, as discussed above, with the costs of command and control. The latter, which are often referred to as agency costs (Jensen & Meckling, ), include costs associated with subordinates acting with incomplete information, disobeying orders, and distorting information flow to manipulate decision-making higher up in the hierarchy, plus the costs of monitoring and control mechanisms implemented to limit such behavior. Thus, a firm’s assistant managers do not bid for auctioned janitorial services in daily auctions if such a market would be costlier than a command and control system that assigns secretaries to managers, despite agency costs such as janitors secretly reading magazines and managers commandeering janitors to wash their limousines. Optimal firm size is a firm big enough that things cheaper to do by command and control are done internally, and small enough that things cheaper to do through market transactions are done externally in impersonal markets. Exploring how this same trade-off works in a BG brings seemingly discordant perspectives into better focus.

BG agency costs

Business groups expand hierarchical control across multiple firms to internalize transactions that would be costlier via markets, generally by using the pyramidal structure described above. Extending Coase’s () arguments, a BG’s boundary would be the line at which hierarchical command and control transaction costs within the BG exceed market transaction costs. This section therefore explains how the typical BG’s pyramidal structure creates and magnifies hierarchical transaction costs.

Command and control resource allocation inefficiencies in a single firm are called agency problems (Jensen & Meckling, ), and the same term serves for command and control resource allocation inefficiencies in a BG (Lazzarini, Mesquita, Monteiro, & Musacchio, ). At least three major sorts of agency problems are accentuated by the pyramidal structure typical of BGs. First, the controlling shareholder can have problems accumulating information from all parts of the group sufficient to make efficient resource allocation commands. Second, they can have problems keeping agents throughout the BG – firm-level CEOs, top managers, and other lower-level decision-makers – marching to their commands. Finally, they might make command and control resource allocation decisions that advance their narrow private interests rather than more overarching general objectives. Each of these agency problems can be further exacerbated for internationalized BGs, where information asymmetries, control of agents, and resource allocation are all further complicated by the intricacies of dealing with different nations’ markets and institutional frameworks. Jensen and Meckling () tie minimizing agency costs to maximizing firm value. Some systems of BG Law expand this to maximizing the value of the group or the welfare of its stakeholders (Hopt, ; Belenzon et al., ).

BG governance, like corporate governance, must study carrots and sticks that mitigate agency problems, or fail to do so. Corporate governance mechanisms can be cumbersome, bureaucratic, intrusive, and expensive, and never solve agency problems totally. BG governance is likely even costlier and less complete. Minimizing agency costs involves restraining agency problems until the costs of additional restraints outweigh the costs of subordinates’ remaining scope for insubordination.

Control enhancing mechanisms internal to BGs

Amid weak institutions, Hobbes () advocates “a common power to keep them all in awe” but concedes downsides: “If the public interest chances to cross the private, [the common power] prefers the private: for the passions of men, are commonly more potent than their reason.” However, he deems the “all against all” that otherwise prevails worse. Large BGs should therefore survive and prosper where the social costs of dysfunctional markets exceed those of common powers’ private passions. Good BG governance might therefore be defined as control enhancing mechanisms that align those private passions with social welfare.

The pyramidal structure common in BGs across many countries and historical periods, as in Figure b, is the main such control enhancement mechanism. A pyramidal BG lets the controlling shareholder exercise hierarchical command and control over a large number of firms with capital assets worth far more than the apex-controlling owner’s wealth. Hierarchy transaction costs arise because the controlling shareholder needs only sufficient wealth to control the apex firm but controls all the assets in all the firms in the structure. Other control enhancement mechanisms, such as dual-class shares (two classes of common shares, one with more votes per share than the other) or golden shares (a single share casting 51% of all votes), allow an even broader expansion of common control over still more and larger firms in more extensive pyramidal groups (Nicodano, ; La Porta et al., ). For example, Sweden’s Wallenberg pyramidal group and Canada’s Hollinger pyramidal group used tiers of firms with dual-class shares to magnify relatively puny family fortunes into control over domestic and internationalized BGs containing assets worth vastly more.

This leveraging of a merely large family fortune into control over a BG worth vastly more creates a wedge between the ultimate controlling shareholder’s ownership in and control over BG firms. The controlling shareholder’s wealth is their stake in the apex firm, yet they controls all the firms in the BG and might readily direct firms in the pyramid’s lower tiers to provide their private benefits with no great loss to their wealth.12

Controlling shareholders’ extraction or expropriation of small shareholders’ wealth to fund private benefits has received extensive attention in economics, finance, and IB (e.g., Johnson et al. ; Faccio et al. ; Chang, ; Khanna & Yafeh, ). The term expropriation is problematic because shareholders appear to anticipate these problems and to discount the prices they pay for firms’ shares in initial public offering and stock markets (Morck, Stangeland, & Yeung, ; La Porta et al., 2002; Morck, Wolfenzon, & Yeung, ). Shareholders who pay little for shares that pay low dividends are in no sense exploited, nor is their wealth expropriated. The social problem that does arise is that very low share prices can leave the IPO market unviable as a source of capital for new entrepreneurs (La Porta et al. , 2002; Morck et al., ). The private benefits a controlling shareholder extracts can be monetary or non-monetary. Examples of private non-monetary benefits might include uncritical loyalty to the family. For example, the controlling family may expect top managers of member firms throughout the BG to act as faithful stewards for the family. Such a stewardship role may be unrealistic if each firm’s managers instead maximize their private interests. Moreover, faithful stewardship service to the family may deviate from efficient management of the BG as a whole. A solution might be to monitor group firm’s managers closely so as to reward them for good stewardship and punish them for disloyalty. Another might be putting a family member in charge of every group firm (Dau et al., 2019). Mechanisms for monitoring and controlling managers are imperfect and costly, and family members, unlikely to be the most talented potential CEOs, may make costly mistakes. The costs to the economy of all such monitoring and control mechanisms, plus the costs of self-serving behavior by underlings throughout the BG that occurs despite all such mechanisms, plus the costs of the controlling family’s private benefits, all count towards a BG’s overall agency costs.

Research into all such hierarchy transaction costs in a BG would be useful.13 For example, pyramidal groups are commonplace historically and across countries, whereas horizontal and web groups arise where legal systems force groups into those forms. As discussed above, web groups arose only in South Korea and Japan and only after legal reforms banned holding companies, thereby making large pyramidal and horizontal groups untenable. Large pyramidal groups had previously arisen in both economies. Horizontal groups, in the form of voting trusts, arose amid rapid US industrialization in the late nineteenth century under a legal system that forbade corporations from owning stock in other corporations, and thus proscribed pyramidal and web groups. After US legal reforms allowed intercorporate equity holdings, trusts restructured into pyramidal BGs. Misapprehensions that the country’s new Antitrust Law applied only to trusts may have contributed to this, but trusts restructured into pyramidal, not web, BGs (Kandel et al., ). Common law elsewhere shed such proscriptions in the late nineteenth century, and other common law economies, industrializing only a few decades later, also featured extensive pyramidal groups, with neither horizontal nor web groups achieving prominence.

Pyramidal groups can arise spontaneously, with existing firms using their retained earnings to acquire or establish new group firms as their subsidiaries (Almeida & Wolfenzon, ). Is there a lock-in effect? If horizontal or web groups had hierarchical transaction costs large enough to overcome such lock-in effects, we might see pyramidal groups occasionally transforming into such structures spontaneously. This is not observed historically. Do horizontal groups have lower hierarchy transaction costs than other group structures? Or are pyramids favored for other reasons, such as better optimizing the welfare of their controlling shareholders? Answering such questions requires factoring in as broad a range of hierarchy transaction costs as possible.

External monitoring mechanisms BGs enlist to augment internal control mechanisms

Why we observe groups consisting of many identifiably distinct firms in practice merits research. This is a unique feature that distinguishes groups from huge conglomerates. One possibility is that BGs disguise highly concentrated economic power. Nineteenth-century US voting trusts put vast arrays of assets under the very obvious control of a handful of wealthy families, and this drew fire from the late nineteenth century Progressive reformers (e.g., Brandeis, ). Anti-BG reforms followed US anti-trust reforms by a few decades, so this gambit failed there. Still, US antitrust law has inspired anti-monopoly laws throughout the world; but US anti-BG reforms have only a scattering of imitators.

Research on US conglomerates suggests that very large and highly diversified unitary corporations have high hierarchy transaction costs (Williamson, ; Daley, Mehrotra, & Sivakumar, ; Rajan, Servaes, & Zingales, ; Richter, Schommer, & Karna, ). Might BGs consisting of multiple distinct firms incur lower hierarchy transaction costs than unitary conglomerates? Conceivably, requiring disclosure, regulatory compliance, and market tests (even by ill-functioning markets) by many distinct firms might expose malfeasance by subordinates that could remain hidden within a single much larger business. Perhaps there is an advantage in dividing a conglomerate into multiple distinct entities, each with its own supposedly independent audited books, which would pit auditors, financial analysts, securities market authorities, institutional investors, stock market participants, consumers, labor, tax collectors, the media, and the group’s controlling shareholder against dishonest insiders in any individual group firm. If all of the above shared a common interest in exposing malfeasance, BGs consisting of multiple separately monitored firms might have a competitive advantage over a large firm with the same assets.

Corporate income taxes, because they are typically increasing functions of corporate earnings, make the tax authorities de facto outside shareholders. Stronger tax law enforcement can limit corporate insiders’ appropriations of cash flows (Desai, Dyck, & Zingales, ; Desai & Dharmapala, ; Fried et al. ; Guedhami et al., 2008; Mironov, ; Hanlon, Hoopes, & Shroff, ). Where the law charges insiders with acting for the firm, not the BG, this limits tunneling (Freid et al. 2020), and makes BGs both less useful as efficient command and control allocation mechanisms and less helpful to controlling owners extracting private benefits. However, where the law recognizes a duty to the BG as a whole, stronger tax enforcement could reduce hierarchy transaction costs by providing a supplementary information flow in the form of tax audits and oversight, a supplementary mechanism for preventing subordinates from stealing, and a credible commitment from the controlling owner to public investors not to divert resources away.

Organizing a BG of several distinct firms may also allow the controlling owner to use information from outside monitors. Securities Law makes listed firms publicize their ***accounts***, and Corporations Law in some countries requires this of all businesses. This mandatory gathering and organizing of information may assist control in a BG by making all competitors pay these costs, preventing a low-information-gathering Nash equilibrium from emerging as a stable pooling equilibrium.

Credit-rating agencies and securities analyst firms might provide more nuanced information to controlling owners of a BG of multiple listed firms than of a single unitary conglomerate containing the same assets. Obviously, where analysts are members of BGs, as in Korea, this could lead to unduly optimistic ratings and recommendations (Song, Mantecon, & Altintig, ).

An active and independent media also generate information about businesses (Dyck, Volchkova, & Zingales, ; Liu & McConnell, 2013), and might more informatively cover several focused firms than a single vast firm containing the same assets (Williamson, ). However, media firms that are members of family-controlled BGs (Djankov, McLiesh, Nenova, & Shleifer, ) may be uncritical and, therefore, perhaps less useful (Bednar, ). The extent to which media firms are embedded in BGs in different economies merits studies in IB.

Government regulatory agencies also monitor firms and might draw a controlling owner’s attention to inept subordinate managers. Regulations that create scope for private legal actions may elicit compliance more effectively than government enforcement (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, ). Industrial policy regulators, charged with disbursing subsidies to state-favored businesses, may be uniquely counterproductive where agency problems proliferate (Aghion, Dewatripont, & Rey, ). Expanding the focus of this research from firms to BGs and how they vary across the globe would be of great potential interest for IB and other fields.

Labor regulations make employees participants in corporate governance in many economies (Farah, Beamish, Dau, ). Works councils and labor representatives on boards could channel information upward to both firm-level top management and the group’s controlling owner. Stronger labor power correlates with less aggressive tax arbitrage by individual firms (Chyz, Leung, Li, & Rui, ), perhaps because a stronger labor constituency can appropriate rents, or perhaps because labor monitoring curtails risk-taking (Falay et al., 2006). Labor’s main concern is guaranteeing sufficient cash flow to cover wages and benefits, not maximizing profits – especially if this entails gambles that put wages and benefits at risk. The thesis that powerful labor gives businesses with powerful controlling owners an advantage (Mueller & Phillipon, ) is a promising path.

Partitioning a business empire into multiple distinct firms may also allow a BG’s ultimate controlling owner to enlist market forces in order to limit agency costs. For example, financial markets can discipline managers and improve corporate governance (Jensen, ). However, creditors’ primary concern is that the firms’ cash flows be sufficient to cover debt repayment costs. Creditors, like employees, can be expected to oppose profit-maximizing strategies or investments with any risk, no matter how small, of compromising interest and principal repayments (Lin, Schmid, & Xuan, ). These considerations may also make high-debt firms especially favored recipients of tunneling in bank-led BGs. Thus, German firms with larger and more concentrated creditors performing better (Köke & Renneboog, ) might reflect cash infusions from other group firms rather than superior firm management.

Where banks or other creditors are group member firms, even more perverse outcomes are possible. Governments typically bail out banks in a financial crisis, but leave non-financial firms to fend for themselves. This can lead to group banks bailing out non-financial group member firms, failing, and being bailed out by governments (La Porta, Lopez-de-Silanes, & Zamarripa, ; Morck, Yavuz, & Yeung, ; Boubakri et al. ). Expectations of these actions might reduce group member firms’ perceived bankruptcy risk and borrowing costs. However, a propensity for BG firms to survive financial crises that destroy other firms may contribute to entrenching BGs in the commanding heights of national economies across the world. This is precisely how major BGs came to dominate several European economies, notably Belgium and Sweden. More research into these issues in IB, especially in regions prone to repeated financial crises, might be rewarding.

Stiffer product market competition exposes firms to stronger monitoring by customers. Losing customers to competitors makes inferior firm-level management more obvious to a BG’s controlling owners. Efficient BG governance can entail subsidizing unprofitable firms needed by the group as a whole, but a firm’s ability to attract extra-group business could signal either superior firm-level efficiency or excess subsidies (Giroud & Mueller., ). Product market competition augments firm-level performance measures in EU countries where governance is stronger at the corporate level (Ammann, Oesch, & Schmid, ) and in German firms with a stronger blockholder (Januszewski, Köke, & Winter, ). Stiffer product market competition in the presence of agency problems may also boost innovation in independent firms (Aghion et al., ). How these considerations play out for BGs in different countries is largely unknown, and would lend itself well for IB comparative studies.

Finally, separately listed BG affiliate firms are monitored by shareholders, including institutional investors. These can be expected to gather and process information to price individual stocks, and stock prices can provide feedback to firm managers (Markovitch, Steckel, & Yeung, ; Luo, ; Bond, Edmans, & Goldstein, ) as well as group-controlling shareholders. Obviously, share prices convey less information about individual firms in groups engaging in more active interfirm tunneling because any good or bad news about the firm may be shared out across the rest of the group (Faccio et al., ). Still, signals from stock markets about individual BG firms might provide more nuanced feedback to managers than would price changes in the stock of a single unitary conglomerate containing the same assets. Understanding how differences in stock market structures, rules and information processing capability across the globe change these dynamics would also merit study in IB.

Why pyramidal BGs predominate across countries and over time is a fundamental issue. Almeida and Wolfenzon () model pyramidal BGs arising and growing spontaneously as existing firms’ earnings finance the creation and expansion of other group member firms. This argues for a kind of path dependence leading to pyramidal BGs. Sweden’s large pyramidal BGs have roots in how that country handled the Great Depression, another kind of path dependence (Smångs, 2008), and the demise of America’s reflected its very different response to that crisis (Kandel et al., ). German and Italian BGs were shaped by war, dictatorship, and their aftermaths (Fohlin, ; Perotti & Volpin, ). Russian and Chinese BGs have roots in those countries’ different paths away from Stalinism. Institutional path dependence weakens and even breaks if severe economic crises erode the wealth and power of entrenched interests (Olson, ), yet similar crises had very different effects on the importance of BGs in different economies. Perhaps more importantly, path dependence and institutional momentum have difficulty explaining why so many countries developed BGs and why they disappeared in some countries without crises, e.g., Britain, Canada, and Australia.

Economy-level institutions constraining BGs

Good BG governance at the economy level entails neither maximizing the value of every firm as if it were freestanding nor giving free rein to controlling owners. Good corporate governance entails laws and regulations to lower command and control costs in single firms while aligning their insiders’ private interests with social welfare, which Jensen and Meckling (), in a perhaps undue adherence to welfare economics, deem equivalent to firm value maximization. Good BG governance might analogously entail laws and regulations to lower command and control costs within the BG while aligning their common controlling owners’ private interests with social welfare. If markets are assumed to be dysfunctional, intense research is warranted to assess what types of institutions do promote good BG governance under different circumstances. Although the IB literature has devoted some attention on how economy-level institutions affect the boundaries of BGs (e.g., Gaur, Kumar, & Singh, ; Purkayastha, Kuman, & Lu, ; Yaprak & Karademir, ), this area remains as fertile research grounds for IB scholars.

Some countries’ legal systems articulate bodies of BG Law. These typically constrain self-interested ultimate controlling shareholders to attend to the interest of the groups as a whole (Holt, ). Several under-studied issues arise. Defining “the interests of the group as a whole” is rife with problems. Is this the value of the group as a whole to shareholders (or to shareholders and creditors)? Such a standard might seem most defensible where financial markets are passably efficient, which is where BGs might be least useful. Does the interest of the group as a whole then encompass the interests of all stakeholders in all group firms? This standard could justify almost any self-interested tunneling decision by a group’s ultimate controlling owner as advantageous to some stakeholder somewhere. Once the interest of the group as a whole is defined, how are self-serving decisions by a group’s controlling owners best identified and deterred? If BGs are most advantageous to a developing economy, should good group governance be maximizing the group’s contribution to economy-level development? If so, how should this be measured? And how should standards of good BG governance change as the economy develops? Legal systems without explicitly articulated bodies of BG Law still punish fraud, theft, misreporting, and other transgressions that self-interested controlling owners might undertake to advance their private interests. So do laws punishing contract abrogation, property rights violations, and social welfare-diminishing actions such as pollution, product safety infractions, workplace safety violations, and false advertising. All these are of interest to multiple fields. For IB scholars, explaining commonalities and differences in across countries in how these factors affect and are affected by BGs would lead to enriching insights. Furthermore, for internationalized BG, cross-country operations raise an additional dimension of complexity to these research questions.

BGs: Where Mesoeconomics Meets Macroeconomics

What is good for a BG is not necessarily good for its economy. Nonetheless, as shown in the earlier history section, BGs are observed across a wide range of economies and even more across historic economies. This stylized fact could indicate: (1) that economies containing large BGs have a competitive advantage over economies that do not (at least at some stage of development), and (2) that BG dominance arises from a suboptimal Nash equilibrium in which whole economies become trapped, or possibly both.

The next two sections draft foundational concepts used in IB to explain BGs. The first extends the “transaction cost theory” to explain organizational forms and functions at the micro- (firm), meso- (BG) and macro- (economy) levels of aggregation. This shows how the large BG, a meso-level form with hierarchical transaction costs accentuated by a pyramidal structure, might nonetheless internalize much resource allocation away from markets with even higher transaction costs and thereby increase economy-level growth.

The second of these sections considers how a large BG, in assuming this powerful economic role, attains political power to influence subsequent institutional development. Subsequent institutions development can either mobilize BGs to sustain rapid economic growth regime (a Big Push) or let BGs settle comfortably into a sustained slow economic growth regime (a Middle Income Trap). These questions about BGs neatly parallel longstanding questions in IB about how MNEs can both bring prosperity and exercise undue political influence (Hymer, ). They also may help explain why different countries’ institutions end up with different relative market and hierarchy transaction costs, a fundamental feature of the IB landscape.

BGs and the outsourcing of big push development

Economies containing very large BGs might have an advantage over other economies under some circumstances. Rosenstein-Rodan () highlights how high market transaction costs give rise to insurmountable first-mover problems in an economy of free-standing undiversified firms. A lone steel mill in an otherwise subsistence ***agriculture*** economy cannot be economically viable because it lacks customers, suppliers, complementary goods producers, and so on. Once the steel mill is in place, a railroad could charge freight rates elevated to confiscate any and all positive net present value the steel mill might have. The railroad might have to do this because its sole provider of fuel oil treats it the same way. Every firm in a high-income economy depends on there being a sufficient number of competing firms in every market to keep prices low, so that the firm can retain any positive net present value that it creates through product or process innovations (Stigler, ). Thus, Rosenstein-Rodan () highlights how a firm depends critically on innumerable other firms, many of which it does no actual business with and whose names its owners and managers may not even know. Without sufficient numbers of competing firms in every node of the economy, a potential domestic or international entrant firm rationally expects hold-up problems to raise its expected market transaction costs to prohibitive levels. If no firm dares enter first, none enter, and development is stymied. High market transaction costs thus leave economies in a low-level equilibrium trap which discourages the establishment and development of local firms, as well as entry by MNEs.

Rosenstein-Rodan (: 204) blames finance: “Existing institutions of international investment (floating of shares and loans) are inappropriate to the task of industrialization of a whole area.” This, he continues, is because “They deal with too small units, and do not take advantage of external economies” so “Capital mostly goes to individual enterprises.” He despairs of financial markets surmounting these network externality problems, lamenting that “There has never been a [private sector] scheme of planned industrialization comprising simultaneous planning of several complementary industries.”

Rosenstein-Rodan’s solution was the multilateral development bank, and he largely designed the World Bank (Gavin & Rodrik, ). Assuming that private-sector financial systems could not erect the economy-spanning diversified network of firms needed for rapid development, governments across the globe would step up, and the World Bank would provide the foreign aid necessary. State technocrats, advised by World Bank technocrats, would transcend network externality problems to orchestrate the rise and growth of every firm as needed by other firms. Rosenstein-Rodan called this massive coordinated development Big Push industrialization. Writing in 1943, he envisioned that this process would lead to the rapid industrialization of the backward economies of Eastern Europe. Although these ended up behind the iron curtain, the retreat of Western colonialism after WWII left numerous newly independent countries that Big Push development could help. This was the focus of the World Bank’s development policy from its inception in 1944 until the 1980s.

The World Bank’s track record in financing and directing Big Push development plans is discouraging (Easterly, ), and raises important issues about political corruption. Krueger () highlights political corruption as a major cost of command and control asset allocation by governments. Her logic is disturbingly simple: A firm can invest 10 million dollars in either new equipment or favors to a politician. The new equipment would boost productivity sufficiently to provide an internal rate of return of 10% but the politician would boost subsidies sufficiently to provide a 15% internal rate of return on the same 10 million dollar outlay. A profit-maximizing firm invests in the politician, not the new equipment. Krueger argues that the pace of improvement in an economy’s overall living standards reflects which of these two sorts of investments has the higher return. Where investing in productivity enhancement has the higher return, productivity rises and standards of living rise. Where investing in government officials – what she calls political rent-seeking – has the higher return, corrupt firms and politicians prosper, but overall living standards stagnate.

Big Push development of the sort Rosenstein-Rodan envisioned, and the World Bank implemented, gives vast resources and discretion to officials in low-income economies. Political corruption is a larger problem in lower-income economies, and, even where it initially was not, Big Push development schemes likely raised the return to corrupting the officials implementing such policies. The more intense the state-implemented aid financed by the Big Push development plan, the greater the return to corruption and the lower the return to investing in productivity.

Krueger’s () logic, augmented by economists’ growing comprehension of the link between official corruption and sovereign defaults (Eaton, ), led the World Bank to change course in the 1980s. A so-called Washington Consensus (Williamson, , , ) called for the World Bank and other multilateral institutions to tie bailouts of defaulting governments to reforms that would shift those governments out of the Big Push business and into the business of financing institutions designed to reduce market transaction costs. These reforms thus sought to increase the competitiveness, performance, and internationalization of domestic firms (e.g., Cuervo-Cazurra & Dau, , , ).

The Washington Consensus proved to be little more effective than state-financed Big Push programs (Rodrik, ). US institutions transplanted into emerging market economies often grew unexpectedly. For example, institutional investors are associated with improved corporate governance in the UK (Black & Coffee, ), the US (McCahery, Sautner, Starks, ), and Canada (Doidge, Dyck, Mahmudi, & Virani, ). Exporting this idea to economies dominated by large BGs might sound like a good idea. However, when Brazil began creating powerful institutional investors, the country’s great BGs offered their services, and many soon voted to have shares of pension funds in their group firms. Perkins et al. () use a series of case studies to argue that these large institutional investor stakes may not have enhanced corporate governance. One example concerns Telesystem International Wireless (TIW), a Canadian telecom firm, bringing a new cell-phone standard to Brazil via a joint venture, Telpart Participaçoes (Telpart). TIW owned 49% of Telpart, its Brazilian joint venture partner, CVC Opportunity, owned 27%, and pension funds owned the remaining 24%. A few weeks later, TIW executives learned that the pension funds had delegated their voting rights to Newtel, a firm in the same BG as CVC Opportunity, that of the Dantas family. Brazilian courts ruled the transfer legal, and the joint venture became a fourth-tier member firm in the Dantos pyramidal group. Indeed the courts quickly nullified a memorandum of understanding outlining TIW’s rights of first refusal, tag-along rights, veto rights, and rights to proportional representation on the joint venture’s board. The joint venture floundered and TIW eventually abandoned the Brazilian market.

Even where genuine market reforms were implemented in low-income economies, results were often disappointing. Rosenstein-Rodan’s () reasoning is valid and survives being recast in modern mathematic formulations (Murphy, Shleifer, & Vishny, ). The first mover and coordination problems he highlights are real and important, but state-led Big Push development seems an ineffective solution to them.

BGs may provide a workable solution. Morck and Nakamura (, b) argue that Japan’s large pyramidal BGs, or zaibatsu, internalized a successful private-sector-led Big Push industrialization in the late nineteenth and early twentieth century, an era of Victorian laissez-faire. The history section above quotes L.G. patriarch Koo Cha-Kyung describing his chaebol BGs expanding similarly during South Korean industrialization. The largest zaibatsu and chaebol achieved full-set diversification (a group firm in each key sector), so hat each BG became an industrially complete command and control economy within a national market economy. Korean chaebol reallocated capital from cash cow firms receiving state subsidies to other group firms; Japanese zaibatsu used natural resource cash cow firms (Japan was then mineral-rich) to do this (Morck & Nakamura, ). Japan’s industrialization appears to be precisely the private sector “scheme of planned industrialization comprising simultaneous planning of several complementary industries” that Rosenstein-Rodan () deems impossible.

Why have BGs not brought about successful Big Push development throughout the world? To an extent, they arguably have. The history section of this paper shows large BGs to have arisen amid rapid industrialization in the histories of most high-income economies. Late-industrializing Western countries, such as Australia and Canada, and late-blooming European countries, underwent rapid growth phases in the late nineteenth to early twentieth century and featured large BGs in these same years. Like Japanese zaibatsu, BGs in these countries may have formed and expanded in this era to internalize Big Push development.

These catch-up industrializations succeeded in the era of worldwide Victorian laissez-faire economics, with low taxes and minimal state intervention. The era certainly had corruption scandals, but the largesse with which officials could reward rent-seeking businesses was curbed by the limited scale and scope of the state. Might a dearth of state intervention be conducive to successful BG-led Big Push efforts? New research in IB casting light on these issues include Wei et al. (2019), Jackson, Gregory, and Richard Deeg (2019).

We posit that the answer may be yes, but with many qualifications. Japan established and heavily subsidized legions of state-owned enterprises in the 1860s and 1870s to import and apply foreign technology. This strategy failed to deliver rapid economic growth, the SOEs all lost money heavily, and the subsidies brought on an 1880 financial crisis that justified Japan’s shift to Victorian laissez-faire. Japan’s SOE-led developmental strategy was not far off Rosenstein-Rodan’s state-led Big Push prescription.

Also, later, from the 1950s on, IPOs capitalized new high-tech entrepreneurial firms (e.g., Honda, Sony, Sanyo, and Sharp), rejuvenated pre-war firms (e.g., Toyota), and made Japan a global leader in product and process innovation. Some of these, notably Toyota, are a vertical keiretsu, comparatively small pyramidal groups of specialized subsidiaries organized along supply chains in which new inventory practices were pioneered (Choi, Hiraki, & Landi, ). A set of large, highly industrially diversified horizontal keiretsu, structures similar to web groups but lacking controlling shareholders, had developed in the 1960s as former member firms of each zaibatsu. The horizontal keiretsu showed little evidence of group-level coordination, except that their member firms had cross-shareholding relationships.

Many Japan experts, especially in the 1980s, linked Japan’s final ascent to high-income levels to its keiretsu BGs acting in concert with a new generation of technocratic planners. This characterization of the Japanese economy attracted sustained criticism (Beason & Patterson, ). Many chagrined Japan experts found other lines of work. Indeed, in challenging times, like from 1992 to now, Japan’s horizontal keiretsu placed small blocks of shares with each other that summed to effective takeover defenses. They appear to have unnaturally preserved uncompetitive ‘zombie firms’ (Hoshi & Kashyap, ; Peek & Rosengren, ; Caballero, Hoshi, & Kashyap, ). Genuinely unique aspects of Japanese institutions relevant to the economic importance of BGs in the rise and sustainability of the first high-income but now quickly aging economy outside the West likely deserve renewed study in IB now that the dust has settled (e.g., Belderbos & Heijltjes, ; Lai, ).

Similarly, the history section above describes Korean chaebol picking up from General Park’s ultimately ruinous 1970s HCI drive. The major chaebol tapped into the capital markets, expanded to partner with or outright acquire existing firms in many industries, and achieved “full set diversification”, subsidiary in every sector needed by other firms in the group. The largest chaebol became centrally planned economies within South Korea’s rapidly industrializing national economy (Lim & Morck, ). Unlike BGs in slow growing regions such as Latin America, whose structures suggest diversification to reduce risk, BGs in South Korea appear to have diversified to internalize product and capital market transactions (Khanna and Yafeh ).14

Korean chaebol, after the phenomenal growth in the 1980s, became over-leveraged, and the 1997 Asian financial crisis revealed epidemic corporate governance problems and mal-investments. While reforms are called for, chaebols have passed on to heirs who maintain major economic and political influence, and whose behavior increasingly attracts high profile criticism (Park, ). Further IB and management research on chaebols to better understand these dynamics would thus be warranted (e.g., Chang, ; Chang & Hong, , ; Joe & Oh, ; Jungyun, Shipilov, & Greve, ; Kim, Hoskisson, & Tihanyi, , Kim, Hoskisson, & Wan, ; Maman, ).

The central issue was the role of BGs in emerging economies where the government often plays a significant role. The comparative advantage of BGs depends on a trade-off, market transactions being more costly than command and control allocation. Consequently, where command and control transactions are extremely efficient, BGs might have a competitive advantage despite market transactions being less costly than elsewhere. For other countries, Larsson and Petersson () advance this logic to explain the persistence of large BGs in Sweden, generally rated as among the least corrupt countries in the world. Högfeldt () accepts the argument that Nordic institutions, especially low general corruption, render tripartite industrial policies (formulated by panels of big business owners, labor leaders, and government officials) less problematic than in Krueger (), but argues that these policies have rising social costs from ignoring the interests of parties not represented. Potential entrepreneurs have a tough time in Sweden, where no major new corporation has arisen since the 1960s (Högfeldt, ), and iron-clad job security deters hiring, leaving the youth unemployment rate almost fourfold higher than the general rate (Caliendo & Schmidl, ). When firing unsatisfactory workers is more difficult, firms refrain from hiring new workers, especially those without track records. Thus, even in such countries, policies that make BG member firms star performers from the viewpoints of their shareholders, their employees, or other stakeholders such as environmentalists, may not be advantageous in terms of overall social welfare.

BGs, elite entrenchment, and the middle income trap

This section, therefore, considers how large BGs might become burdens for the economies that contain them. First, consider large BGs, each truly run in the interests of the group as a whole. Suppose each BG unerringly allocates capital, risk, labor, human capital, intermediate goods, innovations, information, and everything else to whichever of its member firms can use those resources to create the most value. Chilean BGs appear to reallocate capital and labor in this manner (Buchuk, Larrain, Muñoz, & Urzúa, ; Huneeus, Avendaño, Bargsted, Cuevas, & Martínez, ) and have persisted as the country’s institutions developed (Larrain & Urzúa, ). However, this could constitute inefficient economy-level resource allocation if the same resources could have created even more value used outside the groups. Almeida and Wolfenzon () develop this formally using capital allocation. If BGs prosper through command and control capital allocation where impersonal financial markets work poorly, they might finance the best investment opportunities available to their member firms, leaving even more valuable investment opportunities elsewhere unfinanced.

Similar logic applies to the allocation of other resources via BGs. For example, where information is the critical resource BGs collect and allocate to their member firms, economy-level efficiency decreases if the information would have been more valuable to others. Consider a disruptive innovation that would boost overall economy-level productivity but renders many existing firms’ assets obsolete. A BG containing important firms at risk might suppress the innovation in the interest of the group as a whole. Not doing so would be tantamount to financing creative self-destruction (Morck & Yeung, ). Instead, BGs might promote innovation to augment, or at least not erode, the values of their existing assets, even if this boosts economy-level productivity less. The effect of innovation on existing asset values may be difficult to predict. This may explain why Belenzon and Berkovitz () find that European BGs finance innovation, but primarily innovation with no adverse effects on their existing businesses. In a country dominated by large BGs, a disruptive innovator’s best financing option might begin with emigration. Similarly, consider policies geared toward attracting foreign direct investment that could provide employment and enhance overall productivity at the economy level, but that would increase competition for local BGs. BGs might be more powerful lobbyists than free-swimming domestic corporations. Indeed, BG lobbying against the development of market-supporting institutions quite likely also serves to deepen domestic BGs’ home court advantages to deter MNE entry.15 What is good for the domestic BG is then not obviously good for the economy as a whole.

Khanna and Palepu () highlight the unique importance of the Tata pyramidal group in financing Indian information technology firms. Where financial market institutions are weak, BGs might be the sole source of capital for local innovators. Accessing a large BG’s internal markets for capital might be a local innovator’s only option. Proposals to finance innovations beneficial to existing group firms might receive consideration, subject to ceding control, but innovations unrelated to, or detrimental to, existing firms might be filed away, even were they more socially valuable (Mahmood & Mitchell, 2004). Moreover, where BGs are essentially monopsony providers of venture capital to innovators, BGs could hold up domestic innovators by charging costs of capital high enough to capture much of the innovator’s net present value.

An absence of disruptive innovation does not mean an absence of any innovation. Indian BG firms do more R&D than stand-alone firms (Ashwin, Krishnan, & George, ; Chen, Chittoor, & Vissa, ; Komera, Jijo Lukose, & Sasidharan, ; Purkayastha, Manolova, & Edelman, ), although not in manufacturing (Sasidharan, Lukose, & Komera, ), and so do BG firms in Latin America (Castellacci, ), South Korea (Mahmood & Lee, ; Mahmood & Mitchell, 2004; Kim & Lui, ; Lee, Lee, & Gaur, ), Taiwan (Hsieh, Yeh, & Chen, ), and elsewhere (Crespi et al., 2008). IPOs in the US are often high-tech startups, and most IPOs in most countries may be new BG affiliate listings (Larrain, Sertsios, & Urzúa, ). However, mesoeconomically efficient resource allocation (firms in every BG acting in the interests of their group as a whole) need not lead to economy-level allocative efficiency. Empirical studies showing that BG member firms do more R&D (like those showing BG firms having higher earnings or market valuations) than otherwise similar independent firms do not imply that BGs are, therefore, good for the economy.

This gap between mesoeconomic and macroeconomic deepens when the endogeneity of institutions (Krueger, ) is considered16 Politicians and civil servants – who have the same sorts of private objectives as other human beings – reshape, improve, and erode institutions. Financing private sector elements of a country’s institutional structure also shape those institutions. Thus, Korean financial analyst firms may be compromised because they are chaebol member firms (Song et al., ). Group media firms can let controlling owners shape political debate and outcomes (Djankov et al., ). Deep pockets to pay bribes, provide valuable favors, or offer lucrative future employment opportunities can influence civil servants as well as politicians (Mauro, ). (By the same token, BGs and MNEs operating in foreign markets might also lobby the host government and policy-makers for favorable institutional changes.)

Morck and Yeung () argue that large BGs’ controlling shareholders have uniquely profitable political rent-seeking advantages. These are:

Capital (Deep pockets) Controlling owners of large BGs command vast economic power, while entrants and upstarts that might challenge BG firms have only potential wealth. Risk-averse government officials might understandably prefer dealing with the former.

Credibility BGs have multiple points of contact with government officials throughout the economy and over time. This lets BG controlling owners accumulate reputational capital, for both delivering on promises and punishing defection. A corrupt official might accept a bribe from a potential entrant and then fail to deliver promised subsidies with limited consequence. However, reneging on promises to the controlling shareholders of a large BG with vast economic power could be more costly.

Concealability Deep pockets and credibility let a BG controlling owner conceal rewards or punishments to an official by affecting them in advance, with a delay, or through group firms not under that official’s purview or whose connection to the BG is unclear. Favors to freestanding upstarts, however, are more readily observable. Furthermore, BGs often contain firms capable of providing non-financial benefits, such as biased media coverage, that are less obvious than quid-pro-quo exchanges of cash for influence.

Connections The ultimate controlling shareholders of many very large BGs are dynastic families. Heirs to great business dynasties may be born politically connected. Potential entrants rising out of the lower classes are not. This may greatly reduce dynastic families’ costs of establishing and maintaining connections with important officials, which would magnify their BGs’ political influence.17

These factors could make the controlling shareholders of great BGs politically influential in promoting, retarding, or biasing their countries’ institutional development (Acemoglu, Aghion, & Zilibotti, ). Institutional development appears to reduce the value of BGs’ public firms (Choi, Park, & Too, ). Della Porta and Vannucci () discuss BGs and corruption in Italy. (See, also, Yadav ) However, Klitgaard () argues that BGs’ controlling shareholders, realizing that corruption harms the national economy and that their groups are large parts of the national economy, might lobby to reduce corruption. On the other hand, corruption might promote economy-level growth in countries run by politicians with, for example, Marxist ideologies (Leff, ). More research into relative costs and returns to BGs versus free-standing firms of political rent-seeking and their externalities would be useful.18

World economic history contains many examples of countries that grew rapidly and then stalled. Mexico industrialized rapidly under President Porfirio Diaz around the turn of the twentieth century (Haber, 1995), but its rapid “catch-up” growth faltered, and the country fell behind again (Kehoe & Meza, ). In the 1890s, Argentina seemed among the world’s most promising rising economies (Pineda, ). In the early twentieth century, Egypt’s 15 million people seemed set for rapid industrialization. Many economies seem to develop only so far and then stall in a Middle Income Trap.19 Although definitions and lists of trapped economies vary (Gill & Kharas, ), studies of the phenomenon have proliferated (e.g., Eichengreen, Park, & Shin, ; Aiyar, Duval, Puy, Wu, & Zhang, ; Glawe & Wagner, ; and others).

One influential thesis closely related to Middle Income Traps is Rajan and Zingales () Great Reversals in financial development. They note that many economies had much larger and more dynamic financial systems in the early twentieth century than in subsequent decades, and posit that this reflects the first generation of entrepreneurial tycoons building up huge business empires as their countries rapidly industrialize using catch-up off-the-shelf technology. The tycoons’ heirs then lobby for barriers to entry to protect their empires, which include regulations constricting financial markets to deprive potential entrants of capital. They call for reforms to “save capitalism from the capitalists” (Rajan & Zingales, ).

Economies’ ascents to middle-income levels typically involve catch-up growth, in which firms use off-the-shelf technologies to approach the global technological frontier. Rising to high-income levels involves innovating to expand that frontier (Acemoglu et al., ; Aghion, Meghir, & Vandenbussche, ). The Middle Income Trap may reflect failures to make this switch (Lee & Gaur, ; Pruchnik & Toborowicz, ; and others).

Political economy linkages between BGs and government officials biasing institutional development to entrap economies at middle-income levels merits study in IB. Much work links BG controlling shareholders to political elites (e.g., Wei et al., 2019). Doner and Schneider (: 622) argue that middle-income trap countries’ BGs are “huge, conglomerated, family-owned BGs concentrated in commodities (natural resources, basic metals, and other semi-processed goods), regulated sectors (especially banking and utilities), natural oligopolies (such as cement and beer), and, occasionally, low-tech manufacturing (having been boxed out of high-tech manufacturing by MNCs).” “In contrast to BGs in countries that escaped the MI [middle income] trap,” they note, “these concentrated BGs have had little to gain from pushing for policies that would help their economies break out of the trap. They are entrenched in their own traditional business strategies and in politics and wield power to maintain institutions favorable to their existing businesses.”

The political economy of great reversals in institutional development merits study. Entrants can disrupt established firms (Braun & Larrain, ). Do BGs lobby against market-supporting institutional development, helpful to independent entrants, but disruptive to established BGs (Peng, )? To what extent do BGs’ deep pockets allow them to control who enters and who does not (Boutin, Cestone, Fumagalli, Pica, & Serrano-Velarde, )? Do BG controlling owners lobby government officials for trade or capital barriers to entry (Pattnaik et al., ) or other institutional deficiencies? More IB cross-country and country-level studies of the political economy of BGs with different sources of income and with different political lobbying interests might be highly informative.

Towards a Coasean Synthesis

Coase () explains why market economies contain firms, each a miniature command and control economy. Markets serve as artificial intelligence, whose prices coordinate resource allocation and exchange. Recognizing that individuals have different degrees of talent and foresight, Coase (: 390) posits individuals opt to obey a boss who, directing actions within a firm, increases the value of their time and effort. The ensuing Theory of the Firm (e.g., Williamson, , , , 1985; Klein et al., ; Grossman & Hart, ; Hart & Moore, ; Holmstrom & Roberts, 1998) explains not just transaction costs but business organization boundaries, property rights, contract rights, and entrepreneurship, and is basic to organizational economics, finance, strategy, and IB. Coase’s insight is that markets and hierarchies, such as firms, are alternative ways of coordinating the behavior of large numbers of individuals. Firms are micro-level centrally-planned economies that live within macro-level market economies. Firms interact via market transactions, but coordinate transactions within themselves via a command and control hierarchy of tiers of management.

Fitting BGs, mesoeconomic structures, into a Coasean framework requires stepping back, and this provides multiple perspectives. Markets are an emergent artificial intelligence that organizes the behavior of large numbers of humans via price signals. Markets have boundaries because market resource allocation transactions can be costly. Market transaction costs include participants’ costs of finding each other, ascertaining the true value of the goods or services on offer, and limiting externalities such as pollution. Hierarchies, and command and control mechanisms such as armies, corporations, and governments, organize the behavior of large numbers of humans by subjecting them all to an ultimate controlling power. Hierarchical resource allocation can also be costly because the information necessary to make efficient decisions may not reach the controlling power, and because humans throughout the structure may pursue their self-interest rather than obey orders. Comparing the cost of effecting any given transaction within the mesoeconomic centrally planned economy that is a group, with the cost of effecting the same transaction through contracts with other firms, determines whether any given transaction is done via central planning, internally within a microeconomic firm, or via market transactions between firms. Figure illustrates how this applies to BGs. The vertical axis gauges aggregate transaction costs, market or hierarchical, and the horizontal axis measures the scale, scope, and complexity of BGs, denoted .20 A larger means more transactions are internalized within BGs and fewer occur through markets. Consequently, the aggregate costs of all market transactions declines as rises.21 More extensive BGs must contend with higher hierarchical transaction costs. More links in chains of command, more potentially self-interested middle managers, and more noise in the ***transmission*** of information within the hierarchy all count towards such transaction costs.22

Transaction costs and the extent of business groups. Market transaction costs, , fall as business groups expand, reducing their member firms’ reliance on markets. Hierarchical transaction costs, , rise as business groups are larger and more complicated. The optimal extent of business groups is , where and cross and where total transaction costs, , are minimal.

The figure shows an optimal expansion of BGs to , where market transaction costs, , equal hierarchical transaction costs, , so that neither expanding nor shrinking BGs can lower overall transaction costs, so that the marginal total transaction costs . This assumes freedom of association. (see, e.g., Telser, ; Brandenburger & Stuart, ).

In this diagram, BGs with reduce overall transaction costs to . In this range, BGs bridge institutional voids by internalizing transactions that would otherwise occur via more costly market interactions between separate firms. The institutional voids perspective and related perspectives, such as the resource dependency perspective, grant BGs greater allocative efficiency than markets apply.

In the upper range of BG scale, scope, and complexity, where and , BGs incur higher transaction costs than would markets and become uncompetitive. Competition should favor BGs below and drive those above to either shrink or go bankrupt.

Institutional development

Institutional development, broadly interpreted, changes the constraints and preferences shaping economic decisions in ways that reduce transaction costs. New laws, regulations, business practices, judicial procedures, schools, public infrastructure investments, or ethical standards that reduce market transaction costs, hierarchy transaction costs, or both constitute institutional development.

Economic development and institutional development

Institutional development, by reducing transaction costs, increases overall economic activity and economic growth. This can create a virtuous circle of feedback. A larger and more prosperous economy can invest more in institutional development.

This virtuous circle tends toward lowering market transaction costs relative to hierarchy transaction costs. Hayek () argues that markets scale up better than hierarchies. Expanded hierarchies have longer chains of command with more impediments to information flow and agency problems; but expanded markets deepen, becoming more competitive, efficient, and able to develop the expanding alternatives and freedom of choice associated with economic development (Hayek, ; Stigler, ; Sen, ). As evidence, Hayek offers the increasingly numerous and costly ranks of decreasingly efficient informers and enforcers needed in the Soviet Union and other command economies.

Hayek’s reasoning suggests institutional development lowers market transaction costs more than command and control costs within a BG, eroding BGs’ cost advantage (Kim, ; Lee et al., 2009). However, if institutional development lowered command and control costs within a BG faster, BGs might survive or even expand as institutions develop. Economic history in high-income economies supports Hayek’s view.

Figure illustrates institutional development working against large, complicated BGs. Market transaction costs fall more across the board than do hierarchical transaction costs if strong institutions () replace weak institutions (). This explains the stylized fact in Figure : Economies with stronger institutions, in general, have smaller, simpler BGs – or perhaps free-standing firms and few or no BGs. Figure also captures the general tendency in the economic histories of many countries for BGs to be large and important in early stage of development, but to become less so once the economy reaches high-income levels. The range where BGs effectively bridge institutional voids shrinks to .

Transaction costs and the extent of business groups as institutions develop. As institutions develop from weak () to strong (), the decline in market transaction costs from to is larger than the decline in hierarchy transaction costs from to . This shift favors smaller business groups and larger ones either shrink or are culled by market forces.

Many high-income European economies retain more extensive BGs than do the UK and its high-income former colonies – Australia, Canada, and the US (La Porta et al., ). Institutional development in the latter group may have been biased towards supporting markets in the former group and towards improving the efficiency and social alignment of bureaucracies and other hierarchical allocation mechanisms (Larsson & Petersson, ). This may explain the survival of small French BGs (Hamelin, ) and large Swedish BGs (Högfeldt, ). That is, drops less on the continent than in high-income common law countries.

This accords with La Porta et al. () and Figure , as well as the historical development of BGs in Australia and Canada. Both adopted interventionist industrial policies in the 1970s, institutional changes that arguably raised market transaction costs. BGs expanded in scale and scope in both the 1970s and 1980s, and then declined in the 1990s as both reverted to more market-driven resource allocation.

Politics and institutional development

BGs are command and control structures, whose ultimate controlling owners allocate resources, including capital and labor. The controlling owners are humans, with private interests; but their allocation decisions obviously affect others, for example, workers. BGs’ controlling owners, either mesoeconomic consciously or not, can be expected to favor public policies that expand their power, influence, and importance, and to oppose public policies that do the opposites.

Political lobbying by big business insiders is recognized as a first-order determinant of public policy (Krueger, 1976), possibly with dynamic increasing returns to scale (Murphy et al., ; Morck et al., 2001). It is also an important factor in IB studies (e.g., Chen et al., 2010; Dau, , 2018). Buying political influence is, like buying new property plant and equipment, an investment. Both have an initial cost and an internal rate of return, and political influence is apt to be a more commonplace investment where its return is higher (Murphy et al., ). The controlling owners of very large BGs appear to be especially adept at influencing government policies (Krueger, 2000; Krueger & Yoo, ; Fogel, ) and may have lower costs and higher returns to political lobbying than do unitary firms for reasons outlined above (Morck & Yeung, ).

BGs’ controlling owners can be expected to favor public policies that augment the comparative advantage of large BGs relative to other organizational forms (e.g., Rajan & Zingales, , ). And a controlling owner whose BG is larger, broader in scope, and more complex has more lobbying capacity to influence institutional development (e.g., Morck & Yeung, ). Figure therefore makes institutional development, , a function of because determines the lobbying power of groups’ controlling owners to skew institutional changes to favor a higher .

The extent of business groups affecting institutional development. More extensive business groups deploy their political lobbying power to stall the development of market transaction costs reducing institutions or even to skew institutional development in ways that increase market transaction costs. The more influential business groups are in shaping public policy, the more their lobbying shifts the entire market transaction costs schedule upwards. If the controlling owners of business groups favor institutional developments that reduce command and control transaction costs, the hierarchy-related transaction costs schedule would correspond to that under strong institutions in Figure . This leaves business groups up to viable.

BGs might increase by supporting policies that increase market transaction costs, and thus shift the curve up, or reduce hierarchical transaction costs, and thus shift the curve down. Market transaction costs are costs of doing business impersonally via markets. Policies that increase regulatory and bureaucratic compliance costs, costs of external capital, or the costs of hiring and shedding employees might shift the curve up. A BG’s hierarchy transaction costs include the costs of collecting information and getting it to the controlling owner, monitoring subordinates throughout complicated chains of command to ensure they obey orders, and restraining controlling owners from pursuing their private interests rather than maximizing economic growth or social welfare. BGs’ controlling owners might favor reforms that lower the first two, such as institutions encouraging respect for authority, acceptance of hierarchies, and deontological (duty-based) ethical codes, but remain cool to reforms limiting their power to run their groups as they like. Thus, family business empires are larger in countries whose institutions better promote obedience to authority, conformity to established norms, and the subordination of individual to collective interests (Mehrotra, , Shim, & Wiwattanakantang, ). How BGs affect, and are affected by, institutional development paths favoring market versus hierarchical transaction costs reduction merits deeper study.

For simplicity, Figure shows BG controlling owners’ lobbying as pushing up to and down to . This raises the minimum transaction costs organizational form to , higher than under either weak or strong institutions.

The extended BGs in Figure are still bridging institutional voids in a sense, but their doing so no longer serves their overall economy. This is because the BGs created institutional voids to bridge by stalling the development of market institutions. This need not involve BG controlling shareholders scheming to undermine institutional development. Rather, this pattern of events might play out naturally as BGs’ controlling owners lobby governments for specific small reforms that they view as good for their BGs. Government officials could respond to this lobbying either in return for favors or because they misapprehend the fallacy of composition separating what’s good for large BGs from what’s good for the economy or social welfare. Elites that impede general economic development by reshaping institutions in these ways are considered entrenched.

BGs up to , might still be defensible as bridging institutional voids, for these could have existed in any case. But more extensive BGs up to are best described as entrenched. These BGs’ firms can be star performers in the institutional environment they shaped, but inferring that they benefit their economies would be a fallacy of composition. A performance premium arises from entrenchment that can be characterized as exploitation if their prosperity arises by stunting institutional development and damaging the economy and society. Thus, Figure extends the Coasean synthesis to encompass entrenchment and exploitation.

As before, rational shareholders’ wealth is not expropriated if they buy BG firms’ shares at prices that factor the above in. Still, a distorted institutional development that retards general economic growth, as in Figure , is another kind of expropriation. Broad prosperity, not minority shareholder wealth, is expropriated.

Dynamic inconsistency in a dynamic Coasean synthesis

The transition from weak to strong institutions – the shift from Figure to Figure – typically accompanies broad-based economic growth and increased state spending. During a BG-led Big Push, maximizing economic growth leads to public policies that lower hierarchy transaction costs in BGs because market institutions, even strong ones, cannot deal with the network externality problems Rosenstein-Rodan () identifies as barriers to rapid catch-up growth. Public policy aligns with the interests of BG controlling owners in prioritizing low hierarchy transaction costs.

This means economies starting from Figure that undergo a BG-led Big Push may tend towards Figure , not Figure . However, a Big Push that achieves early-stage industrialization can let the government fund institutions needed to move on to the mature high-income economy in Figure . A brief phase in Figure is thus a natural, if ungainly, economic adolescence; loitering there for generations can be arrested development.

Mature high-income economies have institutions that reduce market transaction costs. Economic growth in such economies arises from creative destruction, creative innovators founding new firms that disrupt old established ones. Low transaction costs in markets for capital, labor, and intermediate goods support creative destruction by reducing costs of financing and growing new firms. The owners of old firms, such as those in BGs left over from a Big Push, understandably favor public policies that preserve established firms.

This leads to dynamic inconsistency in optimal public policy towards BGs. A low-income economy adopts institutions favoring BGs that, if successful, make themselves suboptimal in the resulting middle-income economy. Some countries adopt new institutions; others do not and linger in a Middle Income Trap, sometimes for generations. Middle Income Trap economies are thus graying economies dressed in the institutions of adolescence.

A related concept, time inconsistent preferences, also arises after economic growth finances higher general levels of education. Talent runs imperfectly in families, but in an economy with few and poor public schools and universities, the best business education may be at the dinner tables of powerful business families. People may then prefer to subordinate themselves to elite business families. Once education improves, the best business leaders almost surely come from the general population (Smith & Amoako-Adu, ; Perez Gonzales, 2006; Bennedsen, Meisner Nielsen, Pérez-González, & Wolfenzon, ) and people increasingly prefer making decisions themselves. Changing preferences can leave once venerable hierarchical institutions both enfeebled and unwanted.

Frozen institutions can be costly. For example, preserving top business positions for family can discourage effort in both family and outsiders (Dau, Purkayastha, & Eddleston, ). Andrew Carnegie (: 54), explaining why he was giving his fortune away rather than leaving it to his children, wrote “the parent who leaves his son enormous wealth generally deadens the talents and energies of the son, and tempts him to lead a less useful and less worthy life than he otherwise would.” Family expect top positions without effort; outsiders know effort will never reward them with top positions. Empirical evidence supports both conjectures (Holtz-Eakin et al., ; Mehrotra, Shim, & Wiwattanakantang, ; Gallego & Larrain, ).

Internationalization of BGs and globalization

After discussing work on internationalization of BGs, this section extends our framework to encompass BGs’ interactions with globalization and institutional development.

Groups and internationalization

Aguilera et al. () provide an excellent survey of research on BG internationalization, but conclude that, “Research on internationalization of BGs is a topic that has received less attention than their economic relevance in the world.” Research touching on the internationalization of BGs to varying degrees (Bucheli et al., ; Castaldi, Gubbi, Kunst, & Beugelsdijk, ; Chari , Chen & Jaw, ; Chung & Dahms, 2018, ; Fuad & Sinha, 2018; Garg & Delios, , 2015; Gubbi, Aulakh, & Ray, ; Guillén, 2003; Holmes et al., ; Iona et al., 2013; Kumar et al., ; Mukherjee et al., ; Purkayastha et al., ) reveals a few stylized facts.

First, IB insights about internationalization of single firms could apply to BGs. Like MNEs, BGs might internationalize to expand the scales or scopes of application of the BG’s firms’ capabilities and resources into foreign markets or to acquire abroad new capabilities and resources synergistic with the BG’s firms’ domestic capabilities and resources. Key capabilities and resources might include critical inputs, capital, skilled labor, managerial capability, technology, or risk absorption capacity. BGs might be better positioned than free-swimming domestic firms to benefit from internationalizing, as the resource-based view suggests (see Kim, Kim, & Hoskisson, ; Lamin, ; Gaur, Kumar, & Singh, ). Colpan & Cuervo-Cazurra () report that BGs play a dominant role in the globalization of emerging markets. However, IB insights about the transportability of capabilities also matter to BGs. BGs from emerging markets favor international expansion into host countries with institutions similar to those of their home countries (Purkayastha, Kumar, & Lu, ; Garg & Delios, ). Firm-level tests are obviously useful, but BGs also require meso-level tests to sidestep fallacy of composition biases. For example, if a BG tunneled income into an internationalizing affiliate to insure a successful internationalization, that affiliate’s superior performance might come at the expense of reduced overall BG-level performance. Alternatively, if the BG tunneled advantages of internationalization away from the internationalized BG firm, firm-level tests might miss real benefits. Firm-level tests might be less informative in countries whose institutions allow freer intrafirm income-shifting in BGs.

Second, MNEs often seek local joint venture (JV) partners or acquisition targets to deal with institutional and informational gaps between their home- and host-country business environments. MNEs liabilities of foreignness (Zaheer, ) can include costs to overcome host economy entry barriers, access to local business networks, mitigate political risks, and so on (De Beule & Sels, ; Gubbi & Elango, ). Foreign MNEs entering JV agreements with host-country BG firms can be blindsided by the income shifting and other BG tactics not expected of free-swimming firms (Perkins, Morck, & Yeung, ).

Third, the usual concerns about agency incentives at the group level and difficulties in monitoring, coordination, and controlling of affiliates’ activities apply to BGs’ internationalization. These complex issues are also present in the MNE setting. For example, the presence of dominant family ownership affects the performance of international expansion of groups: the dominant family may make sharp and correct decisions as well as costly wrong decisions. Purkayastha, Kumar, and Lu () report family-controlled BG firm performance rising with low-levels of internationalization, but falling at higher levels. Khanna & Palepu () report higher performance for BG firms as India opened to foreign investors.

Fourth, sourcing capital internationally is another important form of internationalization. In most countries, larger firms obtain more foreign financing (see BIS Annual Report April 1, 2016–March 31, 2017). In emerging economies with limited national savings, these large firms are often in BGs. This may reflect BG firms’ size, inter-firm income shifting (Faccio et al. ), or political connections reducing their credit risk.

BG firms might likewise may have an advantage over free-swimming firms in developing and sourcing innovations internationally. The section “” discussed how BG firms might invest more in innovation than do free-swimming firms by obtaining financing via their BGs’ internal capital market. However, the efficiency and efficacy of their investment in innovations is an open question. Indeed, BGs might lobby to block or meter access to disruptive foreign innovations that would lower the value of existing BG firms (Morck & Yeung ). Entry by innovative foreign MNEs appears to boost innovation by BG firms more than by free-swimming firms in the host economy (Mahmood & Singh, ). Furthermore, BG firms often engage in intermediate technology transfer from MNEs (Kock & Guillen, ; Hofmann, 2013). Such arrangements can let a group’s controlling shareholder meter the disruptive technology by controlling, filtering or even blocking its use. Here again, a fallacy of composition problem arises. Such tactics might increase the earnings of the protected BG firms, and even enhance the value of the BG at the meso-level, all the while impeding economy-level prosperity. Measuring negative and positive spillovers from BGs across their economies would be a “grand challenge “of the sort Buckley et al., () call upon IB to undertake.

Fifth, as the section “” shows, BG as an organizational form developed in Britain to facilitate FDI. Merchant houses listed and raised capital in London at the turn of the twentieth century to finance their BGs in British dominions and colonies and elsewhere. As the empire broke up, local elites took control of these BGs (Carney & Gedajlovic, ; Jones, , ; Jones & Khanna, ; Jones & Colpan, ; Khanna & Palepu, ; Tipton, 2008). Similar BGs arose on the Paris Bourse to fund companies in French colonies and elsewhere. The implications of these FDI origins of BGs merit more research.

In general, more research might usefully further explore the importance of BGs to national economies’ historical FDI, capital flows, human capital flows, knowledge, innovation, and economic development in general. These issues attract notice in emerging economies, but developed economies were once emerging. Studying BGs roles in developed economies’ growth and institutional development arcs might be useful.

Openness, institutional development, and groups

BGs might play a more prominent role than free-swimming firms in FDI, and perhaps also cross-border flows in financial and human capital as well as technology. This might be especially so in emerging economies. If so, interactions between BGs and institutional development associated with openness to global product, capital, human capital, and technology would be important to understand.

IB builds on an intellectual tension about how openness affects institutional development. For example, the WTO was premised on multilateral free trade pressing governments to improve market-supporting institutions beyond merely committing to WTO rules. Success along these lines is qualified by the US and China disregarding the international framework in favor of mercantilist policies. If the global economy shifts more generally and permanently to mercantilist strategies with import barriers, foreign ownership bars, and heavily subsidized national champions, large BGs are likely to flourish relative to free-swimming firms. The political heft of large BGs makes them star candidates for national champion status. However, such a shift is far from certain. Mercantilist trade policies are a perennial weed. The current Sino-US trade disputes echo 1980s US criticisms of Japan for industrial policy subsidies to firms in its horizontal keiretsu (web) and vertical keiretsu (pyramidal) BGs. The relationship between economic openness and institutional development is a key IB research topic, and how BGs affect and are affected by that relationship merits further IB research.

The transaction costs framework of the previous section might help illuminate this complex issue. Opening up to international competition can mitigate the market power of dominant domestic businesses and their owners’ interests and thus promote institutional development. (Rajan & Zingales, ).Financial market liberalization makes financial markets more informative (Durnev et al. ) and stimulates investment (Bekaert et al , ), and may intensify creative destruction (Durnev et al. ). Brecht (2018) reports that EU integration allows foreigners to acquire key Belgian BGs.

The conjecture is that openness improves market-supporting institutions; that is, shifts the curve downward towards the curve in Figure . Increasing economic openness erodes domestic BGs’ economic and political power, and cause BG firms’ performance to fall, but the economy would perform better. However, the EU, WTO, and multilateral and bilateral trade treaties can contain trip-wires that plausibly actually raise market transaction costs. Obtuse regulations, employment standards, intellectual property rights protections, and the like can have high compliance costs, which large BGs can absorb more readily than can small free-swimming firms. The Canada–US Free Trade Agreement, the predecessor to NAFTA, reduced the share prices and capital intensity of Canadian family (including BG) firms relative to free-swimming professionally managed firms (Morck et al., ).23

How openness might shift the hierarchy transaction costs curve, , also merits research. If openness improved corporate governance, falling agency costs might shift downward. However, if undermined hierarchic-supporting (power-distance) institutions, hierarchy transaction costs might rise and shift up. Ties of ethnicity, which might also reduce hierarchy transaction costs (Dau et al., 2018), appears to affect the location of Taiwanese BGs FDI into China (Jean, Tan, and Sinkovics, ).

Powerful BGs might react to openness with intensified lobbying to push their domestic M(g, I(g)), in Figure , upward. BGs might lobby for non-market entry barriers, industrial policies to subsidize national champion firms (in BGs), “strategic industry” designations and the like. BGs containing media companies might stir up nationalist sentiments to encourage politicians along. Lu and Ma () report nationalist policies banning 100% foreign-owned businesses inducing MNEs to enter JVs with host economy BG firms. Such policies, implemented at various times by most countries, are pro-business, rather than pro-market, in the sense of Rajan and Zingales (). Quantitate research into the role of BGs in effecting such policies and the impact of such policies on BG firms, on BGs, and via BGs on national economies would be highly useful. If globalization goes into reverse, this sort of research could be very useful.

To recap, our framework shows a direction to investigate the varied impacts of openness on development and on the roles groups play. The key question is: What institutional changes does openness bring about? Openness could entice a country to make holistic institutional improvements so that the market transaction costs decline. In this case, the dominance of groups shrinks and economic efficiency goes up as the economy’s total transaction costs come down. A second possibility is that institutional development reduces the transaction costs of using either freestanding firms or groups. In this case, the economy’s efficiency goes up in the sense that total transaction costs decline. However, the economic significance of groups may or may not shrink. The final case is that on top of the just described changes, groups’ lobbying imposes new barriers to using freestanding firms. In this scenario, group dominance increases but the economy’s total transaction costs may increase perversely. These graphical analytics in Figures and show-case the usefulness of the assimilation framework. However, rigorous and refined analyses are called for.

Discussion and conclusion

BGs attract research interest in multiple fields: economics, finance, IB, management strategy, organization, sociology, etc. This article organizes and builds upon the literature. After proposing a definition for BGs, it provides stylized historical observations of BGs around the world. These observations suggest that the development of BGs affects and is affected by the development of market- and hierarchy-augmenting intuitions. Thinking about BGs in the sort of dynamic Coasean framework familiar to IB could resolve seemingly discordant perspectives and result in the extant literature on BGs in IB and other fields.

This discussion coalesces into a theory of large BGs across the globe as mesoeconomic structures, suspended between microeconomic firms and macroeconomic economies. Very large BGs can encompass substantial fractions of national economies, and so approach macroeconomic importance, but even the largest are still business organizations run by, and possibly also for, private individuals or families. We suggest a broad framework viewing BGs as hierarchical command and control resource allocation mechanisms that straddle, but do not eliminate, markets in different parts of the world (Coase, ; Granovetter, ), and we argue that this provides a path towards reconciling the various seemingly inconsistent perspectives on BGs that leave recent and more detailed surveys without clean conclusions (Locorotondo et al., ; Colli & Colpan, , b; Poczter, ; Carney et al., , , ; Holmes et al., ). Thus, BGs enlist external monitoring mechanisms, such as tax authorities, regulators, and financial markets, to broaden the scale and scope of their hierarchical resource allocation or their controlling owners might simply wield power and influence approaching that of a national government, relegating external monitoring mechanisms to the background.

Seemingly discordant hypotheses, pitched as alternative perspectives to be tested against each other, can miss the possibility that each perspective might be valid within its level of analysis, settings, or balance of countervailing forces within a given setting. Going beyond accepting or rejecting alternative perspectives on BGs, future research might consider which characteristics of BGs come to the fore at which level(s) of analysis and in which institutional setting(s). Causality almost certainly runs both bidirectionally and between levels of analysis, especially where BGs are large relative to national economies. Consequently, research on how BGs mold government policies differently, and how such policies affect microeconomic business organizations given different institutional starting points, might be fruitful. This suggests several potential avenues for research into BGs, particularly for IB scholars.

First, IB traditionally takes institutions as constraints on the evolution of firms, especially in emerging markets (e.g., Peng, Wang, & Jiang, ; Cuervo-Cazurra & Dau, , ; Dau, , , ;). The IB literature on the effects of institutions on BGs and their affiliates has received increased attention (e.g., Ayyagari et al., , ; Chung, ; Chung & Luo, ; Hearn, Oxelheim, & Randøy, ; Kim et al., ; Yiu et al., ). However, research on BGs influencing and co-evolving with institutions has promise (e.g., Carney & Gedajlovic, ), but is essential for a better understanding of “mesoeconomic structures” in different national economies and in the global economy. Ultimately, the survival of BGs around the world suggests that they possess enduring competitive advantages (e.g., Rajan & Zingales, ). However, what is good for General Motors need not be good for America, and what is good for a country’s great BGs, or for their controlling owners, need not be good for social welfare in their host economies. The extent to which advancing the interests of a BG, or of its controlling owners, advances social welfare is perhaps the most fundamental question in BG governance (e.g., Khanna & Palepu, ). Explicitly recognizing time-inconsistencies about BGs could allow IB scholars to elevate their research to address such critical issues.

Second, BG-level research requires attention in IB. What constitutes good BG governance remains very much an open question in both the finance and IB literatures. What should efficient BG laws do? How should a BG’s apex firm direct group member firms? How should the officers and directors of subordinate firms – listed or unlisted, domestic or international – conceive of their duty to the shareholders and stakeholders of their own firms and of their BGs? How should CEO compensation and career paths develop where CEOs are subservient to higher authorities in a BG? How are capital, labor, intellectual property, and other resources best allocated across BGs? How should a BG decide how much of each firm’s earnings to retain, disburse as dividends, or reallocate to other group firms via tunneling? How should debt be distributed across BG firms? How should BGs make decisions about capital investment, especially in innovations and development of future capabilities? How should BGs decide on diversification, overseas expansion, and other key strategic moves? How should BGs manage cash holdings, inventories, or other policies that business school textbooks consider only in the context of freestanding firms? How do divergent BG structures – such as horizontal (Li et al., 2006), pyramidal (e.g., Perkins et al., ), and web (Lai, ) – differ across countries in terms of what constitutes good governance and control mechanisms? These questions invite international as well as interdisciplinary crowdsourcing of research efforts. IB scholars have home-field advantage in international crowd-sourcing.

We lack a theory of BG governance. Insights from how MNEs are governed (e.g., Verbeke & Greidanus, ) might be useful in developing this. Some analogies jump out, such as the three stylized types of BGs in Figure roughly resembling the multinational coordination structures in Bartlett and Ghoshal (). Moreover, IB scholars’ extensive research on the complex control and coordination structures of MNEs (e.g., Cray, ; Doz & Prahalad, ; Epstein & Roy, ) might help clarify micro-level consequences for “subsidiaries” of meso-level BG objectives. Extensive research on political rent-seeking (e.g., Chen, Li, Su, & Sun, ; Morck & Yeung, ) might likewise clarify macro-level consequences of meso-level BG objectives. IB might help clarify what constitutes good BG governance.

The very extensive literature on MNEs, an IB favorite subject, has an extensive toolkit for studying transfer pricing or income shifting and related governance issues. Tunneling within BGs is much the same, but hides income from outside shareholders rather than tax authorities (Johnson et al. ; Faccio et al. ). IB is well-positioned to explore income shifting and has built a considerable literature.24 For example, BGs might tunnel to shift income to affiliates in less highly taxed industries like MNEs might shift income out of high tax areas. The focus here is governance. Tensions surrounding income shifting in BGs might have echoes in MNEs and vice versa. BGs may incorporate and list affiliate firms separately to outsource costs of monitoring subsidiaries to tax authorities, regulators, financial analysts, and stock markets. However, more extensive income shifting renders outsourced monitoring less informative. This tension may favor outsourced monitoring where domestic institutions are better developed. A similar tension might operate internationally, perhaps mediated by host-country institutional quality and dimensions of institutional distance. Research into BG income shifting with alternative or multiple objectives and outcomes at the firm, BG and economy levels have great promise. Toolkits utilized in research for studying MNE resource shifting and institutional voids might be complements in illuminating these BG issues.25

Historically, BG income shifting is implicated in monopoly extension in the 1930s USA. A BG with an affiliate having monopoly power can shift monopoly rents to subsidize another affiliate’s predatory pricing to create a second monopoly, and then repeat the exercise in a chain reaction of monopolization (Kandel et al. ). IB has a long tradition of research on MNE monopoly power and economic development.26 Revisiting this while also considering monopoly power wielded by host-country BGs versus MNEs might be fruitful.

Third, as British novelist Leslie Poles Hartley wrote, “The past is a foreign country.” IB research can benefit from historical comparisons as well as from cross-country comparisons at a point in time (Jones & Khanna, ; and others). IB scholars are well placed to exploit comparisons in both dimensions.

Fourth, IB might further study BGs’ globalization trajectories. Useful IB work includes Aguilera et al., ; Yaprak & Karademir, , and others. Most economics and finance research assigns BGs to countries. IB is well situated to explore internationalization at the BG level, as well as the firm level. Historical comparisons of internationalization trajectories of BGs and of unitary firms might deepen our understanding. Should BGs internationalize by internationalizing a member firm or by establishing or acquiring member firms in other countries (e.g., Mahmood, Zhu, & Zajac, )? What markets should they internalize (e.g., Gaur et al., )? Is the scope for internalization by BGs broader than for unitary MNEs? For example, should a group’s success in internalizing dysfunctional product or capital markets at home allow it to do likewise in foreign economies at similar or earlier stages of institutional development (e.g., Cuervo-Cazurra & Genc, )?

Fifth, more research is needed about how BGs affect and are affected by MNEs (e.g., Bucheli et al., ). Should MNEs compete or partner with host-country BGs? How should host-country BGs having captured control mechanisms that would otherwise constrain them (e.g., by including media firms, banks, or credit rating firms or by accumulating political influence) affect MNEs’ strategies? How should host-country BGs respond to MNE entry? How might MNE entry affect BGs strategies (e.g., Perkins et al., ). How should these interactions change at different stages of home-country and host-country economic development?

These questions are all theoretical, but each has an empirical parallel, substituting “do” for “should.” Neither set of questions are likely to have simple uniform answers. Corporate governance, corporate finance, and corporate strategy are all highly context-dependent, and BG governance, BG finance, and BG strategy are likely to be more, not less, complicated. IB is thus well poised to address these concerns.

At the economy-wide concern, BGs appear to be a predominant big business organizational form in many current developing economies and in the histories of developed economies when they were developing. Yet we know little about how BGs shape and are shaped by economic development. As Robert E. Lucas (: 5) observed, “The consequences for human welfare involved in questions like these are simply staggering: once one starts to think about them, it is hard to think about anything else.”

The seemingly inconsistent findings of the research efficiently sorted and categorized by recent surveys (Locorotondo et al., ; Colli & Colpan, , b; Poczter, ; Carney et al., , , ; Holmes et al., ) suggest that context matters. Under what circumstances do large BGs promote economic development (Khanna & Yafeh, ) or rapid Big Push industrialization (Morck & Nakamura, , )? Under what circumstances do large BGs entrench hereditary elites and lock developing economies into Middle Income Traps (Morck et al., )? Under what circumstances do large BGs fall away as market-supporting institutional development intensifies competition from freestanding firms? Under what circumstances are public policy interventions to break up large BGs social welfare enhancing? Under what circumstances can BGs stay on past their “best by” dates, and how does this alter their national economies’ development paths?

Finally, BGs as mesoeconomic structures cause economic and societal changes and respond to institutional changes. Given interdependence in the evolution paths of BGs, development, and institutions, pertinent research questions and findings likely change over time. Changes external to BGs likely matter too. Institutional investors are gaining influence over policy and new technologies such as big ***data***, smart contracts, and cloud computing are changing business and social behavior. Time-honored principles and frameworks can ground our understanding of these dynamics. We propose and illustrate how the familiar Coasean Theory of the Firm, with its market and hierarchical transaction costs and determinants, might help clarify the organizational boundaries and economic significance of BGs, and if the new wine is in new or old bottles.

Notes

Changes in Swedish tax law may have been a major factor in lowering hierarchy transaction costs (Henrekson, ; Henrekson et al., ).

These bodies of law are called Enterprise Law (e.g., Miguens, 2002) to distinguish them from Corporation Law.

The Public Utilities Holding Companies Act, repealed in 2006, explicitly defined and regulated US business groups only in public utilities: electric power, natural gas, water, etc.

This definition does not classify a collection of firms in diverse industries, all 100% owned by the same family, as a BG. Fully 100% ownership of multiple significant firms is likely to be beyond the private means of even the super-rich in all but the smallest and poorest economies. To become large, firms need external financing. So, a major common feature of BGs in diverse countries is control-enhancing mechanisms, primarily organizing firms into pyramidal groups, to let the controlling family mobilize household savings on a large scale without losing the control necessary to effectively internalize ill-functioning arm’s-length markets. Furthermore, the existence of other owners essentially refers to that one controlling owner is dealing with multiple other equity owners and creditors whose interests are not necessarily aligned with the group. This is understood in most governance studies about groups. If all sub-firms are owned 100%, the left governance conflict is between the creditor in sub-company m versus the creditor in sub-company m. This consideration is subsumed in the more general definition we propose.

Japan allowed a first dual-class listing in 2014 (Toshima, 2014).

Since the National Socialist era, German banks have had proxy voting rights for small shareholders, so their role in corporate governance is unique (Fohlin, ).

Other countries adopted analogous Mandatory Takeover Laws, but, without Britain’s high level of merger activity, these were of little economic importance.

The terms fallacies of composition and decomposition first appear in Aristotle’s Sophistical Refutations (fourth century BCE), a volume in Aristotle’s Logic.

IB scholars often refer to time inconsistency as obsolescing bargaining (Vernon, ), a concept important in dynamic bargaining between MNEs and states (Ramamurti, ; Eden, Lenway & Schuler, 2004).

IB has a research toolkit for studying parallel questions regarding MNEs bridging institutional voids. Much has been done. Recent work includes Kingsley & Graham (), Kim and Song () and Pinkham and Peng ().

See, e.g., Bertrand et al., (), Bae et al. (), Claessens et al. (), Ferris et al. (), Joh (), Baek, Kang, & Park (), Morck et al. (), Baek, Kang, & Lee (), Cheung et al. (), Kali & Sarker (), Perotti & Gelfer (), Larrain et al. (), and Siegel & Choudhury ().

For example, Canada’s Bronfman family controlled a pyramidal group by owning Broncorp Inc., which owned 19.6% of HIL which owned 97% of Edper Resources, which owned 60% of Brascan Holdings, which owned 5.1% of Brascan, which owned 49.9% of Braspower Holdings, which owned 49.3% of Great Lakes Power, which owned 100% of First Toronto Investments, which owned 25% of Trilon Holdings, which owned 64.5% of Trilon Financial, which owned 41.4% of Gentra, which owned 31.9% of Imperial Windsor Group (Morck, Stangeland & Yeung, ). Spending $10 million of Imperial Windsor’s money on a jet for the family’s use would reduce that firm’s value by $10 million, Gentra’s by $3.19 million (31.9% of $10 million), and the family’s wealth by $304 (19.6% of 97% of 60% of 5.1% of 49.9% of 49.3% of 100% of 25% of 64.5% of 41.4% of 31.9% of $10 million).

Quantifying hierarchy-supporting institutional development arguably originated in IB (Hofstede ). IB has developed considerable expertise using Hofsteder’s power-distance and other hierarchical institutional strength variables (Hofstede ). Recent work includes Mahajan and Toh (2017), Cao et al. (), Maseland, et al. (2018), Tung and Stahl (), Kostova et al. (), and Dastmalchian ()

A parallel discussion in IB pits internalization against diversification in MNE expansion, e.g., Rugman (), Agmon and Lessard, (), Caves (), Morck and Yeung, (, ), Kwok and Reeb ().

IB posits that MNEs have a liability of foreignness because host-country institutions give domestic incumbents a home court advantage. Research into an analogous disadvantage of being outside an institutionally entrenched elite might likewise discourage domestic entrants unaffiliated with existing BGs. The reference is very long; some examples include: Caves (), Zaheer () Luo and Tung. (), Johanson and Vahlne (), Bell et al. (), Baik et al. (), Lamin and Livanis (), Qian et al. (), Nachum (2015), Edman (), Coviello et al. (2017), Håkanson and Kappen (), Mithani (), Vahlne and Johanson. (), Wu and Salomon (), Sojli and Tham. (), Sartor and Beamish (): Chen et al. (), and Vahlne and Johanson ().

This view is discussed in many fields, economics, finance, political science, sociology. IB has long viewed institutions as shaped by lobbying power. See, e.g., Jackson and Deeg ()

Research in IB has posited family connections and political influence as an unappreciated factor in firms’ or BGs’ decisions to undertake FDI (e.g. Miller et al. ; Arregle et al. ).

Recent IB research into political rent-seeking regarding international expansions includes Sojli and Tham (), Hung et al. (2018), Sartor and Beamish (), and Jackson and Deeg ().

Recent IB work related to the phenomena includes Witt (), Lewin et al , and Setyaningsih and Jayaprawira ().

We leave vague in the absence of theoretical work formalizing these concepts in business groups. This framework is similar whether the focus is on average market and hierarchy transaction costs in the aggregate or in a typical group. To save space, we focus on the aggregate.

The average per market transaction costs conceptually could be a constant or even downward sloping in . Yet, the less prevalent are business groups, the more freestanding firms do business with one another via markets, and thus aggregate market transaction costs are higher. Theoretically, a larger population of free-standing firms means more market alternatives; so average market transaction costs will decline in . Without changing the theoretical outcome of our graphical model, we assume that the decline in average market transaction costs is outweighed by the frequency of market transactions so that the aggregate market transaction costs is upward sloping in . Our graphical model’s prediction in optimal only depends on that the hierarchical transaction costs rise faster than the market transaction costs in .

The Coasean comparison is between the cost of making a transacting on the market or within a hierarchy. We derive our graphical comparison of the total transaction costs of market exchanges versus exchange within groups from this format. The analytics in the following graphs is similar whether we focus on average market transaction costs and the transaction costs in a typical group hierarchy or their corresponding aggregate.

See also Luo & Chung () and Mahmood et al. (2017).

See, e.g., Lessard (), Fowler (), Harris, et al., (), Desai et al. (), Curtis, (). Recent advances include Akamah et al. (), Foss et al. (), Gan and Qiu (), Hope () and Kohlhase and Pierk ()

See, e.g., Desai et al., , Baker et al., , and Antras et al., .

There are related to the general issue of economic development, which is arguably a “big” question motivating IB research (Buckley et al. , Cuervo-Cazurra et al., 2019; Dau et al., ; Hu et al., ; and Petricevic & Teece, ). Also, monopolization has a long history in IB stemming from the Dependency Theory (Prebisch ; Singer 1950), which has waxes and waned as IB developed. Recent studies include Berry et al. (); Cuervo-Cazurra et al. (2019); and Kano et al. ().

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**Body**

Brenntag

2019 Sales: $14.37bn (12.8bn)

Essen, Germany

[*www.brenntag.com*](http://www.brenntag.com)

CEO: Christian Kohlpaintner

Products: Full-line range of more than 10,000 products; industrial chemicals; adhesives; paints; oil and gas chemicals; food and nutrition ingredients; water treatment chemicals; personal care ingredients; pharmaceutical ingredients; cleaning chemicals; coatings and construction chemicals; animal nutrition products; pulp and paper chemicals

Services: Tailor-made distribution solutions for industrial and specialty chemicals; one-stop-shop solutions; specific application technology; technical support; just-in-time delivery; product mixing; formulation; repackaging; inventory management; drum return handling

Assets: More than 640 locations in 77 countries; workforce of more than 17,500 employees

Univar Solutions

2019 Sales: $9.29bn

Downers Grove, Illinois, US

[*www.univarsolutions.com*](http://www.univarsolutions.com)

President & CEO: David C. Jukes

Products: Amines; aviation fuel additives; chelants; additives; hydrocarbons; essential chemicals & ingredients; military specification chemical products; monomers; silicone alternatives; oils; oleochemicals; pigments; plasticizers; polymers/resins; silica; silicones; solvent blends; solvents; surfactants

Services: Corporate ***accounts***; ChemPoint; custom blending; custom packaging and private label services; lab and formulation services; MiniBulk; supply chain services; telemetry services; transportation services; warehousing services; solutions centre; onsite services; ChemCare services

Assets: More than 3,500 tractors, tankers, trailers; more than 650 distribution facilities; over 10,300 employees in 31 countries delivering to more than 130 countries

Tricon Energy

2019 Sales: $6.69bn

Houston, Texas, US

[*www.triconenergy.com*](http://www.triconenergy.com)

President & CEO: Ignacio Torras

Products: Chlor-alkalis; aromatics; glycols; fibre intermediates; solvents; olefins; polymers; fertilizers

Services: Marketing; pre-export financing; shipping; logistics; packaging; blending; storage; just-in-time delivery; repackaging; inventory management; risk management for commodity price and foreign exchange; global presence with sales into over 100 countries

Assets: 28+ offices; more than 450 employees

IMCD

2019 Sales: $3.15bn (2.81bn)

Rotterdam, Netherlands

[*www.imcdgroup.com*](http://www.imcdgroup.com)

CEO: Piet van der Slikke

Products: Specialty chemicals and ingredients for pharmaceuticals; coatings, adhesives, sealants, elastomers (CASE); personal care; advanced materials; food and nutrition; animal nutrition; nutraceuticals; lubricants; synthesis; HI&I; oil and gas

Services: Technical sales; marketing; local and central stock holding; drumming; repackaging; blending; sampling

Assets: Nearly 50 market-focused application laboratories; nearly 3,000 employees in 80 offices and 89 warehouses throughout all operating companies in Europe, Turkey, Israel, Africa (EMEA); Australia, New Zealand, India, China, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam, Japan, South Korea (Asia-Pacific); US, Canada, Brazil, Puerto Rico, Chili, Argentina, Uruguay, Colombia, Mexico (Americas)

Kolmar Group

2019 Sales: $3.08bn

Zug, Switzerland

[*www.kolmargroup.com*](http://www.kolmargroup.com)

CEO & chairwoman: Ruth Sandelowsky

Products: Aromatics; olefins; fibre intermediates; LNG and natural gas; alcohols; crude oil and oil products; renewable fuels; solvents

Services: Blending; storage

Assets: 2 biofuels plants

Trading sales: 76.5%

Sinochem Plastics

2019 Sales: $2.72bn

Beijing, China

[*www.sinochemplastics.com*](http://www.sinochemplastics.com)

General Manager: Zhang Xiaolei

Products: Engineering plastics (ABS, AS, PS, PMMA, MS, PC, PA, POM, ASA, POE, PVC, EVA, Q-resin and ABS HR); high performance plastics (modified nylon, modified PBT, modified polyformaldehyde, polysulfone and PES); plastics additives (antioxygen, flame retardants, lubricants, matting agents, compatilisers, TiO2); epoxy resin (BPA and crude glycerine); UPR (phthalic anhydride, 2-methyl-1, 3-propanediol, neopentyl glycol); coatings (organic silicon, emulsion, coating agents, surfactant); hygiene products (fluff pulp, SAP); synthetic rubber (IIR, SSBR, EPDM, SBCs, TPE); automotive plastics (PE, modified PP, ABS, ASA, modified nylon, modified PC); PU, rubber chemicals; specialty chemicals; ***agricultural*** products; palm oil chemical products

Services: One-stop procurement; supply chain management; technical support; commissioned processing; brand maintenance; information consultation

Assets: 3 warehouses; 2 office buildings

Trading sales: 46%

AZELIS

2019 Sales: $2.41bn (2.15bn)

Luxembourg

[*www.azelis.com*](http://www.azelis.com)

CEO: Dr Hans Joachim Mueller

Products: Thousands of specialty chemicals and food ingredients for the following markets: animal nutrition, food and health, personal care, home care and industrial cleaning, pharmaceuticals, specialty agri/horti, CASE, electronics, essential chemicals, fine chemicals, lubricants and metal working fluids, rubber and plastic additives, textile, leather and paper

Services: Laboratory analysis; formulation development and blending; expert technical and regulatory support; re-packaging; flexible pack sizes; local stockholding; market research and trend analysis; GMP and cleanroom pharmaceuticals facilities; integrated supply chain; sampling

Assets: 60+ application laboratories; offices and access to warehouses across EMEA, Americas and Asia Pacific; technically trained sales force

Biesterfeld

2019 Sales: $1.44bn (1.29bn)

Hamburg, Germany

[*www.biesterfeld.com*](http://www.biesterfeld.com)

CEO: Thomas Arnold

Products: High-performance polymers; engineering polymers; thermoplastic elastomers; styrenic polymers; acrylic polymers, standard polymers and additives; raw materials for cosmetics, pharmaceuticals, organic synthesis, household cleaning, culinary, spice, dairy, beverage, functional food; coatings, adhesives, sealants and elastomers (CASE); performance products; synthetic rubbers; silicone and fluorosilicone rubber compounds; carbon blacks; industrial and ***agricultural*** chemicals; plant protection products and fertilizers; pharmaceutical raw materials

Services: Individual solutions; technical expertise and consulting; active application development and product specification; direct and warehouse distribution; blending; storing; formulation and technical assistance; laboratory support of specialty chemicals; less-than-truckload (LTL) quantities; customised logistical solutions; marketing; consultancy and advisory services for Europe’s REACH regulation; legal compliance; silicone rubber compounding

Assets: Subsidiaries in more than 30 countries; application laboratories; blending and storage facilities for solid and liquid chemicals

Trading sales: 14%

Stockmeier Holding

2019 Sales: $1.40bn (1.25bn)

Bielefeld, Germany

[*www.stockmeier.de*](http://www.stockmeier.de)

CEO: Peter Stockmeier

Products: Industrial chemicals (acids, caustic, solvents, solids); specialty chemicals for industrial and home care (cosmetics, coatings, construction); cleaning products; peracetic acid; polyurethane chemicals; flavours and spices; printing inks; textile auxiliaries; AdBlue; water treatment chemicals

Services: Warehousing; blending; toll manufacture; specialised laboratories; logistics

Assets: More than 50 locations in Europe; 200 trucks

Barentz International

2019 Sales: $1.37bn (1.22bn)

Hoofddorp, Netherlands

[*www.barentz.com*](http://www.barentz.com)

CEO: Hidde van der Wal

Products: Starches; proteins; enzymes; hydrocolloids; vitamins; antioxidants; preservatives; emulsifiers; excipients; active ingredients; lanolin

Services: Blending; spray-drying; mixing; encapsulating; testing and formulating

Assets: Spray dryers; liquid and powder mixers

Trading sales: 8%

Omya

2019 Sales: $1.35bn (Swfr1.31bn)

Oftringen, Switzerland

[*www.omya.com*](http://www.omya.com)

Vice president: Peter Bigler

Products: Minerals and specialty chemicals for polymers (film and sheet, wire and cable, pipe and conduit, profile, moulding, compounding, thermosets, rubbers and elastomers, flooring), construction (decorative paints, industrial coatings, printing inks, adhesives and sealants, plasters and renders, construction), water and energy, ***agriculture*** and forestry, alu-finishing, printing and writing, packaging; ingredients for consumer goods (food and nutraceuticals, personal care, home care and animal nutrition)

Services: Global marketing and sourcing; global supply chain management (logistics, customer service); regulatory affairs management and services; R&D; technical service; analytics; microscopy; quality control

Assets: R&D center for surface science, mineral pigment, chemical engineering, microbiology and consumer goods; technical application services hubs in Europe, Americas and Asia Pacific for all product categories; sales affiliates in more than 50 countries; global network of 70+ warehouses

Snetor

2019 Sales: $1.29bn

Courbevoie Cedex, France

[*www.snetor.com*](http://www.snetor.com)

President: Emmanuel Aubourg

Products: PE; PP; PVC; PET; PS; ABS; engineering polymers; polyols and TDI; industrial chemicals

Services: Trading; packaging; technical support

Assets: 30 warehouses

Trading sales: 75%

Manuchar

2019 Sales: $1.26bn

Antwerp, Belgium

[*www.manuchar.com*](http://www.manuchar.com)

CEO: Philippe Huybrechs

Products: Sodium sulphate; soda ash; zeolite; caustic soda; sodium bicarbonate; calcium chloride; sodium lauryl ether sulphate (SLES); linear alkyl benzene sulphonic acid (LABSA); glycerine; surfactants and oleochemicals; silicones; emulsifiers; resins and monomers; homecare and detergent chemicals; textile chemicals; personal care and cosmetics ingredients; paints and coatings chemicals; construction chemicals; mining chemicals; oilfield chemicals; food and feed additives; fertilizers

Services: Local know-how and technical support in emerging markets; tailor-made warehousing; logistics/supply chain services; financial solutions

Assets: 75+ affiliates worldwide accross 35+ countries; 160+ locations; 405,000+ square metres of warehouse space

Trading sales: 36%

ICC Chemical

2019 Sales: $1.05bn

New York, New York, US

[*www.iccchem.com*](http://www.iccchem.com)

President: Naveen Chandra

Products: PVC resin; acrylonitrile; alpha olefins; styrene; mixed xylenes; acetone; isopropyl alcohol; MMA; n-paraffin; acetic acid; pygas; chloroform; 2-ethylhexanol; solvent C9

Services: Packaging

Assets: 30 offices and representatives worldwide

Trading sales: 82%

DKSH Holding (Performance Materials)

2019 Sales: $1.03bn (Swfr1.0bn)

Zurich, Switzerland

[*www.dksh.com/pm*](http://www.dksh.com/pm)

CEO: Stefan P Butz

Products: Food and beverage ingredients; personal care and cosmetics ingredients; pharmaceutical ingredients; specialty chemicals

Services: Marketing and sales; logistics; innovation and formulation services; regulatory services; sourcing services; blending and repackaging; after-sales services

Assets: 46 innovation centres; 100 business locations; 35 distribution centres

Caldic

2019 Sales: $988.0m (880m)

Rotterdam, Netherlands

[*www.caldic.com*](http://www.caldic.com)

CEO: Olav C van Caldenborgh

Products: Specialty food ingredients such as hydrocolloids, creative sensory products, vitamins, minerals and nutraceuticals, preservatives, antioxidants and acids, processing aids; health and personal care ingredients such as specialty solvents, excipients, APIs, acids and alkalies, pigments, surfactants; specialty chemicals for industrial markets such as specialty solvents; specialty polymers; pigments and dyes; hydrocarbon and water-based resins; emulsifiers; silicone water repellents and anti-foams; adsorbents and ion exchange resins; preservatives; plant-based solutions; elastomers and plasticizers

Services: Sourcing and procurement; production; supply chain; innovation and formulation; regulatory; blending; mixing; repackaging

Assets: 23 entities with 45 sites comprising offices, warehouses, production facilities, laboratories and innovation centres

QUIMIDROGA

2019 Sales: $982.4m (875m)

Barcelona, Spain

[*www.quimidroga.com*](http://www.quimidroga.com)

CEO: Vicente Munoz

Products: Solvents; monomers; glycols and intermediates; fine chemicals and specialties for food and feed, agrochemicals and fertilizers, pharmaceuticals, cosmetics, flavours and fragances, detergents, coatings, adhesives, paper, water treatment, plastizicers; resins; plastics; elastomers

Services: Storage of liquid and packaged products; blending; standard and tailor made packaging; dissolutions

Assets: Logistics complex at the Port of Barcelona with capacity of 30,000 tonnes of packaged products plus 155 tanks for 12,000cbm of liquids; two sites in Burgos and Madrid, Spain with capacity of 1,500 tonnes of packaged products plus 20 tanks for liquids each one; nine distribution centres; a fully equipped quality control laboratory; new application and development laboratory

Trading sales: 5%

Ravago Chemicals

2019 Sales: $920.6m (820m)

Arendonk, Belgium

[*www.ravagochemicals.com*](http://www.ravagochemicals.com)

General Manager EMEA: Filip Van Camfort, General Manager US: Kevin Wettstein

Products: Industrial chemicals (coatings, PU & polymers, construction, asphalt), specialty chemicals (care, life science, performance, water) and base chemicals (solvents, inorganics, intermediates, plasticizers)

Services: Distribution, technical expertise, warehousing, logistics, blending, repackaging, lab facilities

Assets: Network of warehouses (own and third party), drumming & blending & lab facilities, feed premix plant, pressure vessel manufacturing & water treatment unit factory

Trading sales: 10%

TER GROUP

2019 Sales: $916.1m (816m)

Hamburg, Germany

[*www.tergroup.com*](http://www.tergroup.com)

CEO and managing shareholder: Christian A Westphal

Products: Waxes; gum rosin; thermoplastic and thermoset polymers; adhesives; hotmelts; additives; polybutenes; SIS/SBS block copolymers; IIR rubber; caseine; amorphous polyalpha-olefins; hydrocarbon resins; pigments; dyes; polyvinyl alcohol; food ingredients; vaseline

Services: Blending; packaging; storage; production

Assets: Numerous office buildings; warehouses; trucks

Trading sales: 25%

Jebsen & Jessen Group

2019 Sales: $808.3m (720m)

Bangkok, Thailand and Hamburg, Germany

[*www.ingredients.jjsea.com*](http://www.ingredients.jjsea.com),   [*www.jebsen-jessen.de*](http://www.jebsen-jessen.de)

CEOs: Heinrich Jessen, Fritz von der Schulenburg

Products: Coatings and resins; plastics and rubber; food and nutrition ingredients; feed additives; oil and gas chemicals; oil derivatives; bioethanol; pharmaceutical and personal care ingredients; home care specialties; adhesives; water treatment specialties; mining components; agrochemicals; modified starches; collagen and sweeteners

Services: Sales and marketing; R&D; import/export; regulatory affairs; warehousing; sourcing; factory audit; credit report; local currency financing

Assets: 24 offices worldwide; 15 warehouses; six laboratories; three regional innovation centers

Emeraude

2019 Sales: $780m

Paris, France

[*www.emeraude-international.com*](http://www.emeraude-international.com)

CEO: Umar Rafique

Products: Polyethylene (PE); polypropylene (PP); polyvinyl chloride (PVC); polyethylene terephthalate (PET); polystyrene (PS); polyurethane (PU); recycled resins; masterbatches and additives; adhesives and coatings

Services: Logistics; packaging; storage

Behn Meyer Group

2019 Sales: $763.4m (680m)

Hamburg, Germany

[*www.behnmeyer.com*](http://www.behnmeyer.com)

Products: Fertilizers; crop protection chemicals; ingredients for food, personal, home care and pharmaceuticals; feed additives; specialties for rubber and plastics; solutions for water treatment, petrochemicals, coatings, leather and textiles, and process industries

Services: Technical sales and marketing; customer service; regulatory and risk management; innovation and formulation; laboratory testing; blending, tailoring and packaging; warehousing and logistics; supply chain management; omni-channel support; business development

Assets: Over 1,200 employees; office and warehouses in 14 countries; 38 warehouse locations; global production facilities in Malaysia, Thailand, Indonesia, Italy, Netherlands and US; laboratory facilities in Malaysia, Indonesia, Thailand, Vietnam, Italy and Netherlands

Safic-Alcan

2019 Sales: $726m

La Defense, France

[*www.safic-alcan.com*](http://www.safic-alcan.com)

CEO: Philippe Combette, CEO Myrtil (holding company) Martial Lecat

Products: cosmetics, pharma, nutraceuticals, rubber, plastics, coatings, industrial specialties

Services: Blending, packaging

Assets: nine state-of-the art laboratories (for cosmetics, coatings, rubber, pharmacy and water treatment in France, UK, Netherlands, Italy, Turkey and China)

Hydrite Chemical

2019 Sales: $700m

Brookfield, Wisconsin, US

[*www.hydrite.com*](http://www.hydrite.com)

CEO: Paul Honkamp

Products: Extensive line of products including peracetic acid (PAA); chlor-alkali; industrial chemicals; foam control chemicals; food processing and sanitation chemicals; food ingredients; liquid sulfites; fertilizers and liquid micronutrients; pulp and paper chemicals; organic and inorganic chemicals; styrene/acrylic emulsion polymers; metal finishing chemicals; solvents; and wastewater treatment chemicals

Services: Contract manufacturing; formulation; solvent reclamation; hazardous waste removal; packaging and transloading; technical training; customer product research

Assets: 15 locations; bulk storage of 15m gal; private fleet of trucks and professional drivers

Solvadis Group

2019 Sales: $650.7m

Frankfurt, Germany

[*www.solvadis.com*](http://www.solvadis.com)

CEO: Andreas Weimann

Products: Sulphur; sulpuric acid; methanol; petrochemicals; solvents; industrial chemicals; industrial minerals; pharmaceutical raw materials; synthetic lubricants; laboratory chemicals; coatings; fertilizers; packaging materials; personal protective equipment

Services: Marketing; storage; transport; logistics; packaging; supply chain management; processing; transloading; remanufacturing; sulphur forming (prilling); regeneration

Assets: 10 tank farms; two storage facilities/warehouses; two production facilities

Trading sales: Less than 5%

GTM Holdings

2019 Sales: $628m

Sao Paulo, Brazil

[*www.gtmchemicals.com*](http://www.gtmchemicals.com)

CEO: Rodrigo Gutierrez

Products: Specialty, performance and industrial chemicals for oilfield, coatings, inks, adhesives, sealants, elastomers, cosmetics, personal care, fragrances and flavors, pharmaceuticals, ***agriculture***, water treatment, food ingredients, animal feed, pulp and paper, mining, lubricants, household & industrial cleaning

Services: Mixing and blending; formulation; packaging; storage (bulk and packed warehousing); preparation of samples; chemical analysis; production of lubricants (automotive and industrial); labelling; stock control; logistics; just-in-time delivery; drum return handling; inventory management; technical support; waste management

Assets: 45 facilities throughout Latin America, including six owned maritime terminals; tank farms and blending units in all countries; 19 laboratories (product development, application technology and quality control)

Hawkins

2019 Sales: $535.5m

Roseville, Minnesota, US

[*www.hawkinsinc.com*](http://www.hawkinsinc.com)

President and CEO: Patrick Hawkins

Products: Caustic soda; bleach; minerals; lactates; sulphuric acid; hydrochloric acid; sodium citrate; vitamins; ferric/ferrous chloride; urea; chlorine

Services: Manufacturing; custom blending; packaging; private label

Assets: Seven industrial manufacturing facilities; 29 water treatment distribution warehouses; 125+ trucks; nutraceutical manufacturing plant

Nordmann, Rassmann

2019 Sales: $497.4m (443m)

Kajen 2, 20459 Hamburg, Germany

[*www.nordmann.global*](http://www.nordmann.global)

Managing director, chairman of the managing board: Dr. Gerd Bergmann, Managing directors Carsten Güntner, Felix Kruse

Products: Adhesives and sealants; composite materials; construction and coatings chemicals; contact lens, dental and medical materials; flame retardants; food additives; industrial chemicals and intermediates; lubricant additives; monomers; oleochemicals; personal care additives; pharmaceutical and nutraceutical ingredients; polyurethane chemicals; synthetic rubber and rubber chemicals; thermoplastics and polymer additives

Services: Laboratories, studies and R+D; chemical synthesis and compounding; marketing and market intelligence; legislative and regulatory support; quality management and safety; global supply chain management; repacking and refilling; sample service

Assets: Warehouses located all over Europe, Asia and North America

Trading sales: 5%

Redox

2019 Sales: $493.4m

Sydney, Australia

[*www.redox.com*](http://www.redox.com)

Managing director/chairman: Robert Coneliano

Products: More than 1,000 products serving over 140 industries; commodity and specialty chemicals; food ingredients; ***agricultural*** chemicals; household and personal care chemicals; mining chemicals; surface coatings; plastics additives; grease and lubricants; water treatment chemicals; building and construction chemicals; pharmaceutical ingredients

Services: Custom blending; dilutions; repackaging; bulk storage of powders, solvents, acids, alkalis; palletised storage

Assets: 12 regional sales offices; 2 manufacturing sites; 7 owned and operated warehouses; more than 50 stock locations

Quadra Chemicals

2019 Sales: $491.7m

Vaudreuil-Dorion, Quebec, Canada

[*www.quadrachemicals.com*](http://www.quadrachemicals.com),   [*www.quadraingredients.com*](http://www.quadraingredients.com)

CEO: Tony Infilise

Products: Performance adhesives; flexible packaging; household, industrial and institutional cleaning chemicals; water treatment chemicals; mining and smelting chemicals; soluble fertilizer; pulp and paper chemicals; metal treatment and galvanizing chemicals; construction chemicals; CASE; pool and spa chemicals; oilfield chemicals; nutritional and functional ingredients; food and beverage ingredients; sports and animal nutrition ingredients; pharmaceutical ingredients; cosmetics and personal care ingredients

Services: Storage; packaging; blending

Assets: Six locations with warehouses and tank farms

Maroon Group

2019 Sales: $463m

Avon, Ohio, US

[*www.maroongroupllc.com*](http://www.maroongroupllc.com)

CEO: Terry Hill; President and COO: Mike McKenna

Products: Specialty chemicals and ingredients for the CARE, HI&I, food and beverage, CASE, performance materials and specialty intermediates markets

Services: Technical and formulary support via laboratories; custom blending; repackaging; micronisation; drumming; public warehousing; FDA and SQF storage

Assets: 130,000sq ft headquarters in Avon, Ohio; 170,000sq ft facility in Lincoln, Rhode Island and 37,000sq ft facility in Newark, New Jersey; six additional market facing customer service centres located throughout North America; additional 47 total warehouses in North America; seven owned trucks; CARE laboratory (Rhode Island); HI&I laboratory (Florida); CASE laboratory (Florida); oil and gas laboratory (Oakville, Ontario Canada); food test kitchen (Oakville, Ontario, Canada)

Lehmann & Voss & Co/LEHVOSS Group

2019 Sales: $449.1m (400m)

Hamburg, Germany

[*www.lehvoss.com*](http://www.lehvoss.com)

Managing partners: Knut Breede, Soenke Thomsen, Dr. Thomas Oehmichen

Products: high-performance composites, magnesia, blowing agents, flame retardants, active cosmetic ingredients like hyaluronic acids, active nutraceutical ingredients like MSM, diathomatious earths, rare earths, zirconium compounds, rheological additives, antioxidants, 3D printing materials, additive masterbatches

Services: product development, production, re-packaging, storage, recycling, laboratory

Assets: Five production plants, five laboratories

Trading sales: 30%

EIGENMANN & VERONELLI

2019 Sales: $428.3m (381.5m)

Rho, Milan, Italy

[*www.eigver.com*](http://www.eigver.com)

Chairman: Ludovico Balbo di Vinadio

Products: Specialty chemicals for adhesives and sealants, animal nutrition and health, building, ecology and water treatment, food ingredients, home and industrial care, leather, lubricants and industrial auxiliaries, organic synthesis, paper, personal care, pharmaceuticals, plastic additives, polyurethanes, rubber, surface coatings, textiles

Services: Production including toll and third party manufacturing; re-packaging; warehousing

Assets: Three production plants; Three warehouses

Trading sales: 20%

Indukern

2019 Sales: $411.6m (366.6m)

Barcelona, Spain

[*www.indukern.com*](http://www.indukern.com),   [*www.grupoindukern.com*](http://www.grupoindukern.com)

CEO: Daniel Diaz-Varela

Products: Food ingredients; pharmaceutical ingredients; pharmaceutical APIs; flavour and fragrance ingredients; veterinary and animal nutrition ingredients

Services: Blending; premixes; packaging; storage

Assets: Nine warehouses in Spain; subsidiaries

Trading sales: 8%

Wego Chemical Group

2019 Sales: $372.7m

Great Neck, New York, US

[*www.wegochem.com*](http://www.wegochem.com)

Principal and President: Bert Eshaghpour

Products: ***Agricultural*** chemicals; animal nutrition and feed ingredients; antifreeze and coolant; CASE; corrosion inhibitors; lithium batteries and electrolytes; lubricants and greases; pharmaceutical and fine chemicals; HI&I; flame retardants; food and beverage ingredients; metal-working, finishing and flux chemicals; oilfield chemicals; plastics, resins and rubber chemicals; pulp and paper chemicals; water treatment and pool chemicals

Services: Supply chain solutions; logistics; warehousing; outsourcing

Assets: 100+ worldwide professionals; 14 international offices; global distribution network of 50+ warehouses

Trading sales: 20%

Anastacio

2019 Sales: $364.0m

Sao Paulo, Brazil

[*www.anastacio.com*](http://www.anastacio.com)

CEO: Jan Felix Krueder

Products: Cosmetics and personal care ingredients; pharmaceutical ingredients; flavours; animal health ingredients; ***agricultural*** chemicals; rubber; household and auto care chemicals; lubricants; plastics; polyurethane; paints and coatings; resins and adhesives; food and feed ingredients; sports nutrition ingredients

Services: Storage; blending; packaging; bulk distribution; trading; cargo consolidation; dedicated procurement

Assets: Eight warehouses - three in Sao Paulo, one in Santa Catarina, one in Rio Grande do Sul, one in Pernambuco, one in Goias and one in Buenos Aires, Argentina

Trading sales: 14%

EMCO Chemical Distributors

2019 Sales: $358m

Pleasant Prairie, Wisconsin, US

[*www.emcochem.com*](http://www.emcochem.com)

President: Edward Polen

Products: Acids and alkalis; additives; aliphatic and aromatic hydrocarbons; amines; carbonates; chelating agents; ester and ether esters; glycols; ketones; pigments; plasticizers; resins; silicones; surfactants; terpene and citrus solvents

Services: Blending and packaging; waste services; application laboratory services; warehousing; order fulfillment; USP and food grade packaging; private fleet delivery

Assets: Three production facilities (US – North Chicago, Illinois; Columbia, Illinois; Pleasant Prairie, Wisconsin); Six warehouses (US – Elkhart, Indiana; Minneapolis, Minnesota; Cincinnati, Ohio. Canada – Calgary, Alberta; Toronto, Ontario; Montreal, Quebec); 5,000sq ft CASE applications lab; 40 trucks and 90 trailers

VIKUDHA OVERSEAS

2019 Sales: $351m

Hong Kong, China

[*www.vikudha.com*](http://www.vikudha.com)

CEOs: Vikash Adukia, Deap Adukia

Products: Chemicals and polymers for agro and feed, cosmetics and personal care; detergents and home care; food and beverages, mining, oil and gas, paints and coatings, plastics, polyurethane, rubber and paper, textiles and leather, water treatment

Services: Product sourcing, market development, creative financial solutions, market intelligence, logistics expertise, shipping advisory and documentation

Assets: 17 offices across the globe; 165+ employees globally; multiple warehouses

Trading sales: 70%

Pochteca Materias Primas

2019 Sales: $329.3m

Mexico City, Mexico

[*www.pochteca.com.mx*](http://www.pochteca.com.mx),   [*www.pochteca-english.com*](http://www.pochteca-english.com)

Executive director: Eugenio Manzano

Products: Inorganic chemicals; solvents and blends; food ingredients; chemical specialties; lubricants

Services: Blending; packaging, storage and logistics solutions; product application; product development; quality control; industrial waste management

Assets: More than 333,000sqm of logistics capacity; capacity to store 22m litres of liquids and more than 113,000sqm of storage of dry goods; 33 distribution centres in Mexico, three in Central America and five in Brazil; fleet of more than 200 units; solvent recycling plant; 12 product application laboratories; 12 quality laboratories

ECEM European Chemical Marketing

2019 Sales: $321.7m

Amsterdam, Netherlands

[*www.ecem.com*](http://www.ecem.com)

CEO: Barend Barendse

Products: Acrylates and methacrylates; hydroxy monomers; 150 special monomers; anhydrides; phosphonates; water treatment; polyurethanes; food and feed ingredients; pharmaceutical ingredients; complementary products for coatings resins and polymers; adhesives and sealants; water treatment chemicals; TDI and MDI for polyurethanes

Services: One-stop shopping and global supply chain service to customer sites in Europe, US and Brazil; consignment stocks; agents/representatives for producers; drumming operations; sales in packed materials; fully REACH registered in EU; blending; returnable IBCsAssets: Bulk storage and warehouses in several countries; drumming installations; 8 owned isotanks for dedicated bulk transport; over 100 returnable (custom tailored) stainless steel IBCs; over 70 professional staff in global sales and logistic managers, plus workers on several terminals and warehouse operations; sales offices in Brazil, Japan, China, US and EU

Trading sales: 3%

CellMark

2019 Sales: $300.5m

Gothenburg, Sweden

[*www.cellmark.com*](http://www.cellmark.com)

President, Chemicals Division: Hugo Galletta; President, Basic Chemicals Division: Ersin Alkan

Products: Basic chemicals; lignosulfonates; caustic soda; semiconductor materials; renewable batteries; oilfield chemicals; water treatment chemicals; coatings; agrochemicals; flame retardants; food and beverage ingredients; cosmetics and active pharmaceutical ingredients; organic and inorganic chemicals; vitamins, plant extracts, nutraceuticals and amino acids; specialty and fine chemicals

Services: Sales and marketing; sourcing; custom manufacturing; packaging; blending; milling and granulation; R&D; regulatory; market research; logistics

Assets: Production equipment and inventory held at public warehouses in over 20 locations worldwide

Trading sales: 40%

Protea Chemicals

2019 Sales: $300m

Bryanston, Gauteng, South Africa

Interim managing director: Pieter Swart

[*www.proteachemicals.co.za*](http://www.proteachemicals.co.za)

Products: Food ingredients; water-care chemicals; consumer care ingredients; animal nutrition ingredients; coatings, adhesives and solvents; polymers; bulk liquids; bulk powders

Services: Freight; dry and liquid blending; third-party manufacturing; warehousing; laboratory services; planning; training; environmental management

Assets: 200 Trucks; over 30 warehouses; 10 facilities; eight distribution facilities

Trading sales: 10%

MCassab

2019 Sales: $294.3M

São Paulo, Brazil

[*www.mcassab.com.br*](http://www.mcassab.com.br)

CEO: Victor Cutait Neto

Products: performance and specialty chemicals for polyurethanes, paints, resins, construction and polymers sectors; solvents; additives; silicones; pigments; monomers; emulsifiers; polyols; isocyanates; biocides; APIs and pharmaceutical excipients; home and personal care ingredients; veterinary products; feed and food premixes and ingredients; vitamins; amino acids

Services: blending; packaging; storage; dilutions; technical applications laboratories (polyurethanes, home and personal care, pharmaceuticals and food); full technical support; formulation; physical, chemical and microbiological accredited ISO 17.025 laboratory

Assets: Three warehouses in Brazil; one warehouse in Argentina; four premix facilities for animal nutrition; one premix facility for food nutrition

Trading sales: 0.5%

Pon Pure Chemicals Group

2019 Sales: $293.4m

Chennai, Tamil Nadu, India

[*www.pure-chemical.com*](http://www.pure-chemical.com)

Chairman and managing director: M Ponnuswami

Products: Basic chemicals; acids and derivatives; coatings and inks; plastics and composites; textile chemicals; leather and paper chemicals; sugar chemicals; water treatment chemicals; lubricants; monomers; aromatics; ketones; esters; ethers; alcohols; aliphatic solvents

Services: Small packaging; underground storage; technical service; custom blending; just-in-time delivery

Assets: 25 branches in India; five overseas branches in Dubai, Australia, Singapore, Bangladesh and SriLanka; 23 warehouses across India (inclusive of seven explosive repackaging warehouses); leased terminal facilities at Kandla, Mumbai, Ennore, Kakinada and Haldia

TOP Solvent

2019 Sales: $291.6mChatuchak, Bangkok, Thailand

[*www.topsolvent.com/en*](http://www.topsolvent.com/en)

CEO: Acharee Tiyabhorn

Products: Hydrocarbon solvents (hexane, pentane, SBP group (rubber solvents), toluene, xylene, aromatic solvents (A100 / A150), white spirits; chemical solvents (IPA, acetone, MEK, ethyl acetate, butyl acetate; styrene monomer (SM); ethylene glycol (MEG, DEG); specialty chemicals; food ingredients; pharmaceutical ingredients; personal care ingredients; animal feed products; cleaning products

Services: Manufacturing of hydrocarbon solvent products; storage; drum filling; multi-delivery mode offerings - vessel, bulk lorry, isotank, drum; thinner blending

Assets: One manufacturing plant for hydrocarbon solvents with nameplate capacity of 141,000 tonnes via subsidiary Sak Chaisidhi Company Limited (SAKC); two tank terminals in Thailand; two tank terminals in Vietnam; 73 chemical storage tanks with capacity of over 46m litres; 7 warehouses with capacity of 38,000 drums (200 litres); loading and unloading facilities; drum filling station; laboratory (QC and technical); 54 bulk lorries (contracted); 45 pack trucks (contracted)

Trading sales: 3%

PVS Distribution Group

2019 Sales: $289m

Detroit, Michigan, US

[*www.pvschemicals.com*](http://www.pvschemicals.com)

CEO: Tim Nicholson

Products: Full line distribution specialising in inorganic chemistry, surfactants, water treatment, HI&I, metal working, food, oil and gas and ***agriculture***

Services: Blending; packaging; storage; delivery; bulk; minibulk; microbulk; transloading

Assets: Six warehouses; 100 company-owned trucks; multiple terminals

Quimtia

2019 Sales: $287m

Lima, Peru

[*www.quimtia.com*](http://www.quimtia.com)

President and CEO: Diego Collard Bovy

Products: Mining chemical products and blends; water treatment products; paper chemical blends; oil and gas chemicals; basic industrial chemicals; feed additivies and specialties; poultry pigments; feed premixes; animal health products; food ingredients, blends and flavours; plastic bags and sacks

Services: Packaging and storage; blending; dilutions; production (pigments, animal vaccines, flavours); application consultanting; quality control; total chemical management services at customers

Assets: 13 warehouses; eight labs (quality control, applications); four headquarters in Lima (Peru), Buenos Aires (Argentina), Curitiba (Brazil), Medellin (Colombia)

Trading sales: 2%

KTM

2019 Sales: $277m

Istanbul, Turkey E [*www.ktm.com.tr/en*](http://www.ktm.com.tr/en)/

CEO: Keyan Zulfikari

Products: polymers, oxo alcohols, solvents, plasticizers, monomers, rubber & rubber chemicals, polyurethane raw materials, TiO2, organic & inorganic chemicals

Services: international marketing, distribution, logistics, packaging, storage, inventory management, VMI & JIT, blending, financing, risk management

Assets: pan European coverage and offices, shore tanks & bulk storage facilities, numerous warehouses covering Europe and Turkey, truck fleet and road tankers

Trading sales: 25%

LBB Specialties (Charkit, AIC and Dien)

2019 Sales: $271.1m

Westborough, Massachusetts, US

[*www.LBBSpecialties.com*](http://www.LBBSpecialties.com)

CEO: Darren Birkelbach

Products: Personal care ingredients; nutritional ingredients; food and beverage ingredients; biotech and life sciences chemicals; aroma chemicals and flavours and fragrances; HI&I chemicals; imaging chemicals; metal and water treatment chemicals; paint and coatings materials; imaging components; specialty chemicals; industrial products

Services: Warehousing; blending; packaging; custom/contract manufacturing; custom synthesis; product development

Assets: 32 stocking locations in North America

Rakha Al Khaleej International

2019 Sales: $267m

Dubai

[*www.rai-uae.com*](http://www.rai-uae.com)

CEO: Henry F Roth

Products: Polymers, masterbatch and filler

Services: Distribution & trading

Assets: Four owned warehouses, several on lease

Trading sales: 20%

Tennants Distribution (and associated companies)

2019 Sales: $266.7m (£201m)

[*www.tennantsdistribution.com*](http://www.tennantsdistribution.com)

Managing director: Tim Griffiths; Chairman: Andrew Mitchell

Products: Acids and alkalis; animal feed raw materials; fatty acids, alcohols and esters; food ingredients and flavours and fragrances; general chemicals; Greenox AdBlue; personal care ingredients; pharmaceutical products; resins; solvents; specialty products; surfactants; water treatment chemicals; white oils and petroleum jelly

Services: warehousing and storage; re-packaging; blending; formulating; re-labelling

Assets: 20 sites (including warehousing and storage); own vehicles

Trading sales: 2%

Norkem Holdings

2019 Sales: $260.6m

Knutsford; Cheshire; UK

[*www.norkem.com*](http://www.norkem.com)

Group MD; A Nicholson

Products: Iodine and iodine salts; zinc oxide and zinc salts; manganese compounds; copper salts; barium carbonate; citric acid; potassium carbonate and hydroxide; food chemicals; pharmaceutical intermediates; feed chemicals

Services: Blending; packaging; manufacturing; liquid suspensions; liquid solutions

Assets: 12 locations worldwide

KPL International

2019 Sales: $260.1m (Rs18.54bn)New Delhi, India

[*www.kplintl.com*](http://www.kplintl.com)

Managing director: Surinder Kumar Kak

Products: Bulk and essential chemicals; polymers; paper and allied chemicals; specialty chemicals; paints and coatings chemicals; industrial and specialty gases; engineering consumables; darjeeling teas; renewable energy

Services: Development of markets for new products and applications; re-packaging; market intelligence, technical support for quality control, testing and plant audits; after-sales support; sourcing, export, procurement and auditing services; sourcing and exporting from India, China and Middle East to international markets; warehousing and logistics

Assets: Eight warehouses; two bottling facilities for refrigerants and industrial gases; eight wind turbines with generation capacity of 15.35MW; tea gardenTrading sales: 27.76%

KRAHN Chemie

2019 sales: $254m (226m)

Hamburg, Germany

[*www.krahn.eu*](http://www.krahn.eu)

CEO: Rolf Kuropka, Axel Sebbesse

Products: Coating ingredients (additives, rheology modifiers, pigments and colorants, resins, biocides, film consolidation agents); construction chemicals (additives, pigments, fillers, rheology modifiers); adhesives ingredients (resins, plasticizers, additives, bonding agents); plastic ingredients (additives, plasticizers, flame retardants), rubber ingredients (synthetic rubber, adhesion promoters, mould release agents); ceramic ingredients (zirconia, alumina, binders); CIM & MIM compounds; lubricant ingredients (base oils, additives & additive packages); heat transfer fluids

Services: Technical sales and marketing support; R&D; application development; laboratory analysis, colorimetry and colour-matching service, formulation advice, production, warehousing and logistics solutions, mixing and blending, re-packaging, sampling service, legislative and regulatory support

Assets: Three technology centres

Trading sales: 0%

Interstate Chemical

2019 Sales: $246.4m

Hermitage, Pennsylvania, US[*www.interstatechemical.com*](http://www.interstatechemical.com)

Chairman and president: Albert R Puntureri

Products: Alcohols; ketones; solvents; glycols; catalysts; plasticizers; resins; thermal fluids; caustic soda; acids

Services: Blending; storage; toll manufacturing; river terminal services; manufacturing catalysts, plasticizers, resins, thermal fluids and various sodium-based products

Assets: nine warehouses; two river terminals; 98 trucks; 170 tankers; storage tank rentals

ARKEM KIMYA

2019 Sales: $235m

Istanbul, Turkey

[*www.arkem.com*](http://www.arkem.com)

Chairman and CEO: Levend Kokuludag

Products: Monomers; hydrocarbon solvents; alcohols; ketones; esters; glycols; glycol ethers; chlorinated solvents; oleochemicals; specialty chemicals; cosmetics; pharmaceuticals; food ingredients; surfactants; plastics

Servcies: Sales and marketing; bulk storage; blending; formulating; drumming; packaging; labelling and other warehousing services

Assets: One deep-sea tank terminal at Gebze, Turkey with capacity of 84,000cbm; logistics company with 75 transport units and 600 ISO tank containers; four warehouses (two in Istanbul, one in Izmir and one in Rotterdam)

Trading sales: 3%

BUFA Chemikalien

2019 Sales: $230m

Hude, Germany

[*www.buefa.de*](http://www.buefa.de)

CEO: Ronald Ijzer

Products: Ethanolamines; ethylene glycol ethers; ethylene glycols; polyethylene glycols; propylene glycol ethers; propylene glycol; isopropyl alcohol; propionic acid; formic acid; caustic soda; solvents; aromatics; styrene; surfactants; oxo alcohols

Services: Formulating; warehousing; filling and bottling; blending; logistics; drumming

Assets: Six warehouses; 14 trucks

Trading sales: 30%

Superior Oil Company

2019 Sales: $226m

Indianapolis, IN, US

[*www.superioroil.com*](http://www.superioroil.com)

President: Kurt Hettinga

Products: Solvents; water-based cleaners; paint pre-treatment products; paint purge; thinners; heat transfer fluids; pressroom chemicals; fibreglass reinforcements; resins; catalysts; gel coats; corrosion inhibitors; surfactants; plasticizers

Services: Solvent recycling; blending; custom manufacturing; private labelling; waste disposal; acetone replacement systems; vendor managed inventory; regulatory consulting; bulk and package delivery

Assets: Eight full service locations; 55 trucks; 150 trailers; 250 bulk tanks; 55 blend tanks

Colonial Chemical Solutions

2019 Sales: $225.2m

Savannah, Georgia, US

[*www.colonialchemicals.com*](http://www.colonialchemicals.com)

Vice president: Rob Roberts

Products: Full line of organics and inorganics; aromatics; aliphatics; alcohols; acids; chlor-alkali; oleochemicals and specialty chemicals; methanol; heptane; caustic soda; glycerine; antioxidants

Services: Global sourcing; re-packaging; custom blending; just-in-time inventory

Assets: Six rail-served warehouses; multiple bulk tanks; truck and rail fleet; blend tanks

Trading sales: 20%

HSH Chemie

2019 Sales: $224.5m (200m)

Hamburg, Germany

[*www.hsh-chemie.com*](http://www.hsh-chemie.com)

CEOs: Stephan P Lohden, Frank Raabe, Stefan Rather

Products: Specialty chemicals for coatings, adhesives and building, personal and home care, food, feed and pharma, plastics and rubber, and industrial performance applications

Services: Technical consultancy; formulation advice; storage and logistics; sampling; financing; full compliance support; full marketing support

Assets: 12 sales office locations in Central and Eastern Europe

Trading sales: 10%

United Trading System UTS/ETC

2019 Sales: $218m

St Petersburg, Russia (UTS Purchasing HQ ...storp Sweden)

[*www.utsrus.com*](http://www.utsrus.com)

Managing Director UTS: Lars Hjorth; Managing Director ETC: Andrey Shkola

Products: Paint & coating chemicals; dry mixture & construction chemicals; plastics and polymer additives; rubber chemicals; resins and chemicals for composites; fibres; chemicals for detergents; cosmetics and household chemicals; oil & oilfield, lubricants and refinery additives & chemicals; food additives; specialties and chemicals of general application; pharmaceutical raw materials; ***agricultural*** chemistry

Services: Storage; mixing/blending; laboratories; tech support; developing certification

Assets: 13 offices and 14 warehouses; 40,000m2 of warehousing; 14,000m2 office space; 7 laboratories; 500 employees

Trading sales: 0%

Donauchem

2019 Sales: $215.6m (192m)

Vienna, Austria

[*www.donauchem.com*](http://www.donauchem.com)

Board member: Bogdan Banaszczyk

Products: Commodities and specialty chemicals used in food, pharmaceuticals, paint and construction, cosmetics and detergents, metals, printing, water treatment; customer specific compositions

Services: Mixing; blending; environmentally friendly consultancy and planning; technical consultancy; training sessions on safety and the law; waste disposal; consultancy on chemical law and REACH

Asstes: 12 warehouses

Trading sales: 20%

Bandeirante Quimica

2019 Sales: $213.8m

Sao Paulo, Brazil

[*www.bbquimica.com.br*](http://www.bbquimica.com.br)

CEO: Carlos Eduardo Marin

Products: Aromatics; aliphatic solvents; oxygenated solvents; ethanolamines; titanium dioxide (TiO2); surfactants; specialty resins; carbon black; tailor-made blends; UV monomers/oligomers; household and personal care chemicals; silicas; amines; ***agricultural*** chemicals; epoxy resins; glycols; mining chemicals

Services: Blending; agency sales (indent sales); formulation; technical assistance; storage; packaging

Assets: 6 branches; 95 tanks; 3 warehouses; truck fleet; 2 laboratories; 2,500 intermediate bulk containers (IBCs)

Echemi Group

2019 Sales: $211.6m

Hong Kong, China

[*www.echemi.com*](http://www.echemi.com)

CEO: David Zhang

Products: Food additives; pharmaceutical intermediates; paint and coating materials; rubber and plastic additives; fine chemicals

Services: Raw materials supply; research and analysis; marketing; logistics; warehousing after-sales services; e-commerce

Assets: 7 worldwide operations centres; 2 warehouses; 1 factory

Trading sales: 10%

Solventis

2019 Sales: $209.5m (186.6m)

Guildford, Surrey, UK

[*www.solventis.net*](http://www.solventis.net)

CEO: David Lubbock; Managing director: Nick Johnson

Products: Antifreeze; alcohols; brake fluids; esters; glycols; ketones; propylene glycols; deicers

Services: Blending; drumming

Assets: Storage and blending facilities in Antwerp, Belgium and UK

Grupo RNM

2019 Sales: $205.3m

Famalicao, Portugal

[*www.grupornm.pt*](http://www.grupornm.pt)

CEO: Ricardo Machado

Products: Caustic soda; hydrogen peroxide; sulphuric acid; hydrochloric acid; sodium hypochlorite; plastics (PE, PP, PVC, PS, PET, EVA); solvents; specialties; glycols; propylene glycol; glycol ethers; surfactants; silicones; methanol; epoxy resins; inorganics; specialty chemicals; sulfonic acid, SLES

Services: Storage of liquid and packed products; blending; standard and tailor-made packaging; stock control and telemetry; logistics operations consulting

Assets: Logistics complex at the Famalicao, Santo Tirso, Madrid, Valencia, Vigo, Cartagena, Lisboa with 65,000 square metres, with capacity for 40,000 tonnes of packed products and 8,000 cubic metres of liquids in 45 tanks; 5 tank terminals for liquids with 42,000 cubic metres and packed solids; own fleet of 55 trucks; 50 cisterns; 6 semi-trailers; 65 stainless steel isotainers of 26 cubic metres

Trading sales: 10%

Marubeni Specialty Chemicals

2019 Sales: $205.3m

White Plains, New York, US

[*www.marubenisci.com*](http://www.marubenisci.com)

President: Hidehiko Yoshida

Products: Industrial chemicals; specialty chemicals; paper chemicals; construction chemicals; cement additives; solvents; adhesives; plastics; food and beverage ingredients; feed and pharmaceutical ingredients; agrochemicals

Trading sales: 10%

ChemPartners

2019 Sales: $202.2m

Moscow, Russia

[*www.propartners.ru*](http://www.propartners.ru)

CEOs: Gaurav Sood, Constantin Rzaev

Products: Plastics; polyolefins; recycled polymers; processing additives; solvents; polyurethanes, MCAA; disinfection chemicals; pulp and paper chemicals; animal feed; water treatment chemicals; synthetic fibres; food and beverage ingredients; oilfield chemicals; fine chemicals; flexible packaging; chemicals for crude transportation; rubber chemicals, mining chemicals; paint and construction chemicals

Services: Blending; packaging; vendor managed inventory; contract manufacturing; international and local logistics; sourcing; surveying; market research; studying centre; zero waste services

Assets: 24 warehouses (rented); 1 office space (owned) E Trading sales: 15%

ChemGroup

2019 Sales: $200m

Cincinnati, Ohio, US

[*www.chemgroup.com*](http://www.chemgroup.com)

President: Marty Wehr

Products: Acids; alkalis; hydrogen peroxide; sodium hypochlorite; solvents and intermediates; glycols; glycol ethers; amines; surfactants; alcohols; water treatment chemicals; nitrogen products; white oils; borates; lime; specialty chemicals; gas-to-liquids (GTL) fluids and solvents

Services: Chemical and inventory management; blending; warehousing; technical and safety training; customised billing

Assets: 10 warehouses with over 450,000 square feet, over 2m gal bulk storage; 28 tractors; 18 straight trucks; 38 trailers; 12 tankers

K-Solv Group

2019 Sales: $200m

Houston, Texas, US

[*www.ksolv.com*](http://www.ksolv.com)

CEO/owner Russell Allen

Products: Aliphatic solvents; aromatic solvents; alcohols; glycols; glycol ethers; acetates; chlorinated solvents; ketones; base oils; white oils; acids

Services: Chemical distribution; chemical packaging; chemical blending; chemical laboratory; maritime services; emergency spill response; disaster response; hazmat response; industrial services; waste management; transportation

Assets: Texas: tote and drum warehouse tank farm; flare; nitrogen access; dock; Louisiana: distribution warehouse

WWRC Holding

2019 Sales: $200m

Singapore

CEO: Teoh Weng Chai

Products: Resins/intermediates; additives/catalysts; pigments/fillers/extenders; other chemicals/solvents; grinding media

Services: Technical service; storage

Assets: 8 warehouses

Gamma Chimica

2019 Sales: $194.8m

Lainate, Milan, Italy

[*www.gammachimica.it*](http://www.gammachimica.it)

President: Giuseppe Mearini

Products: Glycols; ethanolamines; fatty acids; intermediates; solvents; antifreeze; glycerines; sequestering agents

Services: Storage; packaging; blending; antifreeze production

Assets: Head office; warehouse of 54,000 square metres (15,000 covered)

Special Materials Company

2019 Sales: $194m

New York, NY, US

[*www.smc-global.com*](http://www.smc-global.com)

CEO: Adam Feldman

Products: Specialty solvents; paints and coatings additives; oilfield chemicals; phosphorus derivatives; water treatment chemicals; biocides; friction reducers; electronic chemicals; mining chemicals; flame retardants; textile additives; photo imaging chemicals; PCBTF; sodium hypophosphite; glutaraldehyde; scale and corrosion inhibitors

Services: Custom blending; relabelling; solution adjustments; neutralisation reactions; conversions; dilutions; storage; warehousing; bulk storage; consignment inventory; just-in-time delivery; 3rd party warehousing; technical sales and support; regulatory affairs expertise

Assets: 5 global production sites; 15 warehouses; truck fleet of 30 trucks - both bulk tankers and dry vans

Bang & Bonsomer

2019 Sales: $193.1m (172m)

Helsinki, Finland

[*www.bangbonsomer.com*](http://www.bangbonsomer.com)

CEO: Mikko Teittinen

Products: Specialty raw materials, additives and material technology solutions for coatings and construction, food, personal and home care, polymers and packaging, composites and polyurethanes

Services: Process chemistry solutions with engineering, remote control and digitalisation; manufacturing of industry intermediate products and functional blends; application laboratory services; R&D and formulations; blending; dissolving; packaging; warehousing; logistics

Assets: R&D centre; 8 application laboratories and technical centres; 6 manufacturing sites; 15 warehouses

Thommen-Furler

2019 Sales: $190.9m (170m)

Ruti bei Buren, Switzerland

[*www.thommen-furler.ch*](http://www.thommen-furler.ch)

CEO: Franz Christ

Products: Industrial chemicals (inorganics, organics, liquids and solids); ethanol; hygiene and surface cleaning products; activated carbon; intermediates; plasticizers; high purity solvents and reagents; electronic grade chemicals; industrial and automotive lubricants; marine and aviation lubricants; automotive fluids; car care products; AdBlue; wastewater treatment chemicals and installations

Services: Storage; blending; mixing; packaging; laboratory services; quality and control tests; hazardous waste management; tank farm management by telemetry

Assets: 7 dedicated sites for chemicals and hazardous waste handling; tank farms and warehouses for chemicals and hazardous waste; blending, mixing and filling installations; waste treatment installations; 57 road tankers and trucks for general cargo; 114 tank wagons and tank containers

Metafrax Trading International

2019 Sales: $184.1m (164m)

Lugano, Switzerland

[*www.metafraxtrading.com*](http://www.metafraxtrading.com)

Executive director: Marina Sivkova

Products: Methanol; hexamine; pentaerythritol and dipentaerythritol (including micronised grades); melamine; paraformaldehyde; phthalic anhydride

Services: Storage of liquid and solid chemicals; trans-shipment; blending; toll manufacturing; warehousing; packaging; deliveries by vessel, rail, container, truck and silo-truck

Assets: Head office in Switzerland; branch office in Austria; 2 manufacturing/warehousing sites in Russia, one in Austria; third-party warehouses in Netherlands, Poland, Russia, Spain and the US

Trading sales: 10%

Selectchemie

2019 Sales: $175m

Zurich, Switzerland

[*www.selectchemie.ch*](http://www.selectchemie.ch)

CEO: Peter Kaufmann

Products: FDF (finished dosage forms, medicine); generics; pharmaceutical active substances (APIs) and excipients; nutritional ingredients

Services: Regulatory support; development of generic dossiers; storage; lab trials

Assets: 3 warehouses (Hamburg, Germany; Zurich, Eiken Switzerand)

Trading sales: 5%

Barton Solvents

2019 Sales: $173.2m

Des Moines, Iowa US

[*www.barsol.com*](http://www.barsol.com)

President: David M Casten

Products: Aliphatics; aromatics; alcohols; glycol ethers; acetates; ketones; glycols; epoxy resins; surfactants; distilled spirits; specialty chemicals; USP/NF pharmaceutical ingredients; oils; lubricants

Services: Custom packaging; custom blending; delivery to customer or job site; waste services; laboratory services

Assets: 7 stocking locations; delivery fleet of 84 power units and 149 trailers

Transmare Chemie

2019 Sales: $171.8m (153m)

Antwerp, Belgium

[*www.transmare.com*](http://www.transmare.com),   [*www.transmare-chemie.com*](http://www.transmare-chemie.com)

CEO: Patrick Van Ende

Products: Chemicals and blends for the oil and gas industry; fine chemicals for health, personal care and home care as well as food and feed applications; industrial and high purity solvents; chemicals and pigments for paints and adhesives; reference fuels; plastics additives

Services: Personalised blends and formulation support; drumming and packaging

Assets: Class 2 storage facilities; 11 warehouses (Antwerp, Hamburg, Singapore, Malaysia, Algeria, Angola, Ivory Coast, Nigeria, Kenya)

Trading sales: 50%

Haeffner

2019 Sales: $170m

Asperg, Stuttgart, Germany

[*www.hugohaeffner.com*](http://www.hugohaeffner.com)

CEOs: Juergen Martin, Thomas Dassler

Products: Water treatment chemicals; paint, ink, coating, adhesive and resin additives; paint, textile and leather auxiliaries; food additives; feed additives; metal treatment chemicals; household and personal care ingredients; lubricant additives

Services: Mixing, blending and formulating; repackaging; contract packaging, warehousing of hazardous goods; just-in-time-delivery; application advice by highly skilled technical sales team; single sourcingAssets: 6 warehouse facilities across Europe with tank farm for acids/lyes/solvents and Hazard Analysis and Critical Control Points (HACCP) filling and blending area; 1 laboratory; 30 trucks

Trading sales: 10%

2M Holdings

2019 Sales: $170.0m (£127.9m)

Runcorn, UK

[*www.2m-holdings.com*](http://www.2m-holdings.com)

MBE: Mottie Kessler

Products: Triklone, Perklone and MEC Prime; SamSol; chlorine gas (cylinders and drums) for water treatment and chemical synthesis; surfactants/rheology modifiers; AdBlue; aerospace approved products; anti-corrosive environment friendly pigrments; oilfield chemicals; specialty personal care and cosmetics ingredients; hydrocarbons and oxygenated solvents; homecare and I&I ingredients; pharmaceutical excipients and APIs; precision cleaning solutions; Cool-Phos and Vaposol; phosphating (metal pre-treatment) chemicals

Services: Blending; packaging; storage; formulation and technical support with laboratory facilities; sample management; technical, regulatory and legislative expertise; toll blending; water treatment; pigment dispersion, development and formulation

Assets: Application laboratories; warehousing in UK, Poland, Brazil, Nordics, Benelux; own trucks

NORTEX

2019 Sales: $162.4m

Moscow, Russia

[*www.nortex-chem.ru*](http://www.nortex-chem.ru)

CEO: Vladimir Yakushin

Products: Isocyanates; polyols; epoxy resins; hardeners; synthetic rubber; natural rubber; phenolic resins; engineering plastics; polyolefins; polyester resins; synthetic fiber; PVC resins; plasticizers; antioxidants; titanium dioxide

Services: Storage; packaging; drumming; logistics

Assets: 6 offices; 12 warehouses; 3 trucks

Trading sales: 20%

The Plaza Group

2019 Sales: $162m

Houston, Texas, US

[*www.theplazagrp.com*](http://www.theplazagrp.com)

President: Randy Velarde

Products: Solvents; intermediates; elastomers; styrenics; polyethylenes; ag chemicals; lignosulfonates

Services: Marketing; logistics; storage

Asstes: 1 warehouse; 1 bulk storage tank; 101 railcars

Atlantic Chemicals Trading

2019 Sales: $157.2m (140m)

Hamburg, Germany

[*www.act.de*](http://www.act.de)

CEO: Ramin Ghaffari

Products: Vitamins; amino acids; sweeteners; energy ingredients; sports nutrition ingredients; preservatives; acidifiers; flavours and fragrances; plant extracts; feed additives; food additives; natural products

Services: Customising; global supply chain; storage

Assets: 13 offices worldwide; several warehouses worldwide

Trading sales: 10%

Harke Group

2019 Sales: $154.7m (137.8m)

Muelheim an der Ruhr, Germany

[*www.harke.com*](http://www.harke.com)

President: Thorsten Harke

Products: Home care and I&I chemicals; coatings; electronics/high purity chemicals; food ingredients; health and functional food ingredients; industrial chemicals; cosmetics/personal care ingredients; pharmaceutical excipients; plastics; rubber chemicals; specialty plastic films; specialty chemicals; polymers; water-soluble films; water treatment chemicals

Services: Reformulation; product development; regulatory advice; blending; mixing; contract encapsulation; contract packaging; refilling; sandblast gravure; pre-printAssets: Warehouses in different European countries; 2 production sites (Germany, Hungary); 10 packaging and encapsulation lines; filling stations

Trading sales: 10%

Grolman Group

2019 Sales: $153.8m (137m)

Neuss, Germany

[*www.grolman-group.com*](http://www.grolman-group.com)

Managing partners: Dirk Grolman, Florian Grolman; managing director: Mike Dorsam

Products: Pigments and dyes; mineral fillers and performance materials; binders; additives; actives and intermediates

Services: Formulation and testing

Assets: Laboratories; warehouses

ELTON Group

2019 Sales: $149.3m (133m)

Athens, Greece

[*www.elton-group.com*](http://www.elton-group.com)

CEO: Nestor Papathanasiou

Products: Industrial raw materials and specialties for coatings, adhesives, construction, detergents, cosmetics, pharmaceuticals, food, feed, beverages, water treatment, metal treatment, PU systems, textiles, paper, agrochemicals, rubber, plastics, refrigerants

Services: Local warehousing; full coverage of Greece, Bulgaria, Romania, Serbia, Turkey, Kosovo, Albania, North Macedonia, Cyprus and Ukraine markets; technical promotion and business development; inventory management

Assets: 9 warehouses (four privately owned); 2 laboratories; privately owned trucks and tank trucks

Keyser & Mackay

2019 Sales: $141.5m (126m)

Amsterdam, Netherlands

[*www.keysermackay.com*](http://www.keysermackay.com)

Managing partners: Gerard de Waal, Willem Augustinus

Products: Specialty chemicals; raw materials for coatings, inks, plastics, rubber, adhesives, sealants, construction, personal care, food, feed, pharmaceuticals

Services: Technical sales and marketing; local and central stockholding; sampling

Assets: Offices and warehouses in 7 European countries

Trading sales: Less than 5%

Rahn Group

2019 Sales: $137m

Zurich, Switzerland

[*www.rahn-group.com*](http://www.rahn-group.com)

CEO: Marcel Gatti

Products: Raw materials for inks, coatings and adhesives; personal care ingredients; flavours, fragrances and food ingredients

Services: Application support; R&D/customised products; regulatory affairs; guide formulations; international logistics; analytics

Trading sales: 50%

URAI

2019 Sales: $135m (120.25m)

Assago, Milano, Italy

[*www.urai.it*](http://www.urai.it)

President & CEO: Roberto Giuliani

Products: Specialty chemicals; pigments; additives; resins; paints and coatings chemicals; plastic and rubber chemicals; lubricant chemicals; personal care and cosmetics ingredients; food ingredients; laboratory equipment

Services: Technical sales and marketing; application development; quality; warehousing; regulatory services; supply chain management; after sales services; repacking; blending

Assets: 1 external warehouse

Trading sales: 0%

Bodo Moller Chemie

2019 Sales: $132.9m (118.4m)

Offenbach am Main, Germany

[*www.bm-chemie.com*](http://www.bm-chemie.com)

Chairman and managing director: Frank Haug

Products: Adhesives and bonding systems (epoxy, polyurethane, MMA, hotmelts); sealants; silicones; resins (basic, epoxy, alkyd, acrylic); casting and potting resins for electronics (polyurethane, epoxy and silicone based); hardeners and curing agents; composites (resins, gelcoats, reinforcements); mould-making materials (boards, pastes, casting resins); additives for coatings (pigments, light stabilisers, dispersing agents, thickeners); additives for plastics and rubber (pigments, stabilisers, masterbatches, stearates); additives for lubricants (corrosion protection, antioxidants, metal deactivators); chemicals and dyes for textiles; packaging and labelling adhesives

Services: Packaging; filling; testing; modification; blending and formulating; education and training

Assets: Application labs for adhesives, coatings and textile chemistry; headquarters in Germany; affiliates in Europe, Africa, Asia and US; local warehouses; production plant for polymer formulations

BARCELONESA DE DROGAS Y PRODUCTOS QUIMICOS

2019 Sales: $132.5m (118m)

Barcelona, Spain

[*www.grupbarcelonesa.com*](http://www.grupbarcelonesa.com)

CEOs: Enric Collell, Albert Collell

Products: Formulated blends for food and feed; agrochemicals; oilfield chemicals; mining chemicals; resins, curing agents and composites; metal-working formulations; chemicals for detergent, disinfection, home Care, personal care and pharmaceuticals; textile and leather chemicals; chemicals for coatings, inks, adhesives, construction, lubricants and paper; pool chemicals; water and waste treatment chemicals; polyols and polyurethanes; chlor-alkalis; acids and bases; metallic salts; solvents, amines and glycols

Services: Blending and formulating; custom and toll manufacturing; contract manufacturing; labelling and drumming; packaging; technical and environmental assistance; VMI (telemetry); agency services; bond warehousing for third parties; full logistics services including hazmat

Assets: 8 warehouses with palletised storage capacity: 70,000 square metres = 56,000 pallets, located in southwest Europe and northern Africa; distribution and sea tanks: 17.000 cubic metres; trucks; 80 people located in southwest Europe, northern Africa, Latin America and China; commercial agents in Turkey, Jordan, Iraq, India, Indonesia, Vietnam, China

Trading sales: 20%

Pride Chemical Solutions

2019 Sales: $126m

Holtsville, New York, US

[*www.pridesol.com*](http://www.pridesol.com)

President: Arthur Dhom Jr

Products: Alcohols; amines; esters; glycols; glycol ethers; hydrocarbons; ketones; mineral oils; petrolatum; polyols; oleochemicals; plasticizers; silicones; stearates; surfactants

Services: Blending; packaging; storage; NF USP Kosher repackaging; RSPO repackaging; ethyl alcohol denaturing and packaging

Assets: 3 warehouses; 12 tractor trailers; 5 straight trucks; 25 tank wagons; 400,000 gal tank farm

Faravelli

2019 Sales: $125.9m (112.2m)

Milan, Italy

[*www.faravelligroup.com*](http://www.faravelligroup.com)

CEO: Luca Benati

Products: Chemicals and raw materials for food, pharmaceutical, nutraceutical, cosmetic and various industrial applications

Services: Logistics and storage; regulatory support; formulation support through our labs; blending; repackaging

Assets: 1 plant; 2 labs; 10 warehouses

Trading sales: 25%

Arpadis Benelux

2019 Sales: $125.7m (112m)

Antwerp, Belgium

[*www.arpadis.com*](http://www.arpadis.com)

CEO: Laurent Abergel

Products: Polyurethanes; acrylates and monomers; solvents; glycols; adipic acid; HMD; specialty acrylates

Services: Drumming; blending; storage and transport through our third party partners

Tillmanns

2019 Sales: $125.7m (112m)

Milan, Italy

[*www.tillmanns.it*](http://www.tillmanns.it)

CEO: Stefan Vollmer

Products: Organic and inorganic pigments; binders; resins; waxes; preservatives; specialty chemicals and additives for coatings; plastics; adhesives and construction chemicals; specialty chemicals for the water treatment; functional additives and ingredients for food and feed; specialty casings

Services: Marketing; product formulation and blending; custom packaging; product evaluation in own laboratory; technical support team; green chemistry product solutions; warehousing and supply chain management; vendor managed inventory; fire class 4.1 category for storage of highly flammable products

Assets: 2 company owned and operated warehouses with total capacity of 45,000 tonnes; 2 laboratories; own truck fleet

Afriglobal Commodities

2019 Sales: $124.8m

Dubai, UAE

[*www.afriglobalonline.com*](http://www.afriglobalonline.com)

CEO: Maneesh Garg

Products: Polyurethane chemicals; paint chemicals; cosmetics chemicals; basic chemicals for detergent and food; TDI; polyols; methylene chloride; titanium dioxide; styrene acrylates; petroleum jelly; white oil; caustic soda; soda ash dense; lube additives; corn starch; liquid glucose

Services: Supply chain services

Assets: 3 offices; 5 large warehouses; 27 Trucks

Trading sales: 100%

CSC Jaecklechemie

2019 Sales: $124.8m (111.2m)

Nuremberg, Germany

[*www.csc-jaekle.de*](http://www.csc-jaekle.de)

CEOs: Robert Spath, Michael Spehr, Bernhard Schmid

Products: Industrial chemicals; acids; alkaline solutions; solvents; solids; specialties; coatings, adhesives and sealants (CASE) raw materials; high quality industrial parts cleaning chemicals; life science chemicals; water and environment chemicals

Services: Technical expertise and field service; warehouse and direct distribution; inventory management; blending and repackaging; proper disposal of chemical wastes; worldwide shipment; trucking

Assets: 2 storing, filling and trans-shipment sites; warehouse; 2 laboratories for quality assurance; 6 tank wagons for chemicals; 13 trucks; 26 company vehicles

IMPAG

2019 Sales: $123.5m (110m)

Zurich, Switzerland

[*www.impag.com*](http://www.impag.com),   [*www.impag.ch*](http://www.impag.ch)

CEO: Remo Bernardi

Products: Coatings additives; anhydrides; acrylates; polyols; flame retardants; polyurethanes; green solvents; detergents; base chemicals; cosmetic functionals and active ingredients; food ingredients; pharmaceutical/APIs; oleochemicals; metal treatment chemicals

Services: Global logistics; global sourcing; storage; technical support; regulatory support; financing; packaging

Assets: 6 sales offices across Europe; 1 tank farm for liquid goods; filling line for chemicals; own application lab

Trading sales: 20%

ProChema

2019 Sales: $122m

Vienna, Austria

[*www.prochema.com*](http://www.prochema.com)

President: Werner Figlhuber

Products: Additives and hardeners; acrylates and methacrylates; binders and resins; monomers; organic acids; polymers; polyurethane feedstocks; reactive diluents; UV curing monomers

Services: Pan-European sales network; market research; sales; financing; storage; supply chain management

Assets: 13 sites in Europe and Asia

Trading sales: 25%

Algol Chemicals

2019 Sales: $118.1m (105.2m)

Espoo, Finland

[*www.algolchemicals.com*](http://www.algolchemicals.com)

Managing director: Fredrik Hansson

Products: Base chemicals; coatings chemicals; construction additives; polymer additives; emission control materials; food and feed ingredients and additives; metal treatment chemicals; mining chemicals; pharma industry auxiliaries; personal care ingredients; detergent ingredients; soil remediation products; water treatment chemicals; transportation chemicals

Services: Blending; packaging; storage; logistics; HSEQ consulting; procurement; supply management

Assets: 21 warehouses; 2 blending and packaging lines

QUIMDIS

2019 Sales: $114.2m (101.7m)

Levallois-Perret, France[*www.quimdis.com*](http://www.quimdis.com)

President: Jean-Francois Quarre

Products: Food and feed ingredients/supplements; pharmaceuticals and veterinary APIs; cosmetics ingredients; essential oils; aroma chemicals

Services: Blending oils; compounding; sourcing

Assets: Headquarters in Paris area; factory in Grasse, France; 2 warehouses

Trading sales: 67%

Tilley Chemical

2019 Sales: $113.2m

Baltimore, Maryland, US

[*www.tilleychem.com*](http://www.tilleychem.com)

President: John Tilley

Products: Food ingredients; pharmaceutical ingredients; personal care ingredients; HI&I chemicals; ethanol

Services: Blending; packaging; product formulation

Assets: 4 warehouses; 28 tank trucks; 15 box trucks; 10 straight trucks

Penpet Petrochemical Trading

2019 Sales: $112.8m (100.5m)

Hamburg, Germany

[*www.penpet.com*](http://www.penpet.com)

General managers: Tim Meister, Christoph Meister

Products: Oxo-alcohols; melamine; solvents; plasticizers

Services: Blending; packaging; storage

Assets: 2 warehouses

Trading sales: 25%

Unipex

2019 Sales: $111.8m (99.6m)

Paris, France

[*www.unipex.com*](http://www.unipex.com)

President: Patrice Barthelmes

Products: Active & functional personal care ingredients; active pharmaceutical ingredients (APIs) and excipients; enzymes; amino acids; lactose;sweeteners; sugar; starch; fibres; plasticizers; surfactants; additives; silicones; titanium dioxide (TiO2); dyes and pigments; sports grounds polymers and resins

Services: CSR (Corporate Social Responsibility); warehousing; application labs; formulations; regulatory services; auditing; reconditioning

Assets: 2 owned warehouses in the Paris area

Trading sales: 6%

Essential Ingredients

2019 Sales: $111.6m

Atlanta, Georgia, US

[*www.essentialingredients.com*](http://www.essentialingredients.com)

CEO: Kris Maynard

Products: Personal care ingredients; home care chemicals; industrial and institutional chemicals; pet care ingredients

Services: R&D solutions; product development; technical support; dedicated customer service representatives; blending; repackaging; logistics solutions; regulatory team; sample inventory; multi-language personnel

Assets: 8 total distribution locations throughout the US and Canada (7 in US, 1 in Canada)

Taj Al Mulook General Trading

2019 Sales: $110.4m

Dubai, UAE

[*www.tajchem.com*](http://www.tajchem.com)

CEO and chairman: Irfan Siddique Mulla

Products: Polyurethane chemicals (TDI, MDI, polyols); lubricant additives (PPD, TBM, ZDDP, base oils); paints, inks and coatings; construction chemicals; oil and gas chemicas; solvents; PU machinery; fabrics

Services: Blending; repackaging; local warehousing; technical support; supply chain management; just-in-time delivery; inventory management

Assets: Extensive marketing network in GCC and Africa; 3 warehouses in UAE; 3 warehouses in Saudi Arabia

Trading sales: 40%

Neo Chemical

2019 Sales: $109.2m (97.3m)

Dzerzhinsk/Moscow, Russia

[*www.neochemical.ru*](http://www.neochemical.ru)

CEO Andrey Lipovetskiy, Director Vladimir Fedyushkin

Products: Epoxy resins, titanium dioxide, peroxide compounds, oil additives, food chemistry, polyisobutylenes, silanes, hardeners, solvents, fuel additives, flame retardants, base oils, hexene 1, raw materials for cosmetics and household chemicals

Assets: Packaging, storage, shipping, wholesale warehouse

Trading sales: 50.91%

Sea-Land Chemical

2019 Sales: $108.4m

Westlake, Ohio, US

[*www.sealandchem.com*](http://www.sealandchem.com)

President: Jennifer Altstadt

Products: Acids; amines; antioxidants; biocides; chlorinated paraffins; corrosion inhibitors; defoamers; dispersants; esters, emulsifiers; ethoxylated alcohols; fatty acids; foam control agents; industrial and transportation lubricant additive components; lubricity additives; polyalphaolefins; primary amino alcohols; natural petroleum sulfonates; surfactants; vegetable and animal oils

Services: Stocking; packaging and repackaging; product sourcing; market development; technical expertise; lubricant testing; logistics; small package to bulk deliveries; ISO9001:2015 standards; regulatory support

Assets: 10 warehouse locations in North America and Europe; 6 repackaging facilities; 1 testing laboratory

ADEKA POLYMER ADDITIVES EUROPE

2019 Sales: $107.0m (95.3m)

Mulhouse, France

[*www.adeka-pa.eu*](http://www.adeka-pa.eu)

CEO: Tsuyoshi Urushihara

Products: Polymer additives

Services: Masterbatching

Trading sales: 60%

ClearTech Industries

2019 Sales: $107m

Saskatoon, Saskatchewan, Canada

[*www.cleartech.ca*](http://www.cleartech.ca)

President: Randy Bracewell

Products: Water treatment chemicals; caustic soda; hydrochloric acid; chlorine; sodium hypochlorite; coagulants; flocculants; acids; alkalis; sulfites; defoamers; activated carbon; phosphates; surfactants; chemical feed systems

Services: Blending; packaging

Assets: 10 buildings in 7 cities across Canada

H.M. Royal

2019 Sales: $106.2m

Trenton, New Jersey, US

[*www.hmroyal.com*](http://www.hmroyal.com)

President: Joseph E Royal

Products: Kevlar aramid pulp; polymers (EPDM, SBR, FKM); silicones (LSR, HCR, RTV); rubber to substrate bonding adhesives; flame retardants (halogen and non-halogen); peroxides; resins (hydrocarbon and phenolic); precipitated calcium carbonate; precipitated silica; zinc oxide; lightweight fillers; carbon black; kaolin clay; calcium carbonate; talc; fumed silica

Services: Marketing; order fulfillment; storage; domestic and international logistics

Trading sales: 6.5%

C.H. Erbsloeh Group

2019 Sales: $103.3m (92m)

Krefeld, Germany

[*www.cherbsloeh.com*](http://www.cherbsloeh.com)

CEO: Christopher Erbsloeh

Products: Specialty chemicals for coatings, adhesives, construction, lubricants, pharmaceuticals, cosmetics, personal- and home care, rubber, plastics, electronics, water treatment, food and beverage

Services: Technical sales and marketing; application development; analytical testing and quality control; warehousing; regulatory services; supply chain management; after-sales services

Assets: 11 office locations; application and quality control laboratories; fully owned and operated warehousing and tank farm

Noahs Ark Chemicals

2019 Sales: $103.3m (92m)

London, UK

[*www.noahsark.eu.com*](http://www.noahsark.eu.com)

CEO: Bharat Bhardwaj

Products: Solvents; glycols; styrene; benzene; acrylates

Services: Blending; storage

Trading sales: 30%

PHT International

2019 Sales: $102.2m

Charlotte, North Carolina, US

[*www.phtinternational.com*](http://www.phtinternational.com)

President and Owner: Lihong Yu

Products: Pharmaceuticals; agrochemicals; consumables; electronic chemicals; personal care ingredients; fibers

Services: Custom manufacturing; in-house chemical development; quality control and regulatory support; strategic sourcing; logistics; sales; marketing; sample generation; contract research organisation; import/export services in the US and China

Assets: 100% owned Sancus Arc BioChem manufacturing facility

Harwick Standard Distribution

2019 Sales: $101.9m

Akron, Ohio, US

[*www.harwick.com*](http://www.harwick.com)

CEO: Ernest E Pouttu

Products: Polymers; rubber chemicals; plasticizers; process oils; flame retardants; activators; chemical and color dispersions; processing aids; organic peroxides; resins; vulcanising agents; colorants; adhesives; stabilisers; dry liquid concentrates

Services: Warehousing; bulk break; logistics; storage; import; export; technical support; regulatory support

Assets: 2 company owned and operated warehouses; 7 public warehouses; 1 truck

The Chemical Company

2019 Sales: $98.2m

Jamestown, Rhode Island, US

[*www.thechemco.com*](http://www.thechemco.com)

CEO: Robert N Roach, Jr; President: Robert N Roach IIIProducts: Polymer additives; coatings, adhesives, sealants and elastomers (CASE); flame retardants; silanes; water treatment chemicals; intermediates; acids

Services: Global procurement; packaging; imports; international customs management: EH&S; logistics and rail fleet management

Assets: Global network comprised of 41 sites; Regional offices in California, US / Colombia / Mexico City, Mexico and Nanjing, China; 10 storage facilities and 14 railcars; global warehouses; shore tanks

Staub & Co – Silbermann

2019 Sales: $96.6m (86m)

Nuremberg, Germany

[*www.staub-silbermann.de*](http://www.staub-silbermann.de)

Managing directors: Andreas Frank, Peter Stockmeier

Products: Industrial and specialty chemicals; acids and lyes; solvents; solid chemicals; cleaning agents; products for food/feed/pharma/cosmetics; water treatment chemicals; thermal transfer agents; ammonium; AdBlue

Services: Storage; mixing; blending; filling; packaging; polymerisation

Assets: 2 warehouses; 17 trucks

Trading sales: 30%

Extruplast

2019 Sales: $94.3m (84m)

La Rochelle, France

[*www.extruplast.net*](http://www.extruplast.net)

CEO: Dondainas Gilles

Products: Heating fluid; screen washes; engine coolants; gasoline; motor oil; solvents

Services: Packaging; blending; storage; recycling

Assets: Atex filling machine; blowmolding assets

Trading sales: 1%

Union Petrochemical Public Co.

2019 Sales: $94m

Bangkok, Thailand

[*www.unionpetrochemical.com*](http://www.unionpetrochemical.com)

Managing director: Perapol Suwannapasri

Products: Alcohols; aromatics; esters; glycols; gylcol ethers; ketones; monomers; PP and PE

Services: Blending; packaging; repackaging; storage; delivery and inventory management

Assets: 5 warehouses and 30 trucks

Chemsolv

2019 Sales: $92m

Roanoke, Virginia, US

[*www.chemsolv.com*](http://www.chemsolv.com)

CEO: L Glenn Austin

Products: Acetals solvents; aromatics/aliphatics; isoparaffins; alcohols; ketones; esters; glycols; heat transfer fluids; glycol ethers; pyrrolidones; thinner blends; acrylics; lacquers; enamels; flexo ink solvents; amines; ethanolamines; plasticizers; surfactants; acrylates; silicones; surfactants; metal-working fluids; oils; process oils and lubricants; phosphates; caustic soda; caustic potash; acids; HP lab reagents; biocides; quats; industrial and FG cleaners; diesel exhaust fluid

Services: Solvent formulating and blending; solvent distillation and purification; laboratory services; consulting; product safety and environmental; rail terminal service

Assets: 6 warehouses; 40 trucks; 50 trailers; 1.3m gal bulk storage

KALE KIMYA

2019 Sales: $92m

Kocaeli, Turkey

[*www.kalekimya.com*](http://www.kalekimya.com)

CEO: Birgen Kaleagasi

Products: Detergent additives; disinfectant and protection chemicals; emulsifiers; polymers; surfactants; pool chemicals; actives and antioxidants; paints; oils and esters; conditioners; protectives; perfume; silicones; UV filters; fatty alcohols; adhesives

Services: Storage; transport; production; blending; packaging

Assets: 5 warehouses; 4 trucks; 1 production facility; total 35,000 square metres storage; 1,000 tonnes bulk storage

Trading sales: 30%

Meade-King, Robinson & Co

2019 Sales: $92.0m (£69.3m)

Liverpool, UK

[*www.mkr.co.uk*](http://www.mkr.co.uk)

Managing director: Philip Tarleton

Products: Oleochemicals; waxes; glycerine; epoxy resins; castor oil; malic acid

Services: Storage; blending; repackaging; warehousing

Assets: 3 warehouses

Trading sales: 15%

Tanner Industries

2019 Sales: $90m

Southampton, PA, US

[*www.tannerind.com*](http://www.tannerind.com)

President and CEO: Stephen Brad Tanner

Products: Anhydrous and aqua ammonia

Services: Safety training; storage tanks; pump-out services; storage tank repairs and maintenance

Assets: 13 distribution locations; full fleet of tractors and trailers

TCR Industries

2019 Sales: $90m

La Palma, California, US

[*www.tcrindustries.com*](http://www.tcrindustries.com)

CEO: Sam A Rumfola

Products: Resins; pigments; additives; personal care ingredients; food ingredients; pharmaceutical ingredients; nutraceuticals

Services: Storage

Assets: 10 warehouses

Skystep Trading

2019 Sales: $90m

Limassol, Cyprus

[*www.skystep.eu*](http://www.skystep.eu)

Director: Oksana Spyrou

Products: Acrylates; oxo-alcohols; sulfur; sodium tripolyphosphate; soda ash; sodium sulfate; caustic soda; potassium hydroxide; potassium carbonate; potassium sulfate; sodium lignosulphonates; chromium compounds; acetone; methylene chloride; rubbers; phenol; isopropyl alcohol

Services: Sales and marketing; financing; extensive technical and customer support; logistics and documentation; transportation and forwarding of dry and tank containers; bulk shipping; handling and repackaging; storage and inventory management

Assets: Terminal in Novorossiysk, Russia; 2 offices in Limassol, Cyprus; 40+ highly-skilled employees

Trading sales: 80%

CHEM INTERNATIONAL

2019 Sales: $89.9m

Warsaw, Poland

[*www.chem-international.pl*](http://www.chem-international.pl)

CEO: Cezary Mielczarek; Board member: Pawel Tomaszkiewicz

Products: VAM; styrene monomer; IPA; BA; phenol; glycols; solvents; anhydrides; polymers; EPS; caustic soda

Services: Logistics support; intermodal solutions; storage; customised services and solutions; technical support

Mays Chemical

2019 Sales: $88.6m

Indianapolis, Indiana, US

[*www.mayschem.com*](http://www.mayschem.com)

President: Kristin Mays Corbitt

Products: Acidulants; alkalis; citrates; humectants; flavors; glycerine; glycols

Services: Shipping; warehousing; liquid blending; repackaging; reformulation

Assets: 2 warehouses; 1 warehouse/blending facility; 1 freight truck; 6 liquid tank trucks; 12 forklifts/related equipment

Nesstra Services

2019 Sales: $88.4m

Slough, UK

[*www.nesstra.com*](http://www.nesstra.com)

CEO: Alwan Hitti

Products: Polyurethane chemicals (polyol, TDI, MDI, additives etc); calcium carbonate; caustic soda; glycerine; hexane; hydrogen peroxide; methylene chloride; MPG; sulphuric acid; titanium dioxide; toluene; xylene; plastics (HDPE, LDPE, LLDPE, PVC)

Services: Storage and drumming of bulk chemicals; blending capabilities; technical support; supply chain management; maintenance

Assets: Polyurethane foam plants; cutting machines and spare parts; construction, mining and electrical equipment and consumables; tanks and warehouse space for storage of bulk and packaged chemicals in Rotterdam, Netherlands; warehousing in Durban, South Africa

Trading sales: 85%

Miles Chemical

2019 Sales: $84.5m

Arleta, California, US

[*www.mileschemical.com*](http://www.mileschemical.com)

CEO: Michael Miles; Chairman: Anthony MilesProducts: Acids; esters; lubricants; alcohols; flavors and fragrances; plasticizers; food additives; polyglycols; amines; glycol ethers; hydrogen peroxide; solvents; chelating agents; chlor-alkali; inorganics; surfactants; chlorinated solvents; thickening agents; ketones

Services: Manufacturing; blending; contract packaging; solvent reclamation; technical training; safety training; hazardous waste removal; customer product research

Assets: Total bulk storage capacity of 180,000 gal; total warehouse space of 280,000 square feet; 30 trailers; 32 railcars; 21 tankers: 6 Bobtails

AEGEAN FIRST COMPANY (AFCO)

2019 Sales: $82m

Athens, Greece

[*www.afco.gr*](http://www.afco.gr)

CEO: Christos Spanos

Products: Polymers; specialty chemicals; organic and inorganic chemicals; pharmaceutical ingredients; food ingredients; agrochemicals

Services: Packaging; storage

Assets: 8 warehouses

Trading sales: 6%

TRiiSO

2019 Sales: $82m

Cardiff, California, US

[*www.tri-iso.com*](http://www.tri-iso.com)

President: Jason Scott

Products: Paints; coatings and ink raw materials; adhesives and sealants ingredients; plastics and composites chemicals; lubricants and metalworking additives; polyurethane chemicals

Services: Logistics; warehousing

Assets: 1 office; multiple 3PL service providers

Cornelius Group

2019 Sales: $80.3m (£60.5m)

Bishops Stortford, UK

[*www.cornelius.co.uk*](http://www.cornelius.co.uk)

Chairman: Neville Prior; CEO: Darren Spiby

Products: Monomers; specialty chemicals; food ingredients; personal care ingredients; pigments; additives; resins; minerals; surfactants; adhesive materials; excipients; natural products; animal feed ingredients; medical device raw materials; coatings ingredients

Services: Global supply chain management; laboratory services; logistics; legislative/regulatory advice; distillation; chemical reactions and manufacturing; repackaging; R&D; sales and marketing

Assets: 9 warehouses; 5 laboratories; 2 manufacturing sites; 7 offices; 1 clean room

Ilario Ormezzano

2019 Sales: $79.8m (71.1m)

Gaglianico, Italy

[*www.ilarioormezzano.it*](http://www.ilarioormezzano.it)

President: Giancarlo Ormezzano

Products: Solvents; phenol; acrylates; base chemicals; pharmaceutical intermediates; hydrocarbons

Services: Storage of liquid and solid products; storage for third parties; blending; customized handling (packaging, mixing, filling and labelling); quality control; technical after-sales support; REACH support E Assets: 2 owned warehouses with a total of 85,000 square metres and storage capacity for liquid products of more than 7,000 cubic metres; 1 rented warehouse; 3 offices; 2 laboratories; 5 trucks

Trading sales: 20%

George S. Coyne Chemical

2019 Sales: $79.6m

Croydon, Pennsylvania, US

[*www.coynechemical.com*](http://www.coynechemical.com)

President and CEO: Thomas H Coyne Sr

Products: Acids; alcohols; amines; chelating agents; chlor-alkai; chlorinated solvents; food additives; glycol ethers; hydrogen peroxide; inorganics; ketones; polymers; specialty quats; surfactants; potable and wastewater treatment chemicalsServices: Blending; technical training; contract packaging (both dry and liquid); terminal rail to truck transloading

Assets: Over 300,000 square feet of storage in 6 warehouses; 27 trucks and over 50 trailers or tankers; over 250,000 gal bulk storage

Trading sales: Less than 5%

Skyhawk Chemicals

2019 Sales: $78.8m

Houston, Texas, US

[*www.skyhawkchemicals.com*](http://www.skyhawkchemicals.com)

President: Jill Knickerbocker

Products: Caustic soda; methanol; calcium chloride; sulfuric acid; anhydrous ammonia; aqua ammonia; KOH; urea; propylene glycol; hydrochloric acid; xylene; bleach; polyphosphoric acid; benzoic acid; ethylene glycol

Services: Blending; packaging; storage

Assets: 275 gal and 330 gal totes

Prakash Chemicals International

2019 Sales: $78.1m

Vadodara, Gujarat, India

[*www.pciplindia.com*](http://www.pciplindia.com)

Managing director: Manish K Shah

Products: Caustic soda flakes; TDI; caustic soda prills; benzyl alcohol; ethyl acetate; sodium sulphate anhydrous; cinnamic aldehdye; acetone; SLES; chlorinated paraffin wax; benzyl chloride; citric acid; liquid glucose; DEP; dextrose monohydrate; hydrochloric acid; white oil

Services: Blending; packaging; storage; labelling; logistics supply chain service ex-works to DDP; quality assurance; inspection; country specific documents compliance; Reach Registration, FAMI-QS certification

Assets: 2 manufacturing plants; 2 warehouses; 3 subsidiaries outside India

Callahan Chemical

2019 Sales: $75.3m

Palmyra, New Jersey, US

[*www.calchem.com*](http://www.calchem.com)

President: Gregory D Shetler

Products: Coatings, adhesives, sealants and elastomers (CASE); household, institutional and industrial chemicals; pharmaceutical/nutraceutical ingredients; personal care/cosmetics ingredients; food ingredients; functional fluids

Services: Bulk liquids packaging; custom blending; returnable containers, drums and totes; customised tote programmes; custom labelling; remote tank monitoring; vendor managed inventory; consignment inventory; committed inventory to forecast; mixed truckload deliveries; LTL quantities; JIT deliveries

Assets: 2 dedicated white rooms for NF, FCC, USP and Kosher packaging; 5,000 square feet of temperature controlled (hot/cold) warehousing; 400,000 square feet of environmentally controlled warehousing; 90,000 gal bulk storage; 9 warehouses; company owned and operated fleet of 12 trucks; tank farm; 2 regional offices

Aug. Hedinger

2019 Sales: $75.2m (67.0m)

Stuttgart, Germany

[*www.hedinger.de*](http://www.hedinger.de)

Managing director: Johann-Ludwig Raiser

Products: Raw materials for technical industries such as coatings/paints, lubricants, cleaning, adhesives, construction; starting materials and APIs for the life sciences industry

Services: Customised additional test methods and processes; laboratory testing and batch certification (GMP labs); pharmacopoeia standards (EP, USP, JP, CP, IP, etc); extended specifications; blending; labelling; packaging; storage; repackaging in 8 cleanrooms (class ISO 5)

Assets: 8 warehouses; 16 trucks (5 dedicated tank trucks)

Novasol Chemicals Group

2019 Sales: $75m

Kraainem, Belgium

[*www.Novasolchemicals.com*](http://www.Novasolchemicals.com)

CEO: Claude Fickers; Global Business Director: Francois-Xavier Coiffard

Products: Pharmaceutical and agrochemicals intermediates; carbonates; additives; DAAM/ADH, EMA, GMA; acrylates; methacrylates; sulfolane; hydroxy chemicals; water treatment chemicals; trimercaptotriazine; personal care chemicals; active ingredients; extracts and botanicals; clays; oils and butters; emollients; emulsifiers; preservatives; rheology modifiers; UV filters; conditioners; surfactants; humectants; polymers; solvents

Services: REACH lead registrant of many molecules; product mixing and blending; tailor-made packaging solutions

Assets: Local technical salesforce (11 offices worldwide); sourcing team E

Chemical Solvents

2019 Sales: $75m

Cleveland, Ohio, US

[*www.chemicalsolvents.com*](http://www.chemicalsolvents.com)

Owner: Ed Pavlish

Products: Aromatics; aliphatics; ethanolamines; purge solvents; acetates; silicones; plasticizers; organic solvents; oil and gas chemicals; chlorinated solvents; THF; NPB; cyclohexanone

Services: Custom blending; toll blending; hazardous and non-hazardous waste handling; storage; packaging

Assets: 4 warehouses; 2m gal storage tanks

Webb Chemical Service

2019 Sales: $75m

Muskegon Heights, Michigan, US

[*www.webbchemical.com*](http://www.webbchemical.com)

CEO: Brad Hilleary; President: Charlie Stevens

Products: HI&I chemicals; metal finishing chemicals; pharmaceutical ingredients; ag chemicals; water and wastewater chemicals; food ingredients; CASE; auto chemicals; investment casting

Services: Blending; packaging; storage; VMI; 20 drivers; own fleet

Assets: 6 warehouses; 40+ tankers; 15+ semi box trucks; 28 bulk tanks

Will & Co

2019 Sales: $74.1m (66m)

Badhoevedorp, Netherlands

[*www.will-co.nl*](http://www.will-co.nl)

Managing director: Jacques van Lindonk

Products: 1,4-butanediol and derivatives (THF, GBL); plasticizers and flame retardants; pigments; proteins; cosmetic and personal care ingredients; coating resins and additives; bio-based solvents and binders; impact modifiers for plastics; foaming agents for plastics; additive masterbatches; sulfamic acid; ferric chloride; engineering plastics and compounds

Services: Storage management; logistics; sales and marketing

Trading sales: 90%

Joss Elastomers & Chemicals

2019 Sales: $73.0m (65m)

Alkmaar, Netherlands

[*www.joss.nl*](http://www.joss.nl)

CEOs: Robert Slinger, Arnold Hofman, Bart ten KleiProducts: Synthetic rubber; natural rubber; process oils; silica; carbon black

Services: Warehousing; trucking; shipping; repackaging big bags and small bags

Trading sales: 60%

Metachem

2019 Sales: $72.1m

Sao Paulo, Brazil

[*www.metachem.com.br*](http://www.metachem.com.br)

President: Ricardo do Rego Freitas

Products: Food ingredients; base mineral oils; flame retardants; coating additives; feed additives; chemical intermediates; vegetable nutrition additives; electroplating chemicals; lubricant additives; dimer acid

Services: Storage; logistics

Assets: 5 warehouses; 1 head office

Maha Chemicals

2019 Sales: $71m

Singapore

[*www.mahachem.com*](http://www.mahachem.com)

Chairman: Tan Seow Hoon

Products: carbon black, construction material chemicals, resin, polymer, emulsion, additives, functional fillers, pigments, colorants, biocides, surfactants, analytical instruments, lab equipment and machines

Services: sales, marketing, distribution, warehouse storage, logistic, packaging

Assets: 14 warehouses, 15 trucks

Astro Chemicals

2019 Sales: $70m

Springfield, Massachusetts, US

[*www.astrochemicals.com*](http://www.astrochemicals.com)

President: Chris Diamond

Products: Solvents; chlor-alkali; pharmaceutical-grade chemicals; food-grade chemicals; adhesives; activated carbon; water treatment chemicals; wastewater treatment chemicals; mineral oils and petrolatums; acetates; heat transfer fluids; alcohols; citrates; phosphates; silicates

Services: Blending; packaging; storage; logistics

Assets: 2 warehouses; 12 trucks; 5 tankers; 12 12,500 gallon storage tanks; 10 positions for rail unloading

MOGoil

2019 Sales: $67.4m (60m)

Berlin, Germany

[*www.mogoil.com*](http://www.mogoil.com)

General director: Andreas Rogge

Products: Base oils; process oils; solvents

Services: Trading; storage; customs clearance; technical support; financing

Trading sales: 30%

Ricardo Molina Group

2019 Sales: $67.1m (59.8m)

President: Gemma Molina

Barcelona, Spain

[*www.ricardomolina.com*](http://www.ricardomolina.com)

Products: Specialty chemicals for coatings, building, adhesives, construction, lubricants, pharmaceutical, cosmetics, personal- and home care, rubber, plastics, water treatment, food and beverage, agro chemicals

Services: Technical sales and marketing, application development, quality, warehousing, regulatory services, supply chain management, after sales services, repacking

Assets: 3 labs, 1 warehouse

Connection Chemical

2019 Sales: $66.5m

Newtown, Pennsylvania

[*www.connectionchemical.com*](http://www.connectionchemical.com)

President: Frank Farish

Products: Caustic soda (liquid and dry); caustic potash (liquid and dry); industrial and institutional chemicals; compounding chemicals; ***agricultural*** products; water treatment chemicals; food and beverage ingredients; feed ingredients; pulp and paper chemicals; oil and gas chemicals; metal finishing and flux chemicals; phosphates; mineral acids

Services: Logistics; importing; inventory management; supply chain solutions; repackaging; dilutions; blending; outsourcing

Assets: 12 stocking locations in the US; strategic deep draft storage

Greenchem Industries

2019 Sales: $64.5m

West Palm Beach, Florida, US

[*www.greenchemindustries.com*](http://www.greenchemindustries.com)

CEO: John Lagae

Products: Acetates; acids; acrylates; alcohols; amines; aromatics; chlorinated solvents; ketones; glycerine; glycols; glycol ethers; nonyl phenol ethoxylates; phthalates; plasticizers; PCBTF; DMC; THF; d-limonene

Services: Logistics; warehousing; import/export; small packaging

Assets: 35 public warehouses

Chemisphere

2019 Sales: $63m

St Louis, Missouri, US

[*www.chemispherecorp.com*](http://www.chemispherecorp.com)

President: Matthew Schwent

Products: Beverage grade ethanol; denatured ethanol; aliphatic solvents; alcohols; aromatics; ketones; glycol ethers

Services: Toll manufacturing; custom blending; packaging; USP packaging; storage; railcar transloading

Assets: 1.4m gal tank farm storage; 14 car rail spur; 60,000 square feet of warehouse space; bulk tanker fleet

PROQUIBASA

2019 Sales: $61.7m (55m)

Barcelona, Spain

[*www.proquibasa.com*](http://www.proquibasa.com)

CEO: Ivan Sanchez

Products: Specialty and commodity chemicals; coatings, construction and adhesives materials; pigments and performance products; water treatment chemicals; household and industrial cleaning chemicals; lubricants and metalworking fluids

Services: Technical service; blending; manufacturing; toll manufacturing; bulk loading and storage; warehousing

Assets: Full service and wholly-owned facilities in Barcelona with tank farm (100 tanks) and 7,000 square metre warehouse; regional hub in Madrid with tank farm (25 tanks) and 2,000 square metre warehouse

LAVOLLEE

2019 Sales: $61.7m (55m)

Levallois, France

[*www.lavollee.com*](http://www.lavollee.com)

President: Herve Lavollee

Products: Specialty chemicals for coatings, plastics, lubricants, metal working, water treatment; ingredients for F&F, pharmaceuticals, food, personal care

Services: Storage; repackaging; VMI; outsourcing

Asstes: 2 labs (food and cosmetics)

SolvChem

2019 Sales: $61.6m

Pearland, Texas, US

[*www.solvchem.com*](http://www.solvchem.com)

President and CEO Jean-Pierre Baizan

Products: Solvents; organic and inorganic chemicals; epoxies; silicones; silicone emulsions; hydrocarbon resins; hydroxyl ethyl cellulose; titanium dioxide; acrylates

Services: Custom packaging; custom blending; toll manufacturing; container management programmes; export services; technical support; green chemistry product solutions; small container filling

Assets: 9 trucks; 24 trailers; 15 tankers

Emsa Tecnologia Quimica

2019 Sales: $61.2m (54.5m)

Barcelona, Spain

[*www.emsaquimica.com*](http://www.emsaquimica.com)

CEO: Jorge Grima

Products: Pigments; fillers; binders; inorganics; surfactants; minerals; additives; polymers

Services: Blending; packaging; storage

Assets: 4 warehouses

Airedale Chemical

2019 Sales: $61.0m (£46M)

North Yorkshire, UK

[*www.airedalechemical.com*](http://www.airedalechemical.com)

Managing director: Chris Chadwick

Products: Phosphoric acid; peracetic acid; hydrogen peroxide; acetic acid; caustic soda; manganese nitrate; polyaluminium chloride; diammonium phosphate; sulphuric acid; sodium hexametaphosphate (SHMP); phosphates; phosphonates; antifoams; water treatment chemicals; cleaning and detergent chemicals

Services: Contract manufacturing; small pack chemical production; waste management

Assets: 4 acre production and storage facility; 9 warehouse locations; 20 fully owned trucks; R&D/QC laboratories

Trading sales: 5%

Shamrock Shipping & Trading

2019 Sales: $60.9m

Limassol, Cyprus

[*www.shamrockoils.com*](http://www.shamrockoils.com)

Managing director: Sergey Galin

Products: Base oils (Group I, II, III); polyalphaolefins; naphthenic oils; re-refined base oils; additives; glycols; waxes; white oils; recycled oils; RPO (rubber process oils); petrolatum; bitumen; antifreeze; lithium hydroxide monohydrate; hydrogenated castor oil

Services: Supply chain and logistics; financing and trade finance; flexitank loading; market intelligence; storage; trans-shipment

Assets: Offices in Cyprus and UAE

Rowell Chemical

2019 Sales: $58m

Hinsdale, IL, US

[*www.rowellchemical.com*](http://www.rowellchemical.com)

President Tom Harris

Products: Caustic soda (sodium hydroxide); bleach (sodium hypochlorite); hydrochloric acid; sulfuric acid; caustic potash (potassium hydroxide)

Assets: Services: Storage terminal

Assets: 1 warehouse (Willow Springs, IL); 10 trucks (Rowell owned fleet)

Brainerd Chemical

2019 Sales: $58m

Tulsa, Oklahoma, US

[*www.brainerdchemical.com*](http://www.brainerdchemical.com)

CEO: Mathew A Brainerd

Products: Peracetic acid; hydrofluoric acid; sulfuric acid; nitric acid; refrigerants; aromatics; aliphatics; glycols; glycol ethers; high hazard acids; chlor-alkali; alcohols; formaldehyde; food processing sanitation chemicals; water treatment chemicals

Services: Packaging; blending; manufacturing/engineering services; contract packaging; toll manufacturing; logistics; warehousing; transloading

Assets: 4 production locations in Oklahoma, North Carolina, and Illinois; tank terminals; rail terminals; extensive company owned fleet of trucks and trailers, and bulk tankers

Walsh & Associates

2019 Sales: $56m

Saint Louis, Missouri, US

[*www.walsh-assoc.com*](http://www.walsh-assoc.com)

President and CEO: Ellen M Murphy

Products: Raw materials for CASE, HI&I, inks, personal care, oil and gas, chemicals, ***agriculture***, food and beverage, pharmaceuticals, plastics, green chemistry

Services: Manufacturing; blending; contract packaging; technical training; IFS certified warehousing

Assets: 8 warehouse locations; 30m gal liquid bulk storage; 1 tractor trailer

Buckley Oil

2019 Sales: $55.5m

Midlothian, Texas, US

[*www.buckleyoil.com*](http://www.buckleyoil.com)

President: Robert Rice

Products: Solvents; alcohols; aliphatics; aromatics; glycols; glycol ethers; ketones; base oils; finished lubricants

Services: Blending; packaging; toll blending; storage; delivery; custom packaging; transloading

Asstes: 4 warehouses; 20 trucks

Trading sales: 5%+

Solvachem

2019 Sales: $52.1m (46.4m)

Wroclaw, Poland

[*www.solvachem.pl*](http://www.solvachem.pl)

CEO: Elisabeth Luerenbaum

Products: Methanol; UCO and vegetable oils; alcohols and other solvents; regenerated solvents; polymers; base oils; aerosols; inorganic chemicals; washing agents and disinfectants; fillers and additives; colourants; oils and greases

Assets: 1 methanol tank; 5 warehouses; 2 customs warehouses; production facilities (UCO, washing agents and disinfectants)

Trading sales: 10%

TRInternational

2019 Sales: $51.3m

Seattle, Washington, US

[*www.trichemicals.com*](http://www.trichemicals.com)

CEO and owner: Megan E Gluth-Bohan

Products: Industrial, specialty, and fine chemicals for paints, coatings, adhesives, sealants, inks and dyes, polymers, composites and construction, metal-working, textiles, lubricants, household and industrial cleaning, water treatment, oil and gas, food and beverage, feed and ***agriculture***, pharmaceutical, cosmetics and personal care products

Services: Marketing; logistics; technical services; custom manufacturing; blending; contract packaging

Trading sales: 30%

Tarr

2019 Sales: $51m

Portland, Oregon, US

[*www.tarrllc.com*](http://www.tarrllc.com)

President: Skip Tarr

Products: High-purity chemicals, solvents, aromatics, ethanol

Services: Blending, packaging, storage, formulating

Assets: 4 warehouses, 6 class 100 Clean Rooms, 870,000 gal bulk storage, 3 rail spurs, 11 trucks

Trading sales: 0%

Valudor Products

2019 Sales: $50m

San Diego, CA, US

[*www.valudor.com*](http://www.valudor.com)

CEO John Tree

Products: ***Agriculture***/animal feed micronutrients; fertilizer ingredients; acids; inorganics; organic certification; industrial applications; coatings; oil & gas; water treatment

Services: Sourcing; distribution; storage; dry and liquid blending; product development; new product innovation

Assets: 16 warehouses; national distribution; regional offices

Trading sales: 0%

UCG (United Chemical Group)

209 Sales: $49.9m

Moscow, Russia

[*www.ucgrus.com*](http://www.ucgrus.com)

Chairman & CEO: Gennadiy Tolstobrov

Products: ABS; ASA; SAN; HIPS; PC/ABS; PBT; PMMA; PC; POM; SBS; SEBS; SIS; POE; EVA; HDPE; PPcopo; PA&AIM; road construction materials; oil additives and modifiers; base oils; fertilizers; liquid chemicals

Services: Distribution; logistics; packaging; storage; technical support

Assets: 8 offices, 9 warehouses

Trading sales: 3%

National Chemical

2019 Sales: $49m

Dublin, Ireland

[*www.ncc.ie*](http://www.ncc.ie)

CEO: Alan Looney

Products: Full range of chemicals, food ingredients and performance polymers

Services: NCC offer supply chain solutions from supply chain risk assessment, sourcing, accreditation, regulatory support, logistics and supply. E Assets: ISO13485 cleanroom medical compounding plant via JV Innovative Polymer Compounds (IPC)

Trading sales: 70%

McCullough & Associates

2019 Sales: $48.7m

Atlanta, Georgia, US

[*www.mccanda.com*](http://www.mccanda.com)

President: George McCullough

Products: Organic and inorganic pigments; dispersions; wax additives; fumed silica; carbon black; clays; specialty additives; matting agents; laboratory equipment; mixers; tanks; cast urethane systems; polyurethane dispersions; hydrocarbon resins; silicone dispersions

Services: Storage and logistics; formulation assistance; technical service; process engineering services

Assets: Outside bonded chemical warehouse

Carbono Quimica

2019 Sales: $47m

Sao Bernardo do Campo, Sao Paulo, Brazil

[*www.carbono.com.br*](http://www.carbono.com.br)

President: Vera Maria Miraglia Gabriel

Products: Aliphatic solvents; aromatic solvents; oxygenated solvents; epoxy resins; epoxy hardeners; coatings additives; paint driers; alkyd resins; pigments; glycerine; fatty acids; fatty alcohols

Services: Blending; packaging; bulk storage; laboratory services

Assets: 5 subsidiary branches; 10 trucks

WISTEMA

2019 Sales: $46.1m (41.0m)

Dielheim, Germany

[*www.wistema.de*](http://www.wistema.de)

Owner and managing director: Winfried Friedel

Products: Catalysts; chemical intermediates; cosmetics ingredients; toiletries and personal care ingredients; food ingredients; industrial chemicals; pharmaceutical ingredients; plastic additives; polymers; reprographic chemicals/ink chemicals; solvents/distilled solvents; water treatment chemicals; waxes

Services: Contract and toll manufacture; storage; waste management (waste disposal certified); salvage recovery and resale; REACH consultation

Assets: 3 warehouses

Trading sales: 60%

Chem One

2019 Sales: $45.9m

Houston, Texas, US

[*www.chemone.com*](http://www.chemone.com)

CEO: Terry Podlogar

Products: Feed additives; fertilizer ingredients; water treatment chemicals; food additives; industrial chemicals

Services: JIT inventory; pallet quantities; truckloads

Assets: Houston, Texas, headquarters and warehouse; independent facilities in Laredo, Texas and Tampa, Florida

EQUILEX

2019 Sales: $45.8m (40.8m)

Schiedam, Netherlands

[*www.equilex.com*](http://www.equilex.com)

CEO: Cees Verdel

Products: Higher olefins; alkylphenols; alkylbenzenes; ethanolamines; ethylene glycols; solvents (MEK, MIBK, hexane, MIBC, IPA, acetone, cyclohexanone); performance intermediates (AMS, maleic and phthalic anhydrides, DCPD); phenol; aromatics; tackifying resins; isophorone; diacetone alcohol

Services: Marketing; storage; packaging; Sea, rail and road transportation; custom formalities; Reach regulation

Trading sales: 15%

Jobachem

2019 Sales: $45.1m

Dassel, Germany

[*www.jobachem.com*](http://www.jobachem.com)

CEO: Julian Kahl

Products: Aluminum chloride; flavours and fragrances; plasticizers; UV/EB curing agents; monomers; oligomers; photoinitiators; specialty chemicals; UV filters; mixtures

Services: Blending; repackaging; storage; logistics; bonded warehousing; heating; refilling; customs clearance

Assets: 3 warehouses worldwide; 4 subsidiaries worldwide

Trading sales: 10%

Chemical Distributors Inc (Buffalo, NY)

2019 Sales: $45m

Buffalo, New York, US

[*www.cdibuffalo.com*](http://www.cdibuffalo.com)

President: Mark T Russell

Products: Acids; alkalis; food grade ingredients; reagent grade chemicals; solvents

Services: Blending; packaging; storage; laboratory testing

Assets: 12 trucks; 10 tankers; 114,000 square feet warehousing

SINPRO

2019 Sales: $44.9m (40m)

Lausanne, Switzerland

[*www.sinprosa.ch*](http://www.sinprosa.ch)

CEO: Alfred Frankel

Products: Industrial chemicals; resins; polyesters; pharmaceutical ingredients; construction chemicals; paints; inks; food and feed additives; pharmaceuticals; raw materials for food and feed

Services: Associated with a forwarding agent

Trading sales: 50%

Coast Southwest

2019 Sales: $44m

Placentia, California, US

[*www.coastsouthwest.com*](http://www.coastsouthwest.com)

President: Joseph C Cimo

Products: Surfactants; silicones; personal care ingredients; preservatives; oleochemicals

Services: Liquid blending; liquid bulk; storage; drumming; formulating

Assets: 7 locations; 6 trucks; applications laboratory

Ideal Chemical & Supply

2019 Sales: $43.5m

Memphis, Tennessee, US

[*www.idealchemical.com*](http://www.idealchemical.com)

President: Sam Block Jr

Products: Acids; alcohols; amines; chelating agents; chlor E alkali; food ingredients; glycol ethers; hydrogen peroxide; inorganics; ketones; personal care ingredients; polyglycols; solvents; textile care ingredients; water treatment chemicals

Services: Wholesale custom blending and packaging (dry and liquid); in-house QC and R&D labs; LTL and truckload quantities; single- and multi-compartment tanker deliveries; local warehousing and logistics; returnable and one-way containers; remote tank monitoring

Assets: Warehouses at 4 locations with combined 170,000 square feet of space; 1m gal liquid bulk storage; distilled spirits plant (DSP); 15 tractors; 23 trailers; 6 tankers

Gehring Montgomery / Trexan Chemicals

2019 Sales: $43m

Warminster, Pennsylvania, US

[*www.gehring-montgomery.com*](http://www.gehring-montgomery.com),   [*www.trexanchemicals.com*](http://www.trexanchemicals.com)

CEO: Mark S Bitting

Products: Resins; additives; waxes; metal-working additives; food additives; industrial chemicals

Services: Blending; repackaging; technical consultation; warehouse storage

Assets: 5 trucks; 8 trailers

Trading sales: 10%

A.+E. Fischer-Chemie

2019 Sales: $42.1m (37.5m)

Wiesbaden, Germany

[*www.fischer-chemie.de*](http://www.fischer-chemie.de)

General manager: Manuel Fischer-Bothof

Products: Caustic soda; solvents; hydrochloric acid; citric acid; urea; phosphoric acid; matting agents; pyrogenic silicon dioxide; precipitated silica; silicone oil; glycerine; caustic potash; sodium bicarbonate; hydrogen peroxide; activated carbon; sodium persulfate

Services: Storage; packaging; mixing; exporting

Assets: 4 warehouses for solid and liquid products; 16 trucks

Trading sales: 10%

Venus Chemicals Group

2019 Sales: $42m

Cairo, Egypt

[*www.venukim.com*](http://www.venukim.com)

CEO: Ahmed Alghoul

Products: Fragrances; surfactants; solvents; pine oil; gum rosin; gum base; maleic resin; glycerine; solvents

Services: Packaging fragrances

Assets: 10 jumbo cars; 5 warehouses

Trading sales: 60%

SAME CHEMICALS

2019 Sales: $41.0m (36.5m)

Barendrecht, Netherlands

[*www.samechemicals.com*](http://www.samechemicals.com)

Managing director: Cees-Jan Crezee

Products: Acetates; alcohols; aromatics; DCPD; glycols; hydrocarbons; ketones; styrene

Services: Bulk distribution; salvage trading; recycling; logistics; storage; inventory management; consignment stock; marketing; sourcing; Reach consultation

Assets: Offices in the Netherlands, Denmark, Poland and Spain

Vivion

2019 Sales: $41m

San Carlos, California, US

[*www.vivioninc.com*](http://www.vivioninc.com)

President: Michael Poleselli

Products: Acidulants; sweeteners; humectants; preservatives; chelants; hydrocolloids; surfactants; vegetable oils; antifoams; tableting aids; micronutrients; vitamins; minerals

Services: Formulation assistance

Assets: 5 warehouses

DutCH2

2019 Sales: $40.8m (36.4m)

Purmerend, Netherlands

[*www.dutch2.com*](http://www.dutch2.com)

Managing director: Steven Willekes

Products: Acetates; acids; acrylates; alcohols; amines; aromatics; chlorinated solvents; glycol ethers; glycols; hydrocarbons; ketones; monomers; vegetable oils; propylene glycol ethers; plasticizers

Services: Trading; export; drumming; warehousing; logistics; blending; packaging; storage; consignment stocks

Trading sales: 30%

Henry Hirschen

2019 Sales: $40m

Buenos Aires, Argentina

[*www.hirschen.com.ar*](http://www.hirschen.com.ar)

President: Miguel Hirschen

Products: Glycols; surfactants; amines; biocides; solvents; inorganics; food ingredients; pharmaceutical ingredients; oil/gas specialties; colourants

Services: Storage; packaging; blending; trading; same day deliveries; financing; tailor-made solutions to customers

Assets: Central warehouse in Buenos Aires industrial area, fit for liquids and solids and with secluded area for food/pharmaceuticals

Trading sales: 1%

Min-Chem/Lawrason’s/CK Ingredients Group

2019 Sales: $40m

Oakville, Ontario, Canada

[*www.min-chem.com*](http://www.min-chem.com),   [*www.lawrasons.com*](http://www.lawrasons.com),   [*www.ckingredients.com*](http://www.ckingredients.com)

President: David A Luciani

Products: Composite thermosets (roving, resin and peroxides); composite thermoplastics; rubber additive; adhesives; waxes; flame retardants; pharmaceutical ingredients; nutraceutical ingredients; food ingredients; mineral and industrial acids; water treatment chemicals; pool and spa chemicals; janitorial and sanitation chemicals; industrial specialty chemicals; winter ice melting products

Services: Manufacturing - blending and compounding; logistics

Assets: 3 warehouses in Ontario, Quebec, British Columbia

Van Horn, Metz & Co

2019 Sales: $40m

Conshohocken, Pennsylvania

[*www.vanhornmetz.com*](http://www.vanhornmetz.com)

President & CEO: Barrett C. Fisher

Products: Additives; specialty resins; extenders; pigments; dyes; base stock; silicones; surfactants; esters; thickeners; PAOs

Services: Dry blending; pigment treatment

Assets: 4 warehouses

Trading sales: 15%

Acid Products Company

2019 Sales: $38.6m

Chicago, Illinois, US

[*www.acidproducts.net*](http://www.acidproducts.net)

President: Jann Fisher

Products: Acids; caustics; dry chemicals; white oils; solvents; surfactants; cleaning chemicals

Services: Toll blending (pails, drums, totes, bulk); contract packaging (all bottle sizes); powder blending; LTL distribution

Assets: Two locations; rail; 10 trucks

SIP Speciality Oils and Fluids

2019 Sales: $37.4m

London, UK

[*www.sip.com*](http://www.sip.com)

Managing director: Stephen Spencer

Products: white oils and pharmaceutical oils; drilling fluids; process oils; specialty fluids for automotive and industrial use; sustainable and renewable base oils; lubricant additives

Services: Storage; logistics; blending; packaging; formulation

Linkers Chemicals & Polymers

2019 Sales: $37.4m

Dubai, UAE

[*www.lcp.ae*](http://www.lcp.ae)

Managing Director: Malik Pervez Zaman

Products: synthetic rubber, PVC, engineering plastics, plasticizers, latex, monomers, construction chemicals, animal nutrition, coatings chemicals

Services: market expansion, technical support

Trading Sales: 100%

QUELARIS Internacional

2019 Sales: $36.9m

Panama City, Panama

[*www.quelaris.com*](http://www.quelaris.com)

CEO: Paul Vanhauw

Products: Polyurethanes; rubber; coatings; personal and home care ingredients; adhesives

Services: Technical sales and service; local warehousing; immediate dispatch; repackaging

Services: 13 countries distribution network - Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru and Caribbean Islands

Trading sales: 13%

DROGAS VIGO GROUP

2019 Sales: $36.1m

Porrino, Pontevedra, Spain

[*www.drovi.com*](http://www.drovi.com)

CEO: Enrique F Casal Lareo

Products: Solvents, thinners and green solvents; organic and inorganic chemicals; paint and coatings raw materials; adhesives and sealants raw materials; pharmaceutical, cosmetics and agrochemicals raw materials; automotive chemicals; softeners and detergents raw materials; fillers and pigments; water treatment chemicals; food ingredients; lubricants and waxes; ink and printing chemicals; paper chemicals; mining chemicals

Services: Storage and marine logs -vessel reception; solvents recycling and reformulation; blending and formulations; packaging and bulk deliveries; logistics and outsourcing; quality/lab analytical services to third parties; JIT delivery and telemetry stock control to third parties; e-invoicing and e-b2b with customer platforms

Assets: 4 warehouses (bulk and packed storage); sea terminal; solvents recycling unit; 3 bulk tank cars; 5 packed trucks

Northspec Chemicals

2019 Sales: $35m

Toronto, Ontario, Canada

[*www.northspec.com*](http://www.northspec.com)

Principal/President: Noel ShahnazarianProducts: Epoxy resins and hardeners; aliphatic and aromatic urethanes and polyols; acrylic resins; pigments; additives

Services: Inventory management; logistics

Assets: 6 warehouse facilities across Canada; head office

Trading sales: 5%

Seeler Industries

2019 Sales: $35m

Joliet, Illinois, US

[*www.seeler.com*](http://www.seeler.com)

CEO: Steve Seeler

Products: Hydrogen peroxide; peracetic acid; glacial acetic acid; propylene glycol; sodium gluconate; caustic soda; hydrochloric acid; soda ash; DDBSA; sodium chlorate; phosphoric acid; quaternary compounds; other specialty chemicals

Services: Tank storage; railcar unloading; blending; liquid packaging; bagging; transloading; warehouse storage; property rental; trucking; laboratory services

Assets: 275,000+ square feet of warehousing; 5 trucks; 10 liquid and box trailers; 27 above ground storage tanks; 7 rail spurs of 2.5 miles of track for transloading; overhead rail trestle

Veckridge Chemical

2019 Sales: $35m

Kearny, New Jersey, US

[*www.veckridge.com*](http://www.veckridge.com)

President: Mark Veca

Products: Inorganics; acids; solvents; alcohols; amines; peroxides; salts

Services: Blending; packaging; warehousing; storage

Assets: 5 trucks, 3 warehouses, rail

Castle Chemicals

2019 Sales: $34.5m (£26m)

Manchester, UK

[*www.castlechemicals.com*](http://www.castlechemicals.com)

Director: Alan McCann

Products: Silane coupling agents; synthetic rubbers; latex additives; dithiocarbonate accelerators; specialty pigments for inks; predispersed rubber chemicals; construction chemicals and addmixtures

Services: Distribution via local storage facilities; advanced customer strategic stock management

Assets: Warehouse and storage facilities in UK, Belgium, Italy, US and Canada

Trading sales: 30%

BRUGUES

2019 Sales: $33.7m (30m)

Viladecans, Barcelona, Spain

[*www.brugues.com*](http://www.brugues.com)

CEO: Raimon Brugus Sintes

Products: Acetone; benzy; diacetone alcohol; ethyl acetate; formic acid; isopropyl acetate; isopropyl alcohol; methyl ethyl ketone; methyl isobutyl ketone; methoxy propyl acetate; n-propanol; n-propyl acetate; oxo alcohols; polyethylene glycol; propylene glycol USP

Services: Packaging; mixtures, solutions and dilutions; storage

Assets: Warehouses in Viladecans (Barcelona) with 8,000 square metres, and Alcaser (Valencia) with 6,000 square metres; 1 logistics warehouse in Igorre (Bizkaia); trucks adapted to ADR regulations (European regulations for the transport of dangerous goods), both for transporting packaged product and in tank

Trading sales: 20%

Independent Chemical

2019 Sales: $33.5m

Glendale, New York, US

[*www.independentchemical.com*](http://www.independentchemical.com)

President: Jonathan Spielman

Products: Caustic soda; paper chemicals; solvents; aromatics; cosmetics specialties; nutritional and pharmaceutical specialties; food specialties; hydrogen peroxide; surfactants; solvents

Services: Dry blending for food ingredients; pharmaceutical repackaging; liquid filling

Assets: 1 warehouse; 6 trucks; 3 tankers

Trading sales: 5%

Radchem Products

2019 Sales: $32.8m

Orland Park, IL

[*www.radcheminc.com*](http://www.radcheminc.com)

President: William M. Radostits

Products: Chemicals and solvents including but not limited to acetates, alcohols, aliphatic and aromatic hydrocarbons, glycol ethers, process and base oils, reuse solvents, resins and ketones

Services: Railcar, tanker, drums, totes and blending

Assets: Dedicated owned compartment trailers and dedicated equipment for specific products

Morais de Castro

2019 Sales: $32.3m (R130.0m)

Salvador, Bahia, Brazil

[*www.moraisdecastro.com.br*](http://www.moraisdecastro.com.br)

CEO: Andre Castro

Products: Surfactants; glycols (EO/PO); white mineral oils; caustic soda; sulfonic acid (LAB-S); inorganic acids (H2SO4, HCL, HNO3); sodium hypochlorite; personal care additives; food ingredients and flavours; rheology modifiers; oxygenated solvents; chlorinated solvents; biocides; sulfates (Al, Na, Cu, NH3); silicones

Services: Packaging/repackaging; storage; dilutions; imports (under contract); transportation

Assets: 2 warehouses (Bahia and Pernambuco); 15 trucks; 1 bulk storage facility (Bahia); 2 laboratories (quality control and food additives); packaging/repackaging facility (with white room)

Trading sales: 1%

Industrial Chemicals Corp

2019 Sales: $32.0m

Arvada, Colorado, US

[*www.industrialchemcorp.com*](http://www.industrialchemcorp.com)

President and VP Finance: Jamie Biesemeier-Wilkins

Products: Acetates; acids; aliphatic and aromatic solvents; alcohols; biofuel chemicalsl; CBD extraction chemicals; chelating agents; chlor-alkali products (caustic soda, KOH); detergent chemicals; glycols and glycol ethers; heat transfer fluids; hydrogen peroxide; ketones; metal finishing chemicals; oilfield chemicals; organic and inorganic chemicals; pharmaceutical chemicals; surfactants; water treatment chemicals

Services: Contract blending; proprietary blends; transloading; warehousing

Assets: 3 warehouses; 25 tankers; 10 tractors; 5 vans; 740,000 gal bulk storage; rail siding to accommodate 16 railcars

GJ Chemical

2019 Sales: $32m

Somerset, New Jersey, US

[*www.gjchemical.com*](http://www.gjchemical.com)

President: Diana Colonna

Products: Acrylates and monomers; high purity solvents; reagent chemicals; ketone; monomers; plasticizers; acids and anhydrides; aromatic solvents; chlorinated solvents; cosmetic preservatives; esters; glycol ethers; glycols; heat transfer fluids

Services: Testing; bulk storage; repackaging; liquid bulk handling; custom blending; purifying; stabilizing

Assets: 3 locations in New Jersey; 8 trucks; 25 tankers; 15 box trucks

Trading sales: 40%

McKinn International

2019 Sales: $32m

Singapore

[*www.mckinn.com.sg*](http://www.mckinn.com.sg)

Managing director: Chau Tak Vui

Products: Raw materials for adhesives, coatings, UPR, PU and TPU; plastics additives; flame retardants; acids and anhydrides; plasticizers; rubber additives

Services: Sourcing

Assets: 3rd party warehouse

Trading sales: 85%

R.E. Carroll

2019 Sales: $31.4m

1570 North Olden Avenue, Trenton, New Jersey 08638, US

www:recarroll.com

President: Robert E. Carroll, III

Products: Calcium carbonate, clays, blowing agents, alumina trihydrate, zinc oxides, plasticizers, foaming agents, barium sulfate, petroleum products (aromatic oils, naphthenic oils), magnesium oxide, stearates, soybean oils, lubricants, ASTM reference oils

Services: Repackaging, storage, capacity to efficiently repackage 6,000 - 12,000 gallons per week at several locations for aromatic, naphthenic, paraffinic base and process oils

Assets: Corporate office & warehousing (NJ), warehouse locations in OH, GA, TX. E

Brisco

2019 Sales: $30m

Sao Paulo, Brazil

[*www.brisco.com.br*](http://www.brisco.com.br),   [*www.briscopc.com*](http://www.briscopc.com)

CEO: Guillermo Castillo

Products: Styrene monomer; acrylates; acetates; plasticizers; maleic anhydride; phthalic anhydride; EPS; PS; ABS; PE; PP

Services: Drumming; blending; agency sales; trading; packaging

Assets: 2 warehouses; 5 trucks; 1,000 tonnes of storage in park tanks

Trading sales: 10%

GB-Chemie

2019 Sales: $29.8m (26.5m)

Messel, Germany

[*www.gb-chemie.com*](http://www.gb-chemie.com)

CEO: Jean-Pierre Pittack

Products: Amines; alcohols; inorganic compounds; bromine derivatives; complexing agents; solvents; organic compounds; phosphorus compounds; starch/starch derivatives

Services: Storage; blending; packaging; logistics

Assets: Several local warehouses

Trading sales: 25%

DAXX

2019 Sales: $29m

Houston, Texas, US

[*www.daxxgrp.com*](http://www.daxxgrp.com)

President: Jean Marie Diederichs

Products: Solvents; aromatics; glycol ethers; esters; alcohols; isocyanates; amines; specialty chemicals

Services: Blending; packaging; storage; railcar, tanker, isotank, vessel shipments

Assets: 1 warehouse; 4 trucks; 4 tanks

Trading sales: 20%

RISHICHEM

2019 Sales: $27.4m

Mumbai, India

[*www.rishichem.com*](http://www.rishichem.com)

President: Sanjiv Desai; Directors: Arvind Kapoor, Aditya Kapoor, Atul Shah

Products: Acrylic-based flow modifiers, matting agents and degassing agents; actives for personal care; anionic, nonionic, amphoteric surfactants; aromatic polyisocyanates; ASR- alkali water soluble resins; hydrocarbon resins; natural oils and extracts; fluoro surfactants; high boiling alcohols; MDI and polyols; microcrystalline waxes, bees wax and specialty blends; n-butyl chloride; specialty polyester resins; poly mercaptan epoxy hardeners; rheological modifiers; rosins and rosin esters; silanes and silicones; TiO2

Services: Blending; packaging; labelling; warehousing; inventory managementAssets: Technical application laboratory; company premises

LUMAR QUIMICA

2019 Sales: $26.9m (24.0m)

Barcelona, Spain

[*www.lumarquimica.com*](http://www.lumarquimica.com)

President: Lluis Ribera; CEO: Bruno Saillant

Products: Lubricant additives; antioxidants; corrosion inhibitors; metal deactivators; antiwear and EP additives; fatty acids; fatty alcohols; surfactants; friction modifiers; antifoam agents; viscosity index improvers (OCP, PAMA); pour point depressants; thickeners; solid lubricants; wetting agents; amines; tackifiers; biodegradable additives; food additives; PAO (polyalphaolefins); PAG (polyalalkyleneglicols); PIB (polyisobutylene); esters; silicon; PFPE; phosphate esters; corrosion inhibitors; waxes

Services: Storage; logistics; repackaging; analysis; technical training

Barrettine Group

2019 Sales: $26.5m (£20m)

Warmley, Bristol, UK

[*www.barrettine.co.uk*](http://www.barrettine.co.uk)

Group managing director: Steven Bailey

Products: Isopropanol; acetone; ethanol; hydrocarbon solvents; esters; aromatics; acids; caustic soda; insecticides; rodenticides; wood preservers; wood stains; paint strippers; cleaning chemicals

Services: Manufacturing; blending; bespoke formulations; contract manufacturing; packaging; storage

Assets: Manufacturing and mixing plant

Trading sales: 50%

JNS-Smithchem

2019 Sales: $26.2m

Paterson, New Jersey, US

[*www.jns-smithchem.com*](http://www.jns-smithchem.com)

Chief operating officer: Darren Jachts

Products: Resins; minerals; fillers; additives; pigments; specialty chemicals

Assets: 6 warehouses

Trading sales: 5%

KADION ESPECIALIDADES QUIMICAS

2019 Sales: $25.4m (22.6m)

Barcelona, Spain

[*www.kadion.com*](http://www.kadion.com)

CEO: Joaquim Guilera Sarda

Products: Speciality chemicals; additives; hyperdispersants; surface and rheology modifiers; defoamers and air release chemicals; UV stabilizers; antioxidants; photoinitiators; organic and inorganic pigments; aluminium, bronze and pearl pigments; colorants; soluble dyes for plastics and coatings; resins and polymers; nitrocellulose; epoxy resins; vinyls; aldehydes; acrylics; polyurethanes

Services: Technical sales and marketing; supply chain management; import and export; warehousing; customer and regulatory services

Assets: 2 sales offices and warehouses

Lake Chemicals and Minerals

2019 Sales: $25.1m (£18.9m)

Redditch, Worcestershire, United Kingdom

[*www.lakecm.co.uk*](http://www.lakecm.co.uk)

Managing Director: Steven Cartlidge

Products: Lake Engineering Solutions - corrosion control solutions; Lake Technical Specialities - adhesives and sealants, lubricants and metal working fluids, paints, surface coatings; Ubichem - excipients for tablet, capsule and suspensions, drug delivery modified lipids and phospholipids, advanced intermediates, European licensed APIs; Lake Personal Care - substantiated actives, sensorial, functional and tactile additives, rheology modifiers, oils and fats, extracts, emulsifiers and solubilizers; Salutivia - flavours, food ingredients, nutritional supplements, process aidsServices: chemical synthesis, distillation, purification, repackaging, sieving, blending, new product development, contract research and manufacturing, quality control, storage and distribution

Assets: head office, warehouse, two labs

TZ Group

2019 Sales: $24.9m

President: Fernando J Zavala

Houston, Texas, US

[*www.treza.com.mx*](http://www.treza.com.mx),   [*www.tzgroupusa.com*](http://www.tzgroupusa.com) and   [*www.tauchemicals.com*](http://www.tauchemicals.com)

President: Fernando J Zavala

Products: Caustic soda liquid and flakes; acetic acid; sulfuric acid; sodium hypochlorite; chloridric acid; liquid chlorine; sodium sulfate; sodium hydrosulfite; sodium bisulfite and metabisulfite; sodium silicate; sodium carbonate; sodium bicarbonate; calcium chloride; hydrogen peroxide; nonil phenol; LESSServices: Liquid and solid storage; packaging; dilution and blending; deliveries any quantity

Assets: 6 warehouses - 5 in Mexico City, Puebla, Merida, Villahermosa and Cancun, Mexico, and 1 in Houston, Texas, US; 36 trucks for deliveries; 15 tank trucks for liquid products

Trading Sales: 16%

SAMECA

2019 Sales: $24.7m (22m)

Porto, Portugal

[*www.samecapq.com*](http://www.samecapq.com)

CEO: Eduardo Moura e Sa

Products: Additives for food, plastics and rubber, coating and resins; solvents; inorganic chemicals; pigments; organics and inorganics; coatings; resins; personal care, cosmetics and detergents chemicals; effect chemicals; resins intermediates

Services: Storage for bulk and solids; packaging

Assets: Own road fleet; 6 trucks; 2 owned warehouses; 3 rented warehouses

Trading sales: 40%

Monarch Chemicals

2019 Sales: $23.1m (£17.4m)

Sheerness, Kent, UK

[*www.monarchchemicals.co.uk*](http://www.monarchchemicals.co.uk)

Managing director: Jon Hill

Products: ***Agricultural*** performance silage additives; acetic acid; caustic soda; citric acids; formic acid; feed additives; formates; glycerine; glycols; hydrochloric acid; nitric acid; propionic acid; sodium hypochlorite; sodium sulfide

Services: Warehousing; liquid and powder blending; dilutions; toll manufacturing; packed and bulk UK distribution; inventory management; supplier reduction; just-in-time delivery; global sourcing

Assets: 2 UK distribution locations with bulk and packed storage; offices; 4 purpose built trucks

Trading sales: 18%

ANTONIO TARAZONA (Industrial division)

2019 Sales: $22.5m (20m)

Silla, Valencia, Spain

[*www.antoniotarazona.com*](http://www.antoniotarazona.com)

President: Jorge Tarazona Soriano

Products: Urea; urea solutions; ammonia; caustic sosa; calcium nitrate; potassium nitrate; MAP; MKP; phosphoric acid; water soluble NPK fertilizers; ammonium sulfate; potassium phosphate; dicalcium phosphate; industrial additives

Services: Blending; packaging; storage; logistics

Assets: 50,000 square metre warehouse

Trading sales: 25%

Sulatlantica Importadora E Exportadora

2019 Sales: $22m

Rio de Janeiro, Brazil

[*www.sulatlantica.com.br*](http://www.sulatlantica.com.br)

CEO: Leonardo Roisman

Products: Chemicals for oil and gas, mining, glass, ***agriculture***, food and feed industries (organic chemicals, inorganic chemicals, solvents, emulsifiers, viscosifiers)

Services: Importing; exporting; packaging; blending

Assets: 4 warehouses; 20 tanks; 1 office building

Eagle Alcohol

2019 Sales: $21.7m

St Louis, Missouri, US

President: Daniel J Croghan

Products: Ethyl alcohol; beverage ingredients; industrial organic glycols; glycol ethers; surfactants

Services: Packaging; blending; storage

Assets: 60,000 square foot warehouse; 15 bulk tanks; 20 stainless steel tanks; 2 tractors; 2 box trailers

WhitChem

2019 Sales: $21.2m (£16m)

Newcastle-Under-Lyme, Staffordshire, UK

[*www.whitchem.co.uk*](http://www.whitchem.co.uk)

Managing director: Charles Hawley

Products: Resins/polymers; pigments; additives; mineral fillers/filter aids; textile processing/finishing/coating products; chemicals for adhesives and sealants, coatings and inks, construction and refractory materials, plastics and rubbers, textiles, ***agriculture*** and horticulture, filtration of liquids, metallurgy and engineering materials

Services: Storage of chemicals and minerals for customers across the UK and Ireland; industrially trained personnel; specialist technical support; project development; formulation advice

Assets: Sales office and warehouses in the UK

Gulf Coast Chemical

2019 Sales: $20.6m

Abbeville, Louisiana, US

[*www.gulfcoastchemical.com*](http://www.gulfcoastchemical.com)

Managing member: Jim Fusilier

Products: Glycols; methanol; ethanolamines; coolants; lubricants; antifreeze; heat transfer fluids; production chemicals; wireline lubes; specialty frac and completion fluids

Services: Blending; storage; laboratory services; chemical treatment programmes; operator training

Assets: 6 company operated facilities; 1 methanol terminal; 120,000 square feet warehousing; 500,000 gal bulk storage; laboratory facility; 22 delivery trucks; 2 tankers; 6 service trucks

Trading sales: Less than 10%

KEMAT

2019 Sales: $20.0m (17.8m)

Brussels, Belgium

[*www.kematbelgium.com*](http://www.kematbelgium.com)

Managing director: Simon Mason

Products: Polyisobutylene (PIB); proprietary PIB blends; polyalphaolefins (PAO); lubricant auxiliaries; natural oils; molybdenum disulfide; 12-hydroxystearic acid; rubber auxiliaries; natural rubber; synthetic rubber; polyisoprene synthetic rubber; titanium dioxide; carbon black; fuel additives; fuel performance packages with BASF technology

Services: Blending; bulk storage; drumming; outsourcing; packaging and repackaging; sourcing; warehousing

Assets: 75 iso-containers; warehouses with drumming, blending and repackaging capability; 5 offices globally; internal laboratory; transport fleet

Trading sales: 7%

The White Sea & Baltic Company

2019 Sales: $20.0m (£15.0m)

Horsforth, UK

[*www.whitesea.co.uk*](http://www.whitesea.co.uk)

Managing director: Alan Carradice

Products: Surfactants – nonionics, anionics, cationics, hydrotopes and green surfactants; fatty acids; oleochemicals; UV absorbers; pine tar; biocides and preservatives; personal care ingredients; lactates; phenol blends and crystals

Services: Storage; blending; sourcing

Assets: Head office

Trading sales: 20%

COMINDEX

2019 Sales: $19.1m (17.0m)

Barcelona, Spain

[*www.comindex.es*](http://www.comindex.es)

General manager: Ana-Cristina Arp

Products: Additives; acrylic dispersions; alkyd emulsions; biosolvents; castor and linseed oil and derivatives; corrosion inhibitors; epoxy resins; functional fillers; matting agents; molecular sieves; pigments; polyols; PU dispersions; reactive diluents; reinforcing fibres

Services: Technical assessments; technical visits with our principals; free customer training; free samples shipment E Assets: Headquarters; 1 warehouse

Biachem

2019 Sales: $19m

London, UK

[*www.biachem.com*](http://www.biachem.com)

Managing director: Bob Beaumont

Products: Caustic soda; surfactants; sodium percarbonate; sodium chloride; magnesium chloride; chlorine powder; chelates; sulfamic acid; sodium sulfate; phosphates

Services: Storage; blending; repackaging; dilution

Assets: All warehousing and transport subcontracted; offices in London and Ireland

Trading sales: 5%

Schibley Solvents and Chemicals

2019 Sales: $19m

Elyria, Ohio, US

[*www.schibley.com*](http://www.schibley.com)

President: Reed Schibley

Products: Organic peroxide initiators; surfactants; fatty acids; release agents; fiberglass reinforcements; resins; gelcoats; FRP equipment; solvents; chelates

Services: Blending; packaging; storage; trucking

Assets: 4 warehouses; refrigerated warehousing; hazardous material warehousing; 3 trucks; 5 trailers

Klaus F. Meyer

2019 Sales: $18.3m (16.3m)

Fussgoenheim, Germany

[*www.klausfmeyer.de*](http://www.klausfmeyer.de)

Managing directors: Martina Magnie, Frank Meyer

Products: Hydroxylamine sulfate; hydroxylamine hydrochloride; triflic acid; MEKO; nitromethane; isocyanuric acid; BHT; p-toluenesulfonic acid; n-isopropylhydroylamine; TMEDA; anthranilic acid; agrochemicals; pharmachemicals; specialty chemicals; catalysts

Services: Door-to-door-service; refilling of triflic acid; handling of dangerous goods; stockholding

Assets: 5 warehouses; own office in Shanghai-Puxi; laboratory for sample handling; isotanks

American Chemie

2019 Sales: $16m

Austin, Texas, US

[*www.americanchemie.com*](http://www.americanchemie.com)

President: Paula Kamdar; Vice President: Mike Kamdar

Products: Chemicals, ingredients and additives for sunscreens, personal care, HI&I (surfactants), food, nutrition, animal nutrition, paints, inks, catalysts, lube oil, greases, metal working, PVC lubricants, flame retardants, synthesis

Services: Logistics; imports; distribution including hazmat chemicals in iso-tanks; just-in-time delivery; hazmat certified; outsourcing; tolling; private labelling

Assets: 6 warehouses across the US

CFI World

2019 Sales: $15.8m (14.1m)

Robakowo, Poland

[*www.cfworld.pl*](http://www.cfworld.pl)

CEO: Klaudiusz Dominiak

Products: Cellulose ethers; SBS and NBR polymers; tartaric acid; redispersible powders; titanium dioxide; petroleum resins; self-leveling additives; styrene-acryl and acryl dispersions; antifoams; hydrophobic impregnates;coalescent agents; lithium carbonate; gum resins

Services: Blending; packaging; storage; raw materials laboratory tests

Assets: Warehouse; laboratory with full equipment for dry and wet applications

Trading sales: 5%

Saiper Chemicals

2019 Sales: $15.5m (Rs 1.11bn)

Mumbai, India

[*www.saiper.com*](http://www.saiper.com)

Managing director: IBV Raghavan

Products: Additives (amine neutralizer, adipates, propionates, saturated block polyethers); amines (ethanolamine, ethyleneamines, isopropanolamines); C4 chemicals (BDO, NMP, THF, MPDiol Glycol, TBAc,); coalescing aids (Texanol, OE 300, TXIB, Coasol, Coasol 290 Plus); glycol ethers (E-Series & P-Series); propylene glycols; pine oil based derivatives tall oil rosin, TOFA, DTO, rosin esters and rosin ester emulsions; specialties (1-2 diaminocyclohexane, 2-ethylhexyl acetate, 2-ethylhexylglycerin, caprylyl glycol, dimethyl succinate, di-n-butyl ether, isoamyl alcohol, vinyl-2-ethylhexanoate)

Services: Custom blending and repackaging; formulation; drumming

Assets: 2 offices; 3 warehouses (1 owned); blending/formulation unit

EMCO-Inortech

2019 Sales: $15.4m (C$20m)

Terrebonne, Quebec, Canada

Vice president, sales and marketing: Jean-Baptiste Moranta

Products: Specialty chemicals for coatings, adhesives, sealants and elastomers (CASE); resins; additives; pigments

Services: R&D

Assets: 2 offices; 1 R&D laboratory

Royale Group (AWSM, Shorechem, Royale Pigments)

2019 Sales: $15m

Paramus, NJ 07654, US

[*www.royalepigments-chem.com*](http://www.royalepigments-chem.com)

CEO John Logue

Products: Alkali fluoroborates, fluorides, metal fluoroborates, nitrates/nitrites, borates, specialty organic/inorganic fluorines, pearlescent fluorescent iron oxides

Services: Stock, supply chain management, consulting, blending, grinding

Assets: 5 warehouses, 2 converting locations

TECNOSINTESI

2019 Sales: $13.5m (12m)

Bergamo, Italy

[*www.tecnosintesi.com*](http://www.tecnosintesi.com)

Sales and marketing manager: Michele Angius

Products: Adipic acid (AA); ammonium polyphosphate (APP); acetyl tributyl citrate (ATBC); butanediol (BDO); cyclohexane-dimethanol (CHDM); diallyl phthalate (DAP); hexanediol (HDO); isophthalic acid (PIA); monobutyltin oxide (MBTO); monopropylene glycol (MPG); polyethylene wax; p-tert butyl phenol (PTBP); tartaric acid; trimethylolpropane (TMP); zinc oxide (gold; green and active)

Services: Trading; sourcing of specialties; storage; blending and repackaging; full service from sourcing to DDP delivery, including handling of emergencies

Trading sales: 70%

Stort Chemicals

2019 Sales: $12.2m (£9.2m)

Bishops Stortford, Hertfordshire, UK

[*www.stortchemicals.co.uk*](http://www.stortchemicals.co.uk)

Managing director: Richard Gilkes

Products: Resins; pigments and additives for coatings (paints, inks and adhesives); colorants for paints and thermosets; fluoro-surfactants; raw materials for flavors and fragrances

Services: Technical sales; storage

SMA COLLABORATIVES

2019 Sales: $10.6m

Cincinnati, Ohio, US

[*www.smacollaboratives.com*](http://www.smacollaboratives.com)

President: Saad Ashoor

Products: Anti-aging actives; emulsifers; extracts; aroma chemicals; peptides; vitamins; thickners; preservitives; natural ingredients; surfactant concentrates; natural oils; microbiome ingredients

Services: Custom blending; repackaging; formulations; sales in 5 US states

Assets: 3 warehouses; formulations lab; production facility

CB Chemie

2019 Sales: $10.0m (8.9m)

Baumgarten, Austria

[*www.cbchemie.at*](http://www.cbchemie.at)

CEO: Christian Braunshier

Products: Specialty chemicals for coatings and construction; thickeners; binders; pigments

Services: Blending; development of formulations; consulting; packaging; storage; stock control; vendor management

Assets: R&D laboratory

Trading sales: 5%

An Loc Phat International

2019 Sales: $10m

Ho Chi Minh City, Vietnam

[*www.anlocphat.com.vn*](http://www.anlocphat.com.vn)

Managing director: Harry Nguyen

Products: Synthetic rubber; rubber chemicals; silicone rubber; polyurethane; construction chemicals

Services: Import

Assets: 5 warehouses

Trading sales: 20%

ChemCeed

2019 Sales: $9.4m

Chippewa Falls, Wisconsin, US

[*www.chemceed.com*](http://www.chemceed.com)

President: Marimel Enderes

Products: Plasticizers; corrosion inhibitors; additives; solvents; fatty acids; alcohols; specialty chemicals; industrial chemicals; food additives

Services: Blending; packaging; labelling; storage; consignment; JIT delivery

Assets: 4 warehouses

Abbey Chemicals

2019 Sales: $9.2m (£6.9m)

Great Yarmouth, Norfolk, UK

[*www.abbeychemicals.co.uk*](http://www.abbeychemicals.co.uk)

Director: Tyson Bonham

Products: Monoethylene glycol; monopropylene glycol; butyl diglycol; monoethanolamine; acetic acid; ferric chloride; caustic soda liquor and pearl; copper sulphate; magnesium sulphate; potassium nitrate; calcium nitrate; boric acid; zinc sulfate; manganese sulfate; phosphates

Services: Storage

Assets: 3 warehouses; 6 trucks and 7 trailers; 5 ADR drivers; offshore marine base facility; 12 offshore tanks

Trading sales: 8%

CLARIQUIMICA

2019 Sales: $8.1m

Sao Paulo, Brazil

[*www.clariquimica.com.br*](http://www.clariquimica.com.br)

Products: Pigments and additives; pigment dispersions; paper and textiles chemicals; carbon black; iron oxide; dyes for paper and textiles

Services: Blending; packaging

Assets: Warehouse; 1 truck

Trading sales: 70%

QUIMICA MER

2019 Sales: $6.1m (5.5m)

Toledo, Spain

[*www.quimicamer.es*](http://www.quimicamer.es)

CEO: Javier Huerta Gonzalez

Products: Solvents, thinners and green solvents; paints and coatings raw materials; adhesives and sealants raw materials; aroma chemicals and cosmetics raw materials; softeners and detergents; emulsions and copolymers; antifreezing formulated products; epoxy resins; pharmaceutical and agrochemicals raw materials; organic and inorganic chemicals; aeronautic and automotive raw materials; water treatment chemicals; ink and printing chemicals; food ingredients

Services: Bulk storage; blending and formulations; packaging and bulk deliveries; logistics and outsourcing; laboratory analytical services to third parties; e-invoicing

Assets: 1 warehouse (bulk and packaged storage); 1 bulk tank car; 2 trucks

Petrico

2019 Sales: $4.2m (£3.2m)

Sandbach, UK

[*www.petrico.com*](http://www.petrico.com)

Managing Director/CEO: Andy Lamb

Products: Specialty chemicals; antifoams; rust preventatives; lubricant and fuel additives and packages

Services: Warehousing; packaging; logistics; procurement

Assets: European warehouses

KETSIN DE COSTA RICA

2019 Sales: $1.4m

[*www.ketsincr.com*](http://www.ketsincr.com)

CEO: Cesar Marin

Products: Titanium dioxide; carbon black; pigments; emulsions; alkyd resins; polyester resins; masterbaches; additives; plastics; polyethylene; solvents; aromatics; specialty products; food additives; sanitizers; caustic soda; consumer products; household and personal care ingredients

Services: Storage; packaging; safety stocks and blends

Assets: 2 warehouses; 2 transportation fleets

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JOURNAL : Farmers Weekly

The meat levy bodies for England, Scotland and Wales are launching a £1.2m national advertising campaign to try to encourage consumers to use more high-end cuts of beef.

Running for 12 weeks, the “Make it with beef” campaign will include TV ads, video, radio and social media content.

It aims to inspire consumers to create restaurant-style meals in the comfort of their own homes, using a variety of high-quality hindquarter cuts.

See also: UK and US meat sectors battle supply chain challenges

Since the coronavirus lockdown at the end of March and the closure of restaurants and pubs, there has been a sharp downturn in sales of steaks and roasting joints, and an uplift in cheaper products such as mince.

To meet demand for mince, processors are having to use higher-value hindquarter and steak cuts, which leads to a drop in the overall retail value of the carcass and a subsequent drop in potential returns to beef farmers.

Joint effort

A statement from the levy boards said: “This is a unique joint effort by AHDB, Quality Meat Scotland and Hybu Cig Cymru, which we hope will drive an uptake in steak and roasting joint sales in the run up to barbecue season.”

The campaign is being funded from the £3.5m pot of AHDB red meat levies ring-fenced for collaborative projects, which is managed by the three GB meat levy bodies.

This fund is an interim arrangement while a long-term solution is sought on the issue of levies being collected at point of slaughter in England for animals that have been reared in Scotland or Wales.

The campaign will be supported with “how to” videos and cooking tips, and influencer-driven content.

It aims to reach 85% of UK households in the coming months.

JOURNAL : Farmers Weekly

Good management and selection of gilts is fundamental for maintaining a productive herd.

Emerging evidence suggests the environment in which a gilt is reared during her suckling, nursery and finishing stages, as well as during her period as a maiden gilt, can have an effect on her lifetime performance.

What’s more, AHDB figures suggest it typically costs about £250 to rear each gilt, so putting the groundwork in to make sure they get past their first or second parity and reach their full lifetime potential is vital to get a return on that investment.

See also: Guide to maximising conception rates in gilts

Farmers Weekly spoke to Andrew Palmer and Pat Loten, knowledge exchange managers at AHDB Pork, about the key areas to focus on when it comes to improving gilt management and conception rates.

Selecting gilts

Before beginning the selection process, it’s important to ensure you have retained two-and-a-half times the number of replacement females needed.

This allows for dropouts during the selection process and ensures there is a big enough pool to pull replacements from at the stage you start to regulate their heats – about three weeks before service.

In terms of the selection criteria itself, key gilt requirements include:

A minimum of 14 functional teats

Good conformation

Sound dam history: Only select gilts from sows with the best reproductive performance. Look at numbers born, numbers weaned and her farrowing index, as this will be hereditary

Birthweight: Only choose good, strong gilts at birth that weigh more than 1kg (evidence suggests gilts born weighing less than 1kg produce 4.5 less piglets across three parities)

Another selection process should be carried out at weaning, pulling out any gilts that have not met the target weight.

It is also important to select gilts with good weaning weights to reduce post-weaning check. Ideally, the gilt should weigh about 5kg at 21 days old, and 7kg-plus at weaning

This target has to be flexible, as growth can be inhibited during the summer

This second selection double checks again for any conformation issues that have appeared since the first selection at birth – for example, dipped backs, ruptures/hernias or poor legs

Final selection should be made about at 140 days or 90kg.

Visually evaluate the legs, underline, vulva, ease of movement and overall conformation

Growth rates and fatness – or leanness – should also be taken into ***account*** during the final selection process

Feeding the gilt

Gilts that have made it through the selection process can stay within the regular grower/finisher group on the normal ration until they reach 80kg.

They should then be removed from the commercial flow and managed separately.

The use of a gilt ration is important to allow adequate growth rates, fat deposition and bone growth at this key stage.

As a result, a key component of the diet should be calcium phosphorus, as this is one of the main drivers for promoting bone strength and good growth rates.

Three weeks before their first service (when gilts weigh about 140kg), they should receive ad-lib quantities of feed to cause a reproductive flush, which subsequently improves egg numbers and egg quality.

Vaccinating the gilt

Vaccinations will depend on herd health status and the status of the incoming gilts. Any vaccinations should be given in discussion with your vet and in line with your herd health plan.

The most common vaccinations include erysipelas (x2), parvovirus and porcine reproductive and respiratory syndrome (PRRS).

Other vaccines should cover enzootic pneumonia, porcine circovirus disease (PCVD), clostridia, and E coli.

A controlled-exposure technique can be used to "bug up" the gilts to your farm's specific pathogens. As an example, old bedding could be used to allow them to build up an immunity to these pathogens.

Measuring gilt development

Gilt performance makes up 20-25% of a herd's total performance at any time. Good gilt management will help to optimise sow longevity by reducing the number of prematurely culled animals (culled before parity three)

Keeping track of changes in performance over time means you learn what works for your unit, in terms of herd management and environment, motivating yourself and the team to do more of this. It also provides early warning if performance starts to deteriorate.

As a general rule, during gilt development producers should be looking to monitor:

Birth weight (more than 1kg)

Conformation - good legs, udder line and general body shape

Weaning weight - target 7kg

Serve at 220-240 days,140-150kg liveweight with 18mm backfat

Conception rate - target 95%

Farrowing rate - target 5% more than the herd average for sows

Total piglets born alive - a gilt will generally produce one less piglet than a sow per litter, so target your herd average minus one (AHDB sow average = 14.84)

Born alive - target more than 12 piglets

Reared - target  more than 11 piglets

Preparing for service

Low birthweight will increase early removal from the herd due to anoestrus (lack of heat) before first mating, and gilts weighing less than 1kg at birth often produce fewer total born piglets at the first farrowing and consequent litters.

When preparing gilts for service, typical targets to look for include:

135-170kg liveweight

220-270 days of age

Body condition score of 3-3.5

Where a progestagen is used to control oestrus, there are a number of best-practice principles that should be followed to ensure at least 90%+ of gilts are cycling five to seven days after withdrawal.

Ensure the gilt has already reached puberty and do not start the programme if the gilt is already in oestrus

Try to feed the gilts individually or use a new oral doser; gilts can be trained with apple juice or cod liver oil

If group feeding, initially give 1kg of feed plus the progestagen per gilt; distribute, allowing sufficient space for the gilt to eat her allocation and then feed the remaining daily allowance once the treated food has been consumed

Once the progestogen has been withdrawn, gilts should be placed on ad-lib feeding and receive daily boar contact to stimulate oestrus as normal

From a stockperson’s perspective, it is important gilts are familiar with both the routine of moving to the heat detection/AI facilities and they are also allowed to explore the area, including meeting the boars.

Familiarisation will reduce stress, promote calm gilt behaviour and strong standing reflexes during insemination.

JOURNAL : Farmers Weekly

The drop in global and domestic energy markets makes it vital generators of renewable energy shop around for the best price on power sold to the grid.

Power purchase agreements (PPAs) are one of several routes to market for electricity sales, typically suited to farmers or landowners with installed generating capacity exceeding 100kWp and compulsory for those claiming renewable obligation certificates (ROCs).

Many supply companies offer standard PPAs, which allow electricity generators to lock into a guaranteed price for exported electricity, based on the wholesale price at the time of fixing.

See also: Farm buildings - know your permitted development rights

Fixed periods are typically three months to two years, with longer-term fixes usually more desirable when prices are high, and shorter periods when prices are down.

Current PPA prices have not been immune to the steep decline in wholesale energy markets, driven by low oil and gas prices.

Charles Ward, from consultancy New Stream Renewables, says a typical solar PPA price has almost halved over the past year to about £30-£35/MWh, excluding “embedded benefits” (see below).

Embedded benefits

Embedded benefit payments effectively reward suppliers for contributing to the local lower-voltage network and are paid on top of the fixed electricity price available through a traditional PPA.

Payments vary considerably depending on regional supply and demand factors, but can be worth £3-£15/MWh.

The Renewable Energy Guarantee of Origin certificate adds about £0.35-£1/MWh depending on generation technology.

Traditional PPA prices have therefore been overtaken by the main alternative for Feed-in Tariffs (Fits)-accredited installations – the Fits export tariff – and there seems little sign of any immediate turnaround, he says.

“The Fits export tariff was originally only offered by mandatory Fits licences (the "Big Six" suppliers), with prices initially at £30/MWh, which was below the wholesale price.

"However, with changes to legislation, we’ve seen more suppliers enter the market, and the export tariff level has risen with inflation to £55/MWh, which is now a considerable premium to a standard PPA.”

The Fits export tariff is separate from the Fits generation tariff, and offers an index-linked fixed tariff for 12 months on electricity exported to the grid. Ofgem sets the tariff and it is paid through electricity suppliers.

Contractual terms are similar to a traditional PPA, but they exclude additional payments for “embedded benefits”, apart from Renewable Energy Guarantee of Origin (Rego) certificates, which certify the energy as green.

Mr Ward cautions that anyone opting out of a Fits export tariff must allow 12- months before signing up again – similar to with a standard PPA.

Commercial factors determine the most suitable PPA for any business, and with many different deals available, it is worth shopping around at every renewal. “The difference between the best and worst deals could be worth £30,000 a year for a 500kWp anaerobic digestion site,” he says.

“It’s a very dynamic market that can see aggressive bidding for sites. Online portals do not necessarily cover the whole market and do not allow the human element of market timing and customer support, so it is well worth using a reputable intermediary with good market access.

“Always seek clarity about their fees and get them to provide a list of the companies they go to for a quote.”

Tips to get a good PPA deal

Shop around as many PPA providers as possible - don’t just renew with your existing supplier.

Use a reputable broker or intermediary with good market knowledge and proven track record.

Start early – three to six months before your current deal ends.

Compare deals equally, considering energy pricing, length of fixed period and value of embedded benefits (if applicable

If using a broker, check which companies they go to for quotes, and ask for full details about fees before committing – for example, is it a one-off upfront fee or a fixed fee per MWh deducted through the supplier?

Ensure companies are not binding you into a new agreement or committing you to use their service when getting a price quote.

Read paperwork carefully before signing.

JOURNAL : Farmers Weekly

Weaning calves can be a stressful event for both the cow and calf, but it is necessary to give the cow time to recuperate in time for the next breeding event.  There are steps that can be taken to minimise stress and reduce growth checks.

Katharine Shepherd from Bishopton Veterinary Group gives her advice for weaning suckled calves.

When should calves be weaned?

Feed supply and cow condition should determine when to wean. Calves should be at least five months old.

By 200 days old, calves should be getting 75% of their nutritional needs from sources other than milk. Therefore, feeding the calf directly will be much more efficient than feeding the cow to produce milk at this stage.

See also: How a ‘two-step weaning’ approach can reduce calf stress

If the cow is in poor condition, calves should be weaned immediately to allow the cow time to recover before beginning her next lactation.

Conversely, if cows are fat, delaying weaning can help to reduce some condition before the next calving.

Spring calving cows should be managed to gain condition over the grazing season, which can then be mobilised over winter. Spring-born calves should be weaned two to three weeks prior to housing.

Autumn-calving cows should be weaned at least one month prior to calving for the udder to recover and quality colostrum production to be achieved.

How can you minimise stress at weaning to minimise growth checks?

It is advised not to dehorn or castrate cattle within a month either side of weaning.

Ensure housing is well ventilated and stocking density not excessive. It is also helpful to clip a 30cm-wide strip along a calf’s back to help reduce sweating.

Calves should be vaccinated against possible respiratory diseases and clostridial disease prior to housing to ensure they have the best chance of not succumbing to growth-limiting disease or even death.

Calves from different groups will potentially have been exposed to different bugs and have different levels of immunity, therefore it is best to avoid mixing groups and ages.

Should you creep feed calves?

Creep feeding has many benefits that can make it cost effective in a lot of herds.

The use of creep feed can lead to:

Increased weaning weight

Reduced growth check at weaning due to reduction in stress

Reduced pneumonia at housing due to increased feed intake and reduced stress

Efficient feed conversion: 4kg of creep feed can provide about 1kg of weight gain.

If you are breeding replacement heifers to calve down at two years old, creep feeding can help to achieve the required growth rates.

When should you start to offer creep?

Timing will be dependent on forage availability as well as cow condition and the calf's breed, along with its growth potential.

Six to 10 weeks prior to weaning is a good time to start putting out creep feed. If bulls are going to be intensively reared, you may wish to start sooner – for example, 12 weeks before weaning.

Alternatively, if cows are in good condition or particularly milky and conditions for creep feeding are difficult, you will still see a benefit starting four to six weeks before weaning as this still allows the gut to adapt to hard feed.

A notable exception to this may be native-breed females, which can be prone to laying down fat and will be finished later.

Advice on transitioning from creep to a grower ration

After weaning, initially continue to creep feed along with the grower/finisher ration to smooth the transition. Make sure a good forage source is also available to reduce likelihood of acidosis.

If you are selling calves at weaning, it is useful to tell buyers what they have been fed so they can provide a similar concentrate.

What weaning method should be used?

I would recommend the use of a nose flap but not fence-line weaning. Several farms have reported reduced stress and noise from both cows and calves with the use of a nose flap for one week prior to separation.

However, an AHDB study showed fence-line weaned calves spent 65% of their time pacing and vocalising very close to the fence, indicating that being physically separated while still being able to see and hear the dam is a major source of stress.

Although this study did not find nose flaps to be beneficial (used for 17 days) either, I have plenty anecdotal evidence of farmers using nose flaps for a shorter period and seeing a real benefit.

Key performance indicators (KPIs) to consider at calving and weaning

1. Number of calves weaned per 100 cows and heifers put to the bull

Your target should be 94, although 90-92 may be a more realistic initial target.

Clearly, this target will be hugely influenced by the number of calves born.

You should look closely at these two KPIs in conjunction with each other.

A satisfactory number of calves born but not weaned suggests issues with the rearing process.

Keep records of the age of mortality to help guide you and your vet towards the most likely causes and areas to focus on for improvement.

2. Calving spread (the number of animals calved in the first three weeks as a percentage of the number of animals put to the bull)

A good target would be 65% in the first cycle and a further 30% in the second cycle.

A tight calving pattern demonstrates good fertility and will help with management tasks around weaning, as calves will be of a more similar age and size.

3. Cow efficiency (weaned calf weight, adjusted to 200-day weight, as a percentage of the dam)

The higher the percentage, the more profitable the dam is. Suggested target is 50%.

This KPI focuses on weaning weights relative to mature cow size and can be useful to help with culling decisions, as well as policy for selecting replacements.

JOURNAL : Farmers Weekly

A new Agriweld front-mounted cultivator offers growers the option of having a one-pass tillage and drilling system, rather than making two conventional passes.

The Mantis is a low-disturbance toolbar with legs spaced at 500mm and depth set via spacer clips on the wheel rams. There is a choice of low-disturbance points and a bank of discs can be added in front of the legs to stop trash gathering.

See also: Opico tackles arable weeds with interrow cultivators

Standard leg protection is via the firm’s new Snap-bar shear leg, which comes in four strengths and replaces the typical shear bolt protection. It speed up manually reseting the leg, while a fancier auto-rest version is also available.

Mounting the legs so close to the steering front wheels means they're subject to more strain when turning, so Agriweld has designed them to pivot slightly, helping with corners.

The Mantis is available in widths from 3m to 6m, with prices starting from £13,500. A 4m Mantis and 4m combination drill should be handled comfortably by a 280hp tractor.

JOURNAL : Farmers Weekly

After 12 weeks, we have come to the end of our busiest calving season ever. There have been tears, smiles and some frustration – isn’t there always? – but we made it.

Like many farmers during the spring, my life off the farm is put on hold for the arrival of the calves, and this year was no different.

Little did I know I wouldn’t be reunited with normality and a social life again afterwards either. For obvious reasons, this can’t be helped and won’t last forever, but it was a difficult adjustment to make.

See also: Amy Eggleston – Looking for virus silver linings

Farming is a full-on job at the best of times, and often it’s why we love it. But for many of us, working in isolation is not new.

Lots of my time is spent walking the fields, out with the animals or moving stock, all in solitude. Sometimes, this is great.

It gives me time to think, listen to podcasts or get some fresh air and exercise (like we don’t get enough of that).

Other days, a bit of company is needed. Even just some small talk can be a great comfort, especially after a difficult or long day.

It seems many people facing self-isolation due to Covid-19 have discovered how much they value and need company.

For those spending more time on their own, it is causing increased mental strain, and companies and charities are going to extra lengths to help those who are struggling with this loneliness.

For farmers, we need to look after ourselves year-round too, ensuring we talk when we need to, and know where to go for help (such as the FCN charity).

With Mental Health Awareness Week taking place from 18-24 May, it’s worth taking a minute to think about what we really do to look after ourselves.

Whether it’s getting home at a reasonable hour to see friends or family, or even just taking that time to relax, we have to prioritise looking after ourselves.

In a time of global crisis, the farming community has pulled together as usual and continued to work hard in order to #FeedTheNation.

Messages of gratitude for NHS workers and homemade rainbows have appeared in fields across the country, and many have taken inspiration from Captain Tom Moore with their own fundraising efforts.

It’s been heartwarming to see the effort made by individuals to go that extra mile. As a proud member of this community, I urge farmers to take time to look after themselves too.

JOURNAL : Farmers Weekly

The UK pig price has been virtually static this year, rising by just 1.5p/kg since the start of 2020.

The price, at 164p/kg, is 27p above the five-year average, buoyed by a world shortage of pigmeat after the catastrophic losses in China due to the African Swine Fever outbreak.

See also: Advice for selecting and managing gilts up to service

But can it remain stable in a world dogged by uncertainty? AHDB senior analyst Bethan Wilkins sets out three future challenges

1. Concerns over slaughter capacity

Self-isolation requirements under the coronavirus lockdown mean there are concerns that a lack of available staff at abattoirs could limit slaughter capacity.

UK pigmeat production in the first quarter of 2020 was 6% higher than last year as producers were encouraged to send pigs for slaughter earlier in March, in case capacity was limited by coronavirus.

Finished pig supplies have, therefore, tightened in recent weeks, also influenced by typical seasonal patterns and stagnating herd performance in late 2019.

With the pandemic ongoing, risks of disruption to slaughter remain. However, breeding herd expansion last year means slaughter levels should remain higher in 2020 overall.

2. Export competition and logistics

UK pigmeat exports (including offal) were stable in volume across January and February. However, higher prices meant the value of these shipments was up by 20% on last year.

This largely reflects strong Chinese demand. Nonetheless, the lack of export volume growth highlights challenges.

Large pork imports for Chinese New Year, coupled with the coronavirus lockdown, led to significant backlogs at Chinese ports and limited demand.

Although trade has started to move again more recently, container availability remains a logistical challenge, placing constraints on the volumes that can be sent.

On top of this, US pig prices collapsed following the closure of foodservice businesses and difficulties with slaughter capacity. Low-priced US pork has presented significant competition on the Chinese export market.

We would still expect to see our pork exports rise this year, but it is possible that the volumes and prices achievable are not quite as high as previously anticipated.

3. Changing domestic demand

Domestically, demand for pigmeat has also changed following the closure of most foodservice outlets under coronavirus measures.

Normally, about 14% of the pork consumed in Britain is out of the home.

Initial estimates suggest that pork has switched reasonably well into the increased retail demand, but it remains to be seen whether retail sales will entirely compensate for lost foodservice demand.

Nonetheless, in some areas the changing face of British demand, coupled with some export challenges, seem to have led to building stock levels, particularly of belly and shoulder cuts.

If supply chains struggle to move product, prices could come under pressure.

Stocks are also reportedly building in some key EU producers, such as Germany, where prices have declined. As a net importer of product from the EU, price trends in Germany will affect developments here.

JOURNAL : Farmers Weekly

Arla has cut its milk price from 1 May by 0.9p/litre following a reduction in the price of cream and other dairy commodities.

The change will see its standard price drop to 29.89p/litre for conventional milk and 38.93p/litre for organic milk, bringing the price back to where it stood before the 0.9p/litre rise in March.

The farmer-owned co-operative, which has some 2,500 producers in the UK, retains its position at the top of the milk price league.

See also: The benefits of using fresh semen versus frozen

Reduced demand

Commodity prices have been falling since the outbreak of the coronavirus crisis following the closure of food service businesses, which has reduced demand.

However, Arla is among the least-affected UK processors as it has a number of supermarket liquid milk supply contracts, including Asda's exclusive Farmer's Milk brand.

It is also the UK's biggest cheese producer, has its own brand of yoghurts, and makes Lurpak and Anchor butter.

Arla Foods amba board director, and farmer owner, Arthur Fearnall, said: “Because of the COVID-19 pandemic and the actions taken by governments to limit its spread, the dairy market has moved into unprecedented territory.

"Despite some short-term increase in retail sales, the closure of many food service businesses – alongside the spring peak in milk production and the uncertain global economic outlook – has caused significant reductions in commodity market prices across all categories in the space of a few weeks.

Following a meeting last week between Defra, farming unions and dairy processors, the government said it would take further steps to ease competition laws and allow processors to collaborate and more easily move milk supplies to where there is demand.

Arla's ***agriculture*** director, Graham Wilkinson, said the firm welcomed the opportunity for the industry to work more closely together at this time and build robust plans to navigate through the crisis.

JOURNAL : Farmers Weekly

Bean growers are being advised to monitor crops and weather conditions closely, as diseases such as chocolate spot could rapidly infect crops when the weather does break.

Becky Howard, Processors and Growers Research Organisation (PGRO) research and development manager, warns growers that if wet and humid weather conditions arise, crops could come under pressure from disease spread.

Currently, the dry weather means there may be low levels of potential threat from chocolate spot disease inoculum on the lower leaves of bean plants, but that could change.

See also: Kent grower hits 8t/ha yield with winter bean crop

Once chocolate spot has taken its toll, it is extremely difficult to overcome, which is why an early protective spray is essential, if wet weather conditions pose a real risk.

“We don't recommend growers to spray as a precaution. We only advise applications where necessary, which is why monitoring and keeping a close eye on weather conditions is key,” she says.

Dr Howard also highlights that where winter beans have been planted in the spring, the risk of disease may be reduced further.

Control

Winter beans that were successfully planted in the autumn are now beginning to flower and will enter the pod-development stage in the next few weeks, where control for chocolate spot should be applied during early flowering, if required.

“It's critical not to miss the first pod stage for chocolate spot control, which often occurs during mid-May,” she adds.

The prevention of disease spread to non-infected new leaves was previously controlled with the use of chlorothalonil-containing fungicides, such as Alto Elite, which is now set to be banned from 20 May this year.

Alternative chemical control includes Amistar (azoxystrobin), Folicur (tebuconazole) and Signum (boscalid + pyraclostrobin), with trials from the chemical firm Sygenta, showing the SDHI Solatenol also provides good control in a T1 application.

Dr Howard also highlights that to reduce resistance build up, one active should be used at a full-rate with a mix partner at a lower rate and in high risk situations cutting back the rates of products poses a risky strategy.

Rust

Rust outbreaks in bean crops also remain low, with no infections reported this season, explains PGRO research and development manager Becky Howard.

Periods of prolonged hot, dry weather over the summer has in previous seasons increased the threat of rust developing later in the growing season, predominately after flowering.

“Due to the mild winter, there may be a small amount of overwintered rust on volunteers, but there has been no reports of the disease on crops,” she says.

However, Dr Howard advises growers that the situation can change quickly, with rust build-up able to develop earlier in the season if weather conditions become hot and dry.

“In late May and early June, the risk of rust increases as the disease becomes more prevalent. Growers must ensure the disease does not begin to build up during pod fill, as this will rapidly defoliate the plants, leading to yield losses,” she says.

Similarly to chocolate spot, rust can be controlled using products containing either azoxystrobin or tebuconazole, which should be applied from mid-flowering onwards, with tebuconazole providing particularly good control.

JOURNAL : Farmers Weekly

A Rothamsted researcher whose work into pest-eating beetles has been badly disrupted by the coronavirus lockdown is appealing for help from farmers.

Kelly Jowett, whose PhD is co-supervised by Reading University, had planned to run a series of farmer workshops – but has instead been forced online to seek their opinions.

Ms Jowett is investigating the benefits of ground beetles in crop protection.

See also: How to increase beneficial insects in arable crops

She said: “With increasing restrictions on pesticides, and public opposition to chemical use, ***agricultural*** researchers are looking for new pest management options.

“Paramount to this is ensuring these are effective and applicable to real world situations.”

Ms Jowett hopes to discover which farm management practices can encourage ground beetle species that have a proven role in crop protection, while helping farmers.

20 minute survey

She has set up an online survey that takes less than 20 minutes to complete and is appealing for help across social media using the hashtag #BeneficialBeetlesSurvey

“I had originally planned farmer workshops to accompany the questionnaire, which may not be possible in my PhD timescale due to Covid-19,” she said.

“So I’m humbly requesting as many farmers as possible take part or help spread the word, so that I’m able to collect and analyse meaningful ***data***.”

The survey needs input from all sectors, as ground beetles are beneficial on all farm types.

Studies have shown that ground beetles eat a range of important crop pests and can control the populations of livestock pests too.

Ground beetles also support biodiverse habitats and provide food resources for threatened farmland wild birds.

The Beneficial Beetle Survey can be completed here.

JOURNAL : Farmers Weekly

Berkshire milling wheat grower Nick Philp is cutting his nitrogen fertiliser use by using a foliar product while increasing his chances of hitting breadmaking quality.

Feeding little and often with foliar nitrogen helps his crops thrive on his droughty soils, and he now has a 100% success rate in hitting milling protein standards across nearly 600ha of quality wheats.

Reducing nitrogen means less potential leaching into watercourses, which is set to be of heightened importance in a future more environment-focused farm policy.

“In the context of nitrogen use and climate change, this helps tick all the boxes,” he tells Farmers Weekly.

See also: How to make sure you hit protein target for milling wheat

Net zero farming

Indeed, lower nitrogen use will help reduce ammonia emissions and fit in with the NFU’s aim of net zero farming by 2040, while also working smarter on the farm by using fewer inputs.

Before his partial switch to foliar Mr Philp found that he was using more and more nitrogen fertiliser, up to 250kg/ha and more, to produce 13% protein milling wheat, with costs and environmental concerns rising while he was hitting premiums only about 90% of the time.

“Over the last two years we have had no problems hitting milling specifications with protein levels well over milling standards,” he says.

He is growing the varieties Zyatt and Skyfall for milling group Heygates to a minimum protein of 13%, and also the German “E” or top quality elite wheat variety Nelson to 14% protein. The miller offers buy-back contracts for this variety.

For breadmaking use millers generally looks for wheats with 13% protein, 250 hagberg and a specific weight of 76kg/hl.

Three-way split

Mr Philp has maintained his base 200kg/ha three-way split of a soil-applied urea/ammonium nitrate (UAN) liquid, and then replaced a further 50kg/ha dose at the flag leaf stage by three applications of the foliar product PolyNPlus.

This product is formulated with ureic polymers and a 3kg/ha individual dose is applied to the leaf rather than to the soils. It is sprayed on to the wheat with the T1, T2 and T3 fungicides, giving a total nitrogen usage of 209kg/ha.

Mr Philp says he is now considering reducing his base 200kg/ha level of nitrogen down to 180kg/ha, or even 150kg/ha, and still hopes to hit valuable milling premiums.

There is little material cost benefit in switching to the foliar products, but there are benefits to the environment, reducing passes through the crop, giving healthier crops and a better rate of hitting the milling price premium.

The old flag leaf application of 50kg/ha of UAN was applied as a separate operation using dribble bars on the sprayer, and sometimes an additional ear application was taking nitrogen use above 250kg/ha.

Standard breadmaking wheat quality targets

Protein content

13%

Hagberg (gluten quality)

250 seconds

Specific weight

76kg/hl

Big advantage

Syed Shah, an agronomist with crop consultant Niab, agrees that there is a big advantage in reducing the number of passes through crops, and in being able to apply the foliar nitrogen with a conventional sprayer.

“The foliar product can be applied with fungicides at the T2 and T3 stages and is taken up rapidly by the plants,” he says.

Mr Philp’s regime is to apply his base 200kg/ha of nitrogen in a three-way split by the end of April – 50kg/ha in early March and 75kg/ha doses in early April and again in late April – and then three PolyNPlus doses applied at T1, T2 and T3 along with magnesium, sulphur and potassium.

He is farming 1,200ha from his base at Church Farm, Waltham St Lawrence, between Reading and Maidenhead, on soils ranging from light sandy loams to silty clays in the Thames Valley, with half of the farm down to quality milling wheats.

Yields of these milling winter wheats average 8.5t/ha on soils which can suffer from drought in a dry spring, and this is his fourth year using foliar nitrogen.

Fungicide spend

Mr Philp’s plans for the future include reducing his fungicide spend, as the foliar nitrogen is producing healthier crops, while he is looking at testing his grain to check he is getting his crop nutrition right.

“Healthier plants lead to less stress and these tend to be less attacked by disease,” he says.

Dr Shah agrees and adds that there are signs that the use of foliar nitrogen has helped control mildew.

Advantages of foliar nitrogen

Benefits the environment by applying less overall nitrogen

Cuts costs by reducing the number of passes through crops

Healthier crops due to better nitrogen uptake in dry seasons

Better chance of hitting valuable wheat milling premiums

The foliar nitrogen product is marketed by BFS Fertiliser Services and group managing director Rosalind Platt says it has proved particularly useful in improving the uptake of nitrogen in dry springs. The product contains ureic polymers, sulphur and trace elements.

She points out that as PolyNPlus is applied to the leaves rather than the soil – as with solid and most liquid fertilisers – there is better uptake of the nutrient and a reduced chance of scorch.

JOURNAL : Farmers Weekly

A new on-farm measurement for dairy cow buildings, known as living space, has been developed to provide a better understanding of space allowances for adult dairy cows.

Researchers believe living space is a better way to measure cow space than the traditional definition, loafing area, which is ambiguous, lacks industry consensus and causes confusion among farmers, they say.

See also: 6 housing tips for better dairy production and welfare

PhD student Jake Thompson, from the University of Nottingham, visited 50 randomly selected farms in Great Britain once during the winter housing period of 2017/18 to investigate how much space housed dairy cows were given.

During visits he measured adult dairy cow accommodation and captured farm management information and farmer opinions on space allowances.

Most farms housed cows in cubicles, and herds had a mix of calving patterns: block and year-round.

The AHDB-funded study found farmer definitions for loafing areas and their opinions of loafing space importance were hugely variable, which was unsurprising given the lack of industry consensus, says Mr Thompson.

Results showed:

Farmers felt loafing space was essential for cow welfare with half of respondents scoring this eight out of 10.

Respondents differed on the definition of space with 42% of farmers saying they thought all passageways were classified as loafing space

Loafing space varied widely from 0.5 sq m  to 6.42 sq m.

Farms in the North of England and Scotland were in the bottom 50% for allocation of living space, while farms in the South West gave the most – possibly because farms with greater space tended to have outdoor loafing areas (these farms were located in lower rainfall areas).

Mr Thompson said the results were not surprising given that little research has been carried out into loafing area requirements and even industry guidelines for space requirements vary greatly.

Red Tractor recommends a minimum of 6.5 sq m total space per cow, and AHDB recommends 10.5 sq m per cow.

He concluded living space was a better measurement for the dairy industry to use because it makes it easier to compare space across farms with different cubicle housing set-ups.

For example, a farmer with a new shed containing 4-4.5m passageways – which is great for cow flow and above industry guidelines – would score poorly using loafing space guidelines because passageways are usually excluded from this measurement, he said.

In comparison, living space (see definitions box) promotes the use of wide passageways as a positive, but at the same time, would also increase for farms where farmers had modified traditional buildings by providing cows with outdoor space.

“Living space has a set definition which allows comparisons to be made between different housing layouts,” he added.

Cow space in numbers

6.5 sq m Minimum total space required per cow under Red Tractor assurance standards

10 sq m Recommended total space required per cow under RSPCA standards

3 sq m Red Tractor recommended loafing space requirement

Space and cow welfare

To ascertain what difference space actually makes to cow welfare, researchers at the University of Nottingham are now in the process of comparing two groups of cows: one group given 3 sq m of living space per cow and another group given double this.

They will assess and compare:

Reproduction (calving to conception time)

Production (yield and milk solids)

Behaviour (cows are fitted with sensors to monitor how they use the space)

Health and disease (lameness and mastitis incidence).

Results from the study will be available next year. If space does have a positive effect on cow welfare, Mr Thompson believes more research will be needed to find out how much space cows should be given.

“All of the information around loafing space is very ambiguous and we have all these recommendations, but none of them are based on any evidence.”

“Rather than pluck another number out of thin air and come up with another number farmers don’t really understand, we need to understand how it affects cow welfare and how the economics stack up.”

Definitions explained:

Loafing space: Non-feed, non-lying, non-passageway areas where cows can roam freely either indoors or outdoors. For example, indoor or outdoor concrete or woodchip pads not used for bedding.

Living space: a bespoke definition that includes the additional space available for dairy cows above the baseline requirement for movement and feeding, excluding lying areas.

It ***accounts*** for wider passageways and additional outdoor areas and therefore provides a useful estimate of true available space.

Accurately estimated using the formula: (total housed area per cow at maximum stocking density x 0.83) – (cubicle area per cow at maximum stocking density \*1.28) – 0.79

JOURNAL : Farmers Weekly

Buckinghamshire beef and arable farmer Richard Heady says his plans have been thrown into disarray after a cow tested positive for bovine TB at his farm.

Mr Heady, who runs WF Heady and Sons near Milton Keynes in partnership with his father and uncle, said the positive test “came like a bolt out of the blue”.

It’s the first time a cow has ever been found to have TB on the farm – and Mr Heady fears this could be the start of a “terrible journey”.

See also: Analysis: Can switch to vaccines work in bovine TB battle?

He told Farmers Weekly: “We have had the odd small bump on a cow before, but it’s never been enough to register it as a reactor.

“Anything minor we send off to slaughter and it has always come back as negative. You always know it’s a possibility [bovine TB], but when it does happen to you, you feel dumbfounded.”

The annual TB test was carried out on the herd of 120 beef cattle on 27 March. One nine-month-old Charolais cross Angus heifer tested positive for the disease.

“It was a home-bred beast that had not been mixing with any other cattle and was reared on the farm. The bull has been on the farm for two to three years, the cow for five years,” said Mr Heady.

Annual spring testing

The rest of the herd, including all the animals that were previously bought from Thame Market, tested clear.

Every spring after the herd goes clear, the cows are taken off to the quieter reaches of the 400ha mixed farm.

Mr Heady’s uncle also usually buys in more store calves from neighbours – which tend to be over 12 months old – to fatten on the farm’s fresh, home-grown grass.

It’s a relationship the Headys have built up over the years and it works well, allowing them to restock ahead of the summer.

But the positive TB test has scuppered these plans.

“We’re stuck with these cattle now,” said Mr Heady. “We’re low on cattle numbers and we have lots of grass and space. We are wondering how we can make the best of this situation.”

Mr Heady has no idea how the cow became infected. But he has recently seen badgers on his fields, which may have spread the disease to the animal.

“There are no badger setts on our farm, but I’m concerned that some of our badgers may be infected,” he said.

“As far as badger culling is concerned, I’m sat on the fence. It might be a necessary evil. But surely there is a better way to do it?”

Movement restrictions

Mr Heady is looking at different ways to raise income by letting out the fields to neighbours or making silage and selling it. He is also thinking about practical measures to “badger-proof” the farm.

The herd has been placed under movement restrictions until it has completed two consecutive clear tuberculin skin tests. Defra rules state that no movements of cattle onto a TB-restricted holding are permitted.

Buckinghamshire is part of the Edge Area that was established in 2013 as part of the government’s strategy to achieve officially bovine tuberculosis-free (OTF) status for England by 2038.

A total of 283 reactor cattle were detected in the county during 2018 – an increase of 63 reactor cattle from 2017, despite the total number of TB breakdowns decreasing from 36 in 2017 to 31 in 2018.

JOURNAL : Farmers Weekly

Farmers Weekly’s Britain’s Fittest Farmer competition will happen later in 2020 than it did in 2019 as a result of the coronavirus pandemic, which means you’ve got even more time to submit your entry.

This unique competition champions fitness and mental wellbeing in ***agriculture***.

It aims to get all farmers thinking and talking about their health to make sure they are in top condition to run their businesses.

See also: Find out more about Britain's Fittest Farmer competition

We caught up with last year’s winners to hear what they’ve been busy with, and how they’ve been keeping their fitness firing and their spirits strong in these testing times.

Fiona Penfold

“One of the best things I’ve ever done,” is how Fiona describes taking part in the 2019 Britain’s Fittest Farmer competition.

“It was a cracking day,” she says. “It was a lot of fun and I loved the sense of camaraderie.”

The Somerset farmer is a strong advocate of the physical and mental benefits of exercise.

“As soon as I go out for a run or do some obstacles, I feel more able to tackle problems and face challenges.

“Running and exercise clear my mind. It definitely makes me a better farmer.”

Fiona typically fits in 20-30min, three or four times a week, with running her go-to activity.

“Come rain, shine or snow, I’ll run,” says the 39-year-old.

“Running is brilliant, especially if I’ve had a tiring day and don’t want to do a form of exercise that requires brainpower.

“You just switch off and let your legs do the work.”

The farm is a great location to run and she’s built outside obstacles – such as monkey bars and climbing hooks – on which to test herself. “It’s like Ninja Warrior stuff, a real challenge.

“Nowadays, you don’t need to be physically strong to be a farmer for the vast majority of the time, but there are moments when I realise I have got a lot stronger because, when I do the obstacles, I’m constantly lifting my own bodyweight.

"I can lift an animal now that I wouldn’t have been able to a few years ago.

“Spending an hour travelling to a gym is wasted time – that’s an hour’s exercise I could have done, so I do all my exercise at home.

“As farmers, we’re lucky, we’ve got access to all this wonderful, open space.”

Fiona also enjoys playing rugby and is aware she’ll miss that this year, with the Covid-19 crisis likely to force games to be cancelled.

“It’s usually a chance to get off the farm and mix with non-farming people.

“If you exclusively live and breathe farming, it can be quite a dark place because there’s never a week goes by when you don’t have some trauma.

"Every job has its stresses and bad weeks, but farming can be particularly intense.

"My rugby friends talk about everything else other than farming, so it’s an important physical and social outlet.

"I find that really healthy, chatting about everyday things unrelated to our farming problems.”

Fiona, who pursued a career in sales and management after studying sports science at Swansea University, took on the 65ha farm full-time four years ago.

Life is busy, but she definitely plans to find time to enter the Britain’s Fittest Farmer contest again this year.

“I love competitions, but I’m not competitive to the point where I always have to win. I’ll be doing my best to hang on to the crown, but if I get beaten by someone better, so be it – good luck to them.”

What is Britain’s Fittest Farmer?

This competition is designed to get all farmers thinking and talking about their health – physical and mental – to make sure they are in top condition to run their farm businesses.

It aims to support farmers’ amazing work to put food on our plates and care for our countryside, by helping them ensure they are fit to farm.

We’re looking for farmers who make fantastic ambassadors for health and fitness in ***agriculture***, to help break the taboo of talking about mental health issues such as depression, eating disorders and rural isolation.

To find out more, see who has signed up already and apply yourself, go to the Britain’s Fittest Farmer website.

Sean Curtiser

The coronavirus crisis and Brexit are causing huge worries for farmers, making staying mentally and physically fit more important than ever, according to Sean Curtiser.

“These are testing times,” says Orkney-based Sean.

“It’s been financially tough for many farmers for a few years and there’s a lot of additional worry that goes with the job at present. Keeping fit and playing a sport or having a hobby is a great stress-release.”

The 31-year-old, who works on the family’s 750ha beef and sheep farm, has been a keen rugby player since he was a young teenager, later developing an interest in weight training to build his strength and condition for the game. He’s even converted a shed on the farm into a gym.

“I live in a small village so it’s not always easy to fit a visit to the town around my farming schedule, but because I now have the gym at home, I can just nip in there whenever the opportunity arises.”

He’s aware many farmers have intense lifestyles and huge workloads, from which they rarely get a break.

“We all need to relax and unwind, though, and spending time in the gym is how I do it.

“If I know it’s going to be a 14-hour day, I’ll get up an hour early and train first thing in the morning because I know I’ll be too tired when I come home at night.

"People ask how I find the energy to do it, but keeping fit and keeping strong gives me energy. Doing it in the morning puts a spring in my step for the whole day.”

Though Sean acknowledges it’s not always easy to find the time at during particularly busy periods such as lambing season, he urges everyone to try to find one hour every day to pursue a hobby or sport.

For him, these hours also act as useful thinking time.

“My whole day is planned before I even start it,” he says.

“It’s good for mulling over big decisions, too, although we’ve put those on hold until it’s clearer what’s happening in terms of coronavirus and Brexit.

“It would be too much of a gamble to change anything too much right now.

“The whole coronavirus situation is very sad, but I hope long term it will at least highlight to people in towns and cities how important British farming is and how we need to be a bit more self-sufficient.

“I don’t want thanks for what I do, as I love doing it, but farmers do need to get a sustainable price for their produce.

"So let’s take this rare opportunity to reconnect with the wider public and educate the nation on just how sustainable and ethical British farming is.”

Meanwhile, Sean’s urging people to enter this year’s Britain’s Fittest Farmer competition.

“I’m a competitive person, so it was great to compete against other farmers and I met some interesting folk. It was a fantastic experience.”

Britain's Fittest Farmer: Our sponsor and partners

Grenadier: Sponsor

Tough, rugged, agile – the new INEOS Grenadier 4X4 will share plenty of traits exhibited by the winner of Britain’s Fittest Farmer. That’s why we’re so pleased to be sponsoring this rural British physical challenge.

As an uncompromising, no frills, off-road vehicle, the Grenadier will provide all the capability, durability and reliability you need to tackle the toughest tasks on the farm. That’s why we see ourselves as the ideal partner for this true test of grit, endurance and strength.

For more information on Grenadier, pay a visit to their website.

Farm Fitness: Partner

Farm Fitness has rapidly become a burning beacon on the UK fitness scene, attracting spectators and participants from all over the country to come and take a swing at its almost alchemic blend of modified strongman, functional bodybuilding, calisthenics and blistering cardio efforts.

The gym, founded by farmer’s son Tom Kemp, was voted one of the best gyms in the world and 'coolest outdoor space' by Men's Health (PDF)

Tom has blended his farming background with his love of training to create a raw and exciting outdoor environment for people of all strengths and abilities to get fit.

The Farming Community Network: Partner

The Farming Community Network (FCN) is a voluntary organisation and charity that supports farmers and families within the farming community through difficult times.

The charity has helped thousands of people deal with a variety of issues, including financial difficulties, animal disease, mental health and family disputes.

Volunteers provide free, confidential, pastoral and practical support to anyone who seeks help, regardless of whether the issue is personal or business-related. FCN also runs a confidential national helpline and e-helpline.

JOURNAL : Farmers Weekly

Two brothers have won £350,000 worth of land following a dispute at the High Court over a farming inheritance.

Matthew and James Wills have together been awarded 20ha of Gilmoor Farm in Harrogate, North Yorkshire, plus the associated outbuildings and barns.

Both worked on the land for decades and were promised they would inherit it by the deceased, Anthony “Tony” Sowray, for many years, the court was told.

See also: Land and property: Why inheritance promises can end in court

The deceased’s estranged daughter, Claire Sowray, inherits the £150,000 farmhouse and will have to pay the costs of the litigation.

Mr Sowray owned and lived at Gilmoor Farm, which consisted of about 20ha comprising grazing land, a farmhouse and various barns and outbuildings, totalling about £600,000.

The case arose after Mr Sowray died without a will in place, automatically leaving the entire estate to his daughter through intestacy law – despite Matthew working on the farming estate for more than 20 years and James having been promised the plot of land where he had built his home.

Promised land

Matthew was heavily involved in the farm and had been promised the land when Mr Sowray died. As a result of this assurance, Matthew undertook all of the work on the farm.

James had a separate agreement with Mr Sowray that he would give him his Jeep in exchange for a plot of land – which he would receive on his death – where James already lived with his wife in a log cabin.

None of these agreements were made in writing.

In his later years, Mr Sowray began to develop more of a relationship with his estranged daughter, Claire, and made clear to Matthew that he intended to leave the farmhouse to her.

Mr Sowray died intestate in 2017, meaning his daughter Claire would inherit the entire estate.

The court heard that he and his daughter only met in person when she was 22.

Ms Sowray claimed that her father had intended the entire farm to be hers and that they had made business plans together for the farm.

However, the Wills brothers argued that by the time Mr Sowray became reconciled with his daughter, the promises he had made to them had made their livelihoods entirely reliant on them.

Mr Sowray was therefore not entitled or free to go back on the promises he had made.

Transfer of land

The brothers were successful in their claim for proprietary estoppel – a promise to receive an interest in land or property made by one person to another.

A judge ordered the transfer of the land to Matthew and the plot to James following the hearing at London’s High Court in March.

Speaking after the case, Paula Myers, of lawyers Irwin Mitchell, who represented the Wills brothers, said the case was “slightly unusual” as it involved long-term friends instead of family members.

“Tony had told them on many occasions that the land would one day be theirs,” she said.

“Many witnesses had to give evidence about the brothers working on the land and about the promises that were made to them over many years.

“It goes to show the outcome of a case must be determined on a case-by-case basis, and that there isn’t one-size-fits-all solution.”

The full judgment can be found online

JOURNAL : Farmers Weekly

Our regular round up of changes in the dealer network features some big news in the John Deere and Case-IH families, with major restructuring efforts taking effect across the country.

John Deere

Most people will be aware that John Deere is in the midst of a fairly serious restructure of its UK dealer network, which began before Christmas with Sharmans being unceremoniously dumped by the manufacturer.

See also: Early dealer moves and tie-ups in 2020

John Deere has since asked Ben Burgess and Farols to expand their areas on to the patch vacated by Sharmans’ five depots.

Ben Burgess will open a new outlet in central Rutland, while Farols will start a new depot in Newark to serve customers in Nottinghamshire, west Lincolnshire and Leicestershire.

Case-IH

Sharmans has been appointed as a Case dealer. The family-run dealership has a head office in Grantham and operates four further depots in Nottinghamshire, Lincolnshire, Leicestershire and Northamptonshire.

Meanwhile, Case recently served notice to its dealer of 29 years, Collings Brothers. It operates from two depots – Abbotsley in Cambridgeshire and Bridgstock, Northamptonshire.

Scotts

Scotts Precision Manufacturing has recently agreed a deal for Yorkshire and Humber to serve its customers in north Lincolnshire and Yorkshire.

Based in Beverley, the machinery specialists will take on servicing and maintenance for toppers, windrowers and Evolution separators.

Corvus

New UTV brand Corvus has wasted no time in appointing three new dealers, with Frank Gibson based in Kelso, Scotland, Johnston Tractors of Carlisle and Tom Taylor ATV in York all taking on sales and service for the bright orange buggy.

Trioliet

Dutch firm Trioliet has taken over the factory of Polish tractor and equipment maker Ursus in a bid to improve logistics.

This follows 25 years of Ursus supplying Trioliet with frames and components for its feed mixers.

Goodyear

More than 20 ***agricultural*** Protyre depots will stock and supply the new range of Goodyear tyres that were reintroduced to the UK last year.

Bobcat

Two new dealers have been appointed to Bobcat’s UK network.

The first is A&M Group based in Lower Lamphey in Pembrokeshire, which will take on the sales and servicing for customers in south and west Wales and Powys.

The second dealer is Truckmasters Handling, which has depots in Wisbech, Cambridgeshire, and Norwich, Norfolk. Both new dealers will be responsible for selling and servicing the seven-model range.

Vaderstad

John Deere dealer Ben Burgess has taken on the role of selling Vaderstad machines from its Norwich, Aylsham, Beeston, Newmarket and Ellington branches with immediate effect.

The dealer's new depot at Oakham will also stock the implements from 2021.

Kuhn

Essex dealer RC Boreham has been appointed by Kuhn Farm Machinery to stock and sell its full range of machines.

Boreham’s range also includes Deutz tractors, Polaris UTVs and Merlo telehandlers.

Sencrop

On-farm weather specialist Sencrop has acquired sensor firm Visio-Green in a move that will allow more than 10,000 farmers to connect to the company’s ***data*** platform.

Vicon

A development in Vicon’s dealer network is the addition of Vincent Tractors and Plant to sell both sprayers and balers through its depots at Fraddon in Cornwall, and Smithaleigh, south Devon.

The entire Vicon range will be available at Vincent Tractors’ north Devon depot of Holsworthy – a location previously occupied by former Vicon dealer WH Bond.

Claas

Claas has opened the extension to its parts logistics centre in Hamm, Germany.

The construction took two years and the new building covers about 11,700sq m.

Avant

Davies Implements will provide sales and service for the full range of Avant loaders and attachments throughout south-west Wales.

Spaldings

Lincolnshire-based dealership Spaldings has secured an agreement with Grimme UK to distribute the firm’s soil engaging parts along with associated equipment throughout UK and Ireland, in parallel with Grimme dealers.

Horsch

German company Horsch has appointed dealer Carrs Billington ***Agriculture*** to sell its full range of cultivators, drills and sprayers to customers in northern England and south-west Scotland.

CNH

The parent company of Case and New Holland, CNH, has purchased ATI Inc, an Indiana-based manufacturer of rubber track systems for high horsepower tractors and combines.

The acquisition has been assigned to the Case brand and will provide customers with access to further specifications such as track suspension and carriage options.

The SmartTrax machines in New Holland’s combine and tractor line up are built by ATI.

Belair

JVS Machinery has been chosen by Belair to be the sole distributor of its bedding machines, mixer and self-loading wagons in the UK.

The French manufacturer builds a range of livestock equipment and has tasked the dealer, based near Market Drayton in Shropshire, with selling and servicing its livestock products.

Kubota

Kubota has boosted its presence in India after the firm invested in tractor maker Escorts.

The Japanese company hopes this will give it a foothold in the competitive Indian tractor market.

JOURNAL : Farmers Weekly

Free satellite signals and plenty of competition between manufacturers mean simple ***agricultural*** GPS guidance systems are more affordable than ever.

For less than £1,000, firms such as Patchwork and Agricision can provide a tablet-based GPS lightbar that will help guide operators in arrow-straight parallel lines with a pass-to-pass accuracy of between 20 and 30cm.

That’s precise enough for spinning fertiliser on grassland or spraying off stubble fields, but when it comes to crop establishment, they’re a little too woolly to deliver tidy results.

Unsurprisingly, plenty of people have had a stab at using them for drilling, either in conjunction with markers or by upgrading to a system with a more accurate correction signal and focussing on the flashing lights like a hawk.

But while this can work well, it’s far from relaxing. Getting the proper benefit of an accurate GPS system means investing in some sort of automated steering device.

When teamed with a receiver that’s capable of picking up a correction signal with sub-10cm accuracy, the two will work together, providing constant, rapid adjustments that keep the tractor and implement on the correct path.

This technology isn’t available to many of the smaller players, so it generally means dealing with the key GPS providers such as Trimble, Topcon, Ag Leader and Raven. However, Dutch/Ukranian firm eFarmer does offer a DIY setup.

See also: 6 budget GPS guidance system options for farmers

Price

In all cases, there’s a significant jump in price from the most basic offerings, and buyers are introduced to a new world of unlock fees and annual subscriptions for correction signals.

These can seem hard to swallow, but the reduction in input costs from fewer overlaps generally results in quick payback times.

Most manufactures in this sector operate a modular setup so, once the initial investment has been made, it’s generally less expensive to add the kit onto other machines and access features such as variable-rate application and automatic sprayer section control.

Many people will also purchase a few extra components so that the system can be transferred from the drilling tractor to the sprayer and then to the combine.

GPS signals at a glance

Basic GPS – no differential correction means accuracy is 2-5m. Examples include GPS, Glonass and Galileo.

Differential GPS – free correction signals provided by Egnos and WAAS, with 30cm pass-to-pass accuracy (as used by most lightbar guidance systems).

High-performance differential GPS – more accurate subscription-based correction signals, provided by the likes of Omnistar, offering pass-to-pass accuracy of 15 to 2.5cm, depending on the amount precision a buyer needs.

RTK – the most accurate and consistent correction signal with repeatable accuracy of 2.5cm or less. It requires a base station or a subscription to access others.

Most manufacturers have their own networks and there are a number of independent options. The signal can be sent over short distances via radio signal and considerably further when using mobile internet.

For the purposes of this article, we’re concentrating on the large number of second-hand and new tractors in the UK that didn’t come out of the factory auto-steer ready.

This means they don’t have the necessary smart steering valves that aftermarket GPS units can plug into.

Although these valves can be retrofitted, the fee can run to many thousands of pounds, so in most cases it makes more sense to opt for a motorised system that attaches to the steering column.

Early versions of these were a little crude, but current models can deliver accuracy approaching that of integrated systems.

Below, we take a look at four setups from the main players in the UK, plus eFarmer’s FieldBee DIY option that can be ordered from the Netherlands.

Discounts are likely to be available on some of the prices quoted and many firms will offer to buy back older displays, which helps lower costs.

Trimble

Trimble’s ***agricultural*** GPS equipment is sold by Soil Essentials in Scotland and Vantage England and Wales south of the border.

Vantage England and Wales is a subsidiary of Cambridgeshire-based precision farming firm AS Communications and was formed purely for the Trimble side of the business. The Irish market is served by Vantage Ireland.

Display

Trimble offers four displays that are capable of receiving correction signals accurate enough for drilling. Prices for these start at £1,850 and go up to £4,595, but buyers will also need to pay an unlock/licence fee before the display can access more accurate signals.

So realistically, the fees for displays capable of drilling accurately range from £4,534 to £6,946.

According to Vantage, the GFX 750 is one of the most popular for this sort of setup as it has a large display, runs the newer-type Precision IQ software and can be upgraded in the future. It costs £6,141, including a licence for the firm’s Centrepoint RTX signal.

Signal

The first step up from the free Egnos signal is Trimble’s Rangepoint RTX that offers sub 15cm accuracy.

Apparently, some customers are able to drill successfully with it, but the Centrepoint RTX with sub-2.5cm pass-to-pass accuracy is the better bet.

This comes in ‘standard’ and ‘fast’ versions, with the latter offering a quicker convergence time for more precise work and year-on-year repeatability.

The next step up is RTK, which has an instant convergence time and no satellite drift, making it well suited to controlled traffic farming systems that confine vehicles to the same lines year after year.

The mobile version requires an additional GSM modem and has a £750/year subscription fee. Radio versions work over shorter distances and fees are at the discretion of the individual or firm that owns the mast.

Steering system

There are two steering systems on offer from Trimble, the simplest of which is the friction-drive EZ-Steer unit that’s been around for years. It’s basically a motor with a foam rubber wheel on the end that engages with the steering wheel.

It Is capable of driving accurately enough for drilling duties, but as it is still relatively expensive, many buyers go for the EZ-Pilot version that mounts directly to the steering column in place of the original wheel.

The EZ-Steer costs £2,500 with a GFX 750 display and the EZ-Pilot with Pro operating software is £3,396.

Guideline prices

System price: £13,358 – Including GFX 750 display with relevant licences, auto-steer system, one-year Centerpoint Fast subscription and installation (based on a Massey Ferguson 7618)

Optional extras: Transfer kit allowing system to be moved to another tractor – £1,361 (based on Massy Ferguson 7620)

Ongoing subscriptions: Centerpoint RTX fast correction signal – £650/year

Ag Leader

Ag Leader products are sold in the UK via Cumbrian dealer Precise Solutions, headed by Derek Johnson.

Display

There are two displays on offer, both of which are capable of RTK guidance.

The Compass is the entry-level model with a relatively small screen and limited functions, while the large, tablet-like In Command brings a few more features, such as a split-screen view that allows simultaneous monitoring of Isobus implements.

Both units have a field finder that automatically selects the field from a list when creating a new job, as well as the ability to record field sizes and boundaries.

Prices for the Compass unit start at £1,963 (guidance only) and with the hardware for RTK it jumps up to £7,883. Upgrading to the In Command display costs an extra £1,200.

Signal

The firm’s Terrastar-C Pro signal offers 2.5cm to 5cm pass-to-pass accuracy, meaning it is accurate enough for drilling. However, according to Precise Solutions, the relatively small jump in price to its RTK setup tempts many buyers to upgrade.

It also removes most of the worries of lost signal and time spent waiting to the receiver to acquire it. Buyers can connect to their own compatible base station or access Precise Solutions’ RTK network, which covers the UK and Ireland.

Annual subscriptions for this are £650, which includes ***data*** sim cards and remote support for the steering system. Those with In Command displays also get satellite imagery over the field.

Steering system

For tractors that aren’t auto-steer ready, Ag Leader offers its Ontrac 3 bolt-on steering unit. It has a ring gear that fixes under the steering wheel and there’s a clip-on drive unit to do the steering.

This setup means the original steering wheel can be retained and it makes swapping it to another vehicle pretty simple.

Guideline prices

System price: £12,990 – Including Compass display with relevant licences, auto-steer system, one-year Ag Leader RTK subscription and installation (based on a Massey Ferguson 7618)

Optional extras: Transfer kit allowing system to be moved to another tractor – £1,243 (based on Massy Ferguson 7620)

Ongoing subscriptions: Ag Leader mobile RTK signal – £650/year or a subscription to another compatible network.

Raven

Raven GPS systems are available in the UK through Dempsey Precision, which is run by Vince Dempsey.

Display

There are two auto-steer compatible displays from Raven – the 7in CR7 and the 12.1in CR12. Both work with the firm’s high-accuracy GS correction signal and with the relevant unlock codes and antenna they cost £1,680 and £6,410 respectively.

The CR12 includes more features than the CR7, but the smaller screen can have a number of upgrades, including unlocking the variable rate controller at a cost of £780. Both screens can be made Isobus compatible for a one-off fee of £820.

Signal

Raven’s GS correction signal offers pass-to-pass accuracy of 4cm or less, making it well suited to most drilling jobs.

An annual subscription is £1,230, but there’s the option of having it for three months at a cost of £495. In this instance, the system will still work on Egnos with 30cm accuracy for the rest of the year.

For those that want year-on-year repeatable accuracy, it can be upgraded to RTK.

Steering system

Raven offers a bolt-on steering wheel kit, but in most cases Dempsey Precision recommends fitting non-auto-steer-ready tractors with an integrated hydraulic steering valve.

This operates like a factory-fitted system and is actually slightly cheaper than the steering motor kit.

The valve and its ECU hydraulic driver unit costs £1,850, installation is about £900 and there’s roughly £250-worth of pipework, depending on where the valve is situated. Those that are mechanically minded can save a few quid by fitting the valve themselves.

Opting for an MD electric steering wheel system is £200 more, but the benefit is that it's simpler and cheaper to swap between machines. Basic transfer kits start at about £530.

Guideline prices

System price: £10,110 – Including CR7 display with retrofitted hydraulic auto-steer system, one-year GS signal subscription and installation (based on a Massey Ferguson 7618)

Optional extras: Hydraulic transfer kit, allowing the system to be moved to another tractor – £5,250 (based on Massy Ferguson 7620) including pipes and installation.

Ongoing subscriptions

Raven GS correction signal – £495 for three months, £1,230 for 12 months, £3,360 for three years, or £5,240 for five years.

Option to hire

For those that don’t want the capital outlay of a full auto-steer system, Dempsey Precision offers a couple of hire options, both of which it supplies with RTK correction signal.

For tractors that aren’t auto-steer ready, the owner needs to commit to have the system for a minimum of three years. Dempsey Precision will then install a hydraulic steering valve and charge a £1,500 subscription for the spring season and £1,500 for the autumn.

Those with an auto-steer-ready tractor only need to commit to six months at a time, at a cost of £1,500.

Topcon

Cambridgeshire-based guidance specialist LH Agro distributes aftermarket Topcon ***Agriculture*** equipment in Great Britain.

Display

Topcon offers two displays that are capable of auto-steer guidance accurate enough for crop establishment. The key difference between the two is screen size, with the X25 measuring 8.4in and X35 12.1in.

However, the X35 also has some extra features, mainly the inclusion of Task Control (section and rate control) for Isobus implements as standard. The X25 costs £2,665 and the X35 is £4,670.

Topcon’s AGI-4 GPS receiver is separate to the display and features a built-in steering controller. This is capable of controlling most new auto-steer-ready vehicles without any additional hardware.

The AGI-4 also houses the licence for the relevant correction signal. Configured for RTK, it costs £9,675.

Signal

Topcon’s medium-grade Topnet Global D correction signal offers 8-10cm accuracy, meaning it’s just about precise enough for drilling.

However, its activation fee is close to that of an RTK setup, so in most cases it’s worth upgrading and getting 2.5cm accuracy.

The firm has a network of base stations that covers most of the UK and these can communicate with the tractor via radio signal or the mobile phone network.

An annual RTK subscription costs £650 and, if required, this includes ***data*** and a roaming mobile sim card that works across all networks.

Steering system

The AES-35 electric steering wheel system is the firm’s simple option for converting tractors that aren’t auto-steer ready, and it slots onto the steering column in place of the original wheel.

The basic unit costs about £3,500, with some slight variation on price depending on the vehicle.

Various adapter bosses are available to fit most makes of tractor, sprayer and combine, and additional kits can be purchased so that it’s quick to swap between machines.

Guideline prices

System price: £12,975 – Including X25 display, AGI-4 RTK receiver with NTRIP modem and UHF radio, auto-steer system, one-year RTK subscription and installation (based on a Massey Ferguson 7618)

Optional extras: Transfer kit allowing system to be moved to another tractor – £595 (based on Massey Ferguson 7620)

Ongoing subscriptions: RTK signal (radio or mobile phone) – £650/year

eFarmer Fieldbee

Dutch and Ukranian precision ***agriculture*** firm eFarmer is one of the few smaller GPS providers than can offer a bolt-on kit capable of auto-steering a tractor to RTK accuracy.

It was formed in 2014 and now has a number of dealers across Europe selling its Fieldbee guidance systems. It is yet to have a dealer in the UK, although it is looking to appoint one.

In the meantime, it is possible to order the systems directly from the firm’s headquarters in the Netherlands and get support from there.

This does means buyers will need to fit the system themselves or enlist the help of an ***agricultural*** engineer, so there’s no easy option of getting the manufacturer to come out and sort any problems.

Display

Like some of the other smaller guidance system providers, Fieldbee runs all of its guidance through an Android app that can be installed on any compatible tablet or smartphone.

The basic version is free to download, but the full-spec option required for auto-steer is subject to a 119 (£104)/year subscription.

The buyer will need to provide their own tablet, but Android units can be picked up fairly cheaply.

Signal

Unlike most of the large GPS providers, Fieldbee doesn’t use medium-accuracy correction signals that command a subscription fee.

Instead, it uses free signals like Egnos for lower accuracy tasks and RTK where greater precision is required. The firm’s RTK setup is a two-tiered affair, starting with an L1 receiver that only gives accurate results in flat fields without obstacles.

Those are few and far between in the UK, so its recently introduced L2 receiver is the best bet where drilling accuracy is required – this costs 1,299 (£1,137).

Those that can access a local NTRIPP RTK base station (either owned by a neighbouring farmer or a network) can simply pay to access the signal.

But where there’s no option of this, or the buyer would like to avoid subscription fees, there’s the option of adding an L2 RTK base station that can be installed at the farm.

This can broadcast its signal over 2.5km via radio signal or 20km via mobile internet and costs 1,599 (£1,399). Pass-to-pass accuracy is said to be 1cm.

Steering system

Fieldbee’s steering system is the same bolt-on arrangement as used by a number of other firms, and is built by Agjunction (formerly Novariant).

This is by far the most expensive part of the setup and costs 5,699 (£4,986), including the fee to unlock it so that it works with RTK.

It clamps under the existing steering wheel and can be easily removed and moved to another vehicle.

Guideline prices

System price: 7,134 (£6,242) – Including receiver, auto-steer system and one-year subscription to premium software (this is a universal kit to suit most tractor models)

Optional extras: Fieldbee L2 base station to give subscription-free RTK correction signal – 1,599 (1,399).

Ongoing subscriptions: 119 (£104) for premium subscription to Fieldbee app, plus fees to access local NTRIP RTK signal if no base station is purchased.

JOURNAL : Farmers Weekly

Children are being asked to get creative and draw NHS rainbows that will be emblazoned on the side of a brand-new combine ahead of this year’s harvest.

The idea came from Thomas and Sophie Clayton of Greenheath, Suffolk. The contracting outfit is expecting a new Claas Lexion 750TT to be delivered in the next few weeks, and plans to wrap the shiny beast from head to toe in rainbows; the symbol that has become synonymous with the NHS during the coronavirus crisis.

See also: Coronavirus: Farmers can now get a virus test

The couple are asking children to draw their rainbows and send them in, ready for the machine to be wrapped in July.

There is also a Just Giving page for donations to the NHS and the Greenheath is pledging to donate a £1 for every acre the machine cuts this summer.

Rainbows should be on an A4 piece of paper, with the child’s name written on the rainbow, rather than on the side. Entries should be sent to Sophie Clayton, Toggam Lodge, Newfen Gravel Drove, Lakenheath, Suffolk IP27 9LN.

JOURNAL : Farmers Weekly

Well-timed machinery upgrades are central to a smooth-running contracting business, and that has meant several major fleet investments for Allan Wilson's Ross-shire contracting operation.

Farmers Weekly finds out what has changed for last year's Contractor of the Year winner, Allan WJ Wilson, which has forged on with machinery replacements despite a challenging winter.

Who are Allan WJ Wilson?

Allan, Alyson and Stuart Wilson run a contracting operation in Fearn, Ross-shire, offering cultivating, drilling, mowing, baling and combining services. Other work includes soil sampling, drainage work, hedgecutting and muckspreading.

What has changed?

We’ve spent a fortune this year. We managed to bring in five new guidance-ready John Deere tractors just before the lockdown – a 6175R, 6195R, two 6215Rs and a 6250R.

See also: Contracting app cuts down time spent on workers’ timesheets

They have replaced the five we bought in 2016 – two 6175Rs and three 6215Rs – which have all clocked more than 4,000 hours.

The old ones had Directdrive ***transmissions***, but we’ve decided to swap to the Autopowr CVT. It wasn’t a big price jump and it will hopefully allow us to utilise a bit more of the tractors’ power.

The 6250R should be comfortable running the triple mowers and the extra power gives us the option of moving to bigger implements in the future.

However, this time we took them on a full-service deal over five years. Modern-day tractor repair bills are frightening and a couple of gearbox problems could completely floor us, so we wanted a bit of extra protection.

As well as the tractors, we’ve got a new combine – a 500-hour Claas Lexion 760 to replace the 570TT. The old machine was on 2,000 hours and caused a fair bit of trouble last harvest that resulted in some big repair bills.

In the process, we’ve upped header width to 30ft for a bit of extra capacity. We’ve still got the Lexion 550 as well.

The other major addition to the fleet is a new McHale Fusion baler.

The old one had made 55,000 bales so was due a change, and the new model has an on-board computer to record silage dry matter and total weight, which means we can give customers a print-out at the end of the job.

See also: Pulse-width modulation spraying – is it worth the money?

Anything else planned this year?

There’s so much uncertainty surrounding coronavirus and Brexit that it’s hard to make firm decisions right now.

However, farmers are unlikely to be buying a lot of machinery, so contractors might find themselves a bit busier over the next couple of years – provided they’re able to adapt to the demand.

For us, it’s a fine line between thinking ahead and not spending more money than we need to. Part of that involves regularly touching base with customers, getting involved in their decisions and generally keeping our fingers on the pulse.

How has it gone this season?

Like most of the UK, we had a very wet autumn and winter. However, it didn’t affect us too much – we already had the oilseed rape drilled and there isn’t much of a market for winter wheat around here.

Fortunately, we had a few side-line operations to keep the lads busy during the quiet period, including gritting and snowploughing.

Our three drills have just finished the spring oats and barley. We started on the lighter land on 6 March and, through the 1,800ha, only lost one afternoon to rain.

By the time this goes to print, we’ll have drilled the fodder beet with the Vaderstad Tempo and then it’ll be on to turnips.

Whether there will be a strong demand for silage is more questionable, and we’re braced for a reduced workload.

It’s also noticeable how quiet the phone has been with people asking for odd jobs. We haven’t done anywhere near the amount of horse paddock reseeding or topping that we’d usually expect.

The main lime quarry has closed as well, which has limited our spreading capacity. We can’t get gravel or pipe either, so drainage work has stopped – one way or another the coronavirus shutdowns have hit everyone.

From a contractor’s point of view, the lack of interaction with customers makes the job a bit lonelier.

No one knows how the year will turn out, but ***agriculture*** is a resilient industry.

JOURNAL : Farmers Weekly

Small and medium-sized businesses affected by coronavirus can apply for loans of up to £50,000 through the Bounce Back Loan scheme.

Businesses will be able to borrow between £2,000 and £50,000 when the scheme opens on Monday (4 May).

The government will guarantee 100% of the loan and there will be no fees or interest payable for the first 12 months.

See also: Coronavirus loan scheme: What farmers need to know

Loan terms will be up to six years, with no repayments due during the first 12 months, and the scheme will be delivered through a network of accredited lenders.

The government has said it will work with lenders to agree a low interest rate for the remaining loan period.

Information on how to apply has yet to be published, but is expected shortly.

Eligibility

Participants can apply for a loan if their business:

is based in the UK

has been negatively affected by coronavirus

was not an undertaking in difficulty on 31 December 2019.

The following businesses are not eligible:

Banks, insurers and reinsurers (but not insurance brokers)

Public-sector bodies

Further-education establishments, if they are grant-funded

State-funded primary and secondary schools

Any business already claiming funding under the Coronavirus Business Interruption Loan Scheme (CBILS).

If the business has already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, this can be arranged with the lender until 4 November 2020.

Funding lifeline

Martyn Dobinson, partner at accountant Saffery Champness, said this new scheme will throw a lifeline to many smaller rural businesses who have been unsuccessful in accessing CBILS funding.

“With the scheme to launch on 4 May, most telling will be how quickly the system can deliver cash payments and how receptive lenders will be to processing applications quickly and without the level of checks that have been evident for other schemes, and whether the system can cope with the number of applications anticipated,” said Mr Dobinson.

“For those seeking to access the scheme we recommend approaching your existing bank or lender first as this should further fast-track the application process.”

Think carefully

Andrew Robinson, partner at head of ***agriculture*** at Armstrong Watson, said the new loans appear simpler and easier to apply for, especially for smaller businesses in the ***agriculture*** and rural sector.

As the government plans to guarantee 100% of the loan, applications will be quicker because there will be no need for the bank to obtain security from the borrower, which is a huge advantage and a key difference to the CBILS, he said.

The main qualifying criteria seem more straightforward to meet with the Bounce Back loans than with the CBILS, he added.

The six-year loan period gives breathing space to see businesses through the crisis, with businesses then able to reschedule their borrowings when things return to normal.

“My concerns are whether the banks can operate at the speed required and what the underwriting criteria will be as, for example, at the minute there is no definition of ‘undertaking in difficulty’,” Mr Robinson said.

“Businesses should think carefully before taking any debt in to the business to ensure it is the right thing to do, and it is always worthwhile to speak with their professional adviser.

“As with a lot of the government schemes, liabilities are being kicked down the road and in 12 months’ time there will be a lot of businesses having to dig deep when repayments start to kick in.”

JOURNAL : Farmers Weekly

The AHDB has increased its consumer marketing campaign for potatoes to help offset flagging demand from the foodservice sector under the Covid-19 lockdown.

Consumer demand has changed since the lockdown was imposed on 23 March, according to the levy board.

The industry has seen wholesale closures of fish and chip shops and other foodservice outlets while retail purchases have risen, but fears remain that growers who supply the foodservice sector could suffer large financial losses.

See also: Coronavirus: How to apply for universal credit

To help support sales, the AHDB has increased consumer marketing activity through its lovepotatoes.co.uk site, social media, advertising, TV promotion and at retail outlets.

AHDB marketing manager Nicola Dodd explained: “Our campaign is based on reminding consumers of the versatility and value of potatoes, and how they can be incorporated into many dishes, both traditional and contemporary.

“A recent post on how to store potatoes at home was liked and shared over 10,000 times on Facebook and Instagram, as people looked at ways of keeping lockdown stockpiles fresh.”

The AHDB will also launch a trade portal next week, where wholesale buyers can post requirements for potatoes, and growers can register available stocks.

The aim is to help match up stocks as the balance of demand switches from foodservice to retail.

JOURNAL : Farmers Weekly

Chancellor Rishi Sunak has been urged to put his money where his mouth is and pledge financial support for struggling dairy farmers.

Mr Sunak is Conservative MP for the rural constituency of Richmond, in North Yorkshire, which is home to several hundred dairy producers whose milk is used to create iconic Wensleydale cheese.

In 2015, at the height of the last dairy crisis which saw farmgate milk prices plunge to little more than 20p/litre, Mr Sunak penned his own 10-point plan (PDF) to help dairy farmers.

See also: Dairy farmers supplying Freshways face financial ruin

“Without its dairy farmers, Yorkshire’s magical landscape would soon see its lush fields turn to scrub and its dry-stone walls go unrepaired,” Mr Sunak said at that time.

Not actioned

However, many of the points included in his plan still have not been actioned by the government – and if they were, it would make a huge difference to hard-pressed dairy farming businesses, especially now demand is affected by the coronavirus lockdown.

For example, Mr Sunak called for an end to milk being used as a “loss leader” by supermarkets, more retailers giving dairy farmers a fair price for their products, better labelling, more supply chain fairness and transparency, a working dairy futures market, more domestic production of dairy products and a government pledge to buy British.

Mr Sunak said back then there was “no magic wand” to solve the global problems with the dairy market. But he called for timely CAP payments and flexibility from banks to help vulnerable dairy farmers suffering cashflow problems.

Milk price cuts

NFU dairy board chairman Michael Oakes, who runs a dairy farming business near Bromsgrove, told Farmers Weekly he was encouraged to see that Mr Sunak expressed support for dairy farmers during the last dairy crisis. But, for many, he said the problems are worse now than in 2015.

“The chancellor is clued-up about dairy farming and I was impressed with him and the work he did for the dairy industry when he sat on the environment, food and rural affairs select committee,” said Mr Oakes.

“Currently, about a quarter of dairy farm businesses are unviable due to a fall in demand for their milk during the coronavirus crisis. About 500 to 700 farmers have had substantial price cuts, for example 5p/litre in the last two weeks from Medina, or deferred payments.

“They are faced with not being able to pay their bills or staff. How do you run a business when you have got no cashflow coming in?”

Defra offered a £10m support package for the fishing sector last week. But Defra secretary George Eustice has ruled out similar support for dairy industry, arguing that the current situation is “a temporary dislocation in the market affecting a minority of farmers”.

Mr Oakes added: “We are working hard to lobby the government to introduce hardship grants for struggling dairy farmers.

“The current schemes on offer are proving difficult for dairy farms to access. The hospitality grant does not apply to us: you cannot furlough the staff, you cannot furlough the cows.

“Dairy farmers need additional support and they need it now.”

Contracts 'need sorting out'

One dairy farmer in Richmond, who did not want to be named, said: “Rishi Sunak has been thrown in at the deep end as chancellor. He’s doing a good job, but he needs to look after farmers and dairy farmers.

“Our feed prices are going up and our farmgate prices are going down. We are now producing milk at below the cost of production. There is pain and some dairy farmers will go out of business.

“Some farmers are calling for a return of the Milk Marketing Board. I’m not sure about this, but contracts definitely need to be sorted out.

“It can’t be right that Arla farmers are getting 5p/litre more to produce the same product. Some of the other dairy owners are just creaming the profits off and fleecing the farmers.”

JOURNAL : Farmers Weekly

The coronavirus pandemic has rocked food supply chains, with British beef and sheep farmers facing disruption caused by irrational buying in supermarkets and the loss of the food service market.

But, for farmers who can sell directly to the consumer at farm shops and through online delivery, many have seen business increase, as shoppers turn to local produce in response to empty supermarket shelves and the most vulnerable being forced to self-isolate during the health crisis.

This eagerness to buy British meat, produced locally, is proving a big boost for the Pasture-Fed Livestock Association (PFLA), a group of UK farmers passionate about raising animals purely on grass, while improving biodiversity and capturing carbon on their land.

See also: Map: Find a farm shop near you

“It is an exciting experience to buy something direct and it is way more fun and rewarding than going to a supermarket,” says Jimmy Woodrow, head of consumer and supply chain at the PFLA.

“I hope that is what will make people continue these new relationships they have built up.”

Established in 2009, the association has grown to 585 members, 80% of whom are farmers with the rest being butchers and independent retailers. Its main aim is to increase the supply and market for 100% grass-fed meat.

Mr Woodrow is confident that, despite the inevitable dip in sales once the pandemic subsides and supply chains steady, new customers will see the benefits of continuing to buy this produce locally.

“I think there will be a new heightened ‘normal’ of sales in these channels,” he says.

“There is no loyalty with the supermarket and people should be saying ‘we were together in the bad times, so we are together in the good times’ – not least when you taste what you are eating. It is a different product.”

Consumer awareness

With debates raging in the news and on social media about climate change and red meat consumption, the PFLA is helping its members market their meat, by educating consumers about the low-input methods used to produce it as well as highlighting the nutritional benefits.

The association points to increasing scientific evidence, including work carried out at the University of Newcastle, that meat and milk from animals that have only ever eaten grass and pasture is different in nutritional quality – lower in saturated fat, a much healthier ratio of Omega-3 to Omega-6 fatty acids, and more vitamins and minerals.

“The issue that we’ve always faced is how do we get more people to become aware of what we are doing, because generally when they do, it just makes sense,” Mr Woodrow says.

“The role for me is about creating an environment and a structure within which enterprising farmers can succeed.”

This includes plans to create an online livestock marketplace where certified PFLA farmers can trade animals, a project that has been accelerated because of the pandemic.

“Farmers that have predominantly had restaurants as their sale outlet have struggled, so we are trying to divert those animals into other channels,” he adds.

“You’ve got finishing farms who can’t access store cattle and then you’ve got suckler herds who don’t have an outlet for their store cattle, so we are trying to connect some of these dots.”

Join the club

Membership costs £100/year and gives access to a forum where farmers, butchers and retailers can connect and share ideas and advice.

Certification costs about £300/year, which allows farmers to use the Pasture for Life (PFL) certification mark, which tells consumers the meat is 100% grass-fed.

Butchers and retailers can also be certified, which gives them access to joint marketing initiatives and promotional schemes.

Climate research group

A research group of Pasture-Fed Livestock Association (PFLA) members has been formed to look at climate change, tasked with collecting ***data*** on the positive work farmers are doing around carbon sequestration and biodiversity.

Peer-reviewed ***data*** is crucial in helping to prove that some livestock farmers are part of the solution to the climate crisis, not part of the problem, says Mr Woodrow.

“We are looking to take more ***data*** on all our farms so that we can start proving we are potentially carbon neutral already,” he explains.

“I want to get as many of our farms recording ***data*** so we can present something that is representative of the PFLA. But even on a single farm, if you have ***data*** to show your customers, I think that is also powerful.

“We have a very motivated and energised membership who are looking to prove these points.”

Case study: Deersbrook Farm, Essex

Anna Blumfield, a Pasture for Life (PFL)-certified farmer based near Braintree in Essex, sells grass-fed beef in her farm shop and butchery, which opened in December 2018.

She has 150 Sussex cows and five bulls and explains that the native breed is perfect for the 100% grass diet.

“The breeding is really important; they absolutely thrive on pasture alone.

“A lot of the other breeds, the continentals, need that grain to finish properly, whereas the native breeds finish beautifully on grass.”

They take longer to finish – between 24 and 30 months – but the farmer says it is worth it to unlock the full flavour and potential of the meat.

“They may take a little longer, which is why some people don’t continue with it [a 100% grass-fed system],” she explains.

“There is also increased cost on the slaughter for animals over 30 months, for testing and removing the spine.

“You do get the extra cost, so you add that slight premium on for the customer.”

Mrs Blumfield says that her PFL-certified beef carcasses achieve an 8% premium.

Environment

But there are other benefits of the system, she adds.

“It makes sense because of the environment; we want the soil to be as healthy as it can be, because better soil means better food for the cattle and their digestive system.

“That fantastic nutrition and energy passes on through the meat to the consumer, it follows on the whole path to produce the highest-quality meat.”

Sales have quadrupled since the coronavirus pandemic, with four staff working flat out in the shop to keep up with demand.

“People are eating local and seeing the benefits of it and the farmers who produce it,” says Mrs Blumfield.

“My husband, Phil, was out on his tractor and people were waving at him as he went down the high street. Normally, he might get tooted or cursed at.”

Pollution

The farm sits under a flight path to Stansted Airport and, since the lockdown began, with nearly all flights grounded, Mrs Blumfield has noticed the difference in air quality, which makes her question whether farmers are shouldering an unfair amount of blame for the climate crisis.

“I really hope there is research through organisations such as Greenpeace and the Soil Association looking at the benefit to the air and soil condition in the current circumstances, so people realise how we can help the global climate change situation and not to reopen all the airports as they were, and to restrict traffic levels.”

Regional approach to marketing

The Pasture-Fed Livestock Association (PFLA) is encouraged by the emergence of regional groups within the association, with farmers and butchers in the same area talking among themselves.

Acting chairman Fidelity Weston, who is a beef and sheep farmer in Sevenoaks, Kent, says this engagement with the butchers, who are the link to the consumer at the counter, could be the start of strong, local supply chains that are mirrored across the country.

“There is enough of us now from Kent, Surrey and Sussex, who want to start telling butchers why they should buy PFL [Pasture for Life] meat.”

There are more than 40 butchers signed up to the PFLA and the association wants to empower its farmers to speak to others, which will help grow the market for 100% grass-fed beef.

“Farmers are busy enough as it is and we end up being masters of so many different tasks, but we hope we can give members the confidence and right information to develop these relationships.”

A key part of this is explaining why the premium on the meat is worth paying, Mrs Weston says.

“To understand the health and environmental benefits, as well as the high animal welfare standards, we need to get these people out on to our farms so they can see.”

Mr Woodrow says that, while regional groups are no silver bullet, maintaining the strong sense of community that has carried the association through its first 10 years is vital for future success.

“On our forum, for example, when ideas are being discussed, most people know each other, which means they talk freely.

“It is far easier to get your neighbour involved in the PFLA than it is for someone centrally. It makes sense for local farmers to talk and trade, and that is going to cause a growth of certification and membership.

“It is an exciting time. It feels like there is real purpose behind what we are doing.”

JOURNAL : Farmers Weekly

The Coronavirus pandemic is likely to have long-lasting effects on many dairy businesses, with the closure of pubs and cafes leading to milk destined for foodservice becoming homeless.

This has had a ripple effect on the whole industry, with milk processor Muller asking suppliers to reduce supply by 3% in an attempt to balance milk intakes.

In the latest AHDB webinar (23 April), Oliver Hall, an Anderson’s business consultant; Tracey Towers, a vet from Lancashire-based Oakhill Veterinary Centre; and Piers Badnell, consultant for the Livestock Improvement Corporation (LIC), give advice to farmers who have been asked to reduce milk supply.

See also: Coronavirus: 4 tips for dairy farmers hit by slump in milk demand

1. Can you graze a proportion of your herd to reduce feed costs?

Many herdspeople running higher-yielding herds will be worried about losing milk, but cost savings must be considered

Work out your own costs: Feed and housing costs versus reduced milk yield (see example below in “scenario” box).

Target cows that are giving <30 litres and in-calf

If a cow hasn’t grazed seriously before it is going to be a shock – but it is actually hardest to train the person, not the animal

Typically, a cow will lose 10 litres due to the change in diet, environment and social group

If you provide good quality grass the cow will “bounce back” to 25 litres after 3-6 days.

2. Practical solutions for grazing

Don’t set stock cows, rotationally graze

Target feeding 15kg DM of grass a cow a day (100 cows will require 1,500kg DM a day or 1ha)

Aim for a 20-25-day rotation. This means you should be back in the first paddock you grazed within 20-25 days

On a 25-day rotation this would mean you require 25ha (stocked at four cows/ha)

Enter 1ha paddocks at 3,000kg DM and graze to 1,500kg DM

Four cows/ha requires a daily growth rate of 60kg for each rotation

If you don’t have a plate meter to measure grass, ensure you do not graze pasture until the three-leaf phase, so you don’t compromise re-growth

Ensure cows go out to grass with an “edge of appetite”

Don’t buffer feed unless you are short of grass or area

If you need to buffer feed, do so before afternoon milking. Milking causes a hormonal response to drive the cow to eat and drink, so this will maximise grass intakes.

3. Drying off cows

When you are feeding as one group be cautious of long dry periods as cows can lay down too much internal fat – for example, 10 weeks and over. That’s when you risk poor and costly transition.

If you are drying cows off earlier than usual, have you got the facilities to cope with this? The worst thing you can do is restrict feed intake in the last three weeks before calving

If you have a large variation in dry cow length, is your dry cow group big enough to manage as two groups? This would cheapen the ration for far-off dry cows (more than three weeks pre-calving) and it also allows you to better manage body condition.

4. Budget for an income drop

 Step 1: Work out what you want to achieve. Do you want to:

Protect the balance sheet or, failing this, minimise the reduction?

Protect profit?

Preserve cashflow?

Step 2: Work out profit and cashflow requirements

Use last year’s ***accounts*** to work out:

Drawings (including pension and life insurance)

Bank loan repayments (capital only, interest is included in the P&L)

Tax (as you will be paying for the previous year)

HP payments.

Step 3: Estimate your income

Consider milk, cull cow, calf sales, BPS and any other

Be realistic: use today’s prices but look at future markets as a reference point.

Step 4: Calculate your budgeted income minus required profit to give you target costs

This can be turned into a ppl figure by dividing it by the amount of milk you produce annually.

Work through all the cost lines in your budget with the target of achieving targeted costs.

Step 5: Can you make it balance?

If you can’t hit your target costs, consider:

Reducing profit demand by:

Lowering drawings

Asking lenders for a capital repayment holiday

Or:

Introduce private funds

Sell assets on the farm such as surplus stock, forage or machinery

Borrow the balance from your bank.

Tips

Avoid valuation increases. If you are rearing surplus stock, for example, consider selling them

Can you delay reinvestments in machinery, so you don’t spend this year’s depreciation?

Protect people and cows – these are non-negotiable

Ask suppliers for a price reduction

Lock in variables such as feed and fuel

Benchmark your costs to highlight areas where reductions could be made

Eradicate waste

Scenario

Milk reduction: If the milk price is at 27ppl then a reduction of 7 litres will cost £1.89 a cow

Feed cost: Feeding a 30 litre cow at 8ppl will cost £2.40, plus 4kg of concentrate at 18p/kg, or 72p. Total saving is £3.12

Housing cost: £1.50

Net: £2.73 (£4.62 minus £1.89)

JOURNAL : Farmers Weekly

Defra has reaffirmed its commitment to badger culling this year following calls from animal welfare groups to cancel the operation over the coronavirus.

“The government remains committed to achieving its long-term goal of eradicating bovine TB in England by 2038,” a Defra spokesperson told Farmers Weekly.

“Apha [Animal and Plant Health Agency] has recognised that Covid-19 will impact on delivery in the short-term. Contingency plans are in place to minimise the impact on TB control measures.”

See also: 18 areas of England apply for badger culling

Farmers Weekly understands that subject to licensing and authorisation by Natural England, the badger cull will still go ahead from September.

However, no licensed culling of badgers can take place before 1 June – the start of the open season. Up to 50 culling zones could be in operation this summer across the South West and many parts of the North West and Midlands.

In March, the government published its response to the independent Godfray Review of its 25-year bovine TB eradication strategy.

Defra envisages that the current intensive badger culling policy would begin to be phased out in the next few years, and gradually replaced by government-supported badger vaccination and surveillance.

However, the government’s position is unchanged in terms of its overall policy for badger culling, which remains a necessary and important part of the long-term bovine TB eradication strategy.

Letter to Eustice

The Badger Trust has written to Defra secretary George Eustice, urging his department to scrap the culls this year amid the coronavirus pandemic.

In his letter, the trust’s CEO Dominic Dyer warns there is a risk of cull contractors – operating as teams of shooters and trappers – spreading the virus in the wider rural community “as a result of working in teams and coming into contact with farmers and landowners, the police and members of the public”.

The NFU maintains that badger culling is working to reduce the incidence and spread of bovine TB.

The latest Defra figures, up to 15 April, show that 30,824 cattle were slaughtered in England in the 12 months up to the end of January 2020 – equivalent to a 6% fall year-on-year.

Over the same period, the number of new TB herd incidents fell 9% from 3,600 to 3,278. And the number of herds not officially TB-free in England fell from 3,004 to 2,608 (-13%).

JOURNAL : Farmers Weekly

Farmers in England are to be given an extra month to submit their 2020 basic payment and agri-environment scheme applications.

In a statement on Monday (27 April), the government confirmed that the window to submit applications for Basic Payment Scheme (BPS) payments and to make a Countryside Stewardship (CS), Environmental Stewardship (ES) and woodland revenue legacy payments will be extended by one month.

Farmers, land managers and agents now have until 15 June to apply for and make claims for these schemes.

See also: Coronavirus: Applying for farm support schemes

The Tenant Farmers Association (TFA) warned Defra it must not use the extension as an excuse to make late payments for farmers, especially since cashflow is already tight on many farms.

Defra said it had decided to extend the deadline by one month to allow for the disruption caused by the coronavirus pandemic and help customers to avoid financial penalties for late submissions.

Farmers and land managers are still being encouraged to submit their applications online for BPS and CS through the Rural Payments Service as soon as they are able to do so.

Defra says its Rural Payments Agency (RPA) has already received a “large number of applications”.

Monitor situation

The RPA says it will continue to monitor the situation carefully and provide further assistance to support farmers.

Applications for new CS Higher Tier and Mid Tier agreements are still being accepted ahead of their respective deadlines of 1 May and 31 July 2020.

RPA chief executive Paul Caldwell said: “We are fully focused on making vital payments to the rural community and helping customers submit their claims during this difficult period.

“We know the coronavirus is causing issues where farmers are unable to meet their targets, so we are making this extension to allow more time for the farming community to submit their applications and claims without penalty.”

Natural England and the Forestry Commission are continuing to provide advice by phone or video call for land managers developing Higher Tier applications in time for the 1 May application deadline, so that schemes can be progressed in the absence of a site visit.

George Dunn, TFA chief executive, said: “While there are some who would not have been able to make the 15 May deadline for BPS and stewardship claims given the current Covid-19 restrictions, it is disappointing that a more innovative solution was not forthcoming to keep the 15 May deadline for the vast majority of individuals while providing specific measures for those with difficulties.

“However, now that the decision has been made to move the deadlines to June, we must not see this being used as an excuse for making late payments under these schemes. It is essential for the cashflow of farming businesses that there is no delay to making payments.

“Many farmers are still awaiting payment of 2019 stewardship claims, which must also be resolved without further delay.”

Welsh farmers have already been handed a one-month extension to their Single Application Form deadline to 15 June. Similar announcements to BPS extensions could be made soon in Scotland and Northern Ireland.

For full details, see Gov.UK.

JOURNAL : Farmers Weekly

Farmers and land managers in England are to be offered bridging payments for unpaid claims on their stewardship agreements.

The interest-free loans will cover Countryside Stewardship (CS) and Environmental Stewardship (ES) 2019 payments to ensure farmers are paid for the important work they do to protect the environment.

Eligible claimants will received a payment in May of 75% of the current estimated value of their claims to help farm businesses with cashflow while the remaining processing work is completed on their claims.

See also: Coronavirus: Applying for farm support schemes

This follows the announcement by Defra of a one-month extension to the application window for farmers to submit their basic payment claims to allow for any disruption caused by the coronavirus pandemic. The new deadline to submit claims to the Rural Payments Agency (RPA) is 15 June 2020.

George Dunn, chief executive of the Tenant Farmers’ Association (TFA), said farmers would welcome the news of stewardship bridging loans to help support cashflow through the Covid-19 crisis.

‘Poor performance’

But he added: “It was clear that the RPA’s poor performance to date would have meant a significant shortfall in payments by the end of the regulatory window for payments in June.

“However, the RPA must ensure to continue its work to finalise claims so that, in the vast majority of cases, the remaining 25% of the payments can be delivered by the end of June.”

Defra has not released any updated figures on the number of 2019 CS and ES claims it has processed to date. In early March, almost two-thirds of farmers were still waiting for their CS cash.

RPA chief executive Paul Caldwell said: “These bridging payments will help to tide farmers and land managers over in May before their claims are paid.”

The RPA will be writing to farmers and land managers to provide an update on bridging payments and how they will be calculated.

No bridging loans will be made for 2019 BPS claims, as 99% of these claims had already been processed, Defra said.

JOURNAL : Farmers Weekly

UK dairy and livestock farmers could benefit from an ***agricultural*** aid package being put together by the EU.

Brussels has proposed an 80m (£69.9m) package to support the agri-food markets worst hit by the effects of the coronavirus pandemic.

Although Britain left the EU on 31 January it remains under its marketing policies until 31 December 2020. This means the UK is still eligible to take part in the Private Storage Aid (PSA) scheme.

See also: Coronavirus: Applying for farm support schemes

The scheme works through payments to processors and manufacturers to incentivise storage, covering some of the costs incurred.

Under PSA, ownership of the commodity remains in the hands of the producer, unlike intervention storage where the government buys it from the market.

With surplus produce removed temporarily from the market, supply is more closely matched to demand and prices may stabilise.

The aid would be divided across the farming sectors with roughly:

30m (£26m) for dairy

26m (£22.7m) for beef

20m (£17.5m) for sheep and goats.

Significant step

NFU Brussels office director Robin Manning welcomed the aid package as a significant step.

“These are important measures that are not taken lightly. They can stop prices spiralling downwards and help the market re-establish itself,” Mr Manning said.

Agreement on the assistance was achieved after sustained lobbying for aid backed by a joint letter from all 27 member states calling for the EU Commission to act, he said.

In addition to the PSAs, the commission has agreed to an exceptional derogation from EU competition rules for the milk sector, as well as flowers and potatoes.

AHDB analyst Kat Jack said this meant the milk sector would be allowed to collectively take measures to stabilise the market, for example, collectively planning milk production.

“[The EU Commission is] also allowing flexibility in the EU school milk, fruits and vegetables scheme to allow reprioritisation of funding towards crisis management measures,” Ms Jack added.

The measures should be adopted by the commission at the end of April, at which point full details of the proposals will be revealed.

Long-term problems

Once the storage period covered by the payments comes to an end, the product will come back on to the market.

And this could cause its own set of difficulties, according to milk industry expert Chris Walkland.

Although Mr Walkland said it was better than nothing to have PSA payments, he raised concerns that storage simply delayed the functioning of the market.

“It is a gamble to see if product stored now can be sold for more money in a few months’ time when it floods back on to the market,” he said.

Mr Walkland also called for further support for beleaguered UK farmers via a cash injection into their businesses.

“About 550 UK dairy farmers are in desperate straits right now – they have poor prices and face delayed payments.

“The PSAs are welcome but anyone assuming they alone will fend off this crisis is seriously deluded.”

PSAs sector by sector

The details of the package are yet to be ratified and could be subject to change, as member states need to discuss and vote on the proposals.

The products included must meet certain eligibility criteria including age and minimum amounts of product stored. Provided those criteria are met there is no upper limit for a country to submit.

The total tonnages offered will be shared out among the EU countries.

The proposals are as follows:

Dairy

For dairy the 30m total is to store skimmed milk powder (SMP), butter and cheese. This is broken down into:

Butter 14m (£12.2m) – 140,000t for three to seven months

Cheese 10m (£8.7m) – 100,000t two to seven months

SMP 6m (£5.2m) – 90,000t for three to seven months

The cheese sector is treated slightly differently, with tonnages allocated to EU countries at the outset. The allocation for UK product is yet to be announced, although it is widely reported to be around 4,500t.

Beef

The 26m is for a 25,000t allocation of steak-quality beef. A PSA scheme for beef has not been triggered since the latter years of the BSE crisis in 2002.

The proposed PSA is for steak-quality only because demand for higher-end cuts has plummeted. While mince is seeing increased sales for home-cooked meals, consumers are reluctant to spend on quality cuts.

As beef production continues the quantity of surplus steaks is mounting, putting pressure on prices.

Sheep

The 20m for sheep and goat meat provides PSAs for up to 36,000t. This is to support storage for up to five months with a minimum period specified of two months.

Nate Donnay, director of dairy market insight at commodity analyst INTL FCStone, said the 30m EU package for PSA was more of a gesture than a solution, but the EU Commission could end up spending 300m (£262m) on intervention purchases by the time the crisis is over.

He contrasted the scale of the funding with the $900m (£730m) being spent by the US government to buy dairy products over the next six months that will then be largely donated to food banks to support Americans in need.

A separate $2.9bn (£2.35bn) fund will be used to buy a wider range of foodstuffs.

However, Mr Donnay said even spending on that scale would still leave surplus product on the market until regular demand improved, meaning prices were likely to stay low until well after stay-at-home orders were lifted.

JOURNAL : Farmers Weekly

Farm staff should be using face masks in many instances to limit the spread of coronavirus, says health and safety adviser Oliver Dale.

A mask will not necessarily prevent the wearer from being exposed to the virus, because it is so small that it can travel between the fibres of many masks.

“However, there is an increasing body of evidence to suggest that the virus can travel further in the atmosphere than previously thought, and particularly so where it is projected by a cough or sneeze,” says Mr Dale, managing director of consultancy Safety Revolution.

The small droplets expelled from a cough or a sneeze may travel for up to six metres and may also hang in the air as micro-droplets for long periods.

Wearing a mask may restrict the projection of these droplets and so cut the amount of virus in the atmosphere, reduce its travel distance and potentially the volume expelled.

See also: Coronavirus advice for managing and keeping staff safe

Masks on farm – when and how?

Masks should be introduced for staff working in close proximity to others or to contractors – close proximity in this case is less than six metres.

They should be worn where vehicles or equipment are used or may be shared (even where decontamination and hygiene procedures are being practised).

Mask specification should be FFP3 or FFP2, generally available from the usual farm suppliers.

While all staff should be equally protected, employers should take care to ask workers if they have underlying health conditions which make them more vulnerable to other illnesses. Older workers are more likely to have existing respiratory conditions.

Do not reuse or share masks.

If availability is an issue, home-made masks could be used in certain circumstances where the main aim is to reduce droplet spread from the wearer. However, these should never be used as a substitute for appropriate protection for certain jobs such as cleaning grain stores or bedding stock, when appropriate industry-standard equipment should be used.

Soiled or damaged masks must be disposed of in a manner that avoids cross-contamination.

Ensure staff follow basic good hygiene practices as advised by the government.

Source: Safety Revolution

Wearing a mask also restricts the wearer from touching their nose and mouth, and so reduces the likelihood of them transferring any virus from their hands to those parts of their body where it may be more readily absorbed.

“In a workplace environment, employers have a duty to introduce all reasonably practicable measures to control the spread of the virus, regardless of any other guidance that may be issued to the general public in relation to their day-to-day contact,” says Mr Dale.

“This is a workplace health-and-safety issue and the provision and use of masks would be regarded as ‘reasonably practicable’, so employers should give this careful consideration,” he advises.

“Consider your own risk assessments in conjunction with government guidelines on physical distancing. Such masks form part of what is known as respiratory protective equipment (RPE).

Additional RPE may be required for certain workplace activities such as grain store cleaning.

As well as the legal obligation of the employer to ensure safe working conditions, employees also have a personal duty under the Health and Safety at Work Act to take care of their own health and safety, as well as that of others who may be affected by their actions at work.

This includes the specific risks to the business and their colleagues as a result of any failure to adhere to government guidelines.

JOURNAL : Farmers Weekly

Farmers who have put staff on furlough will be able to take advantage of the scheme until October, the chancellor has announced.

The scheme, which is costing the government an estimated £10bn a month, had originally only been scheduled to run until the end of June.

The move is likely to benefit diversified farm businesses in particular, with rural tourism and leisure enterprises standing idle following the nationwide lockdown.

See also: How diversified businesses are coping with lockdown

The government will continue to pay up to 80% of any furloughed employee’s salary, up to a limit of £2,500 a month until the end of July.

However, chancellor Rishi Sunak said that from August, the scheme would become more flexible, and allow furloughed staff to return to work part-time.

This will allow employers to bring back staff for whom there is only a limited amount of work without requiring them to immediately pay the full salary.

1/ The job retention scheme will be extended, for four months, until the end of October.

By that point, we will have provided eight months of support to British people and businesses. Until the end of July, there will be no changes to the scheme whatsoever. pic.twitter.com/gQznY4c2Ir

Rishi Sunak (@RishiSunak) May 12, 2020

Further details on the modifications will be announced before the end of the month.

Businesses have benefitted from more than £14bn in loans and guarantees to support their cashflow during the crisis, according to government ***statistics*** published today (12 May).

This includes 268,000 Bounce Back Loans worth £8.3bn and 36,000 loans worth over £6bn through the Coronavirus Business Interruption Loan Scheme.

JOURNAL : Farmers Weekly

Farm leader Minette Batters says she expects progress on a support package later this week for crisis-hit dairy farmers.

The package could take the form of a hardship payment, the NFU president told journalists during an online media briefing on Monday 27 April.

See also: Dairy farmers supplying Freshways face financial ruin

Some 1,800 dairy farmers are said to have emailed their MPs after turmoil in the supply chain due to coronavirus saw processors reduce prices for some contracts.

One in three dairy farmers had been “severely impacted” by the crisis, said Mrs Batters, with some producers forced to pour milk down the drain.

Price cuts

Processor Freshways – which supplies coffee shop chains and other foodservice outlets – was first to cut the milk price with a 2p/litre reduction in March.

The dairy processor has since said it would pay farmers at the end of April for half the milk produced in late February/March, with the balance paid in mid-May.

Meanwhile, Muller has withdrawn a planned 1p/litre price rise for May.

The NFU and dairy processors held a conference call with Defra earlier this month as they pressed the case for additional financial support for the sector.

The government said it would temporarily relax elements of UK competition law to support the dairy industry – but farm leaders said this was not enough.

Competition law

Defra said relaxing competition law would allow the industry to adapt to decreased demand from the hospitality sector and reduced collection by retailers which have had to close. E

It said the announcement would enable further collaboration between dairy farmers and producers so they could avoid their surplus milk going to waste.

This could include sharing labour and facilities, co-operating to temporarily reduce production, or sending milk to be processed into products such as cheese and butter.

Defra secretary George Eustice said: “Our dairy industry plays a crucial role in feeding the nation and it is essential that they are able to work together at this time.”

Loans available

He added: “We’ve heard loud and clear our dairy farmers’ concerns which is why we are further suspending competition rules law to allow dairy farmers to work together.”

Mr Eustice also urged farm businesses to access government-backed loans that were available from their bank to support them during the coronavirus lockdown.

The dairy sector is the UK’s largest farming sector, with milk ***accounting*** for 16.85% of total ***agricultural*** output in the UK in 2018.

Of this, approximately 50% of UK dairy sector output is fresh milk and, as such, ***accounts*** for a significant amount of UK processing capacity.

JOURNAL : Farmers Weekly

Property deals close to completion are progressing and land is still seeing strong demand, but much of the market is at a standstill.

Social distancing measures and the ban on non-essential travel, in response to the coronavirus outbreak, has put a stop to property viewings and pressed pause on the market.

However, agents are still getting enquiries from people wanting to buy land, according to Strutt & Parker’s English farmland market review for spring 2020.

See also: Several farms launch in spring despite pandemic

It shows that though the smallest acreage of land in the past 20 years was publicly marketed in the first quarter of this year (4,500 acres), the same number of farms were marketed in that time as during the equivalent period in 2019 and 2018.

Guidance dictates pace

The firm’s team is continuing to work on deals that were struck before the lockdown was implemented and prepare property to market later this year, says Matthew Sudlow, director and head of estates and farm agency.

“We have seen very few deals fall through, with most buyers still committed to their purchase,” he says.

“However, people are having to be flexible and patient about getting these purchases over the line. Completion dates are being pushed back in line with official government guidance that, if contracts have already been exchanged, all parties should work together to agree a delay if necessary.”

For property with a residential element that has not yet reached the point of exchange, the government advice is to delay the exchange until stay-at-home measures have been lifted, he says.

Alternatively, contracts should include provisions allowing for completion dates to potentially be extended, subject to movement restrictions or because there may be people in the chain who need to self-isolate.

Other challenges include delays in funds being released by banks because they are focused on getting emergency lending in place for businesses needing support as a result of the virus.

Bare land seeing success

“We were planning to launch a number of farms and estates with a residential element during April, May and June, but vendors have put these sales on hold for now, with the intention to launch as soon as restrictions have been lifted,” says Mr Sudlow.

“Some vendors selling bare land are choosing to go ahead with marketing now, with some success.”

There was good demand in January and February, supported by the historic lack of supply and an end to the political-related uncertainty, and many of these buyers remain active.

The team is also continuing to get new enquiries from people looking to buy land, despite the coronavirus, many of whom have rollover money to invest and others looking to invest in a safe asset, he says.

“Our view is that once the market does get going again, all parties will need to show continued patience when progressing sales,” says Mr Sudlow. “There will be a backlog to get through in terms of valuations and searches, and agreeing lending is also likely to take longer than it may have previously.”

Lockdown buying and selling advice

Vacant possession

Possession proceedings have been temporarily suspended as it is impossible to give vacant possession during lockdown.

Where vacant possession has been agreed, the terms of the contract between the buyer and seller need to reflect both parties’ circumstances and include:

Exchanging contracts with completion conditional on lockdown ending within a certain timeframe

An obligation on the seller to obtain vacant possession following completion, with the buyer retaining part of the purchase price until vacant possession is obtained.

Finance

Loan offers are time-limited, so where loan finance is being arranged, contracts with a delayed completion, especially one which is conditional on the lockdown ending, is a concern for both buyer and seller.

Use time wisely

Where a property has been in a family for generations, it is not uncommon for there to be some kind of title deficiency, boundary discrepancy or other issue that could hold up a sale.

Lockdown is a good time for landowners looking to sell to review their position, identify any potential issues and prepare for a future sale.

Source: Tim Olliff-Lee, senior associate, Wilsons Solicitors

JOURNAL : Farmers Weekly

Changes to coronavirus lockdown guidelines have renewed fears that an influx of visitors to the countryside could spread the virus.

Boris Johnson announced a partial easing of the lockdown in England during a televised address to the nation on Sunday 10 May.

The prime minister said: “From this Wednesday, we want to encourage people to take more and even unlimited amounts of outdoor exercise.

See also: Fresh advice on footpaths during coronavirus crisis

“You can sit in the sun in your local park, you can drive to other destinations, you can even play sports, but only with members of your own household.

“You must obey the rules on social distancing, and to enforce those rules we will increase the fines for the small minority who break them.”

Stay at home

The new guidance has met a mixed response, with some farmers and rural representatives pleading on social media for people to stay at home.

Coronavirus: Is it too early to open up the countryside to the public?

Yes

No

Made here

Cotswold farmer Liz Webster said visitors from outside the area already posed a health hazard.

[*https://twitter.com/abcpoppins/status/1259741976712413184*](https://twitter.com/abcpoppins/status/1259741976712413184)

Dorset farmer Justine Pike, of Downshay Farm, Swanage, said it was too soon to start relaxing travel restrictions.

[*https://twitter.com/downshayfarm/status/1259733103284813829*](https://twitter.com/downshayfarm/status/1259733103284813829)

Lake District National Park Authority chief executive Richard Leafe urged people not to visit Cumbria, which has one of the UK's highest rates of the virus.

“This could be very difficult for the communities of the Lake District and Cumbria,” he said. “Please don’t rush to visit us.”

[*https://twitter.com/LakesChief/status/1259549229967695872*](https://twitter.com/LakesChief/status/1259549229967695872)

South Lakes Police said people should take a long, hard look at their conscience before visiting the national park for exercise.

“We urge you to use common sense and to continue to exercise close to your own home,” it said. “We need to break the cycle of infection.”

[*https://twitter.com/SouthLakesPol/status/1259607891025281025*](https://twitter.com/SouthLakesPol/status/1259607891025281025)

Earlier, Bishop of Ripon Helen-Ann Hartley said the last thing rural communities needed was an overwhelming number of visitors.

She added: “Yes, the economy matters but the ‘countryside’ is not simply a place of recreation and retreat, it is where people live and work.”

The new guidance applies only in England – Scotland and Wales are maintaining their advice for people to stay at home unless travel is essential.

Confusing message

The Farmers Union of Wales (FUW) said the prime minister’s address was confusing and ambiguous – and failed to distinguish between Welsh and English changes to restrictions.

FUW president Glyn Roberts said: “There appeared to be no attempt to make it clear that the changes being announced only applied in England.

“Worse than that, the impression was given that the changes applied throughout the UK when this is simply not the case.”

Mr Roberts said the prime minister’s comment that “you can drive to other destinations” would lead people to wrongly assume they could visit Wales.

This would increase the risk of introducing the coronavirus to Welsh communities, he added.

“Our offices are dealing with members who are in the vulnerable category and are concerned that the large numbers of people coming through their farmyards and fields are placing them at risk.”

Relaxation 'must be properly managed'

The partial relaxation of coronavirus restrictions could help revitalise the rural economy, but must be properly managed, says the Tenant Farmers Association (TFA).

The TFA has welcomed the prime minister’s statement on planned measures to relax some of the restrictions put in place by the government to control the spread of Covid-19.

With disease indicators starting to move in the right direction, TFA chief executive George Dunn said the time was right to plan the process of moving from lockdown to a new normality

But Mr Dunn warned: “This must be undertaken carefully to ensure that we do not create a new surge in disease spread.

“While it may be some time before we see the reopening of restaurants, cafés and pubs, farm-focused attractions based in the outdoors could lead the way in getting things moving again.”

With appropriate social distancing, hand-washing facilities and people management, farm attractions could be at the forefront of the recovery heading into mid-summer.

“Subject to scientific and practical advice, farm-based attractions up and down the country could provide an early opening of the hospitality sector,” said Mr Dunn.

“Farm-based attractions offer many advantages, but will require careful management to ensure that they do not become overwhelmed with too many people attending at once.

“Keeping people outside in the sunshine, while enjoying hospitality, must be the way forward as we begin to relax the current restrictions.

“We may also need to move at different speeds, with England being in a position to move before Wales, for example.

“However, I would urge governments in all parts of the UK to be working with the farming community to achieve this.”

JOURNAL : Farmers Weekly

Livestock markets in Northern Ireland will reopen to farmers from Monday (27 April) as part of a gradual lifting of Covid-19 lockdown measures.

Marts across the province closed voluntarily to farmers on 23 March as the coronavirus pandemic worsened.

See also: Coronavirus: Applying for farm support schemes

As cases of Covid-19 are continuing to emerge, the Northern Ireland Livestock and Auctioneers Association (NILAA) said re-opening would be on a phased basis, with some restrictions continuing.

Measures

Numbers for sales will be limited and there will be a requirement for sellers to book slots for livestock entries.

Bookings slots will be allocated on a first-come, first-served basis.

Sellers will still not be allowed to enter the sale ring or office and will instead be asked to drop off stock.

Once stock is sold, sellers will be informed of the price achieved as quickly as possible.

Buyer numbers will also be limited in the sale ring to ensure social-distancing measures can be maintained.

Only buyers who have registered ahead of a sale will be allowed to attend.

The Department of ***Agriculture***, Environment and Rural Affairs (Daera) said its officials were satisfied the measures were robust and welcomed the planned reopening.

“Farmers are key workers and are continuing to provide food for us all in very challenging circumstances. Part of that food supply chain is the ability to trade and sell animals,” a Daera spokesman said.

The department has been reassured that robust operational protocols will enable mart operators to conduct business in a manner that is safe for staff, farmers and buyers, he added.

“Daera, therefore, welcomes the decision to recommence sales of primestock, cull animals and store stock on a gradual basis from the week commencing 27 April.”

JOURNAL : Farmers Weekly

People believe Britain’s ability to produce its own food is increasingly important, suggests a survey carried out during the coronavirus pandemic.

The public also have a more favourable view of farming – perhaps encouraged by the efforts of growers and livestock producers to feed the nation during the crisis.

See also: Government issues coronavirus advice for farms

Asked whether their view of British farming had changed in the past three months, 28% of respondents said it was more favourable, while 11% said less favourable.

And 51% said they felt Britain’s ability to produce its own food had become more important.

The independent survey of 2,036 UK adults was carried out by pollsters Censuswide on behalf of the NFU on 20-21 April 2020.

NFU director general Terry Jones said the findings showed people were “on our side” through what is a difficult time for the industry and the country as a whole.

Survey findings

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‘Very different’

Drawing a comparison with the 2001 foot-and-mouth outbreak, Mr Jones said the effect of the coronavirus pandemic is very different to previous crises suffered by the farming sector.

“Foot-and-mouth was a farming crisis with a national impact,” he told journalists during an online media briefing on Monday (27 April). “This is a national crisis with a farming impact.”

Coronavirus has seen the government designate ***agriculture*** an essential industry, with farmers and food chain staff deemed to be key workers.

The importance of food and farming was further highlighted earlier in the pandemic as panic-buying shoppers cleared supermarket shelves of essential items.

Panic buying

Earlier, Defra secretary George Eustice said panic buying had now ceased and 500,000 food parcels had been delivered by volunteers to people unable to leave their homes due to a clinical condition.

“In addition, the major supermarkets have agreed to prioritise delivery slots for those in this shielded group,” said Mr Eustice on Sunday (26 April).

“So far, over 300,000 such deliveries have been made, enabling people to shop normally and choose the goods that they want to buy.”

Many supermarkets have taken steps to increase delivery slots for online shopping.

The number of supermarket delivery slots had increased from 2.1m to 2.6m since the start of the coronavirus outbreak, said Mr Eustice. It was expected to grow further to 2.9m delivery slots over the next couple of weeks.

JOURNAL : Farmers Weekly

Yorkshire farmer, Angela Kirkwood, used her Nuffield Scholarship to travel the world in search of the answer to one key question: How can we grow the UK pig industry?

Prior to the UK’s membership of the EU, the breeding sow population was over one million. The country's pig industry has since seen a steep decline in numbers, resulting in the UK now being a net importer of pig meat.

At the same time, cost of production has risen due to ageing production facilities and restrictive environmental legislation.

See also: How slurry cooling techology can cut ammonia on pig units

UK pig producers also face challenges including high labour costs, animal health issues and volatile prices.

So, what does the future hold for the UK pork industry and what can producers learn from other countries?

Below, Angela shares her findings and highlights several key areas producers and the wider industry need to target to grow the UK pig industry.

1. Define strategic aims for production

The countries Ms Kirkwood visited which had buoyant ***agricultural*** industries had very clear goals. That has not been the case in the UK for a long time, she says, largely due to the Common ***Agricultural*** Policy.

The UK needs leadership from the top. A prosperous industry is built upon clear, simple and achievable strategic aims that bestow confidence and encourage growth in a sector.

Unlike the UK, countries with specific departments of ***agriculture*** are much more in tune with production aims and targets, meaning they can help growers achieve fair prices, produce affordable food for customers and build resilient businesses.

In the Philippines a change of government had resulted in a reduction of corruption within the food industry.

Pig smuggling and mis-declaration of imported pork products had previously put Filipino pig farmers at a competitive disadvantage.

The government reviewed regulation, declared imported pork, and carried out traceability testing to reduce food fraud.

The Philippines now has the fourth-largest sow population in Asia and pig farming is fundamental and vital to the economy and economic growth. Pig prices were buoyant at 132 peso/kg (£2.10/kg) while cost of production was 96 peso/kg (£1.50/kg).

2. Improve production inefficiencies and review compliance complexities

An accumulation of regulation has caused production inefficiencies and increased costs on UK farms.

The way in which rules and regulations are interpreted around the world are very different.

In the UK, while cross-compliance may make sense on its own, when other auditing bodies’ rules are added on top, such as Red Tractor, it becomes both complex and costly.

In the US, for example, the main focus was to be as efficient as possible and this is where Angela believes the difference between UK and US costs of production lies.

The pigs she visited were in very good health and condition – productivity and genetics were similar to those of the UK – but costs in the UK are much higher.

The USDA (United States Department of ***Agriculture***) has its own branding on food products. The ministry standards are highly regarded and trusted by US consumers and each state is ***accountable*** for the implementation of farm regulation.

In line with all the countries featured in Ms Kirkwood's study, the US production systems would be illegal in the UK and would not pass the country's welfare standards.

However, more efficient systems and a lower regulation burden offers US pork producers a cost-of-production advantage.

Examples of efficiency in the US included:

Processing facilities require pigs at 140kg liveweight – heavier pigs improve on-farm efficiency

Extra emphasis is put on ventilation to improve growth rates

Automatic irrigation systems empty slurry lagoons, reducing the cost of waste disposal

The use of gestation stalls is the norm and allows for individual sow care and optimum feeding – though it could be questioned if this allows the pigs to express their five freedoms.

3. Rethink your approach to welfare and biosecurity

"Animal welfare" is very difficult to define, it may be more productive to focus on what contributes to healthy stock.

Good animal welfare has been the aim for UK pork production since the sow stall ban in 1999. Unfortunately, this has resulted in the dramatic contraction of the UK pork industry.

The desire to have the highest animal welfare standards in the world has resulted in increased costs of production; lower productivity compared to competitors; and increased imports of cheap pork products.

In China there is a hard focus on good animal husbandry. Better husbandry has led to healthier animals, meaning the overall welfare of the pigs is also improved.

Other examples could be focusing on the reduced or better use of medicine, or optimising technology to offer the pig optimum nutrition.

Country border biosecurity also needs to be closely monitored; education of staff and visitors along with clear signage would also be advantageous. A similar border control system to that evident in New Zealand and Australia would reduce risk to the UK ***agricultural*** industry.

In New Zealand, surveillance of people and imports arriving at the country's borders ensures harmful pests and diseases are prevented from coming into the country.

4. Upskill workers to encourage more efficient labour costs

It is becoming increasingly difficult to employ reliable skilled labour in the UK.  Many farm businesses pay more than the national living wage and include other employment benefits, resulting in the industry having relatively high labour costs compared to the rest of the world.

While it wouldn’t do the UK pork industry any favours if the value of this wage was decreased, what it can do is ensure it is recruiting – and retaining – higher skilled employees.

Teagasc – Ireland’s ***Agriculture*** and Food Development Authority – has a hard focus on recruiting the next generation of young farmers by pushing land-based skills from a young age and teaching ***agriculture*** in schools.

5. Invest in environmental measures to increase long-term sustainability

While the UK does have high standards in terms of pig production, it is going to have to invest and modernise over the next five to 10 years to ensure long-term sustainable production.

China is already doing this. Pig producers are investing in modern, energy-efficient infrastructure, as well as initiatives such as solar energy systems to power production units. This is not only good from a sustainability point of view, but also financially.

This needs to be driven by the whole industry, not just the producers.

6. Build ‘Brand Britain’

Given the above tools, the pork industry will strive to become one of the major flagship industries for ‘Brand Britain’.

All of the countries Ms Kirkwood visited boasted their national flag on retail packaging and aimed to improve brand image and awareness with consumers.  In Denmark TV advertisements focussed on telling the story of Danish farmers. The Japanese were using key events such as the forthcoming Tokyo Olympics as a springboard to promote Japanese food.

Clear and regulated British branding and labelling of pork post-Brexit will offer a valuable tool to promote British food to the consumer.

JOURNAL : Farmers Weekly

Owners of ATVs and quad bikes are being asked to increase security following a significant rise in thefts during the coronavirus lockdown.

Police say rural thieves are using the quiet period to prey on vulnerable farmers and steal their kit.

In Hampshire alone, 21 ATVs were stolen over a 24-day period since the start of the coronavirus lockdown.

See also: Video: Quad bike theft – how to avoid being a victim

In one typical incident, thieves carried out an overnight raid on the Conholt Park Estate, near Andover, sometime between 12.50am and 1.30am on Monday 13 April.

They stole a green 750cc Suzuki King Quad bike and a red 500cc Suzuki King Quad bike.

Superintendent Andy Huddleston, from Northumbria Police, is also the national police lead for ***agricultural*** machinery and vehicle thefts.

He said: “Since going into lockdown due to Covid-19, overall vehicle crime is down by 40%, however, machinery thefts are on the rise, not everywhere, but significantly in several parts of the country, such as Hampshire, where 21 ATVs were stolen in 24 days.

“Within the past week, some great work by the National Vehicle Crime Intelligence Service and Surrey Police resulted in arrests and the seizure of a wagon loaded with a cross-section of ***agricultural*** equipment.

“However, the fact remains, like many crimes, we will not arrest our way out of these problems and the wider rural society all have a part to play.”

Tips to prevent the theft of ***agricultural*** vehicles

Mark with Cesar marking device

Fit a tracking device and mobiliser

Use preparatory devices, such as Quad Vice, to protect quads

Remove keys when not in use and store out of sight

Keep GPS-equipped tractors in secure buildings, or remove kits when not in use

Remove keys

Supt Huddleston said the farming industry needs to ask more of manufacturers, and he believes that all ATVs should be fitted with an electronic immobiliser as a minimum standard.

But he added: “I don’t think it is unreasonable to expect that, overnight, keys are taken out of machines that are worth in excess of £6,000, or in the case of telehandlers and tractors upwards of £40,000.”

***Agricultural*** vehicle theft claims cost rural insurer NFU Mutual £7.4m in 2019, up 26% year on year. ATV claims cost moe than £2.6m, up 10%.

JOURNAL : Farmers Weekly

The dry weather in Aberdeenshire has continued throughout April, with the annual total to date amounting to only 33% of average. This allowed spring barley drilling to start early on 20 March – early for us – and with a great effort by the whole team we were able to drill 808ha in 23 days.

Now that the crop is established, we desperately need some decent rainfall. We had 6mm last night, and a few showers are forecast later in the week, but really we could do with an inch or so over a few days.

See also: Herts grower puts hoe to the test in narrow-row cereals

While the spring barley still has some moisture at seed depth and has not yet been impacted by the dry conditions, the wheat is certainly suffering. When a plant is pulled up, the soil just falls off the roots and any damper parts of the field show how pale and thin the majority of the crop is.

With the 2018 drought still fresh in my mind, I have held back some nitrogen for now on both the wheat and spring barley. The rainfall over the next 10 days will determine how much, if any, of this will be applied.

It has been a strange spell with lockdown for coronavirus.  During drilling, we were lucky to be relatively unaffected, being able to get on with our jobs with only minor changes to working practices.

One of these was that I often took my bike when moving the loader and seed trailer. Cycling back really showed up how bad many of our road surfaces are and also, despite the reduced amount of traffic, how many bottles and other rubbish is being thrown into the verges. If only some of the many extra walkers out and about would pick some of it up!

During this time it is also frustrating to see some supermarkets importing beef, particularly steaks, when local processors need to find new markets for these cuts. Is this a failure of the supply chain, or an excuse to drive the price down? Either way it is not helping the UK beef sector and drives farmer mistrust of retailers.

JOURNAL : Farmers Weekly

Sheep farmers are likely to receive less money from British Wool this year after the marketing board admitted a slump in demand had left one-third of the 2019 clip unsold.

Disruption to the supply chain linked to the coronavirus pandemic has seen prices plummet this year at the farmer-owned co-operative’s fortnightly online auctions, with low clearance rates in the normally busy spring sales period.

China, the biggest processor and consumer of wool, had its economy shut down and has experienced disruption at ports following its gradual easing of lockdown restrictions, hitting demand.

See also: What happens to wool once it leaves the farm?

The announcement will be a blow to farmers who use the wool cheque to meet most of the cost of shearing.

British Wool CEO Joe Farren said “The severe, hopefully short-term, drop in demand for wool products, coupled with the huge global overhang in cross-bred wool stocks from the 2019 season, is likely to severely affect prices for the next 12-18 months.

“It will also make our longer-term objective of repositioning British Wool as a premium product more challenging. However, finding new demand for our wool in China at attractive prices will be a key driver of the early stages of recovery in British Wool prices," he said.

Average sale prices have fallen at every auction between February and April, with clearance rates below 50%.

British Wool does not buy wool from farmers, but acts as a middleman to sell it on their behalf, returning the money to them after deducting its costs.

The farmers’ annual cheque is a combination of an upfront part-payment for next year’s produce and the balance of what they are owed from the previous year, with the annual sales year beginning in July.

It achieved a sale price of £1/kg for the 2018 clip, with farmers receiving an average of 60p/kg – the same rate as the previous year – but well down on the 2014 payment rate of 105p/kg.

National Sheep Association chief executive Phil Stocker said: “Fortunately, most British sheep farmers are used to wool cheques covering shearing and handling costs and often not a lot more, with few farmers relying on wool values for a living.

“We do have a small number of sheep farmers who continue to do well out of wool, and who have managed to climb out of relying on what is essentially a global commodity market.

“In my opinion, this is the only way to remove ourselves from global economic impacts, and achieving this on a national scale is a big challenge.”

JOURNAL : Farmers Weekly

US meat processing plants have been ordered to stay open by president Donald Trump amid intensifying concerns in the country about food availability.

US pork analysts estimated that 36% of the country’s pig slaughter capacity was not in operation on Monday, raising fears that up to 700,000 pigs a day would have to be killed on farm, leading to a shortage of food.

These and abattoirs in other sectors have shut in recent weeks after they were identified as coronavirus hotspots, with the disease spreading rapidly among the tightly packed workforce.

See also: UK and US meat sectors battle supply chain challenges

The presidential executive order, which compels companies to stay open for national security reasons, may protect companies from being legally liable for workforce safety if they are found to have exposed staff to the coronavirus, but unions have said serious concerns remain about how to prevent the spread of disease in factories.

However, Mike Brown, president of the trade association National Chicken Council, said that companies were doing everything they could to keep people safe.

He said: “Companies began weeks ago enacting additional measures to keep workers safe, such as increased cleaning and sanitation of the plants, temperature checks before entering facilities, social distancing measures, installing plastic dividers between work stations, paid leave for sick or at-risk employees and issuing masks and other personal protective gear.

“While doing everything we can to keep employees safe and healthy, the biggest challenge has been inconsistencies among the states and many localities in enforcing Centre for Disease Control guidelines in plants that add to confusion and can lead to unnecessary shutdowns.”

Four political leaders from Iowa – the biggest pig producing state in the country – wrote to vice-president Mike Pence this week to ask for financial aid for any animals killed on farm, as well as assistance with disposal costs.

JOURNAL : Farmers Weekly

Soaring temperatures combined with the coronavirus lockdown ahead of Easter resulted in differing fortunes for meat and dairy products on the retail market.

Figures produced by the AHDB and market analysts Kantar WorldPanel showed roasting joints were hit particularly hard in year-on-year comparisons.

Easter is traditionally a strong point in the year for roast meals, as family gatherings centre around the Sunday dinner table.

In contrast, beef mince sales have continued at a high level. This is in part due to the spell of hot weather, with many households producing burgers for outdoor grills and barbecues, the AHDB suggested.

See also: Coronavirus: How financial support package will help farms

Lamb

During the week ending 12 April, volumes of lamb roasting joints sold, especially leg, were down 25% compared with the same period last year.

Shoulder volumes saw even greater losses and were down by more than one-third (36%) on figures for 2019.

The fall was attributed to the timing of the lockdown, reducing the opportunities for family gatherings and a roast lamb joint. Price was also a deterrent, said AHDB .

Average retail prices were up by £2.35/kg (29%) for leg and £4.81/kg (53%) for shoulder.

The AHDB pointed out that the current ***data*** week for 12 April 2020 covered the Easter period. However, the Easter break was a week later (21 April) in 2019.

The difference means year-on-year declines for lamb are likely to be more severe in next week’s ***data***, it warned.

Beef

Temperatures in some parts of the UK during the week to 12 April were up 12C on the same period in 2019. This is likely to have driven the increase in volume sold of burger and grills for barbecues, the AHDB believed.

As a result, mince volumes were up 29% on 2019. However, despite the year-on-year difference, mince has not gained further share of the beef category since the coronavirus lockdown.

Roasting joints suffered the greatest drop off in retail volumes purchased – down 65% or about 1,000t compared with the same week in 2019.

The AHDB attributed the fall to a combination of hotter weather, fewer Easter gatherings and an average price increase of a third.

Pork

Volumes of bacon and sausages sold for the seven days up to 12 April were up 18% and 48%, respectively, compared with the same week last year.

Roasting joints, for the same reasons as in the beef and lamb categories, suffered significant losses.

Total pork roasting was down 63% year on year, with the fall given further impetus by higher prices. Recent gains for chops, during late March and into the first week of April, have now subsided.

Volumes of mince continue to grow and were up 14%.

Dairy

The coronavirus lockdown may have had a positive effect on butter and cream sales in the same week, with year-on-year volumes up 37% and 59%, respectively.

AHDB analysts have suggested this upsurge could be down to a strong interest in home baking while people are forced to stay indoors.

Liquid milk volumes also performed strongly, with sales up by 24m litres – a rise of more than one-fifth (22%) on the same week last year.

Weekly volatility in demand has seen milk sales vary by as much as 24m litres a week, putting the supply chain under extreme pressure.

JOURNAL : Farmers Weekly

The AHDB is set to launch a marketing tool to help shift surplus potato stocks caused by a drop-off in demand since the Covid-19 lockdown.

Food service sector demand for potatoes collapsed when the measures forced the closure of commercial outlets such as restaurants and many chip shops.

AHDB Potatoes strategy director Rob Clayton estimated that food service sector demand was about 90% below normal levels.

See also: 10 ways to improve potato storage management

This has caused a surplus of potato stocks in stores across England. The latest figures (7 May) put the surplus at about 150,000t, down from a peak of about 200,000t at the end of March.

To help move some of the surplus, the AHDB has set up a website, to be launched next week once final security testing has been completed.

"The aim is to provide a matchmaking service between growers with surpluses in their stores and potential buyers," explained Mr Clayton.

Growers will be able to advertise what stocks they have in terms of quality and variety and how many trailer loads are available, he said.

In addition, the grower can set out what assurance schemes are adhered to and what treatments have been applied to the stocks.

At the same time, merchants, or other outlets looking for stocks, can post what demands they have.

"It is then down to the grower and buyer to establish a deal and delivery arrangements," Mr Clayton said.

More information will be available from the AHDB Potato website .

JOURNAL : Farmers Weekly

Welsh dairy farmers have welcomed the announcement of a funding package to help those hardest hit by closure of cafes, restaurants, pubs and hospitality venues.

Lesley Griffiths, Welsh government rural affairs minister, has confirmed that dairy farmers who have lost more than 25% of their income in April and May will be entitled to up to £10,000 to cover 70% of their lost income.

This will help ensure they can continue to operate without affecting animal welfare and the environment. Further details on the application process for the scheme will be announced shortly.

See also: Coronavirus: 4 tips for dairy farmers hit by slump in milk demand

It follows a similar support scheme announced by Defra secretary George Eustice for dairy farmers in England. However, governments in the devolved nations of Scotland and Northern Ireland have no plans for equivalent funding packages.

“The overnight loss of the food service market as a result of Covid-19 has affected many Welsh dairy farmers,” said NFU Cymru deputy president Aled Jones.

“We are pleased the Welsh government has recognised the impact this is having on many dairy farming businesses, and has now come forward with a hardship package for those affected most by the current market conditions.”

The funding will help address immediate cashflow problems faced by dairy farmers, some of whom have been forced to throw away milk because their processors have been unable to collect it. Many more have received massive price cuts to well below the cost of production and significant delays to payments.

Promotional campaign

NFU dairy board chair and South Wales dairy farmer Abi Reader said the announcement will be a comfort to dairy farmers who are currently facing the biggest losses over Covid-19.

She added: “We sincerely hope that this support, alongside the announcement earlier this week of the AHDB/Dairy UK promotional campaign backed by government across the UK, alongside the opening of Private Storage Aid by the EU and changes to competition law announced by the UK government last month, will help to provide some short-term stability to the Welsh dairy sector.”

Welsh Government has today announced a funding package of support for Welsh dairy farmers hardest hit by the exceptional market conditions brought about by #Covid\_19.

NFU Cymru Dairy Board Chair @AbiReader provides an update following the news. pic.twitter.com/NycXcvGtSu

NFU Cymru (@NFUCymru) May 9, 2020

Welsh Conservatives’ Andrew RT Davies MS, the shadow minister for rural affairs, said the announcement was “better late than never”.

Edwin Poots, Northern Ireland’s farming minister, said Stormont was considering a “different approach”, as the effect on its dairy farmers “may become evident more slowly, last longer and be more widespread”.

The Scottish government said it was aware that some dairy producers in Scotland have also been affected by the loss of markets in the service industry. Therefore, officials “would be meeting shortly with producers to explore what, if any, additional assistance might be appropriate for the sector in Scotland”.

JOURNAL : Farmers Weekly

Farm leaders have welcomed news that calves under 180 days are now temporarily exempt from bovine TB testing in unrestricted herds.

The latest exemption applies only where testing cannot take place safely under the current Covid-19 restrictions. Official veterinarians can also request backdating this measure to the start of lockdown on 23 March.

The new guidelines, which apply in both England and Wales, received ministerial clearance prior to this temporary exemption being implemented.

See also: How will TB tests work during the coronavirus pandemic?

Under the derogation, movement restrictions will not be placed on officially TB-free (OTF) herds if cattle under 180 days are left untested because the vet has judged that testing cannot be conducted in line with Covid-19 social distancing guidelines.

However, exempted calves would still need a pre-movement test if they are to move off a holding, where that move would normally require it.

‘Pragmatic’ approach

The Farmers’ Union of Wales (FUW) welcomed the joint announcement by the UK and Welsh governments, describing it as “pragmatic”.

“Many of our farmer members are in the Covid-19 high-risk category due to their age and it is therefore important that the rules around TB testing do not risk the health of our key workers producing food during this pandemic,” said FUW senior policy officer Hazel Wright.

“It is extremely difficult to maintain social distancing rules when testing young calves for bovine TB and this derogation is therefore extremely welcome.

“It will come as a huge relief to those farmers facing the conflict of adhering to TB rules while also trying to adhere to social distancing rules and protect themselves and their family from illness.”

A spokesman for the British Cattle Veterinary Association said: “ This temporary exemption is a really positive move and hopefully strikes a balance between keeping everyone safe, maintaining the food chain, and bTB surveillance, while allowing vets the flexibility to make informed testing decisions on farm, without the pressure of putting some farms under suspension.”

Farm vets take special measures over coronavirus

Farm vets are making special efforts to make sure they adhere to coronavirus restrictions when TB testing and treating cattle.

Social distancing rules requiring people to keep 2m apart are not always easy to maintain when handling livestock. But vets say they are still managing to take precautions to prevent the virus from spreading when visiting farms.

“It can be very difficult,” said Oliver Hodgkinson, of Trefaldwyn Vets in Montgomery, mid-Wales. “When you are dealing with adult cattle it is easier. If you go at the head of the cow and the farmer goes at the back end, then there is about a 2m gap.

“But when you have a sick calf, then it does become a lot more challenging. If we have to handle a calf and the farmer has to hold the calf, we try to do it in the open air and turn our backs to each other. It's about being sensible.”

Mr Hodgkinson – who was Farmers Weekly Livestock Adviser of the Year in 2018 – said he likes to be self-sufficient when TB testing. This means nobody else is at the front of the crush when he is dealing with each animal.

JOURNAL : Farmers Weekly

Companion cropping could offer growers struggling to grow oilseed rape a successful method of reducing cabbage stem flea beetle risk, enabling them to establish the valuable break crop.

The oilseed rape area is predicted to fall again this summer, as the pest has been resulting in many crops failing to establish.

However, there is some anecdotal evidence that growing a companion crop may help, and agronomy company Agrovista has been conducting a trial.

Based in Draughton, Northamptonshire, Agrovista is investigating the effects of growing berseem clover in conjunction with rapeseed in order to identify successful methods of establishing and growing the crop.

See also: Sheep grazing eliminates need for rapeseed growth regulators

The group’s farming systems research and development advisor, Niall Atkinson, explains how a range of seed treatment applications are also being investigated.

“The purpose of the trial isn’t to find one quick-fix solution, but to show how a combination of factors can work together to get rapeseed established successfully,” he says.

The trial

The trial consists of 18 treatment plots of the Clearfield variety Phoenix at 50 seeds/sq m, which were drilled on 29 August and received no post-emergence insecticide applications.

“We drilled the majority of plots using a HE-VA Evolution low-disturbance soil loosener complete with seeder unit and cultivator system with the remaining direct drilled using a Weaving GD drill,” says Mr Atkinson.

Each plot was 100m long and 30m wide, located within a commercial crop of oilseed rape, which acted as a control, but was unfortunately destroyed by flea beetle attack.

Half the plots were grown in a long winter wheat stubble, and the other half in a standard stubble length, with all straw chopped to create a mulch.

Three different treatments were established, which were a Lumiposa (cyantraniliprole) insecticide seed treatment, a biological seed treatment named Integral Pro, and a fungicide seed treatment.

Each plot was then established with and without a companion crop of berseem clover, with Mr Atkinson highlighting how the overall best establishment came from the plots, where both Lumiposa, Integral Pro and berseem clover were used together.

“The berseem clover is the overriding positive contributor, and supporting this with targeted seed treatments really does seem the way to go, protecting and boosting the oilseed rape seedling from the beginning, when it is most vulnerable to damage,” he says.

Berseem clover benefits

Mr Atkinson explains the benefits of using berseem clover and why companion cropping is forming an integral part of many growers’ oilseed rape production systems.

“The clover develops a fine fibrous root system which helps condition the soil, allowing more rapid and deeper root growth, meaning the rapeseed can get away quicker, so it’s less susceptible to pest attack,” he says.

He highlights why the plant acts as a good companion choice since it doesn’t compete with the rapeseed directly, as it only gets going above ground from October onwards and is also compatible with most, although not all, herbicide sprays.

Berseem clover offers many soil health benefits due to its ability to soak up excess nitrogen which is released back into the soil when the crop dies, when up 30-40 kg/ha of nitrogen can be released.

Another issue which companion cropping can help overcome is the inability of oilseed rape to host mycorrhizal fungi. Other plants growing in the rows can act as a host plant for the fungi, promoting soil health.

Adding other species to the companion crop mix could boost soil health further, but Mr Atkinson warns this strategy could be risky, as species which outcompete rapeseed could be mistakenly introduced, reducing the crop’s ability to withstand pest attack.

Removal

When it comes to removing companion crops, Mr Atkinson explains how the correct choice of variety is essential, for instance, selecting those with greater frost susceptibility.

“We grew the clover variety Tabor for easy removal, as it is extremely frost susceptible. The bigger the crop gets, the more susceptible it is to the cold,” he says.

However, last winter’s mild conditions and limited frost development posed the question of how the crop would be removed successfully, without the use of chemical control.

In the end, the winter deluge together with a few late frosts killed off the crop, meaning over-spraying was not required.

If no frosts are forecast, Mr Atkinson suggests an application of the herbicide Astrokerb (aminopyralid + propyzamide) in November to December could be used to destroy the crop.

“If companion crops have not been dealt with by late February to early March then a product such as Galera (clopyralid + picloram) could be used in early spring,” he says.

However, he warns there are tight timings for uses of this product as it must be applied before the green bud stage of oilseed rape.

Longer stubble?

There is a suggestion that leaving longer stubble or a carpet of chopped straw residue on the surface may help combat cabbage stem flea beetle, although Niall Atkinson adds that this needs further investigation.

One possibility is that the the stubble means there is no bare soil, which could be attracting the flea beetle, which can differenciate between green and brown. Possibly it helps with moisture conservation, or maybe it is a combination of factors.

The trial looked at establishing with a HE-VA into a carpet of chopped residue while the Weaving GD direct drill works better in the long straw stubble. "We literally snipped the heads off leaving a very long stubble, not unlike using a stripper header," says Mr Atkinson

Case Study: Companion cropping on the Hertfordshire/Essex border

Fourth generation farmer Peter Hitchcock is trialling a companion crop of buckwheat on 10ha of his oilseed rape crop this year, at Stocking Pelham Hall Farm on the Hertfordshire/Essex border.

The farm, which grows 830ha of combinable crops has been hit hard by flea beetle infestations since the loss of neonicotinoid seed dressing treatments in 2018, with just 55ha of the crop now planted, down from 200ha previously.

A range of techniques have been implemented on the farm to help combat the pest attacks, including early drilling, leaving cereal stubble as long as possible, using hybrid varieties for vigour and quick establishment and a full dose of nitrogen in the autumn.

“By leaving residue and direct drilling we hope to make it more difficult for flea beetle to find the oilseed rape, as the beetles can distinguish between green and brown colours,” explains Mr Hitchcock.

He now hopes companion cropping will help enhance successful crop production on his farm, where oilseed rape yields are currently averaging 3t/ha, but previously yielded 4t/ha, on his heavy hanslope clay soils.

Buckwheat

The companion crop mix was planted on 4 August last year, direct drilled with a Sumo DD drill with a seed rate of 9kg/ha for the buckwheat and 2.7kg/ha for the rapeseed.

Mr Hitchcock is impressed with how the buckwheat has performed so far, and says he regrets not planting more, as the companion cropped area is now a foot taller and in fuller flower than the main crop.

“It really has taken us by surprise. All winter we were looking at the buckwheat and were worried that it was not going to perform as we hoped, but now, you can clearly see a definitive line between the trial and our main crop,” he adds.

Mr Hitchcock believes the buckwheat acts as a distraction to the flea beetle by disguising the rapeseed. The plant also acts as a great scavenger of phosphate, making it more readily available in the oilseed rape’s rooting zone.

Next year, he aims to grow 85ha of oilseed rape and if the buckwheat performs well, which he expects it will, companion cropping will be rolled-out across the farm, leaving just a small patch of oilseed rape without a companion crop as a control.

“We are also considering adding berseem clover to the mix next year, to promote our soil health further with the help of the clover's strong rooting potential,” he concludes.

JOURNAL : Farmers Weekly

The recent rain in some parts of the UK has been very welcome, helping to revive stressed crops.

However, it also brings its own problems. In wheat, the emphasis move to septoria as crops race through their growth stages.

It also means weed flushes and managing fast-growing weeds in sugar beet crops with uneven emeregence could prove challenging, as smaller plants will be more susceptible to crop effect from herbicides.

However, not all areas have seen much rain.

In Scotland, conditions are still largely dry, with wheat hardly moving, while spring crops starting to show signs of stress.

East: Marion Self

Prime ***Agriculture*** (Suffolk)

Gentle rains have been a game changer for drought-stressed crops.

Winter and spring crops alike needed the rain.

Poorly rooted winter cereals and slow, patchily emerging spring crops are already responding to moisture and more available nitrogen.

Weeds are also germinating, but there is comfort knowing that herbicides will be more effective in these conditions.

See also: The drastic action growers can take to save oilseed rape

Winter wheat growth stages vary according to drilling date, but even December-drilled crops are now at the T1 timing (final leaf 3 emerging).

T1 fungicide sprays have been tailored according to drilling date, variety and yield potential and now we wait to see the weather pattern and disease development until the next timing (most likely at flag leaf emergence).

Until the recent rain, yellow rust has been the predominant disease affecting many varieties, sometimes with high pressure where unexpected.

In September-drilled wheats, the flag leaf tips are appearing and the next fungicide spray will be timed to protect this leaf.

Winter barley crops are rallying after a difficult start and now coming into ear.

These are receiving a final fungicide including an SDHI plus azole, with chlorothalonil for additional ramularia control.

Winter beans are pleasing and receiving a fungicide mix with foliar nutrition.

Uneven sugar beet

In dry, cloddy soils, sugar beet establishment has been uneven.

In some cases, herbicides have been delayed until further emergence after the rain and now we race to control fast-growing, difficult weeds.

Where plant sizes within the crop vary, be careful not to damage the small beet with heavy-handed herbicide mixes.

Also, spray early or late in the day to avoid hot, sunny conditions that will increase scorch risk to the crop.

At the same time, aphid populations are high, and often beet with just two true leaves are at or close to the treatment threshold (one wingless aphid per four plants up to the 12-leaf stage).

Early virus infection at this stage of the crop could be very damaging.

Plan the spray strategy to accommodate safe intervals between broad-leaved weed, aphid and grassweed treatments.

It could be tricky – in some crops, all inputs are pressing.

As spring barleys approach early stem extension, they will be ready to receive herbicide and fungicide treatments.

It is a busy time for the sprayer, often moving between many different crop types, making planning, logistics and sprayer hygiene particularly important.

North: Mary Munro

AICC/Strutt and Parker (Perthshire)

It has been an extraordinary month.

April turned out to be the sunniest on record for the UK, and in Scotland, it was the third driest on record, too.

The contrast with the winter months could hardly be starker, and crops are now drought-stressed.

Winter wheat has got particularly stuck, and has hardly moved through the growth stages.

Rain in the past few days may bring it on a bit, but for many places, the rainfall barely dampened the ground.

The most forward crops in my area are at a good growth stage 31, and T1 sprays are going on now.

Most are sitting at growth stage 30, turning yellow, with cracks appearing in the ground.

The one advantage of dry weather is the lack of rain splash to wash septoria up the plant, but it is becoming more evident in the lowest leaves, and my T1 recommendations are based on the expectation of a change in the weather.

All varieties are susceptible to a greater or lesser degree.

It is such a major disease for us here that a decent SDHI plus azole mix with the precious last stocks of chlorothalonil is a given.

Yellow rust

The yellow rust that was much in evidence at T0 has disappeared – whether due to well-timed fungicide or natural plant resistance is a matter of debate.

Weeds have been a bit of an issue, with some unusual things such as chervil appearing, and very slow germination in all crops.

I have a lot of cereals following oats this year and have had to brush up on the options for removing the volunteers.

Fortunately, it is less of a headache than trying to kill barley in wheat, which was last year’s dilemma.

The spring cereals are looking good but a little stressed now.

Some manganese and sulphur early with the weed spray should help, but they really need a soaking of rain.

Some of our local potato irrigators have been busy watering spring barley, but the potatoes have now been planted and not surprisingly the reels have moved.

However, I am not rushing into spring crops until more weeds have emerged and there is a target to hit.

South: Richard Harding

Procam (Sussex)

Most of the Downs have seen a very useful amount of rain and the benefit to crops was clearly visible the very next day.

In some cases, the rain has been heavy enough to provide rain splash and would have easily spread low levels of septoria in the base of the canopy up to newer leaves of winter wheat, which are at last looking more promising. Or are from the road, at least.

Walking most crops, they are either thin or contain various sizes of bare patches.

The rain has already encouraged a good flush of weeds to emerge and crops are being prioritised for treatment as required.

T1 fungicide timing, particularly for later-drilled winter wheat, is proving very tricky and highly variable this year.

For earlier-drilled winter wheat, which has a higher risk of septoria infection and yield loss, it has been important to time the T1 fungicide at 75-100% emergence of leaf 3.

The few crops drilled up to the end of October have largely received their T1 spray of isopyrazam + epoxiconazole with CTL, where available, within the past 10 days.

However, most wheat was drilled from November to February, and the risk from septoria is currently much less, particularly where drilling took place in the new year.

Reduced fungicide spend

Here, the winter wheat fungicide spend will be greatly reduced.

These crops are being treated like spring crops, and so are a few backward crops of winter barley, too.

Anything drilled from November onwards is likely to be ready to spray now or within the next week.

For any winter wheat drilled in December or January, the period between T1 timing and T2 is going to be much shorter as the crop develops much more quickly.

Awns are now easily visible on winter barley crops and this is the very final stage for any growth regulation and applications have now been completed or will have in the next day or so.

Most T1 fungicides were applied in the past two weeks, which is an indication of how fast development has been.

But it also means that a T2 fungicide of benzovindiflupyr + prothioconazole will be applied with ears just emerging depending on varieties and disease pressure.

However, disease levels in barley are very low, except for some brown rust that can be found in hybrid barley.

Early-drilled maize has emerged well from warm, moist soils, and drilling will be completed this week.

The seed-beds produced this spring are excellent, and pendimethalin has been applied or planned for pre-emergence as there is good levels of moisture for activity.

West: Antony Wade

Hillhampton Technical Services (Herefordshire/Shropshire)

Who would have thought that after the previous six month’s rainfall, we would be hoping for a showery week to help our spring crops get established.

Spring crops that were established either by min-till or no-till where moisture was conserved in the seed-bed have seen the best establishment, while some power-harrowed crops have struggled with low moisture levels in the collection of golf ball clods.

In those crops, the past week’s rain might just be the saviour.

These crops are going to really motor through the growth stages now, so we are gearing ourselves up for regular sprays during May.

Spring oats are especially susceptible to phytotoxic effects so require multiple separate passes for herbicide, plant growth regulator and fungicide; trace elements will be applied to try to minimise the effects of pesticide inputs.

With many clients having a larger proportion of spring cereals, it is going to be important to try to maximise yields and biostimulants, and trace elements will be used to reduce stress in fast-growing crops so that nothing is limiting yield.

Spring beans

Spring beans have emerged well. Weevil notching was concerning at one stage, but with cooler weather and rainfall, they have outgrown the threat without the need for insecticide, which I am always keen to avoid having to use.

Grassweeds are emerging fast so a graminicide plus phosphite may be the first post-emergence spray we do.

Spring linseed it is a similar situation. They have outgrown the flax beetle holing and are now growing away.

We hope the pre-emergence Callisto (mesotrione) will suppress the initial weed flush, allowing a post-emergence herbicide to be delayed until the crop is stronger.

Maize plantings have started, but some have been delayed by the recent rains so will be planted in the coming weeks.

Although I don’t look after many potatoes, many growers have taken advantage of the dry weather and many fields are planted up.

Winter cereals are at a complete range of growth stages, some on the same farm.

Some September-sown wheat had leaf 3 almost fully emerged on 15 April so are ready for their first fungicide.

October-drilled crops were at the more traditional 23 April timing.

But I have some February-drilled crops that are still at the tillering stage with nothing applied to them as yet.

Winter barley crops have gone from T1 to T2 in less than three weeks.

By the time this goes to print, most T2s will be applied at the paintbrush stage.

Crops are relatively short so I’m hoping the decision not to apply any late plant growth regulator will not be regretted.

JOURNAL : Farmers Weekly

The extremely challenging season continues and the recent rains have resulted in the expected flush of weeds, aided by dry soils cracking  which is enabling seed to germinate at depth. Dry conditions are also limiting the efficacy of residual herbicides.

This lack of residual herbicide activity is having an impact on bean growers, with only one post-emergence option for broad-leaved weed control.

On the disease front, septoria remains a risk in wheat, although the bigger challenge in the coming days is the 20 May cut-off for using chlorothalonil. Not only is this the loss of a vital product, it also leaves growers with a much-reduced winter cereal area and significant unused stocks of the fungicide.

East: Ben Pledger

Farmacy (Bedfordshire/Hertfordshire)

The recent welcome rains have started flushing weeds in winter wheat, with cotyledon stage seedlings now appearing out of cracks produced by the dry weather.

See also: Rust control advice to achieve high-protein milling wheats

With not a lot of chemical weed control included in the winter wheat T1 fungicide spray, tank mixing of herbicides at T2 will be more prevalent this season where crop canopies allow penetration to the weed.

Although T1 fungicides may have only recently been applied, the temptation to delay the T2 timing to allow the boots to split and get some active ingredient on to the emerging ear should be avoided. The flag leaf and leaf 2 contribute to more than 60% of yield, and to leave these unprotected is a big gamble.

Septoria is present on some lower leaves, and the wetter, warmer weather will have accelerated its progress up the plant towards the upper, unprotected canopy.

Fluxapyroxad or benzovindiflupyr will form the base of the T2 fungicide mix, and will be tailored to individual varieties depending on their ratings for septoria and rusts.

Where stock exists on farm, chlorothalonil will be added to the mix to protect against septoria, keeping in mind the 20 May cut-off for this active ingredient.

Herbicide cut-off

Growth stage cut-off timings for herbicides should also be observed when adding them to the mix. Prothioconazole will feature on milling varieties to start fusarium control.

Sugar beet crops are at differing stages in the region, mainly driven by seed-bed moisture at drilling.

In places, where land had to be worked late on to produce a fine seed-bed suitable for beet, valuable moisture was lost and seed ended up sitting in dry seed-beds until the recent rains. This has left some fields with growth stages varying from cotyledon to six true leaves.

Weed emergence has been as protracted, and with hot daytime temperatures last week, and now cold nights as well as thresholds for aphids having now been met in a large number of fields, sequencing an insecticide in with herbicide timings and intervals has been tricky, to say the least.

North: David Martindale

Arable Alliance (Yorkshire)

The prolonged dry weather continues to cause a lot of stress – among crops, growers and advisers.

A splash of rain in early May, ranging from 4mm to 10mm typically, gave a few hours of hope, as there was just enough to finally wash in the fertiliser.

Reality soon returned, though, with many spring crops looking thin and patchy and some winter oilseed rape crops seemingly disappearing on heavier land.

The season of extreme wet followed by extreme dry is certainly taking its toll. Seeking positives is difficult this year. However, one positive is that the dry weather has, so far, kept disease pressure low for important pathogens such as septoria tritici, mildew and rhynchosporium.

In winter wheat the flag leaves are emerging so attention is now focused on the T2 fungicide timing. There is the temptation to cut back on fungicide input at this time due to conditions being so dry.

This could well prove to be false economy, though, as the T2 fungicide looks to protect the top two leaves in the canopy which together contribute 60-70% of final yield.

Also, rain will return at some point, so late-season disease pressure could still increase, meaning protecting these top leaves is crucial.

Thankfully there will be little requirement for large eradicant activity from the T2 timing for septoria tritici control, so fungicides with good protectant qualities will be the main focus.

Yellow rust pressure has been high this year with T0 and T1 fungicide choices targeting this disease. These earlier fungicides have worked well and any spray misses in fields have now turned yellow.

Maintaining protection against yellow rust at the T2 timing will be a key consideration with product selection this year.

Winter barley

Awns are emerging on winter barley and T2 fungicides are currently being applied. With little rain since the T1 timing, new crop growth has remained relatively clean, with the T2 fungicide protecting against late season disease pressure such as brown rust.

Unfortunately, the wet winter and dry spring has not helped tiller development, with ear numbers lower than ideal.

With barley less able to compensate for lower ear numbers compared with wheat, this is another sign of reduced yield potential. Crops which are thick and competitive remain few and far between.

The earliest spring barley crops are now at early stem extension and T1 fungicides are being applied. Like their winter counterpart, crops have not been able to tiller as well due to the dry spring and poor nitrogen uptake.

Normally herbicides are applied prior to the crop closing in, to provide competition against weeds for the rest of the season. This year many crops will not be thick enough to do this so there may be late weed flushes to cause later problems.

Where crop establishment has been patchy, herbicides and fungicides are being delayed for the time being.

Spring beans have established the best of all the spring-sown crops. Pea and bean weevil activity has been high as crops have been slow to grow in the cool, dry conditions.

In the worst-affected fields the U-shaped notches have been seen on the outside of every single leaf which has given a very ragged appearance.

Pre-emergence herbicides have not worked as well due to soils being dry for so long.

Some deep germinating weeds such as charlock and oilseed rape are now emerging which are having to be controlled with bentazone – the only active ingredient available for post emergence broad-leaved weed control.

West: Neil Potts

Matford Arable (Devon)

The 2020 season continues to be a tricky one from both a climatic and a cropping point of view. I asked a colleague the other day how he was, and received the reply, “clinging to the wreckage”, which succinctly sums up this season.

Winter crops are all over the place, with planting dates and nitrogen timings having played a crucial role.

Those that received their first top dressing early enough to have worked well before the dry spell have by and large pulled themselves together pretty well. However, delayed top dressings have left crops looking hungry and very slow to start growing this spring.

Consequently, I now have winter wheat crops planted in October that range in growth stage from just at 31 to others that are at 39. Disease levels are very low following six weeks of dry weather, but many of the lower, non-productive leaves in the bottom of the crops are carrying the remnants of what was quite a severe septoria infestation as we came out of the winter.

Whatever we choose to do at flag leaf, it will only become evident with the benefit of hindsight whether it was the right thing to do or not.

Winter barley crops that had a delayed first top dressing are now looking OK, but are in general far too thin, having shed tillers through the dry spell as a result of being short of nitrogen. Those crops that had early N or are being grown on fertile sites are now looking like they could yield fairly well.

Winter oilseed rape crops are also extremely variable and again this has largely been down to nitrogen timings, although some crops failed to establish optimum plant numbers in the autumn and subsequently suffered with the continuing wet through the winter

More maize

There is a much larger than usual area of both spring barley and forage maize planted this spring. We have had a large area of maize planted pretty early this year, with quite a few crops emerged in April, which is quite unusual.

With an arctic blast forecast at the time of writing we can probably expect to see some temperature-stressed crops in the next week or so. The spring barley crop has by and large gone into some very good seed-beds and is looking full of potential at present, but will require more rain soon if that potential is to be filled.

Where seed-beds were allowed to dry out before planting the spring barleys have emerged very unevenly and these, more than the other crop, will require adequate rainfall and soon.

I have been doing this job more years than I care to mention and cannot remember a season where Mother Nature has pulled nearly all the strings and we have been left in her wake, being able to exert little influence over what is happening. This has been exacerbated by product revocations which have taken away some of our tools.

Chlorpyrifos springs most readily to mind, as significant areas of crop have been lost to leatherjackets this season and we have been left powerless to prevent it happening.

Good luck to all with what is left of this challenging season.

South: Tod Hunnisett

AICC (Sussex)

I’m supposed to write 300 words. However, I’m going to write a lot fewer, but make them very big.

Chemicals Regulation Division (CRD),

We have just four days to empty our sheds of chlorothalonil!

Can’t you be slightly less dogmatic?

Loads of love – Tod

JOURNAL : Farmers Weekly

The recent warm weather has seen pest and disease pressure rise, with yellow and brown rusts being the current threats in wheat crops. This has led to tweaks to the fungicide strategy for the upcoming T1 sprays.

Brown rust pressure has also risen in winter barley crops in the north-west, prompting similar adjustments to the T1 spray. However, the more notable milestone is that the cut-off date for using chlorothalonil is fast approaching, with less than three weeks remaining for this key fungicide.

Maize drilling is now under way and thoughts turn to weed control, as early competition can have an impact on yields.

South: Iain Richards

Agrii (Oxfordshire)

A good 20mm of mid-April rain really helped crops deal with the late spring drought. It was just in time to help our spring barley establish in reasonable shape.

With linseed and spring OSR now in we are drilled-up with a far larger area of cropping than we ever thought possible a month ago.

See also: How ethylene can help control sprouting in potato stores

Spring barleys on our lighter ground are looking nice and even as they fair motor along, having received all their nitrogen and an early plant growth regulator to encourage rooting and prolong tillering.

Giving us typical yield responses of 8%, early growth regulators will be even more important for the crops on heavier ground, only just coming through from mid-month drilling.

Equally vital here too will be phosphite, manganese where the seed wasn’t dressed, and magnesium.

T1s are imminent for our October-drilled wheats which are well into leaf 3 emergence and three weeks on from their T0s. This and the dry weather has kept septoria well under control.

Rust threat

However, both brown and especially yellow rust are easy to find and enjoying the dry weather and enough dew. With so many of our current varieties so susceptible, they are a major concern.

So we’re basing our T1s on our tried-and-trusted bixafen + prothioconazole + spiroxamine co-formulation, supported by a strobilurin in many cases.

As well as providing the best rust defence, of course, the combined physiological effects of an SHDI and strobilurin will be especially welcome if the dryness persists.

It also means we can save fluxapyroxad and Solatenol for our T2s, rotating our SDHIs and azoles and saving our main septoria guns for May so we’re well-prepared for the almost inevitable return to wet weather.

T1s for our later drillings – all of which were in by mid-December – are still a week away. As their T0s were focused on plant growth regulation and nutrition, and their lower leaves are so much more important, these may need to be more robust. But that all depends on the weather and the degree of potential they show.

In addition to the most appropriate fungicides, the balance of our plant growth regulator programme will be going on at T1, together with copper and magnesium in most cases.

Tissue testing has shown the lowest copper levels I’ve ever seen. With plenty of broad-leaved weeds coming through in open crops, many of our tank mixes will be fairly complex.

OSR continues to be a very mixed bag. The bulk is flowering strongly and has already set 15 good main raceme pods. The dry weather has enabled us to hold off on our mid-flowering spray, which could also be valuable in dealing with a recent build-up in seed weevils.

We’re less optimistic about the backward OSR that really hasn’t appreciated coming straight out of waterlogging into a bone dry, N uptake-restricting spring and has needed a pollen beetle spray to safeguard its green buds.

Even so, we have far lower levels of flea beetle larvae this season and we know how well the crop can compensate, given half a chance.

East: Sean Sparling

AICC/SAS Agronomy (Lincolnshire)

Since a torrential drizzle which soaked us with 0.4mm on the 20 March, I have recorded no wet stuff at all. Unsurprisingly, then, we’re moaning about how we could really do with a drop of rain.

In winter wheat, the yellow rust which is showing in some unlikely varieties takes no finding and is flourishing in the mild days and dewy nights.

Septoria is similarly moving and, like nits in children, will happily spread from leaf-to-leaf contact on the many and frequent windy days.

Growth stage 30 is now widespread even in the more backward-looking pieces (never assume!) and, with leaf 3 emerging quickly, T1 is upon us. Where epoxiconazole is used, as per Chemicals Regulation Division (CRD) guidance the 83g/ha maximum is being adhered to.

Direct drilling now appears to have been the way to put in spring cereals, with crops tillering evenly.

Where power harrows and the like were employed, we achieved little more than stirring golf balls in a bucket. A layer of concrete, a film of dust and assorted clods ranging in size from Brussels sprouts to cricket balls mean the latter are through in clumps, stripes and patches.

Not ideal, but we can only do our best with the conditions and timescale we’re given.

BYDV

Unusually high numbers of winged barley yellow dwarf virus (BYDV) vectors have needed treatment in some areas, but with the spiders, ladybirds, hoverflies, wasps, lacewings and other predators building rapidly, further treatments will do more harm than good.

Let the predators do their job.

Slowly emerging fields of peas and beans were also savaged by pea and bean weevils, but now as long as crops are outgrowing the adult feeding damage, bravery and constraint should be exercised.

Sugar beet is emerging well with the early drillings now sporting four leaves. Herbicides seem to be doing little to the emerged weeds, but a drop of rain would change that overnight – pre-emergence herbicides have come into their own and fields are noticeably cleaner where applied.

There is no sign yet of the dreaded one myzus persicae nymph per four plants threshold.

But as I once again spend the spring crawling about on my hands and knees in every beet field I walk, I find myself wishing I’d worked harder at school!

West: Stephen Harrison

AICC/Southwest Agronomy (Avon)

Spring 2020 has certainly proved the need for field-specific advice. A host of growth stages and plant populations means that fungicide and plant growth regulator recommendations have rarely been so varied.

Septoria pressure is currently low following the dry April. T1 mixtures have centred on an azole plus chlorothalonil on later-established high-resistance varieties. More forward crops are receiving an SDHI component in the treatment.

Growth has been slow with a lot of applied nitrogen yet to be taken up. Do not be lulled into a false sense of security regarding growth regulators: the forecast rain will cause a huge growth spurt much as we saw in the brown rust spring of 2007.

The ramularia threat has led to a change in strategy in winter barley. It has become our standard approach to apply a second plant growth regulator and chlorothalonil at the early flag leaf stage. This fits usefully with any necessary wild oat treatments.

Maize drilling

Maize drilling is well under way. However, will drill operators please heed the personal protective equipment (PPE) requirements for handling maize seed with ziram anti-bird treatment.

Pre-emergence treatments largely based on pendimethalin are planned. Early weed competition is challenging to maize and even in dry times we see consistently good effects on fat hen and chickweed.

The earliest spring barley is approaching mid-tillering. Few broad-leaved weeds have emerged in the dry conditions, so a single spray of fungicide and herbicide will suffice.

Second fungicide timings will be beyond the 19 May chlorothalonil cut off. Therefore we will adopt a similar ramularia strategy to winter barley.

Ignoring the usual grassweeds, one of the more challenging weeds in winter cereals has been groundsel.

Sulfonylurea herbicides control it well while small, but it grows so quickly that any slip in timing, thereby letting it flower, means control is next to impossible.

I started my agronomy career in 1980 and throughout the years, chlorothalonil has been a great ally. It seems unbelievable that this article is the last time I will ever write about it.

I do not expect the new fungicide actives on offer will remain as cost-effective as chlorothalonil in another 30 years.

North: Helen Brown

Hutchinsons (Cumbria)

Who’d have thought a month ago that my next Cropwatch piece would be a cry for some rain? But here we are after an extremely dry April shouting for rain and I am eagerly watching the forecast in hope that by time you read this we will have at least had enough to settle the dust.

Winter crops are varied from growth stage 31 up to 39 in some winter barleys. Lack of rain has reduced rhyncosporium risk in winter barleys.

However, the recent warm conditions are ideal for brown rust which I have spotted in many winter barleys. I have edited my T1 fungicide applications to ***account*** for this shift.

We are starting to see some big differences in wheat varieties at our regional trial site, which was drilled late into poor conditions and then struggled through a very wet winter.

This is giving us a great opportunity to see how the varieties perform under pressure. There are some stand-outs for vigour – which for me include Extase, Skyscraper and Gleam.

Spring drilling

Spring drilling is fully under way in Cumbria. Spring barleys are varying from being still in the bag up to 3-4 leaf stage.

Reducing the amount of soil movement and trying to cultivate/drill and roll in one day where possible is essential to preserve moisture when establishing spring barley crops in these conditions. There is limited spring weed germination in crops so far due to lack of moisture.

Maize drilling is also under way and soil conditions are nice and warm. However, the dry seed-beds bring concern over pre-emergence efficacy, which is important when using film. Where growers are not using film, I have moved towards a post-emergence herbicide programme, since the pre-emergence will have limited efficacy in these dry conditions.

Docks are currently around the ideal size for control in grass swards and, due to their large taproot, are still reaching water and actively growing.

However, the hot, dry conditions mean grass may be stressed and making sure to use chemicals which are softer on the grass, for example fluroxypyr, is beneficial in this situation.

JOURNAL : Farmers Weekly

A farmer in Cumbria has died after an accident involving a quad bike near his farm.

Tributes have been paid to Martyn Mawson, a beef and sheep farmer, who was pronounced dead at the scene following the accident on Sunday 3 May.

Cumbria Police was called by North West Ambulance Service at about 11.30pm to the fells near a property on the A591 between Bothel and Keswick.

Mr Mawson, 52, was a respected member of the farming community in Cumbria and leaves behind his wife and two sons.

JOURNAL : Farmers Weekly

Farmers could save thousands of pounds on their electricity and gas bills if they shop around for the best deal. Now, Farmers Weekly can help you do that.

With farm incomes constantly under pressure, farmers have to keep a sharp eye on their business costs.

So Farmers Weekly has launched a new service to help farmers reduce costs in one important area – energy bills.

Farmers Weekly Energy Switch combines smart technology with human experts to navigate the complex business energy market and find the best deals on electricity and gas for your farm.

Visit Farmers Weekly Energy Switch now.

The savings can be sizeable, particularly in sectors such as dairy, pig and poultry, which are particularly heavy users of electricity.

The average dairy farm in the UK spends about £30,000/year on electricity alone, so any significant reduction can make a real difference to the bottom line.

But most farms could probably get a better deal on their electricity and gas, if they had the time and the expertise.

Of course, farmers have been able to shop around and switch electricity and gas suppliers for decades.

But that’s a lot harder to do for business customers than it is for consumers.

The business energy market is much more complex – and less transparent – than the consumer sector.

Some farm businesses get caught out by contracts with attractive headline unit rates, without realising the full impact of other charges.

Because of this complexity, the automated energy-switching services that work well for consumer energy customers are not suited to business energy customers – you need a human expert involved.

To deliver this service, Farmers Weekly has teamed up with the leading player in business energy switching – Bionic.

It has 13 years’ experience of finding better business energy deals, and its team of almost 200 experts has already helped more than 250,000 business cut their energy bills, with an average saving of £725/year.

Farm businesses, which can be heavy users of electricity and gas, could save far more.

To find out more, and see how much you could save on your farm energy bills, just go to the Farmers Weekly website and click on the “Energy Switch” link on the top menu.

Farmers Weekly Energy Switch: How it works

Finding a cheaper deal for your gas and electricity is a simple, three-step process:

Step 1: On our website, enter your business address. We’ll use industry ***data*** to understand your energy usage.

Step 2: One of our experts will use this information to search for the best deals available on the market to suit your specific energy usage. They will then present their findings back to you in a short phone call – usually no more than 10 minutes.

Step 3: If you then decide to switch providers, we’ll take care of everything to make the change. And you don’t have to worry about better deals emerging in future – we’ll keep monitoring the changing energy market, finding you the best deals year after year.

JOURNAL : Farmers Weekly

Dairy farmers have hit back at calls by vegan organisations for the UK government to encourage them to leave the industry and transition to plant-based farming.

A collective group of vegan advocacy organisations in the UK has written to Defra secretary George Eustice, asking that dairy farmers should be given help to make the switch.

The letter (PDF) claims that demand for dairy has dropped significantly since the start of the coronavirus pandemic – and that this has forced a number of dairy producers to dump milk.

See also: What to do if you’re a victim of vegan activist incursions

“The UK dairy industry is clearly in decline,” the letter states. “There are now fewer than 9,500 dairy farms in the UK compared with 13,000 10 years ago, and it has been predicted there will be fewer than 5,000 by 2025.

“On the other hand, the UK market for dairy alternatives has grown by 150% in six years. Plant-based business is positively booming.”

The vegan collective, which includes the Vegan Society, Animal Aid, Viva! and Peta UK, states that instead of the government providing financial help for the dairy sector, it should support for “a progressive transition over to more sustainable, healthier and planet-friendly, non-animal-based ***agriculture***”.

“We strongly believe that financial assistance should be focused on supporting farmers to move to this more sustainable and compassionate alternative,” the letter states.

Farmer reaction

However, UK dairy farmers have reacted angrily to suggestions that their industry is in decline and accused the vegan groups of disseminating “misguided” information.

Ben Paterson, a dairy calf rearer and relief milker based in Cheshire, said: “Demand for dairy isn’t down. Other than the 3% drop in production that farmers have been asked to do because of the coronavirus, I don’t see the demand on the supermarket shelves is down.

“I go into the Co-op stores and since the start of the pandemic, all the milk has been selling out on shelves and then being re-stocked.

“The reason some farmers are having to pour away milk is because of the likes of Costa Coffee being shut. It’s a supply chain issue rather than a decrease in demand.”

He added: “Milk goes into so many things – chocolate, cream, ice cream, etc. I just don’t think we can grow enough crop to make oat milk sustainable enough to feed the nation.

“When you look at these other countries where they are making almond milk, the people are kept in terrible conditions, far worse than we keep our cows in.”

End user change

Richard Pilkington, who runs the Aintree Holsteins herd in Hope, near Wrexham, said: “My neighbour was up in arms because she could not get milk from her local shop.

“It’s not the case that there has been a drop in demand for milk. The end user/place of consumption has changed and we cannot get the milk to the market that wants it at the moment.

“Because of the closure of the foodservice and hospitality sectors, it has been difficult to redirect our milk in a hurry. If there had been some planning, we would have been okay.”

Demand for milk and dairy products remains strong, says AHDB

Any suggestion that the dairy industry is in decline is not supported by the evidence, the AHDB has said, as demand for milk remains strong.

AHDB strategy director for dairy Paul Flanagan said: “A total of 98% of UK households continue to buy dairy products and recognise the important role it plays in a healthy, balanced diet.

“In fact, our latest research shows that in April, sales of dairy products were up 9.2 per cent compared with 2019 – driven by milk, of which an additional 38 million litres were sold compared with last year. This is the highest volume of milk sold in April in at least five years.

“The challenges facing the dairy industry today due to coronavirus are not the result of a decline in demand from consumers, it is the loss of foodservice, with restaurants, pubs, cafes and tearooms, which normally consume oceans of milk and other dairy products, closing overnight.

“And while figures show there are fewer dairy farms in the UK, through efficiency gains production levels remain the same. Dairy has always been, and I am confident will continue to be, an integral part of people’s lives.”

JOURNAL : Farmers Weekly

Kuhn's Mergemaxx burst onto the scene at Agritechnica 2017, offering farmers an alternative method for rowing up crops in front of foragers and balers.

One of the first to put in an order was Norfolk contractor Dick Barnes, who swapped a twin rotor rake for a 9.5m Mergemaxx.

The machine is now going into its second season with the busy contracting outfit, so we asked Mr Barnes how it has fitted in and if he has any regrets about buying one.

Farm facts: D H Barnes, Forncett St Peter, Norfolk

Contracting, plus 100ha home farm

1,200ha grass for dairy and beef herds

200ha whole crop

1,000ha maize harvesting

520ha maize drilling

40,000 square bales

800ha sugar beet

What did you have before?

We had a Kuhn twin rotor 9.5m rake that was a good machine and served us well, but due to our flinty soil, there were quite a few stones creeping into the swath.

This was not only having a negative impact on the quality of the crop, but the annual bill for wearing forager parts was alarmingly high.

See also: Video: Abimac front rake helps solve contractor’s labour shortage

The flints were really tearing the internals to bits. We were going through multiple sets of knives per season along with shear bars and spout liners.

Why did you look at a merger?

The land we farm and contract on is a 25-mile radius around Forncett St Peter in south Norfolk, so we encounter everything from light land full of flints to reclaimed marsh on the Norfolk Broads. Our main aim was to stop pulling stones into the swath.

I’d been on the search for an alternative to a rake for around three years, and after seeing the Mergermaxx at Agritechnica in 2017, I put in my order.

Kuhn didn’t think there would be much interest from the UK and my eagerness must have caught them out as I didn’t actually get the machine until early 2019.

Did you look at anything else?

Yes, we looked at a four-rotor rake before buying the merger. We wanted something bigger than our twin-rotor to make meatier swaths on the lighter second and third cuts, as the chopper was working below its capacity.

However, the extra rotors meant the length of the machine increased quite a bit and we felt this would have been awkward when travelling along some of the narrow lanes.

Though the merger hasn’t got a steering axle like the four-rotor rake, we don’t feel it needs it. The beds are 3.5m long so, including the drawbar, it's far shorter than a big rake.

How was the first season?

We carried out a lot of work for energy companies last year, so the merger was kept busy. This season we have dropped a bit of that work to focus more on beef and dairy farms.

The biggest thing we have benefitted from is the merger’s versatility. We can easily bring 9.5m of crop into one row on heavy 6t/ha first cuts, which is more than enough for the Claas Jaguar 970.

For lighter second and third cuts, as well as lucerne crops, we can bring the width down to 7.5m to form a continuous belt and throw one pass from each side into a 3m row, effectively raking 18m into one swath.

We also merge straw in front of balers at harvest and shutting it down to a 7.5m row seems to work well.

Does it take some getting used to?

The only time you have to be on your game is the short works as the merger moves grass sideways rather than just out the back.

I’m the main driver and I sometimes have to think about how the land work will meet with the headland to avoid having odd strips. It doesn’t take long for it to become second nature, though.

We contract nearly 300ha of marshland on the Norfolk Broads which is very undulating. We mow and merge through dry ditches and the suspension system on the merger seems to cope with it fine.

It is a little heavier than the rake, but is mounted on the lower link arms and we’ve yet to find the extra bulk an issue.

See also: How rolling road test can help keep trailer brakes shipshape

We still have a rake for times when we need the merger in two places, such as straw baling and later silage cuts.

How does output compare to a rake?

Tractors burn a bit more fuel running the merger, as they have to power the belts and pickup reels. That said, our John Deere 6155 is more than adequate and we could probably get away with 120hp.

The extra fuel use is offset by the increased output. We can happily glide along at up to 8ha/hour with the merger, whereas the 9.5m rake would be flat out at 4ha/hour.

It's most noticeable in lurcerne – the merger will fly along at 12kph and doesn’t miss a leaf as the reels act just like a forager, while the rake would have to plod along at 6kph to pick it all up.

We’ve noticed that drying times of the swaths are a little more uniform. The windrow is slightly fluffier due to the grass being laid down from above, rather than forced together from either side.

And, because the rows aren’t as tight, the air can pass through them better.

Have forager repairs reduced?

In the first cut of grass we saved a set and a half of blades, which equates to nearly £7,000 in parts. Throw in labour and downtime and the merger is already saving us money. Running one chopper, we can’t afford downtime when the weather is good.

Being able to keep the forager fully fed by making bigger rows has also meant the merger can comfortably stay in front of the chopping team.

What are maintenance and wearing parts like?

Maintenance is similar to a rake, with skids and pick up tines the main items. We had it in the workshop this winter and after 1,500ha we only needed a couple of skid covers and 9 pickup tines.

One gripe is that there are a few awkward grease points on the belts, but luckily these are only 50-hour intervals.

Kuhn added a few modifications this year to stop grass build-up between the belts and tines. The crop had a tendency to drag on the tines and not make it onto the belts, particularly in damper crops, but they fitted a plate in the gap so hopefully this won’t be an issue this year.

LIkes and gripes

Likes

E Multiple merging widths depending on crop

E Vastly reduced forager repairs and downtime

E Cleaner crops and increased output

Gripes

E Awkward greasing points on belts

E Modification needed to stop wet crop bridging

E High purchase price

Specifications

Make

Kuhn

Model

Mergemaxx 950

Width

9.5m centre swath or 7.5m side discharge

Average speed

12-15kph

Crops merged

Grass, wheat and barley straw, lucerne

Output

8ha/hr

List price

£72,619

JOURNAL : Farmers Weekly

Abstraction licence holders who are experiencing cashflow problems because of coronavirus are being offered the opportunity to set up a payment plan with the Environment Agency (EA).

Farmers with water abstraction licences typically expect to receive their annual bill, or the first-part charge if they have a two-part tariff billing agreement, in April.

However, the agency is writing to customers offering changes to payment terms if they are experiencing problems paying their bills on time because of the lockdown.

See also: How irrigation is changing on an AHDB potato demo farm

Other amendments to normal rules include a delay on the winter or all-year abstraction returns, which are usually requested at the end of March.

Growers still need to make sure they are complying with the terms of their abstraction licences, but will not be asked to supply details of their abstractions during the period 1 April 2019 to 31 March 2020 until later in the year.

The EA will write to them to formally notify them of the new arrangements, although growers who already are registered to submit details of their abstractions online can continue to do so.

Paul Hammett, NFU water specialist, said farmers who were able to submit their returns online were likely to carry on as normal and use the digital service to get the job done while it was fresh in their minds.

“But I think the important thing is that for those who are struggling, it is an important signal from the Environment Agency that it is trying to be helpful where it can.”

Irrigation prospects

Meanwhile, the EA has revised its irrigation prospects forecasts to take ***account*** of the lack of rainfall in April throughout England.

Prospects in many areas remain “good”, but in the North West and North East of England they are now ”moderate”.

Yorkshire, East Anglia and the South East are classified as “moderate to good”.

Good status means that water levels are average or above average and supplies are expected to be safe.

Moderate prospects mean that water levels are low and so some controls on surface water abstraction are possible by midsummer if the weather is hot and dry. Controls on abstraction from groundwater are also possible in small, sensitive groundwater areas.

Mr Hammett said the irrigation season had started early for some after a dry April.

According to Met Office ***data***, this April was the sunniest on record for the UK.

Rain in the last week of the month increased the rainfall totals in many places, but overall the UK still received only 40% of average April rainfall.

It was the third driest April on record for Scotland.

“Fortunately, as a result of widespread heavy winter rainfall which was a problem for many farms, reservoirs are full and there is generally good water availability from both groundwater and surface water sources,” Mr Hammett said.

“Farmers are closely following predictions of possible hot, dry spells in the weeks ahead and what they could mean for water availability as the irrigation season builds.”

Advice on annual returns

Completing an annual abstraction returns is about more than just filling in a form, according to water resource specialist Envireau Water.

The company, which has experience of working with businesses across the ***agricultural*** and horticultural sectors, says the process should also involve forward planning.

It offers the following advice:

Quality-check all returns ***data*** to ensure consistency with licence conditions.

Know the history of your abstraction and think strategically about your future requirements.

If you have over-abstracted, then you will need to prepare a clear justification of why and create a plan for bringing abstraction back within your licensed limits. In some cases, it may be necessary to apply for additional volumes.

If there has been under-abstraction for many years, then the “use it or lose it” approach may be an issue, so anyone with a time-related licence needs to be prepared to justify retaining existing volumes at licence renewal.

JOURNAL : Farmers Weekly

The EU could set a target of one-quarter of ***agricultural*** land in Europe to be farmed organically by 2030, with an additional goal of reducing the use of chemical pesticides by 50%.

The plan to increase the amount of organic farming in Europe is understood to be included in the latest draft of the EU’s Biodiversity Strategy to 2030, scheduled to be published later this month.

The proposal to reduce the use of pesticides and nitrogen, while increasing the use of integrated pest management methods, has been included in a draft of a Farm to Fork (F2F) strategy, which will sit alongside the biodiversity strategy.

See also: Switch to organic farming would increase greenhouse gas

According to Brussels insiders, the latest draft text of the plans suggests that transformative change is “urgently required” to reverse the trend of biodiversity losses.

It says organic farming is the “best-known and best-regulated agro-ecological practice”, but acknowledges there would also be a need for measures to increase demand for organic produce through a commission action plan.

The document also suggests that at least 10% of the ***agricultural*** area in use should be restored as high-diversity landscapes.

Organic progress

 Although there has been strong growth in organic farming in Europe over the past decade, the extent of the sector varies considerably across EU regions, so such a target would be a significant change.

Across the whole of the EU-28 in 2018, organic farming ***accounted*** for just 7.5% of the total used ***agricultural*** area, or 13.4m hectares.

According to ***Eurostat***, the total organic area in the EU rose by 25% between 2012 and 2017.

The highest share of organic farming was reported in the Salzburg region of Austria, where about half (52%) of the total  ***agricultural*** area was used for organic farming in 2016 (the latest year for which regional ***data*** are available).

There were a further seven regions where organic farming ***accounted*** for upwards of one-quarter of total used ***agricultural*** area: Severozápad in the Czech Republic (30%), Norra Mellansverige in Sweden (29%), Calabria in Italy (29%), Mellersta Norrland in Sweden (28%), Burgenland in Austria (27%), Sicilia in Italy (26%), and Moravskoslezsko in the Czech Republic (25%).

Latest UK figures show that organic farming represents less than 3% of the total farmed area on ***agricultural*** holdings.

Next steps

Publication of the F2F and Biodiversity Strategy has already been pushed back because of the Covid-19 pandemic.

The most likely dates for publication at present are 20 or 29 May.

JOURNAL : Farmers Weekly

Growers are set to focus more on profit when managing their wheat variety choices, as they adapt to the post-Brexit landscape, according to the results from an exclusive Farmers Weekly survey.

As farmers respond to reductions in direct subsidy payments through the Basic Payment Scheme and make changes to their businesses, margin performance is expected to drive the demand for easy-to-manage varieties that require fewer inputs.

Some 48% of survey respondents expect that future variety choices will reflect their financial contribution to the farm’s bottom line, with 39% saying they will increasingly be looking for varieties that need minimal intervention .

About the survey

The Farmers Weekly wheat variety survey had 587 respondents. Of these, 41% were owner occupiers, 38% were tenanted farms, 9% were farm managers and 12% were farm workers.

The average farm size was 346ha and the average area of wheat grown was 210 ha.

Representing all regions of the UK, the survey explored growers’ attitudes to choosing wheat varieties, both now and in the future.

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See also: Tips on getting the most from clubroot-resistant OSR varieties

Main survey findings

Agronomist advice and the AHDB Recommended List are the two most important sources of information

Greater focus on profit/margin post Brexit

Final decisions on variety choice typically take place in July

Two-thirds of respondents plan to start winter wheat drilling in October 2020

Seed from 2019 remains on two out of three farms

Opinion is evenly split on considering varieties not on the Recommended List

Given this finding, it is not surprising that two-thirds of participants expect varietal disease resistance to become even more important to them over the next few years.

Loss of chemistry and highly dynamic pathogen populations are also behind the move to more-resistant varieties; a trend that started a few years ago and is now expected to accelerate.

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However, for one-third of respondents, growing less wheat is on the cards in the post-Brexit period, while another 17% intend to target specialist/niche markets and look for new contract opportunities.

Variety characteristics

Growers give greatest prominence to yield and disease resistance when choosing their wheat varieties – reflecting that recent variety introductions can offer both.

More than three-quarters of our survey participants ranked them as very important, with local markets, harvest date and grain quality also considered important. Factors such as plant height and speed of development were less prominent.

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Septoria resistance was very important to 76% of the respondents – with a closer look at the responses show that a variety’s Septoria rating was more important to larger farms and to those situated in the south of the country.

In the north, a variety’s regional performance was a more important consideration than in other areas, while sowing date suitability was given greater focus in the Midlands.

In the last three years, there has been a significant change in the way that varieties are considered. Disease resistance has come to the fore, with the loss of chlorothalonil prompting greater interest in septoria scores.

Information sources

Agronomist advice and the AHDB Recommended List are the two most important sources of information on varieties, according to the survey results.

Some 82% of respondents mentioned their agronomist’s advice as a key source, putting it just ahead of the Recommended List. Previous experience with the variety, local trials and asking other farmers were also highly rated.

Local trials results were mentioned more by growers in East Anglia and the Midlands, while industry events such as technical events and shows were given greater importance by growers in the South East and South West.

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Farming publications are doing their bit too; some 56% of the survey respondents saw them as an important source of information for choosing their varieties.

In contrast, websites and social media were held in lower regard, due to uncertainty about the integrity of the posts. Other sources of information mentioned by farmers included end users and independent agronomy organisations.

The future

Plant breeding is expected to continue to deliver the progress that growers have got used to.

Asked about the traits that will be important to them in the future, 59% of our survey respondents would like to be able to select varieties on the basis of growth habit.

Other important future selection criteria were waterlogging/drought-tolerance, nitrogen-fixation and root-development characteristics.

In contrast, hybrid wheat was only mentioned by 9%. Despite its success in other crop species, it seems as though hybridisation will be a much harder sell in wheat.

The role of the Recommended List

While growers value the AHDB Recommended List as a trusted source of independent information on varieties and how they can be expected to perform, the survey suggests it is not held in such high regard as it used to be.

No longer the most important source of information on winter wheat varieties – coming behind agronomist’s advice - there is also far greater reliance being put on local trials results and other farmers' experience.

Expansion of the Recommended List in recent years means there are currently 35 recommended winter wheat varieties – a number considered to be far too many.

Likened to a brochure by one participant, there was a feeling that it had lost its focus and was not as useful as before.

Our survey also revealed a willingness to grow varieties that aren’t on the Recommended List. By that, respondents meant both older varieties that have come off the list, as well as those that hadn’t made the grade.

It was a fairly even split: some 54% of our survey respondents said they would consider growing a variety that wasn’t recommended, compared with 46% that said they wouldn’t (see graph).

Within that, younger farmers were more likely to go "against the grain" and opt for varieties they felt had something different to offer than their older counterparts.

The reasons given for that were matching varieties to local growing conditions, the narrow criteria for recommendation and constraints imposed by a national testing system.

For information on these varieties, growers said they were reliant on neighbouring farmers, local merchants and the ***agricultural*** press.

However, of the 46% who wouldn’t consider varieties that weren’t on the Recommended List, there was a familiar feel to their reasons.

Independent information, proven performance and confidence in a variety were important, as was a reluctance to take on any more risk.

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Autumn 2020

Two-thirds of our survey respondents plan to start drilling their winter wheat in October this year – which, for a significant proportion (42%), is earlier than usual.

After such a wet autumn and winter in 2109, it is not surprising to see that the weather is one of the most cited reasons for this (see graphs 4a and 4b).

Pest and disease pressure is also up there as a key reason for the choice of October as a start date – with greater use of cultural control measures being made to help manage the threat of barley yellow dwarf virus, septoria and other issues.

Not surprisingly, blackgrass control remains a reason for delaying drilling into October, with a greater proportion of larger farms mentioning it as a key factor.

Overall, some 67% of our participants will start drilling in October, compared with 27% planning a September start and only 2% willing to delay until November.

The desire to start a bit earlier this autumn is understandable, as growers look to get their rotations back on track and restore farm profitability.

It is also interesting to note that two in three of our survey respondents still have seed of winter wheat varieties remaining on their farm following the disruption to drilling plans caused by autumn/winter 2019.

Where they intend to buy new seed, growers are most likely to make their final decision in July.

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Sponsor's message

KWS UK has been providing growers with innovative new varieties to meet varied end-market needs for over 25 years. We use a range of technologies to ensure improved consistency in crop performance to benefit all; merchant, farmer, processor and ultimately end-user customer. Higher yields, superior disease and pest resistance and improved performance in adverse conditions are all key criteria we seek to establish in our product portfolio.”

Thanks to KWS whose sponsorship made it possible to conduct the wheat variety survey. Farmers Weekly had full editorial control of this feature.

JOURNAL : Farmers Weekly

Apprenticeships are mutually beneficial arrangements between an employer and an employee that allow practical skills to be built up alongside an educational programme.

Employers enjoy being able to mould young workers to best fit their business and passing on their knowledge, while ensuring key assets stay in the ***agriculture*** sector.

Apprentices can measure their progress in a real life environment and combine a paid job with a qualification.

See also: Coronavirus: How employers can get help with statutory sick pay

What is an apprenticeship?

An apprenticeship is a practical training programme alongside a full-time job, which allows participants aged 16 or over to earn as they learn.

It combines day-to-day work in the sector of the apprentice’s choosing with evidence-based assessment and leads to different levels of qualification.

In ***agriculture***, this covers an increasingly wide area of skills and levels, which could range from stockperson or a management course to a science and surveying degree.

The individual programme is employer-led and should result in a fully-competent apprentice who also has good people and employability skills, such as accurate timekeeping and a strong work ethic.

What apprenticeships are available?

Different courses and levels are available from training departments, educational facilities and organisations such as the AHDB, which offers Level 2 and Level 3 apprenticeships in ***agriculture***.

Bridgwater & Taunton College runs Level 2, 3 and 4 apprenticeships, as Mark Nash, trainer and assessor explains.

The Level 2 stockperson is a 12- to 18-month programme for a general farmworker role in a beef, sheep, dairy or pig enterprise.

Pros and cons of apprenticeships

Benefits

E Provide skilled workers for the future

E Increase staff loyalty and retention

E Free-up existing employees' time

E Can revitalise a company

E Apprentice is learning in real-life situations while earning a wage and seeing the highs and lows of ***agriculture***

Pitfalls

E Takes a committed, tenacious person to be able to learn on the job while studying, to stick to a long-term plan and stay motivated when their peers may be having the university experience

E Remember you are dealing with young people so expect bumps along the way

Source: Clare Keegan and Mark Nash

Requirements include English and maths at GCSE grade 2 or above, or functional skills at level 1.

The Level 3 advanced apprenticeship is geared towards students with a little more responsibility on the farm, such as rearing calves or setting up the drill and drilling crops, in addition to a level of basic record keeping.

English and maths requirements here are GCSE grade 4 or above, or functional skills at level 2.

The Level 4 is run over 30 months and is aimed at students coming into ***agricultural*** management who have more responsibility on farm.

This could include interacting with the vet, nutritionist, agronomist or bank manager, to make some managerial decisions.

At Bridgwater & Taunton, students also get to compete in groups to tender for a farm and present their projects to a team of bank managers for scrutiny.

Harper Adams University delivers degree apprenticeships up to Level 7, which is a five-year course.

Course options include: food and drink advanced engineer degree apprenticeship; chartered surveyor (rural) degree apprenticeship; and food industry technical professional degree apprenticeship.

How does it work?

At all apprenticeship levels, the students come in to college once a week on a day-release basis, says Mr Nash.

This theory learning also covers part of the mandatory 20% off-the-job training.

Employers commit to providing or organising about 10% of this, which can be in the form of training new skills, regular staff meetings, vet talks or farm walks.

“We try to support the employers with the ongoing process of keeping apprentices on track,” says Mr Nash.

“We also want to ensure the apprentices are being involved in the full aspect of business and not just being left with menial jobs.”

The college’s apprenticeships are generally assessment-based rather than exam-based.

Students are observed by their employers and college trainer assessors throughout their course and gather evidence to store on an electronic portfolio.

The final examiner has access to this portfolio, and when the apprentice is ready, they are put forward for an assessment through Lantra, which includes three practical tasks, an online test and a professional discussion.

At Harper Adams, the degree apprenticeships run for multiple years with blocks on and off campus.

These are assessed through exams, assignments and work-based projects.

What are the employer and apprentice’s obligations?

Clare Keegan, business development manager at Harper Adams, says obligations include: a contract for the life of the apprenticeship; commitment statements; regular reviews; and the employer must be committed to developing the right person for a specific job.

Apprentices should be treated like any other employee and are subject to the same regulations such as working time, health and safety, equality laws, and they should be given at least 20 days’ annual paid holiday a year, as well as bank holidays.

How much do apprentices get paid?

Apprentices must be paid at least the minimum wage by the employer.

This starts at £4.15/hour for apprentices and increases depending on age and progress through course.

Are there any funding opportunities?

Employers with a pay bill of more than £3m/year must pay the apprenticeship levy, and will receive funds to spend on training and assessing apprentices.

Those who do not pay the levy, pay 5% towards the cost of training and assessing the apprentice.

The government will pay the remainder, up to the funding band maximum, directly to the training organisation.

Incentive payments are available in certain circumstances, such as employing a 16-18 year old, employing fewer than 50 staff, or working in specific sectors.

How can I get involved?

Employers can contact their nearest ***agricultural*** college if they are interested in taking on an apprentice.

Potential apprentices can look on the National Apprenticeship Service website for jobs in their area or they can apply to do an apprenticeship and the facility will then assist them to find a job.

Apprenticeships can also be completed on family farms, if appropriate.

Case study: Michael and Tony Ball

Brothers Michael and Tony Ball are AHDB Strategic Dairy Farmers in Derbyshire and have worked with apprentice George Ball (no relation) since 2013.

Farm facts

Coton Wood Farm

304ha

500 cows

All year round system

Eight robot milkers

Supplying Freshways

49ha of winter wheat

20ha of miscanthus

George, whose family are also in farming, was studying a GCSE in ***agriculture*** locally, which involved one day a week spent on farm.

This was run by Dart Training, an organisation that also offered apprenticeships.

When George left school, he was keen to start working on a farm, so Michael and Tony offered him a full-time job and he moved on to an apprenticeship.

While working at Coton Wood Farm, George has completed Level 2 and Level 3 diplomas in work-based ***agriculture***, and a Level 4 Higher Level apprenticeship in ***agricultural*** business management.

George, who also built up a flock of about 100 ewes on rented land, said: “The best part for me was the hands-on approach.

“I really enjoyed being able to follow the progress of things you have done throughout the days, weeks, seasons and years, and I think being able to see and do what you’re being taught is a good way of learning.

“The worst bit is it can be quite challenging to do a full-time job and keep up with coursework and have a social life away from the farm, which is probably the main thing you miss out on by not going to college or university.”

Tony, who also employs another Level 3 apprentice, said: “For us, the main benefit is that you are employing someone at the start of their career, who – hopefully – comes with no preconceived ideas of how things should be done, so we can mould them into our way of working and it makes it easier for them to work to our standards.

“The one drawback is the time and supervisory input required at the outset with someone who has little experience.”

The team have worked so well together that they are planning to continue doing so by way of a joint venture.

Tony and Michael are in the process of buying another farm with the intention of milking a new autumn block calving herd this summer, and George will be running this unit under a contract farming agreement.

George said: “I am looking forward to getting to realise my dream of milking my own cows and putting my own ideas into practice.

“Coton Wood Farm has undergone a lot of changes over the past seven years, going from a 200-cow dairy unit with a parlour to a 500-cow unit with eight robots milking the cows, which was great for me while doing the apprenticeships, as it gave me the chance to see the latest technology in the industry.”

George would recommend apprenticeships to anyone who wants to get stuck in, earn as they learn, achieve qualifications and gain hands-on experience.

JOURNAL : Farmers Weekly

Farm leaders have urged people exercising in the countryside to follow the rules to protect themselves and farmers who are helping to feed the nation during the coronavirus pandemic.

With farmers turning livestock out and using machinery in fields and farmyards, there are reminders that many of the rural areas people are visiting during the lockdown are working environments.

The Country Land and Business Association (CLA) has asked people to stay on the footpaths near farms to reduce the risk of accidents.

See also: Coronavirus: Game shooting season faces uncertainty

CLA president Mark Bridgeman said: “We urge members of the public to be vigilant and aware in the vicinity of livestock and large machinery, when taking their daily exercise.

“For those walking with young children, please ensure they are kept close to you.”

The CLA has asked people to keep dogs under control near livestock and to close gates and not block farm entrances, many of which are used regularly.

Dog attacks

The Farmers’ Union of Wales (FUW) has also urged walkers to keep dogs on a lead after reports of attacks on livestock, something the union said is “avoidable and unnecessary”.

Ian Lloyd, the FUW’s animal health and welfare committee chairman, said livestock worrying was yet another stress for farmers already working flat out in difficult circumstances.

“We are reminding those taking respite in the countryside to also remember our farmers, who are key workers producing our food at this very difficult time.

“Many family farms in Wales have been hit hard by the closure of restaurants, cafes and other service outlets during the current pandemic.”

The FUW said it will continue to push for tougher legislation around dog attacks on livestock, to help reduce the welfare and financial consequences for farmers.

Police fines

Meanwhile, North Yorkshire Police has revealed it issued 61 fines last week to people who were not following government guidance by making unnecessary journeys.

On Saturday 25 April, 17 fines were issued in the rural village Malham. In total, the force issued 31 fines on Saturday to people visiting from West Yorkshire, Lancashire, Cumbria and Kent.

A further 30 fines were issued on Sunday (26 April), with officers fining six people in Brotherton who had travelled to the small village to go off-road biking.

Advice for land managers

Keeping paths clear and waymarks and signs in good order and up to date will help people stick to the right routes and access points. Contact your local authority or National Park Authority to find out what help is available.

Where there is public access through a boundary feature, such as a fence or hedge, create a gap if you can – or use an accessible gate or, if absolutely necessary, a stile. When installing completely new gates and stiles, make sure you have the permission of the local authority.

Encourage people to respect your wishes by giving clear, polite guidance where it is needed. For example, telling visitors about your land management work helps them to avoid getting in your way.

Source: The Countryside Code

JOURNAL : Farmers Weekly

Farmers tend to gradually wind down their work as they reach old age, but no one told Devonshire farmer Alec Burrough.

Despite being classed as very high risk to coronavirus, the 86-year-old is working every day to keep Britain farming and help #FeedTheNation.

He is still using the same 54-year-old red Nuffield 10/60 tractor to carry out a range of daily tasks on the organic family dairy farm he moved to as a young boy in Cullompton, Devon.

He has been farming full-time for the past 71 years.

See also: Coronavirus: Prince praises farmers who #FeedTheNation

As one of the 1.5 million classed as “extremely vulnerable” by the UK government, this has not deterred him from carrying out the essential role he plays as a key worker during the crisis that has gripped Britain.

At a time when there is a shortage of farmworkers in the UK, Mr Burrough, an avid Farmers Weekly reader, is a true inspiration.

His list of daily jobs includes work in the yard, on the tractor in the fields and calf rearing.

Mr Burrough, who has suffered from chronic obstructive pulmonary disorder (COPD) for many years, said: “I’m just doing what I’ve always done and making sure people stay fed.

“People with a serious lung condition like mine are told to try to stay active, and I’m definitely doing that.

“If someone had told me I’d still be using the same Nuffield tractor to do my job 54 years on, I’d say that was a good investment.”

Hard work and frugality

Mr Burrough said his childhood spent farming during the Second World War instilled in him an appreciation of hard work, frugality and working together for the common good.

“During the war, we had to work together and make the most of everything we had,” he explained.

“We didn’t take anything for granted.

“I don’t understand how people throw things away so easily now, whereas I was always brought up to make the most of what I had – like my tractor.”

The older generations are capable of great things, as shown by NHS fundraising hero Captain Thomas Moore.

The 99-year-old war veteran has raised more than £27m by completing 100 laps of his garden before his 100th birthday

Mr Burrough will celebrate his 87th birthday in July.

He farms with his son Jonathan and daughter-in-law Louise, and has three grandchildren aged 7, 9 and 11.

JOURNAL : Farmers Weekly

A Welsh cattle farmer has died after being trapped against the wall by the bucket of a JCB machine, an inquest has heard.

Dewi Jones, 68, suffered crush injuries and died following the incident at Ty Celyn Farm, in Llanfwrog, Denbighshire, on Tuesday 21 April.

An inquest was opened and adjourned into Mr Jones’ death at Ruthin coroner’s court on Monday (27 April).

See also: Advice on first aid when there’s a farm accident

John Gittins, coroner for North Wales East and Central, was told Mr Jones had been moving hay with his brother into a heifer pen when he was trapped by the shovel of a JCB Bobcat.

Although he managed to wriggle free, he collapsed and an air ambulance was called to the scene.

A post-mortem examination gave the provisional cause of death as an abdominal bleed and liver laceration after blunt-force trauma.

HSE investigation

The Health and Safety Executive (HSE) is also investigating the circumstances surrounding Mr Jones’ death.

Farming continues to be the UK’s deadliest occupation. In 2018-19, 39 people suffered fatal injuries while working in ***agriculture***.

Fourteen of these deaths involved being struck by a moving vehicle, including tractors, trailers, telescopic handlers, farm vehicles, ATVs, and nearly half of the workers killed were aged 60 or over.

JOURNAL : Farmers Weekly

A farmer has died and his son was badly injured after they were attacked by a water buffalo in Monmouthshire.

Father-of-three Ralph Jump, 57, was pronounced dead at the farm in Gwehelog on Tuesday afternoon (5 May).

His 19-year-old son, who has not been named, was critically injured and his 22-year-old daughter, Isabel, suffered a serious leg injury.

See also: Coronavirus: Yellow Wellies issues mental health support for farmers

Mr Ralph’s son was flown by air ambulance to the University Hospital of Wales, in Cardiff, and his daughter was taken by land ambulance to the Royal Gwent Hospital for treatment. Her injuries are not thought to be critical.

We were called to a commercial address near Usk, after reports of a water buffalo attacking two men and a woman.

A 57-year-old man was sadly pronounced dead at the scene.

A 19-year-old man and a 22-year-old woman are receiving hospital treatment.

"-- [*https://t.co/dChRL3DZUe*](https://t.co/dChRL3DZUe) pic.twitter.com/2kNICJJvoj

Gwent Police (@gwentpolice) May 5, 2020

Paramedics received assistance from the National Police Air Service at the scene following the attack, which happened shortly before 3pm.

The water buffalo was humanely destroyed.

The attack took place at the premises of the Bufalina Soap Company, in Usk, a family business that manufactures handmade luxury soap from the milk of their herd of Mediterranean water buffalo in the Welsh Marshes.

Water buffalo are native to Asia, but a number of farms across the UK keep herds.

JOURNAL : Farmers Weekly

A Yorkshire arable farmer was left shocked after discovering fly-tipped waste on his land containing sensitive childcare details.

Tim Braithwaite, who farms in Sprotbrough, near Doncaster, found bags of toys strewn across the entrance to a field of winter barley over the weekend.

The bags contained folders that revealed sensitive records written by a childminder about children headed “Little Puffins Childcare”.

See also: What to do if you’re a victim of fly-tipping

Mr Braithwaite contacted South Yorkshire Police and Doncaster Council, which came and removed the rubbish within 24 hours without charge.

A former owner of the childcare company has since come forward and apologised over the incident.

The woman, who did not want to be named, said she contacted Doncaster-based firm L&C Rubbish Removals on Facebook and paid £40 for the rubbish to be collected.

She told Sheffield newspaper The Star: “Their Facebook page says that these people are fully licensed, so I stupidly went ahead with this.

“I paid the £40 via bank transfer and the guys came to take away my rubbish.

“I had absolutely no idea of the fly-tipping incident until a friend sent me the link via Facebook.

“I closed my business in 2017 due to my daughter’s Illness, which sadly left her disabled.”

She added: “When I closed, I organised and cleared away any paperwork and I honestly did not know that there could be anything left in these files.

“I will pay any price for my mistake and I fully take any responsibility if there was actually any personal ***data*** within these files, which I think is unlikely due to previous organisations.”

'Major problem'

Mr Braithwaite told Farmers Weekly: “Fly-tipping is a major problem and it has been getting worse in this area since coronavirus has forced the closure of all the local tips.

“People should dispose of their rubbish only through legitimate sources. Fly-tipping wastes the valuable time of police, council officers and causes huge costs and inconvenience for farmers.”

An investigation involving police and the council is under way.

Farmers Weekly has contacted L&C Rubbish Removals for a comment. The company says on Facebook it is “fully insured, fully licensed, open seven days a week and cheaper than a skip”.

JOURNAL : Farmers Weekly

The dry weather in Aberdeenshire has continued throughout April, with the annual total to date amounting to only 33% of average. This allowed spring barley drilling to start early on 20 March – early for us – and with a great effort by the whole team we were able to drill 808ha in 23 days.

Now that the crop is established, we desperately need some decent rainfall. We had 6mm last night, and a few showers are forecast later in the week, but really we could do with an inch or so over a few days.

See also: Herts grower puts hoe to the test in narrow-row cereals

While the spring barley still has some moisture at seed depth and has not yet been impacted by the dry conditions, the wheat is certainly suffering. When a plant is pulled up, the soil just falls off the roots and any damper parts of the field show how pale and thin the majority of the crop is.

With the 2018 drought still fresh in my mind, I have held back some nitrogen for now on both the wheat and spring barley. The rainfall over the next 10 days will determine how much, if any, of this will be applied.

It has been a strange spell with lockdown for coronavirus.  During drilling, we were lucky to be relatively unaffected, being able to get on with our jobs with only minor changes to working practices.

One of these was that I often took my bike when moving the loader and seed trailer. Cycling back really showed up how bad many of our road surfaces are and also, despite the reduced amount of traffic, how many bottles and other rubbish is being thrown into the verges. If only some of the many extra walkers out and about would pick some of it up!

During this time it is also frustrating to see some supermarkets importing beef, particularly steaks, when local processors need to find new markets for these cuts. Is this a failure of the supply chain, or an excuse to drive the price down? Either way it is not helping the UK beef sector and drives farmer mistrust of retailers.

JOURNAL : Farmers Weekly

It has been a surreal month since I last wrote an article. Apart from the odd conference call, the diary is a complete whiteout which at least means I have knuckled down to farm work and kept busy.

Social distancing comes naturally to those of us spending long days in tractor cabs.

Forage maize has been planted in good time and is up in rows. We are trying to establish more maize using minimum tillage which definitely gives a more stable, resilient seed-bed.

Pewsey Vale scored big in the catchy game of "rain roulette" with two bouts of 40mm helping to evenly establish spring cropping, which now looks promising.

See also: Tips on getting the most from clubroot-resistant OSR varieties

On a personal level, to immense relief, all members of my family who had coronavirus symptoms have fully recovered and the farm team remain in good health.

For me the only lasting souvenir has been not recovering my sense of smell. This came in handy when we were clearing out the slurry pit!

Mistakes will always happen and unfortunately we had an incident recently when AdBlue was put in the wrong fuel tank causing significant engine damage to a tractor.

Please remind your teams to never top up this additive while the engine is running, and that even a tiny misplaced quantity in the fuel line will cause problems. Thanks to TH Whites for sorting us out.

The decimation of the wider economy by lockdown measures is truly horrifying and will have repercussions for a generation.

I can understand why some have asked whether the cure is worse than the disease. A primary concern for agribusiness is how on earth will this be paid for?

Beyond income and VAT taxation adjustments I would suggest this is a good time for families to have frank discussions about farm succession; changes to ***Agricultural*** Property Relief seem likely when the government weighs up radical land and property taxation options.

Time is running out for a post-Brexit trade deal with the EU. Simultaneously discussions continue for a free trade deal with the US for which the main danger is that ongoing food supply disruption is used as an excuse to flood markets with cheap imports, leaving our own production standards undermined.

With one voice the industry must apply maximum pressure to ensure this never happens.

JOURNAL : Farmers Weekly

Sleeping is cheating. There’s been little chance to nap here of late.

What a difference eight weeks makes. We have gone from “gripping” (draining) water off with a 14 tonne hoe, to maximum moisture retention.

Spring barley drilling started off like ‘riding on the skin of a rice pudding’, and has gone to rock hard dry conditions. The better land has emerged and rocketed away, the “strong” has emerged, but is struggling and is in need of a drink.

See also: Call to back British beef as retailers buy Polish mince

Maize drilling is well under way and to conserve moisture we are running the Watkins tri-till through the mucked stubble, followed by the power harrow, with the maize drill following in convoy.

All of us operate in the same block of land and then move onto the next. The key is not to get too far ahead, otherwise the moisture disappears in front of your eyes.

Half the acreage is down to grain maize and the other half down to our old favourite LG Ambition which I regard as a dual-purpose grain or forage crop.

Now I have to get my head around the beef monitor program. If we do a diet tweak, we can now see the implications in real time.

I liken it to looking in the bulk milk tank and seeing a response to the diet nearly immediately.

Now we know the baseline growth rate we can monitor the effects of the diet change. Obviously, you have to ignore the first couple of days because the cattle have to acclimatise to the different taste and texture of the feed, but we then need to be back on the rising curve of growth matching the previous ***data***.

The fat cattle job at the moment is hard work. We have had a 5-10p/kg reduction in the deadweight price due to the knock-on effects of Covid-19.

Saying that, the liveweight price has not dropped proportionally to the deadweight price, and I would suggest the local butchers are doing a right trade.

I hope the consumer doesn’t revert back to supermarket shopping and shows the local shops some loyalty when the current crisis is over.

Doug Dear is a Farmer Focus writer from Yorkshire. Read his biography.

JOURNAL : Farmers Weekly

I am feeling in a much better place than I have been for a number of months, finally being caught up. After a marathon effort we got a vastly increased spring cereal area into the ground in some surprisingly good conditions. I now look forward to what seems likely to be a later-than-normal harvest workload.

As luck would have it, youngest son managed to get back from New Zealand just as the coronavirus restrictions started to take hold and we were really getting going. Thinking it unwise for him to mix with others for a while, he got landed with the night shift. After all, his body clock was still on New Zealand time, which suited us all fine.

See also: Top tips on managing late disease in potatoes after diquat

Potato planting has proceeded apace, again into good conditions. Despite it appearing dry we are finding enough moisture at depth which has resulted in prompt and timely emergence.

Our pre-emergence herbicide programme remains largely unchanged although we are getting used to managing without diquat. I feel the greater learning opportunity will be when we come to haulm management later in the season.

I have access to an impressive haulm topping outfit through a local contractor, but I feel the cost will be considerably more than simply spraying a desiccant.

We have just added an additional tractor to the fleet, but in a different way. We have tended to buy in a fairly traditional way, but this is our first contract hire. I am keen to see how this compares with our usual route, given that we now have a relatively fixed cost per hour for maintenance, repairs and depreciation.

Having done the sums I felt that there is no right or wrong, cheaper or dearer way. It is more about what you want to achieve.

Depreciation costs are significant for our business and they are hard to calculate with any degree of certainty. The contract hire route does at least give some cost clarity right from the start, which will aid budgeting.

I am also pleased to see the fall in the price of fuel. Normally when we get to a busy period it seems to increase. We are unable to stockpile as we only have our regular tanks, but it is a small positive benefit.

JOURNAL : Farmers Weekly

Spring drilling was all wrapped up by early April – this year has already provided most of the drilling conditions possible going from very difficult to very easy in a relatively short time.

Crops have established well and on the whole are now benefiting from the minimal disturbance drilling method and the moisture it helped retain. Sugar beet is presently an unfortunate reminder on how spring cultivations in a year like this can be a bad move, with varying germination.

See also: How ethylene can help control sprouting in potato stores

While coronavirus is hindering progress with my mid-tier capital works, and making other jobs more complicated we have been very lucky that the impact has been minimal so far.

I cannot imagine being stuck at home for weeks without the usual freedom we all take for granted, and while the extra people out walking does bring some issues, it is also a huge opportunity for engagement and to show off what, why and how we do things.

Some simple signs explaining what crops are grown for, and what field margins, wild bird mixes and beetle banks are planted for, and the wildlife they are there to encourage and support will go a lot further in keeping people to footpaths and produce a positive result for farming all round in future; than ones that say only "Keep out".

There are always exceptions, but a lot of lost walkers are innocently ignorant. Footpath signs aren’t always visible, clear, or even present, and to untrained eyes a wide strip of grass around a field for a footpath looks the same as a field margin, especially if half has recently been cut as part of its management.

We need to give people a positive experience on the land we manage while everything else is upside down and not so great. As customers we support businesses that give us good service and a positive experience – the people walking the footpath are our customers and we keep asking for their support – maybe we need to earn it a bit more?

I found some small signs produced by CFE when it was the Campaign for the Farmed Environment that were designed to educate walkers about field margins and ground nesting birds.

Maybe industry organisations, such as the "new" Championing the Farmed Environment could help with some simple infographic style signs to help show people what different parts of the farmed landscape are for.

Matt Redman farms 370ha just north of Cambridge and operates a contracting business specialising in spraying and direct drilling. He also grows cereals on a small area of tenancy land and was Farm Sprayer Operator of the Year in 2014. Read more from Matt Redman.

JOURNAL : Farmers Weekly

We have been in a nationwide lockdown for four weeks, with only “essential services” allowed to operate.

We are fortunate in that we have been able to go about the normal farm programme while being supported by our associated service industries and processors.

It could be argued that had we closed the borders earlier, we may have preserved the operation of the domestic economy.

That said, it appears that a drastic lockdown is, thus far, seeing our case numbers fall quickly with our government now pursuing an “elimination” strategy. Covid19 is such a nasty bug, it would be very unwise to think we have beaten it yet.

See also: How to make sure you hit protein target for milling wheat

Tourism has been wiped off the map for the foreseeable future with an effect on the economy comparable to a complete collapse of the dairy industry.

Added to that, our hospitality sector is taking a hiding from the lockdown and will suffer both from an ongoing lack of tourists, but also from the reduction in domestic discretionary spending going forward.

There is no doubt grim times are ahead for many in New Zealand. Our economy has been shattered in the past six weeks.

Primary production is now, more than ever, the key source of foreign earnings for our wee country. The last few years it has been politically expedient to cast farmers and growers as public enemy number one.

Now it seems our politicians, business leaders and economists are giving us a smile and a wink, and a bit of a pat on the back.

Our own economic future is fragile as we are selling into world markets that themselves have taken a pummelling, so caution is needed.

But in the meantime, we are needed more than ever, both to produce safe, nutritious food to export, but also to support our friends in other sectors who are hurting.

Our builders, contractors, trucking firms, local retailers, everyone downstream that we deal with desperately need our help.

Now is our time to bring forward maintenance or development projects, or anything else we can find to get those guys and girls back to work and help them back onto their feet. Take care.

David Clark runs a 463ha fully irrigated mixed farm with his wife Jayne at Valetta, on New Zealand’s South Island. He grows 400ha of cereals, pulses, forage and vegetable seed crops, runs 1,000 Romney ewes and finishes 8,000 lambs annually.

JOURNAL : Farmers Weekly

It’s business as normal in very abnormal times. I could easily write this piece 10 times over full of sentiments of gratitude, despair and condolence and likely resonate with the majority of people in one way or another.

However, social media is awash with Covid-19 stories good and bad, so I’ll try to stick with ‘normal’ and hope you are all keeping safe.

We are well into our second grazing round on the farm, with pre-grazing covers of 2,500kg DM/ha to 2,700kg DM/ha. Grass growth last week was a shade under 50kg DM a day and above our demand for the farm.

See also: How to maintain butterfats during spring/summer grazing

As a result, concentrates have been eased back with a view to feeding 3kg a head a day and grass intakes of circa 15kg DM a day. The cows are loving the dry weather and high dry matter content of the grass and are exceptionally content, even when working to hit residuals and clean up fields.

Bulling activity is excellent. Large bulling groups are clear to be seen every day and production is running at about 2.1kg milk solids a day.

Most of our field work has been completed in good time, with some fodder beet going in for next winter.

Last year’s wintering ground has been worked down and reseeded and the dirty water has been spread on some of the grazing. Having soil tested the farm, the benefit of the dirty water is evident in the P and K levels, so we are trying to spread it on some different fields.

This meant running the umbilical across the yard. It was working fine until a lost articulated lorry arrived in a blind panic having been stuck on narrow lanes for an hour. The lorry dragged the five-inch pipe across the yard and out of the ramp ready for the next car to arrive to try and cross it and put a gash right through it.

Serving is less than two weeks away as I write. Preparation work is complete with metri-checking done.

Prostaglandin has been given to 30 cows to help them clean naturally and no antibiotics (Cefapirin) have been given. We are trying to limit antibiotics use generally and particularly that one, as it is a first-generation cephalosporin antibiotic.

Johnjo Roberts is a Farmer Focus writer on Anglesey. Read his biography.

JOURNAL : Farmers Weekly

We really are very lucky to work in the industry we do – producing food.

I know we all moan about the weather and the prices we get for our barley or beef or milk, but unlike many other industries the world can’t function without us, the food producers.

Life hasn’t even changed that much for most of us in the current crisis.

I know I am very fortunate to still be out and about delivering to shops and houses and as I pass so many businesses shut down with the coronavirus pandemic you can’t help but wonder about the poor people behind these businesses, who are either furloughed or who have already lost their jobs.

See also: OFC 2020: Expert to rebuff red meat claims and EAT-Lancet report

Many of these businesses may never open again.

Our little business is still very busy with home deliveries and we’ve seen a huge increase in footfall. We’ve been shipping orders all over the country, but we have hit a major snag this week as our insulated box supplier is struggling to get us more supplies.

We all know the world is going to be a very different place after this, but maybe there will be some good to come out of it.

Maybe people will realise they need to spend less time in their cars or on planes and more time at home with their families. Maybe they will realise it was the cars and planes destroying the planet and not the cows. Maybe people will continue to shop locally and maybe people will realise that they need to value our great British food producers.

Lambing has now finished and been successful. All sheep lambed outdoors in perfect weather conditions with most of the lambs still to experience what rain feels like.

I only assisted four ewes and had very few lamb losses. There have been a lot of cattle arriving over the last month. We’ve dropped from 300 ewes to 110 and increased cattle to more than 300 head.

Nearly all the cattle have been bought directly off-farm, mostly through our local co-op.

As usual, I think stores are too expensive relative to the fat price. Let’s hope we have a good BBQ season and prime prices rise.

Michael Shannon finishes 300 head of mostly Angus beef stores each year and runs 110 Scotch Mules on a 100ha forage-only enterprise near Biggar, Lanarkshire, as well as free-range turkeys for Christmas. Meat is sold through his online business and farm shop Damn Delicious, with surpluses sold deadweight.

JOURNAL : Farmers Weekly

“Hey, if you charged an entrance fee to the farm you could make a fortune. There are people everywhere!” This quip was from Georgina, one of our horse livery clients, as she returned from a hack round the farm. I think she was joking, but she is a financial adviser, so who knows?

I will not be setting up a turnstile, but we have started to engage more with the extra visitors by putting up some “lockdown learning logs”. These are laminated A4 information sheets which are tacked on to logs we have placed around the farm beside footpaths. They explain what we have just sown, what it is for, when it is harvested, what happens to the lambs.

See also: All you need to know about controlling wireworm in potatoes

Quite simple stuff, but judging by the feedback, it has gone down particularly well with parents who have young children to amuse and educate.

The Exlana ewes have all lambed now in perfect warm and sunny weather. Very few needed obstetric assistance and the lambs are growing on well in the diverse mix which includes Timothy, fescue, cocksfoot, red clover, sainfoin, plantain, chicory and yarrow.

I have given four surplus triplet lambs to a neighbour, Bertie, age 7, to kickstart his sheep enterprise. I am impressed to hear he is getting up at 5am to give them their first bottle of the day.

Hew has covered a lot of ground with the new Sly Boss drill, getting spring beans, barley, rye and linseed sown. We have been pleased at how the angled disc coulter got beans into hard ground at 3in deep. It is always an anxious time for the drill operator in the weeks following sowing to see how crops emerge, and in truth Hew probably didn’t need the extra pressure of me putting information sheets round the farm saying what crop was (hopefully) going to be in the field.

With six weeks without rain, emergence and growth has been slower than we would like, but fortunately, Hew seems to have inherited my broad shoulders and thick skin and, as I type, we have some welcome rain. Phew.

JOURNAL : Farmers Weekly

This past month has flown by. The weather has been amazing for lambing and first cut of silage.

As I write this, we are due to cut on 5 May. It looks to be a big crop and quality looks high, which will be the mainstay of our forage for the milking herd through winter.

We are onto the last handful of ewes to lamb, which has been brilliant. After the first cycle, there were only 36 multiples left to lamb out of 428, which is great going and should give us a consistent bunch of lambs in the autumn.

See also: 8 ways to prepare for a busy lambing season

The ewes have lambed very much unassisted, with very few issues and plenty of grass in front of them.

The milking herd are really performing now. We got back to predominantly 2019 first-cut silage and milk jumped up four litres in five days to 36.7 litres.

Milk quality took a slight nosedive, going from 4.1% fat down to 3.8%, but the total mixed ration has been adjusted and the quality seems to be rising again.

All landscaping is now complete around both the new sheds and the new slurry lagoon. We are just waiting for the grass seeds to grow.

We have been checking for a few weeks to see when the seeds will germinate, but because it has been so dry, the lack of moisture in the soil has delayed germination - they look to be coming now.

I hope everyone is staying safe in these uncertain times. I have the deepest sympathy for farmers supplying some processors severely affected by the milk crisis.

It must be heartbreaking to see their hard work literally going down the drain or being paid well below the cost of production.

Hopefully, some time soon, things will slowly start to open again, and everyone can get back to a slight bit of normality.

Farmers in general are lucky. We can carry on nearly as normal, whereas inner-city folk are stuck in a house or apartment with little or no garden or space.

I cannot imagine how that would feel.

Patrick Morris-Eyton is a Farmer Focus writer from Cumbria. Read his biography.

JOURNAL : Farmers Weekly

Bizarre is the only way I can describe Kansas ***agriculture*** at the moment.

Covid-19 has reached the meat packing industry and severe slaughter disruptions are starting to back animals up.

Simply put, there are no buyers at any price for finished animals.

See also: Coronavirus: Trump orders US abattoirs to stay open

The chief executive of Tyson Foods bought a full-page spread in The New York Times on 26 April.

In it he said: “In addition to meat shortages, this is a serious food waste issue. Farmers across the nation simply will not have anywhere to sell their livestock to be processed, when they could have fed the nation.

“Millions of animals – chickens, pigs, and cattle – will be depopulated because of the closure of our facilities. The food supply chain is breaking.”

There are many complicated issues regarding our supply chain and marketing, but I truly hope that our industry of 2021 looks different to the one of 2019.

It isn’t realistic that the next generation of producers (which I think I am part of) has any future in anything that looks like this.

We are doing what we can to weather the storm. Thank God for the rumen.

Summer grass growth is starting, so with some changes to stocking rates we don’t have to feed or sell a single animal until October. This gives us an advantage over chicken and pork producers.

Any other options we can take to cut costs, we are implementing. We usually AI every cow but will skip 150 older cows this year.

It isn’t so much about the cost of AI (which counts) but getting them to their summer pasture that doesn’t have facilities.

Our mineral programme isn’t as “high end” as last year and I also tried a new worming protocol where you don’t automatically treat every cow but leave the heavier conditioned and older cows. It will be repeated this year.

Our cows work hard for us in normal circumstances; this year we will have to ask them to work a little harder.

Meanwhile, there has been only one case of Covid-19 reported in our county. It was a healthy young man who has only lost his sense of smell – I’d like to find him and shake his hand.

Daniel Mushrush is a Farmer Focus writer from Kansas. Read his biography.

JOURNAL : Farmers Weekly

The past two weeks have been full on. In fact, I have been somewhat grateful for lockdown as it has meant there have been no distractions.

We have been able to take advantage of the brilliant weather conditions – which again seems hard to believe, given the winter we have had.

The slurry lagoon has been emptied and the sand dredged in record time. We then devised a plan to deal with our flooded maize ground that resembled a scene from the Second World War.

See also: Combines roll for severely delayed maize harvest

Two passes with a Sumo cultivator, followed by the roller and then straight in with a combination maize drill has worked nicely, and the last of that maize was sown on 27 April.

In my wisdom, I also decided that following the results of our grass samples and with a wet 10-day period forecast, it would be a good idea to take 40ha of first cut.

At the last minute the forecast changed, and we did first cut and maize over the same weekend.

The gamble paid off and, although the yields were on the low side, quality looks good and hopefully the aftermath will green over nicely. I am not a big tractor man, but I have to say, although I had limited sleep, I really enjoyed myself.

I would like to take this opportunity to thank our contracting teams – The Adams, Stevie Edwards and Pip Edwards – as well as our agronomist Ian Evans, for their hard work.

It is a rewarding time of year. Unfortunately, the news from Muller has been less rewarding.

In the space of three weeks we have been given a 1p/litre price rise (brilliant), followed three days later by a request to cut production by 3%, followed two weeks later by the 1p/litre price rise being rescinded.

It’s tough mentally to have to keep readjusting budgets and cutting costs with no indication of if, or when, the market may pick up.

I appreciate we are better off than some other producers, but I think the whole situation could have been handled better.

Let’s just hope this works in mitigating any long-term pain and that the rest of the year will not be as tough.

Read more about Shropshire farmer Henry Wilson.

JOURNAL : Farmers Weekly

I will ty to refrain from mentioning the dry weather, but we could certainly do with some rain very soon if the spring crops are going to come to anything.

Lambing has started with a bang. We have tried to group the ewes into a north and south district and split them between James our shepherd and myself.

James is looking after 800ish and I have 1,200ish about 25 minutes away.

See also: 13 tips for lambing outdoors

We have had one group of 160 ewes hit with a bad case of Campylobacter. The vet has advised to just ride it out and after lambing, disperse those ewes across the whole flock to get an immune response going before next year’s lambing.

Other steps we have taken have been to space out those ewes to try to avoid too much contact between them (more electric fencing) and pick up all afterbirth.

We are now into day 10 of lambing as I write and are certainly picking up fewer aborted lambs so we hope we are over the worst of it.

The Covid-19 situation hasn’t really affected us too much. Roads are empty and fuel is cheap which suits our style of lambing – but people are everywhere.

I appreciate everyone is trying to help, but when you see a picture of your sheep on a local resident’s Facebook page with the comment that it is “coughing, can’t find the farmer so should I call the RSPCA or a vet? Has it got corona?” it does make for stressful/comical reading.

It’s fortunate I can rely on Jo to log on and gently explain that it is probably going to be all right and to just leave it alone.

Grass is as good as we have ever had it. A pre-lambing rotation gave us a lot of early growth and Jo has planted a couple of herbal leys for the sheep in the arable rotation so we will be having Ben from Hyde Hall come in and throw up a few thousand metres of fencing for us there.

The hope is to try and get a few hundred lambs away early to stop so much pressure in finding food for ewes and lambs over winter if it rains.

See Rob and Jo Hodgkins’ biography

JOURNAL : Farmers Weekly

We’ve had no rain to speak of for six weeks. My default reaction was to moan incessantly, but that didn’t seem to do any good, either with the weather or my locked down family, so I’m now trying to think of how to react in the future.

More winter crops might be one way to go, but is the opposite of what we have been doing to combat grassweeds and we have been getting on well with cover crops for soil improvement, sheep grazing and stewardship payments.

See also: Why biopesticides will play a bigger role on arable farms

I also have solid fertiliser still on the surface a month after application and scorching from liquids, so another tactic might be to use some kind of delayed release fertiliser and apply the whole lot at the start of the season, but that might not be beneficial to plant or soil microbe health.

I was surprised when completing my annual Facts scheme exam to see urea fertiliser singled out as bad. The concern is volatilisation of ammonia and, while we do have to to minimise this, ammonium nitrate was touted as a better alternative. I don’t sell either, but maybe we should recognise that both have their pros and cons.

It is said that urea may lose 20% of its nitrogen via volatilisation, but if you look at the source of this information it appears this may only happen at 32C so perhaps is not too relevant in the UK?

Also, NIAB trials over many years find the same yields from both forms of fertiliser, so ammonium nitrate must be losing an equivalent amount, and scientific work estimates that N lost by leaching ranges from 40kg to 115kg of N/ha.

Added to this, ammonium nitrate can increase crops’ susceptibility to fungal attack and reduce their ability to uptake nutrients such as magnesium, manganese and zinc, especially on my chalky soils. As ever, a balance, rather than extremes may be the answer?

Andy Barr farms 700ha in a family partnership in Kent. See his biography.

JOURNAL : Farmers Weekly

With spring drilling done and dusted we have started inter-row hoeing our winter crops.

We focused on our winter beans first as they were particularly weedy. Most of the "weeds" are volunteer spring oats from harvest 2019 and so any that have escaped in the row will be harvested with the beans and then separated out on a gravity table after harvest. It’s this year’s unintended bi-cropping trial!

See also: Tips on getting the most from clubroot-resistant OSR varieties

We’ve also hoed all the winter wheat we managed to get in and started phase one of our living mulch trial which is my second attempt to develop an organic low till system. Our trial will run as follows:

In-between our 120mm crop bands we have 200mm of space where we have sown white clover at 7.5kg/ha comprising 80% AberAce wild white clover and 20% AberHerald which will remain in the ground for the rest of the rotation and possibly beyond.

The plan is then to strip-till the 120mm cropping rows and plant spring oats in early 2021 and so on. Lambs will be fattened on the clover to keep it in check before winter.

Organically I believe that we still need to be able to clean the crop rows as well as mineralise some of the nutrients we build up during the rotation to get our crops going, hence opting for strip-till rather than no-till.

I’m also concerned that having a living mulch across 100% of the field will compete for moisture and nutrients with my cash crop which I have seen in the past in thick under-sown leys.

I’ve got 10 months to find or make the machine to achieve that narrow 120mm strip.

We have the will so there must be a way.

JOURNAL : Farmers Weekly

As I write this the children have started lambing their Blue Texels again.

Unfortunately, a sub-fertile new ram left half their flock empty at scanning. Rather than running empty some later lambs will be a bonus.

Sadly, we have lost too many lambs with pneumonia and ewes with mastitis.

See also: Tips on tackling mastitis in sheep

The fantastic weather has had its drawbacks – largely the temperature difference between hot sun and frost. A high of 28C was recorded in one field while dosing lambs for nematodirus and that night the temperature dropped to -2C.

With all the sheep out at the beginning of April, all the sheds have been cleaned and manure spread on some maize ground – a first for us.

All the pens, buckets, bowls etc have been washed and dried. We were ready for a couple of farm visits that are now not going to happen.

The bulls have prepped up really well and are all behaving on the halter. All the work with the females over the years has rewarded us with cattle with lovely temperaments.

We don’t overfeed them, which means their feet and legs are good. On my foot-trimming round, I see a lot of young bulls that have been overdone, which is wrecking their feet.

No feet, no bull – it really is that simple.

All the lambs have had their second clostridial vaccine, so hopefully this will help to build their immunity going forward.

We put a preventative fly spray on all the ewes and rams. I haven't got time to deal with flystrike and it's not acceptable for our image.

The last hoggets and first January lambs sold well after a few weeks of market disruption. We didn't sell any last week due to another blip in prices, with more poor excuses from the processors.

British meat is selling on shop shelves. It might not all be fillet steak, but to ensure British farmers are still producing in five years a fair distribution of revenue is still essential.

We have had lots of walkers at the farm. Hopefully, they will really start appreciating what a beautiful place we live in and that it’s mostly created by farmers.

James and Belinda Kimber farm 850 commercial and pedigree sheep and 30 pedigree Simmental and Charolais cattle in Wiltshire across 95ha (45ha owned) with the help of their children, Josh, Izzy and Richard. James also runs a foot-trimming business and Belinda has a B&B.

JOURNAL : Farmers Weekly

The past few months have been pretty scary to say the least and really quite grounding for most of us, and I would like to thank all the frontline staff, especially those in the NHS, who take risks every day for the good and wellbeing of others. In times like these the real heroes come to the fore.

Being confined to the office or tractor cab is no real hardship so I’m going to keep my complaining to a minimum.

See also: Tips on getting the most from clubroot-resistant OSR varieties

The weather has almost been predictable – going from far too wet to far too dry in about three weeks.

We didn’t manage to get drilled up as one of our heaviest blocks of land had completely lost its structure and was basically three inches of concrete on top of six inches of cold wet clay and with no possibility of creating a decent seed-bed.

And as I’ve alluded to in the past, spring crops on heavy land are very unforgiving of poor seed-beds.

We did, however, manage to get 400ha of both spring barley and beans drilled, and on the whole I’m happy – although the beans are, ironically, desperate for rain.

I have to say lockdown has been a hugely productive time in the Challen household, all windows facing south have now been occupied by various plant pots and trays as veg and flower production is in full swing.

One of the stables has been converted to a gym, although I consider this a rumour as I still haven’t ventured in yet in fear that I may get challenged by young Master Challen to pump iron or cycle 50km.

The kitchen has been converted to a “For Farmers” office as Harriet is working from home and although additional quality time with the kids is great, without doubt the best bit has been the huge increase in home baking, with fresh cake nearly every day.

Every cloud has a silver lining. Finally I'd like to say I'm glad to see Boris back at the helm and wish him and his family well.

JOURNAL : Farmers Weekly

What a rollercoaster the past five weeks have been.

Having my three-year-old come to work with me every day has got to be one of the most fun and the most exasperating experiences.

I’m sure many of you can relate. Although it’s a juggling act, I am grateful to be spending this time with him and appreciate how lucky we are to have the farm during these crazy times.

It’s certainly become clear that we are all weathering the same storm, but in very different boats.

Thankfully, the pig business has not been adversely affected so far. In fact, we have seen an increase in demand from local outlets and the Standard Pig Price (SPP) reached 164p/kg for the first time since 2017.

See also: Coronavirus: Farms advised to use face masks

Retail has seen a big uplift in sausage and bacon sales (up 48% and 18%, respectively, for the week ending 12 April), to the detriment of fresh pork (total roasting joints down 63%).

AHDB has just launched another campaign to promote pulled pork; hopefully driving some more fresh sales and taking some of the burden from cold stores.

Unfortunately, our European counterparts aren’t doing so well, with Germany seeing a 9% in their pig price, which is at an equivalent 153p/kg.

This has had an effect on UK cull sow values and leaves open the possibility of cheaper continental imports sneaking their way back in.

On the flip side, the poultry business is seeing some pressures. We have three broiler breeder farms, supplying fertile hatching eggs.

Although retail of fresh chicken is up 10-15%, this is not enough to offset the decline in foodservice. This means that some flocks are being culled early and others brought into lay late, at huge cost to all in the supply chain.

With a new flock coming in next week, I am pretty nervous, to say the least.

In some more positive news, the National Pig Association’s farrowing crate survey unearthed that 43% of respondents would leave the industry if there was a ban, so they have been lobbying tirelessly on our behalf.

Defra ministers now want to work with us to phase out farrowing crates, rather than a complete ban, which is a welcome shift in mindset.

Sophie Hope is a Farmer Focus writer from near Cheltenham. Read her biography

JOURNAL : Farmers Weekly

Farmers have been advised to apply now for an ***agricultural*** dispensation for wide-vehicle movements, well before the harvest period begins.

The call was made by NFU Scotland (NFUS), which warned that the application process could face delays due to the effect of the Covid-19 pandemic on staffing levels.

The union said farmers should apply to Police Scotland’s Abnormal Loads team for dispensation or a renewal at least six weeks before the paperwork was needed.

See also: Farm vehicle use – are you insured?

Abnormal load dispensations are required if a vehicle or implement are more than 3m wide and/or any part projects more than 4m.

Any equipment that exceeds these dimensions or may exceed them with an implement attached should be included on the dispensation.

NFUS transport adviser Jamie Smart said: “There have been no derogations during the pandemic for moving ***agricultural*** wide vehicles on the roads, so it is important to obtain a dispensation from Police Scotland.

“Like all businesses, the abnormal loads office at Police Scotland are having to practise social distancing, which may slow down applications.”

Mr Smart advised farmers that they must carry a copy of the dispensation document in the relevant vehicle in case they are stopped by Police Scotland.

In England, farmers are also advised to contact police well in advance of needing to transport wide vehicles.

Vehicles affected include those more than 3m wide, travelling on roads with a speed limit of 40mph or less, or those travelling distances of five miles.

Alternatively, annual dispensation can be granted by most police forces, particularly at harvest time. The document must be kept in the vehicle at all times.

Farmers should contact their local force and notify them of the vehicle details and areas it will travel within.

Further information

Scotland

Dispensation forms are available via:

E The NFUS website

E Phone 0131 472 4000

E Email: [*info@nfus.org.uk*](mailto:info@nfus.org.uk)

Completed forms should be emailed to:

[*OSDAbormalLoadsScotland@scotland.pnn.police.uk*](mailto:OSDAbormalLoadsScotland@scotland.pnn.police.uk)

England

Advice on moving abnormal vehicles is available on the government’s website

JOURNAL : Farmers Weekly

Farmers should be reworking cashflow projections for the next 18 months in the run-up to Basic Payment Scheme (BPS) payment reductions, say advisers.

Volatility on the back of the coronavirus pandemic and lack of clarity on the UK’s EU exit terms also mean business planning needs more attention to identify cash crunch points, said Bradley Hurn, of consultant Brown & Co.

For many arable businesses, this will come in spring 2021, he said.

Those tendering for annual grazing or cropping ground or for longer-term lettings need to factor this into cashflow plans and tenders that BPS is going to start to fall from the 2021 payment.

“Some combinable cropping FBT [farm business tenancy] tenders have been at the £200/acre mark and that doesn’t stack up,” said Mr Hurn. “The tendency to spread that cost across the whole cropped acreage is not the way to justify it – that additional land has to contribute to profit.

“A lot of 2019 grain was sold before Christmas at £130-£140/t – not an exciting price, but the big yields mitigated the relatively low price to some extent.

“However, the big yields have not created a large enough cash surplus to help with the potentially poor harvest of this year.”

New crop budgets

Turning to new crop budgets, the large expected carryover of barley into the new crop year on 1 June, combined with a big rise in the spring barley area for 2020, mean growers should be budgeting on the basis of there being no malting premium, says Mr Hurn.

“Our gross margins for average Grade 3 land are worked on a flat price of £115/t for harvest movement of feed and malting barley.”

Harvest 2020 gross margins

Spring barley (malting and feed)

Spring wheat (feed)

Winter wheat (feed)

Yield (t/ha)

6.2

6.5

8

Price (£/t)

115

155

155

Output (£/ha)

713

1,007.5

1,240

Seed (£/ha)

75

75

75

Fertiliser (£/ha)

140

180

210

Spray (£/ha)

125

140

180

Sundry (£/ha)

10

10

10

Total variable costs (£/ha)

350

405

475

Gross margin (£/ha)

363

602.5

765

Source: Brown & Co

The new Environmental Land Management (ELM) scheme will take years to fully deploy, so lower BPS sums should also prompt a review of structures.

On many farms, such a review could lead to a joint venture. “We’re definitely doing more arable labour and machinery joint ventures than we were five years ago, and there is a lot of scope for more,” says Mr Hurn.

“It’s not for everyone, but there are still big savings to be made, reducing investment in kit, releasing management time and using labour more effectively.” Such a change can also give a business the skill, ambition and/or the confidence to try new crops or markets, he said.

Livestock plans

Livestock producers often rely on putting a large number of stock through an individual autumn sale, but they might want to be wary of doing so this year, said James Brown of the same firm.

“Trade has been very volatile and splitting between two or three sales might be advisable to mitigate the effect of a bad day and even out the cashflow,” he suggested.

Equally, depending on what progress the UK has made on its coronavirus journey, the autumn sales calendar may be disrupted.

Autumn sales calendar may change

“There is a risk that a lot of 12- to 18-month old cattle may be for sale at the same time in the autumn, partly through disrupted sales and partly because low prices may have encouraged producers to hold on to stock they would usually have sold.

“Buyers, in turn, may feel constrained if beef and sheep prices have not improved over the summer,” said Mr Brown.

Markets are also being affected by smaller abattoirs reducing or changing their killing days, which is affecting buyer numbers at auction.

“As with the store and breeding stock, perhaps consider taking smaller batches of finished lambs or cattle in more often to reduce risk and smooth cashflow, where possible.

“Some might want to plan a split lambing next year to catch the early market with part of the flock – it brings higher creep costs, but higher market prices.”

Work out payment plans

Smoothing cash outflow can also be addressed. Contractor’s charges are often one of stock farmers’ biggest single bills and their timing is often out of kilter with income from sheep or beef sales.

“We have found many contractors are willing to work out a payment plan,” says Mr Brown.

“You agree the likely bill for the year and split it into 12 equal instalments, or as many as you agree suits both parties’ cashflow, with any difference being made up in a balancing charge at the end of the year.”

With a big drop in the wheat area for 2020, feed wheat prices could rise and new-crop barley prices are under pressure. The gap between the two could make barley worth considering in rations as long as the nutrition is right.

The smaller wheat area may lead to higher straw values for harvest 2020. Some producers with cash flexibility have bought stocks now to carry over into the winter, said Mr Brown, who suggested budgeting for a rise of 25% in straw costs compared with 2019 levels.

Business review pointers

Is business structure correct? An arable or livestock joint venture could reduce risk, improve profitability, bring in new skills, release management time anA can start small.

Family labour Are time and costs being realistically ***accounted*** for? Is that labour being used to the best purpose - someone currently working on the farm may want to work elsewhere.

Are borrowings correctly structured? Review this and get advice.

Does the overdraft include a hardcore element that is always there? The business risk of interest rate changes and the "repayable on demand" aspect of overdraft borrowing can be reduced by putting that hardcore element onto a loan footing. This also imposes an element of repayment discipline.

Many of the banks are agreeing capital repayment holidays, but plans need to be in place straightaway for how these payments will be made in future, in addition to what will become due in the meantime. There will also be extra interest on the deferred amounts.

With banks heavily involved in administering government-backed coronavirus loans, lending decisions may well take longer than borrowers want them to.

How is the livestock market changing? Are breeds those most suited to the farm? A change to more traditional breeds can mean easier management and lower labour costs.

JOURNAL : Farmers Weekly

Lambing can be a challenging time, but it’s also one containing magical moments – especially when the younger generation get involved.

Thanks to all the Farmers Weekly readers who have found time to share their snaps in our Lambing 2020 gallery.

See also: More pics in our Lambing 2020 gallery

You’ve uploaded fantastic photos of your children, grandchildren and other relatives lending a hand and, in some instances, getting their first insight into this busy time of year.

Here’s our final round-up of your shots from this year, showing some of the joy and awe that kids feel when encountering – and working with – lambs.

Definitely some fantastic budding shepherds here, we reckon.

To share your photos, go to Lambing 2020 gallery

Feeding time

Bale break

Hang on tight

Lambing in style

Happy helpers

Siblings smiling

Passing on the wisdom

King of the castle

Super stockman

Homework

Twin triumph

Hold on tight

JOURNAL : Farmers Weekly

Vending machines selling milk, cheese, meat and other staples are helping to #feedthenation and keep people safe during the coronavirus lockdown.

At a time when person-to-person contact must be kept to a minimum, vending machines selling produce directly from farms are coming into their own, offering 24-hour service and card-only payments.

Dairy farmers Matthew and Coral Senior are working hard to supply organic milk directly to the local community in south Somerset via three 24-hour vending machines located at North Perrott Farm Shop, John Bright Country Store near Salwayash, Bridport, Dorset, and Odcombe Village Hall near Yeovil, Somerset.

See also: Map: Where to buy milk direct from farm

The service also has an environmental benefit, as customers are filling reusable glass bottles, creating less plastic waste.

Their Holy Cow Organic milk is simply pasteurised, cooled and ready to drink, so there is no heavy processing and no food miles. It costs £1.30 per litre and is never more than 48 hours old.

Social distancing

The machines are cleaned at least four times a day and customers are also offered hand sanitisers. Strict social distancing measures are in place, on a one-in, one-out basis.

“A lot of local shops have closed in our area, so we started the vending machines over 12 months ago to bring a little bit more to the community,” said Mr Senior.

“They have fallen on their feet since the coronavirus. People who have been self-isolating can just pop out and buy a few staples without having to travel very far.”

Fen Farm Dairy, in Bungay, Suffolk, has been operating vending machines at the farmgate since 2011.

Dairy farmer Jonny Crickmore said the machines have been a huge success and sales had trebled since the start of the coronavirus pandemic. He is now having to restock the machines often twice daily and also operates a one-in, one-out policy.

Raw milk coffee

Their raw milk coffee machine is brewing 24/7. “It’s completely self-service and there’s hand sanitiser for you to use. Plus our cups are totally compostable,” said Mr Crickmore.

The farm also sells raw milk and butter, its own Brie-style Baron Bigod cheese, produced from raw milk from the farm’s Montbeliarde cows, bread and meat.

Panic buying led to supermarket shortages of eggs, especially at the beginning of the coronavirus crisis. But farmers have been able to meet demand by selling eggs from the farm gate.

Gate Farm Eggs, based in Flowton, Ipswich, Suffolk, says their vending machines selling free range eggs are now in constant use.

Being open “from dusk until dawn” allows key workers to purchase eggs after shifts from a safe environment, which also poses no threat to staff.

“Demand for locally-produced, good quality free range eggs is on the increase and although our gate sales have always been high, the popularity of home-baking during lockdown has meant a soar in sales recently,” said Joe Watkins, from Gate Farm Eggs.

British Lion donates eggs to NHS workers

British Lion is donating eggs to the HelpNHSHeroes initiative which provides food boxes for health service workers.

HelpNHSHeroes has been trialled in pop-up shops at two NHS hospital sites, the Lister in Stevenage and the Royal Berkshire in Reading, selling boxes to workers.

Following the successful trial, there are plans to scale up to national distribution to more than 40 hospitals across the UK.

The boxes provide meals for a family of four for two days, and cover all nutritional needs, such as protein, carbohydrates and fruit and vegetables. They will be sold on a non-profit basis for £30.

NHS staff can place a food box order for collection at the end of their shift using a phone app. Meanwhile, shift workers completing back-to-back shifts are being offered free breakfasts as part of the scheme.

JOURNAL : Farmers Weekly

An Essex farming couple are keeping elderly and vulnerable people fed during the coronavirus lockdown – by using a tractor-trailer to deliver food to their doorsteps.

G & J Barron Farms, based at Pattocks Farm, Chappel, was asked by residents if it would open its farm shop – normally operating only at Christmas to sell turkeys – as the supermarkets were running short on supplies.

Arable and turkey farmers Ross and Sarah Barron considered the request but decided reopening the shop would risk spreading the virus to staff and locals, as it sits in the middle of the yard.

See also: Farmer, 86, working every day to #FeedTheNation

Instead, they decided to dust off their 1963 red vintage Massey tractor and trailer and start home deliveries of staple local foods, including meat, fruit and veg, eggs and honey.

Mrs Barron told Farmers Weekly: “We rear free range turkeys for Christmas and open a farm shop for three days selling everything you need for a Christmas dinner, including other meats, vegetables, etc.

“I said to my husband, why don’t we just put everything in a trailer and deliver it to locals round the villages? It has gone from there.

“We sell a range of foods from our farming neighbours, including free-range eggs, pork and strawberries.”

Mrs Barron takes the produce around the nearby villages of Great Tey, Little Tey and Aldham, just outside Colchester. Many of these villages no longer have local shops and they are home to a number of elderly residents.

Social distancing

Payment is by card, and orders are linked Mrs Barron's phone so that she can observe government guidelines on social distancing. Locals also have to use the hand sanitiser provided before they select their produce.

As well as providing a vital food delivery service, for some residents Mrs Barron may be the only person they see all week. She is able to box up produce and deliver to the doorstep for those who are isolating.

Street names where deliveries will be made are posted in advance on the farm’s Facebook site. Residents are asked to leave a shopping bag on the fence or gate to request the tractor to stop.

Mrs Barron said: “I am working 12- to 13-hour days, basically until the sun sets. It’s a lot of work, but it’s very rewarding. People are so happy to see you.

“They have asked me to continue after coronavirus. I may do something. I haven’t decided yet.”

Great Tey resident Charlie Saville told BBC Look East: “It’s a brilliant system. Really good. And hopefully, very supported by the village.”

JOURNAL : Farmers Weekly

Morrisons has launched a food box packed with British produce to help farmers struggling with the loss of the food service market.

The 10kg box includes meat, vegetables, milk and cheeses produced in the UK, and £1 from every sale will be donated to the Prince’s Countryside Fund (PCF), which is co-ordinating donations on behalf of Farming Help charities.

It follows other supermarket promotions to help farmers deal with the drop in demand for more premium produce, which would typically be destined for restaurants.

Claire Saunders, PCF director, thanked Morrisons for backing British farmers and providing much-needed support.

See also: Supermarkets step up steak promotions to help farmers

“This contribution will allow us to support farming groups across the UK - including the five Farming Help charities.

“It will also ensure that British farmers have the support they need through this difficult time to keep producing healthy, nutritious food for our tables.”

The box costs £45 and includes rib eye steaks and pork loin steaks.

David Potts, chief executive of Morrisons, said: “Being the biggest customer of British farming, we want to help farmers while also playing our full part in feeding the nation.

“Our farmers produce some of the world’s finest meats, vegetables and cheeses, which we want to offer to our customers.”

Steak promotions

Marks and Spencer launched a 100% British meat food box, which includes Aberdeen Angus casserole steak and rump steak.

Waitrose, Lidl and Aldi have all stepped up promotions on steak products to help beef farmers. Waitrose has offers on selected pre-packed and meat counter steaks in May and June.

The AHDB has launched a campaign which aims to inspire consumers to create restaurant-style meals at home, using high-quality cuts from British beef.

The levy board has been sharing easy recipes to try in the kitchen.

A kick of " from quick chilli butter and a whole lot of flavour from the steak. This delicious 20-minute steak with chilli butter is just one of the recipes we are sharing with our fans on Simply Beef and Lamb #MakeItSteak #SteakNight

Check it out ' [*https://t.co/8QZWh5yQqI*](https://t.co/8QZWh5yQqI) pic.twitter.com/NJrDCLs9t3

AHDB (@TheAHDB) May 9, 2020

JOURNAL : Farmers Weekly

Morrisons has announced a series of measures to say thank you to British farmers helping to #FeedTheNation during the coronavirus pandemic.

The Bradford-based supermarket chain is offering a 5% discount to its 2,700 farmer suppliers when they buy their own groceries.

The initiative aims to support its hardworking farmers and their families and will run until at least mid-July, when it will be reviewed.

See also: Coronavirus: Prince praises farmers who #FeedTheNation

Those eligible for the discount include livestock farmers supplying lamb, beef and pork, fruit and veg growers and egg farmers supplying Morrisons direct, and dairy farmers with a Morrisons contract.

The retailer will also open a summer “BBQ and Steak Bar” in its stores from Thursday 30 April – providing another fillip to struggling British farmers and promoting a wider selection of steaks, joints and seafood.

Morrisons chief executive David Potts said: “This is a difficult time for the nation and it’s a very difficult time for farmers.

“We’re the biggest supermarket customer for British farmers and they continue to provide very good quality British food in the face of very real challenges.

“We want to show our thanks for all their work in feeding the nation and encourage our customers to buy British food.”

Trade affected

Customer demand and industry prices for certain foods have fallen dramatically since the lockdown started – as one-third was destined for the restaurant and catering trade, which has temporarily closed.

Meat producers have been unable to sell certain products, including high quality steaks and joints that would have been destined for the restaurant trade.

Morrisons has 494 stores serving 12 million customers each week. It is British farming’s biggest supermarket customer and its own-brand fresh meat is 100% British.

Will Jackson, AHDB Beef & Lamb strategy director, said: “The summer BBQ and steak bar approach supports and neatly sits alongside other industry promotional activities including a social media campaign to encourage shoppers to enjoy #steaknight.

“As we move from spring into this summer, in particular shoppers may well be looking for a treat and what better than fantastic beef and lamb.”

JOURNAL : Farmers Weekly

Dairy processor First Milk has announced its member milk price will be held at the current level for June 2020.

It means the price for a liquid standard litre will remain at 26.75p/litre and its manufacturing standard litre will be 27.63p/litre.

Despite the price hold, the farmer-owned co-op’s vice-chairman, Jim Baird, warned of continuing uncertainty in dairy markets.

See also: Dairy farms to get up to £10,000 to offset coronavirus cost

Mr Baird said food service sector demand had fallen sharply since the coronavirus lockdown began.

“It remains hard to determine what the total impact of Covid-19 will be on dairy markets in the UK or globally in the months ahead,” he added.

First Milk’s price hold comes after Meadow Foods announced a price cut last week.

Meadow Foods told its suppliers on 30 April that the weakened market had forced it to cut prices for a standard litre by 1p/litre to 25p/litre in May for its Cheshire and surrounding milk fields, and by 2p/litre in Cumbria, Lancashire and south Wales to 22p/litre.

Chief executive Mark Chantler added that the June price would not be announced until later this month due to an uncertain market outlook.

“We will be leaving any price announcements until later in the month, to give us as much visibility of the market ahead as possible,” Mr Chantler said.

Gloomy dairy outlook

Looking ahead, AHDB Dairy suggested the EU milk price equivalent was expected to decline in the coming months in line with the downward trends in butter and skimmed milk powder pricing.

The sector board's senior analyst, Patty Clayton, said: "With stocks expected to build for these products, and global demand to remain subdued, these trends are likely to continue over a longer period."

Ms Clayton added that the coronavirus pandemic had caused a downturn in forecast production.

Suggested milk production across the EU-27 was likely to be lower than earlier predictions due to the pandemic, she said.

Milk production is projected to expand by a modest 0.4% in 2020, similar to 2019 increases.

This is less than previously forecast, as growth in yields could be limited by compound feed shortages, processor-driven milk reduction schemes and the potential drop in the size of the dairy herd, Ms Clayton explained.

JOURNAL : Farmers Weekly

When it’s a hot May day, too windy for spraying or that last dose of liquid fertiliser, there’s only one place to be: on the very top of the combine, wielding a weedy pressure washer.

It’s the perfect place for some solemn contemplation and reflection on the state of the farm.

In many ways, it’s like being the cartoon guru dispensing wisdom on the sharp peak of the mountain – not least because of the effort involved to get there: up the side steps, over the engine (still giving off a delicate aroma of toast after last year’s close-thing fire), and carefully on to the grain tank.

See also: Read more from Charlie Flindt

And then, giving thanks that you remembered to turn on the power before setting off on your Snowdonesque ascent, you get to work, making sure the low-pressure blast scythes through the black dust but leaves the paint untouched.

Enjoy this bit – once you start on the mechanicals, most of it comes back in your face.

Peer pressure

Pressure washing combines was thoroughly disapproved of in my youth – “you’ll get rust in the seams!” was the cry.

It was done with a hosepipe and a hand brush. Mind you, we had men back then, and three weeks to spare.

When the shoulders need a rest, it’s a great chance to survey much of the farm from an unusually lofty viewpoint.

To the south-east is the one field of oilseed rape to have survived – and I’m getting a bit fed up with it.

One week it’s a write-off, and I’m on the point of ploughing it in. Then, suddenly, it’s off again, flowering and getting off the floor.

On goes the last bit of fertiliser, and it promptly goes all goth teenager.

Tod the Cropdoctor agrees that it only justifies a cheap ’n’ cheerful mix of insecticide and fungicide – and it promptly explodes into life again.

To the east is my fertiliser tank, sitting empty, waiting for the last lorry load. It should, of course, be topped up and ready to use, but in the glorious chaos of the past six weeks, my sophisticated ordering system (don’t laugh) has gone to pieces.

Look to the west and you’ll see why; there’s good wheat, bad wheat, late wheat, early wheat – and often in the same field.

Trying to work out a detailed fertiliser policy for that lot – while trying to sow and spray the rest of the farm – has been a bit of a challenge.

As usual, I’ve been doing WICWIC farming – what I can, when I can. So far, the weather had been really kind, with regular bursts of hot rain letting the nitrogen get to work quickly – but then you blink, and it’s time for more.

To the north is the old Conder Bin storage barn, unused for decades.

Ten 50t capacity boxes, bolted together, with an intake pit, cleaner, and a Cyclone fan with heater banks, designed to dry the crop (and empty the bins) through the ventilated floor.

1970s style

I’m not sure I’d dare press the star-delta button now though. Dad put it up in the 1970s, after a bumper grass seed crop, but now it sits rather sadly waiting for something – anything – to be done with it.

A few months ago, I put out feelers for demolition and replacement. Ouch. “It’s the asbestos, you see.” Not this year.

With shoulders rested, it’s back to pressure washing.

It’s quite comforting to see the farm in its usual state: not brilliant, hardly spic-and- span, and certainly not good enough to drive visitors to ascend my New Holland-shaped mountain in search of farming wisdom and knowledge.

But it’ll do.

JOURNAL : Farmers Weekly

Sometimes the most significant stuff pops up in the most unlikely of places.

For instance, you’d hardly think that a Defra publication from December last year called Farming ***Statistics***: Final crop areas, yields, livestock populations and ***agricultural*** workforce at June 2019 – United Kingdom would cause a frenzy of excitement.

It’s hardly the latest Harry Potter, Harold Robbins or yet another of the Fifty Shades series – although I suppose it does detail the results of a damn good thrashing.

See also: Read more from Charlie Flindt

But for those of us who are into that sort of thing (analysing harvest yields, not a damn good thrashing) it contained some very important ***statistics***, and all helpfully and neatly laid out in a graph – it’s on page five of the PDF. It shows yields of wheat, barley and oats over 20 harvests.

The message is simple. Over two decades, yields have been creeping up nicely, then dipping for two harvests before surging back up to a new high last harvest.

It backs up exactly what I, and many other farmers, saw from the combine cab, and explains the initial and inevitable drop in prices just after harvest.

Harvest hoo-ha

What’s the significance – why is it so exciting? Well, it is me to me, anyway. You see, when I’m not arguing with vegans online, I’m arguing with “soil catastrophists”.

They are a very vocal brand of eco-warriors, and they spend their time bashing modern farming on the rather dubious claim that we spend our time destroying the very thing that makes our farming possible: our soil.

You’ll recognise their arguments: the soil is being washed away at an alarming rate, the soil has been rendered toxic or sterile by years of industrial farming, to the extent that only pouring on more chemicals will give a crop, and as a result, we only have five (or is it 10, or is it 15?) harvests left.

Making a positive counter-argument for modern chemical farming is easy, but it falls on deaf ears.

Somehow, having 36 years of hands-on farming experience and a respectable ***Agricultural*** Engineering degree (which included some proper technical soil science taught by proper, if barking mad, soil scientists) is trumped by reading The Guardian, watching Countryfile, and harvesting echo-chamber opinions at SW1 twatterati dinner parties.

Back to earth

I invite them out to my farm – all the soil is where it was when we arrived 60 years ago.

I try and tell them about Liebig’s Law – you don’t get good yields from poor soil, no matter what extra chemicals you “pour” on.

And I try telling them that we do indeed test, nurture, protect and cherish our soils, and they are actually in very good health.

And the “5/10/15 harvests left” prediction will be as accurate as the others eco-scares that get ceremonially ridiculed every “Earth Day”.

But the catastrophists will never take the word of a “chemical junkie farmer”.

Well, thank goodness for Defra (and there’s a phrase I never thought I’d use), and its factual and unemotional analysis of the state of UK arable farming, written and illustrated in the clearest and simplest terms.

Yields are on the up, and have been for two decades. We are looking after our soils.

Having said all that, there is a fourth line on the Defra graph: it shows the oilseed rape yield, and it bucked the trend quite dramatically last year.

There’s a wonderful irony there; a crop’s yield has plunged after farmers were forced to stop using a key chemical following active and vociferous green campaigning.

Good thing Defra is too diplomatic to point that out.

JOURNAL : Farmers Weekly

It’s slightly embarrassing to have to ask – and let’s keep this between ourselves, shall we? – but does anyone know where I can get hold of new steering wheel for my 2018 Massey 5713S? I need a new round one to replace one that, unfortunately, isn’t.

I would go to my dealer, but they’d probably produce the “Blimey, we don’t sell many of those!” line – and then ask how it happened. I could try bluffing and say it was a mysterious spontaneous breakage, and try yet another just-out-of-warranty claim.

The first problem with that plan is that I’m a terrible liar, and the second is that I have already drawn heavily from the deep well of just-out-of-warranty goodwill claims – it might be running dry.

See also: Read more Flindt on Friday

Insurance assessment

Even going to NFU Insurance for a claim could be rather humiliating. They’ll take one look at the details of the “incident” and write a nice formal letter consisting of two words, the second one being “off”. You wouldn’t blame them, and here’s why.

I bet this isn’t the only farm where odd jobs are being done that would normally get procrastinated into eternity. A couple of Saturdays ago, arable work was nicely up together – a genuine opportunity to lock the tractor barn and and what, exactly?

In my case, it’s eat. While other unfortunate folk are using their lockdowns for intensive yoga, interior decorating or buffing up their Swedish (as in the language, not the au pair), I’m scoffing. All that weight lost after the hip op, back on again.

The only solution is to unlock the barn and get back in the tractor. “I know”, I thought. “I’ll take the loader and grab, and push some of this winter’s fallen trees back off the tracks.”

I had a very jolly afternoon doing some “public good”, and making mental notes of the next supply of firewood. All that lovely ash – although the fact that so many of them are coming down is worrying.

I got the last one done, and headed home via the track next to Clump, closing up the grab as I went. The sky was blue, the birds were singing, the bluebells were out, the wheat looked lovely, spring had most definitely sprung most stunningly – and at that very moment, the tractor stopped dead.

I wasn’t closing the grab; I was pressing the wrong button on the joystick, and lowering an open and slightly downward-tilted grab to the dirt. Result: 10kph to 0kph in a scary millisecond.

Seventeen stone of finest Hampshire beef (that’s me, by the way) failed to stop. I don’t remember much about it – just a strange bewilderment.

Hobnob airbag

My left thumb hurt like heck, as did my teeth, and my lower ribs felt like they’d been hit by an iron bar. I gave them a good poke (as props do after losing a scrum), thinking, “no, not hospital, not now, please!” All seemed sore, but intact.

Once I’d gathered my senses, I realised that the “iron bar” was the steering wheel, and it had acted as a mini-crumple zone. It was now a very odd shape.

Thank goodness, too, for all the cheese, ginger beer and Hobnobs; the perfect inbuilt “airbag”, protecting my ribs. And the next thing I did? Check, of course, that no one had seen me do it.

It’s not the sort of tale to tell the dealer or the insurance company – a tale of complacency and idiocy at the tractor wheel, which once was round, but now isn’t. So, if you’ve got a spare one, pop it in the post.

JOURNAL : Farmers Weekly

Wheat consumption for flour production could drop by about 152,000t between April and June despite a surge in home baking brought on by the coronavirus lockdown, the AHDB has said.

The estimated figure would put consumption about 13% down on five-year averages for the market, according to AHDB senior analyst James Webster.

With uncertainty remaining about how long the lockdown will remain, he used a range of consumption reductions between 5% and 15%, and varied the lockdown end date between May and June.

See also: How to make sure you hit protein target for milling wheat

"Overall wheat consumption for milling is likely to be down between 36,000t and 171,000t, with a best estimate of being nearer the higher figure," Mr Webster calculated.

Mr Webster added that this could be added back into the balance sheet as carry-over stocks and add “a modicum of pressure to late-season prices”.

He explained that the fall in demand was due to coronavirus lockdown measures, which were having differing effects on the main markets for flour – pre-packed for household use and retail bread and foodservice consumption.

Pre-pack/household use

According to figures from Nabim, the UK flour trade body, total annual demand requires about 4.2m tonnes of British wheat and 800,000t of imports.

Normally, about 4% of that is sold in 1.5kg packs for household consumption and about 2m of these are packed each week.

Since the lockdown measures were introduced, demand for packeted flour has more than doubled.

However, even with mills and packaging sites running 24 hours a day to produce 4m packets, there is insufficient capacity to meet household demand, Nabim said.

Mr Webster calculated an additional 14,500t of flour had been produced for retail sale, equivalent to an additional 18,200t of wheat consumed.

“Assuming this trend continues to the end of the season, an additional 37,900t of flour would, in theory, be produced for retail sale, equivalent to about 47,300t of wheat,” he reckoned.

Retail bread and foodservice consumption

While the household consumption is relatively simple to work out, the retail and foodservice sectors are more difficult to analyse.

Nabim say there is considerable overlap in output from bakeries that can supply both food service and retail outlets.

Collectively, they make up the remaining 95%, with roughly 70% of that going into food service and 25% into retail.

Further confusion surrounds closures as not all businesses, such as takeaways and other retail outlets, have shut down, Mr Webster said.

JOURNAL : Farmers Weekly

Better food security could be one important outcome of the coronavirus pandemic – which has highlighted the determination of British farmers to feed the nation.

MPs investigating the impact of the pandemic on the UK's food supply chain are expected to recommend steps to make sure people have better access to sufficient healthy food.

See also: Coronavirus: MPs probe threat to food supplies

Members of the House of Commons environment, food and rural affairs select committee held their first public evidence session as part of its inquiry on Tuesday (5 May).

Speaking afterwards, Keighley MP Robbie Moore told Farmers Weekly he believed the government must ensure UK food security and supply chain resilience.

Under scrutiny

He said: “We need, as a scrutiny committee, to make sure Defra does have those plans in place to ensure that food resilience is there now but also going on into the future.”

Mr Moore said the inquiry was an ideal opportunity for MPs to ensure food security and resilience was at the heart of Defra's thinking and policymaking.

Jack Ward, chief executive of the British Growers Association, said demand for food was “like the Christmas rush without any warning” ahead of the coronavirus lockdown.

“If this crisis has done one thing, I think it has partly restored the pride that farmers and growers have in producing food,” Mr Ward told the inquiry.

Wake-up call

“Suddenly, the nation has woken up to the fact that when all is said and done, food is absolutely critical and [producing] it is dependent on lots and lots of people.”

NFU president Minette Batters told MPs it was vital to keep food supply chains functioning so they could continue to feed the nation when the pandemic was finally over.

“We are only just starting this journey – it is not all going to be sorted. Lockdown is obviously going to be a very phased approach and who knows what that looks like.

“The new normal is going to be quite long lasting, so we are going to have to keep working at how we keep these living supply chains focused so we don't lose sight of British sourcing.”

JOURNAL : Farmers Weekly

The start of post-Brexit trade talks between the UK and US has prompted renewed warnings that British farm standards must not be undermined.

Talks between UK international trade secretary Liz Truss and US trade representative Robert Lighthizer are due to begin on Tuesday (5 May) via video conference because of the coronavirus pandemic.

See also: NFU20: British farm standards must not be undermined

The government has pledged that any agreement will not compromise the UK's high environmental protection, animal welfare and food standards.

But farm leaders want a clear statement that any food imports will not be produced using methods that would be illegal in the UK.

This would mean a ban on imports of chlorine-washed chicken and hormone-treated beef – both practices are allowed in the US, but banned in Britain.

Threats and opportunities

The Country Land and Business Association (CLA) said a potential trade deal offered both opportunities and threats to UK growers and livestock producers.

The US is a huge market and a free-trade agreement would give American consumers the ability to enjoy world-class British food produced to very high standards.

CLA president Mark Bridgeman said: “Our farmers grow some of the best produce in the world.

“Food and drink businesses are well placed to capitalise on growing demand and new markets abroad. They should be at the heart of our future trade talks.”

Conform to standards

Like other farm leaders, Mr Bridgeman said the US must conform to UK standards if it wanted greater access to the UK market for its own produce.

He added: “Allowing food produced to low animal welfare and environmental standards to undercut UK farmers is unacceptable.

“The UK government has repeatedly issued warm words in this regard – but it must go further and legislate to protect UK farmers in all future trade deals.

“Maintaining food standards needs to be part of the ***Agriculture*** Bill.”

According to the UK government, eliminating tariffs and reducing other trade barriers with the US could boost the economy by between 0.07% and 0.16% over the next 15 years, depending on the terms of the agreement.

JOURNAL : Farmers Weekly

An increase in environmental awareness has strengthened investors’ interest in an expanding forestry market.

Savills’ latest report on the UK forestry market shows that last year more buyers became interested in the asset, due to both its performance and environmental benefits.

A shift in public attitude towards climate change encouraged businesses to invest in forestry in order to offset their carbon emissions.

See also: Why we’re selling the family farm during coronavirus

Meanwhile, other trends continued, including low supply, strong competition and decent timber prices.

Values on the up

The value of the UK forestry investment market was just over £121m during the 2019 forest year (1 October 2018 to 30 September 2019) – a 2% reduction in overall sales value compared to the previous year.

The area of forestry traded also fell, down 4% from 36,819 acres to 35,583 acres, while the average value increased by 17% to £4,108/acre.

Forestry prices depend on location, accessibility, tree species, average age and timber volume.

Conditions and values vary across Scotland, though each area remains more productive and active than England and Wales combined.

North Scotland is a lower value area, due to the poorer physical growing conditions and extended distance to timber markets.

In 2019, North Scotland saw the highest rise in average values from £2,282/acre to £3,394/acre (45%). It was the only region to sell more acres in 2019 than 2018, reporting an increase of 1,977 acres to 9,612 acres.

The average value of forest in central Scotland rose by 31% during the 2019 forest year to £5,164/acre. It experienced no real change in the number of acres sold (12,182) and had the largest market share across Scotland, England and Wales.

Average values in southern Scotland rose by 38% to £6,139/acre. Although the number of acres sold (10,724) was down by 17% on 2018, it had the second largest market share.

The south is the most competitive area for timber marketing, and its forests benefit from excellent physical conditions leading to fast, even growth.

England and Wales have a scarcity of productive woodland for sale, which increases values. The average price of commercial forestry traded in England and Wales is higher than any Scottish region. In 2019, average values reached £6,637/acre, with 2,990 acres sold.

Tree-planting target

Investors now see forestry as a viable income stream, the report says, which has been supported by the introduction of the Woodland Carbon Guarantee in England, a scheme aiming to establish a public marketplace for carbon offsetting through woodland creation.

The UK government has committed to achieving net zero emissions by 2050. To achieve this,  it is estimated that 74,132 acres of trees need to be planted each year, nearly triple the current annual planting rate.

However, there are multiple barriers to achieving this, such as the UK nursery stock of tree saplings being limited to orders the nurseries know will be fulfilled, and a multi-year lag time to produce new stock to meet new demand.

Changing land use from ***agricultural*** production to woodland creation requires prior approval, which can be time consuming. And once approved, the land cannot be returned to farmland.

In addition, there is a relatively limited area within the UK that is suitable for tree planting. It is important not to compromise other economic land uses, biodiverse habitats and protected ecosystems, and planting must be appropriate – in the right place and for the right objectives, which must include production of sustainable, quality timber.

Woodland planting schemes

 £46.4m Forestry Grant Scheme, Scotland 2019-2020

£8m Glastir Woodland Schemes, Wales 2021-2023

£6,800/ha Woodland Creation Grant: Countryside Stewardship, England 2019

£50m Woodland Carbon Guarantee scheme, England

Source: Savills

What sold well?

Llanbrynmair Forest in the Montgomeryshire area of Powys, a region well-known for its timber production, sold in excess of its £27.5m guide price after being on the market with Savills for about six months.

The first commercial planting took place in 1960, and the most recent replanting of the 5,342-acre forest took place in 2019.

What’s on the market?

Northumberland forest

John Clegg & Co has launched 1,200-acre Whiteburn Forest in Northumberland for offers over £4.8m.

It includes mixed age, high yielding Sitka spruce timber ready to harvest, and a stone house that has previously been let as an activity centre.

Somerset woods

In the Quantock Hills near the West Somerset coastline, Westwood and Stileage Woods is available with Carter Jonas, guided at £295,000.

The 23 acres of amenity woodland has a mixture of tree types, is home to an abundance of wildlife, such as wild birds and deer, and includes a lake.

JOURNAL : Farmers Weekly

Research, expert advice and attention to detail have helped one first-time broiler grower achieve some of the highest performance figures in the wholesale sector.

David Hewitson's journey into broiler production started when he returned to his family's Hauxley Farm near Stockton-on-Tees in 2017 after serving in the Navy.

At the time, the farm already produced arable, pigs and sheep. But Mr Hewitson was interested in broiler production, which was enjoying a 10% year-on-year growth in demand.

See also: How to spot and treat infectious bronchitis in broilers

The positivity surrounding the sector, and low environmental impact, added to the attraction of broiler production, he says.

Farm facts: Hauxley Farm

Indoor broiler production

98,000 birds

Cockerels reared to 52 days

Pullets to 36 days

Red Tractor Assured

Research phase

Mr Hewitson began an extensive search for information on set-ups, production, industry targets and health and welfare issues.

"I set out to get as much information as possible online then began to contact growers to get a solid idea of how to set up a successful unit," Mr Hewitson says.

These were some of the most important people he spoke to during this phase. The practical advice and warts-and-all reviews helped build a realistic picture of the sector.

Farmer contacts also recommended who to talk to in the wider industry. Based on their advice Mr Hewitson began a round of discussions with broiler feed and processing companies to ensure there was sufficient capacity in the market.

As well as companies linked to broiler production, he quizzed advisers and consultants and secured assurances from potential buyers over demand for the stock produced.

Planning and construction

Following advice that suggested a minimum of 100,000 birds in two sheds was needed to achieve a decent return on investment, the Hewitsons submitted plans for a four-shed, 220,000-bird unit to allow for future expansion.

The planning permission process went smoothly and cost about £28,000. But it still took 12 months to complete and the additional environmental reports required, pushed up costs to £65,000.

Good weather during the winter of 2018 meant the Morspan building was constructed, Collinsons equipment and a Fancom environmental system installed, within four months.

Connecting the electricity supply proved to be the biggest headache. "Instead of hooking us up and allowing us to use the planned, energy-efficient, ground-source, heat pumps, the installer struggled and eventually quit."

"With hindsight, I should have looked harder at the company's credentials, and I would advise anyone thinking of entering the sector to carry out a thorough check," Mr Hewitson says.

The unit had to turn to emergency generators for power as the first flock was due to be placed. Gas heating was later installed as an interim solution while the work to connect up the ground-source heat pump continued.

Stocking phase

As the time approached for the arrival of the first crop, the amount of new information, checks and details were almost overwhelming, says Mr Hewitson.

One mistake during this initial phase could have caused a problem that held back the entire crop's performance. For help, Mr Hewitson turned to feed and nutrition specialist ABN.

The firm's Total Farm Performance service provides structured support to guide growers through production, and poultry adviser Kieron Daniels was assigned to Hauxley Farm.

"As David says, the amount of new information can be overwhelming. It would be easy to miss or skip a vital point, so my role was to guide the start-up," Mr Daniels says.

With the incoming crop approaching, one of the first tasks was to ensure that everything in the two new sheds was fully functioning and any potential glitches identified.

The two sheds were heated to 32C for two days before shavings were laid, and this temperature was maintained until after the chicks arrived.

This practice is needed because the newly laid concrete floor is cold and can chill the day-old birds. Performance would be hit from day one and never recovered.

Another key to getting performance from the outset was to prepare the water system at Hauxley Farm immediately before the birds arrived.

"Water intake governs food intake, which underpins performance. If birds don't drink, growth rates will not hit targets," says Mr Daniels.

To ensure water intakes are adequate, birds need cold, fresh water available to them continuously from the very first minute of arrival.

However, water can lie in the system pipework while the shed is pre-heated and also warm-up, allowing microbial populations to develop.

The water system was flushed through until it ran cold before the birds came in. Checks were also carried out on water pressure regulators.

There must be sufficient pressure for a drop of water to hang on the drinker nipple. The glistening drop catches the light, and the day-old bird is instinctively attracted to it.

However, if pressure is too high the system will drip, and shavings beneath can get wet and harbour disease.

Immediately before stocking, additional feed was provided at floor level to encourage the birds to feed from the start.

The crop

Once the birds were in, it was a case of careful monitoring and frequent, subtle adjustments to the system to optimise performance.

During the first crop, Mr Daniels walked the sheds alongside Mr Hewitson several times a week to help him get used to the process and to identify any irregularities.

The Hewitsons were advised to walk each shed three times a day for about 40 minutes and focus on the birds' behaviour, both individually and as a flock.

It's important to note how birds are feeding, drinking and their behaviour. For example, the flock can appear flighty, which can indicate the lighting regime needs adjusting.

From days one to 10, light levels need to be high to stimulate food and water intakes.

Early feeding helps birds' gut microflora develop faster, ultimately leading to better gut health, better digestion and increased feed intakes.

But levels need to be adjusted downwards as the birds grow, to keep them calm and improve growth rates.

Feed and drinker equipment was regularly checked during the shed walks.

The height of drinker nipples was fine-tuned when necessary, sometimes by as little as half an inch, to keep the line just above the birds' eyelines.

This maintains water intakes as the bird lifts its head to peck at the hanging droplet and the water then flows naturally back into its beak.

Set too low, and the water will drop away from the bird to the floor. If birds are unable to drink efficiently, feed intake is lower and ultimately weights drop.

Likewise, minute adjustments to the feeder heights are needed to allow the birds optimum access to the feed without wastage or competition.

As well as the visual checks, feed and water intake levels were collected and monitored through the system equipment. These were analysed at least once a day to spot any irregular upward or downward trends in intakes that might suggest disease or a system problem.

The task is made easier with ABN's InFocus app, which has been used to collect and collate ***data***.

The ***data*** can be sent straight from a phone to the cloud allowing both Mr Hewitson and Mr Daniels to access and analyse the results using graphs which highlight any discrepancies in performance or fluctuations in feed, water or the environment.

Mr Hewitson then made adjustments where needed to maintain optimum bird performance in both sheds.

It is important not to treat individual sheds as one unit. Each one will have a number of slight differences that can be overlooked but collectively add up.

The environments can vary considerably, so need managing differently to keep growth rates up.

Performance ***data*** analysis

At the end of the first crop, ***data*** was reviewed under the Total Farm Performance package.

The wholesale market requires a larger bird than retail outlets, and crops tend to be split-sexed. In Mr Hewitson's first crop, pullets started being taken at 33 days weighing an average of 1.91kg, and cockerels first went out on day 46 weighing an average of 3.65kg.

The shed was totally cleared on day 49. Mortality in the first flock was 5%.

Feed conversion ratios for the first crop were just 1.68:1 placing the Hewitson's flock at the top of ABN's performance chart across its monitored wholesale producers that year.

The first crop also saw growth rates peak close to 120% of the breed guide between 20-25 days.

The first crop's European Production Efficiency Factor (EPEF) was above 400, ranking Mr Hewitson's performance in the top four of ABN's flocks.

After monitoring the first crop results Mr Daniels and Mr Hewitson tweaked the system slightly.

"Despite the high peak in growth compared to the breed standard, we lost some performance in the early days," Mr Daniels notes.

From day one, growth rates were 79% of the breed standard and did not achieve a 100% figure until day six.

"For the second flock, we decided to put more feed on the ground as the new chicks came in. The move was successful and saw the flock hit 100% of the breed standard by day three.

"We also made a number of changes to the lighting intensity at different times/around week three of the growing period to encourage water consumption, and hence feed intakes, in the first few weeks.

"After which, further lighting changes were made to slow bird growth down later on – the aim was to reduce mortality by another 1%," Mr Daniels says.

The plan worked, and the growth curve peaked more gradually to 110% between 25 and 30 days.

A knock-on benefit of the more uniform growth was a 1% reduction in mortality over the lifetime of the flock.

The combined better growth and lower mortality saw the EPEF rise to 417.

With only his second crop, Mr Hewitson's broilers reached the second-highest performance figure of ABN's monitored flocks.

How the European Production Efficiency Factor is calculated

The efficiency factor allows broiler results from different flocks and different regions to be compared.

This factor standardises technical results, taking into ***account*** feed conversion, mortality and daily liveweight gain.

The formula is: (average grams gained per day x % survival rate )/feed conversion x 10

Crop 1: (ADG: 71.95 x SR: 94.96%) / (FCR 1.68 x 10) = 407

Crop 2: (70.48 x 95.92) / (1.62 x 10) = 417

JOURNAL : Farmers Weekly

Wheat growers are being urged not to cut back on fungicides on some of their thin, poor-looking crops, as showery weather could soon bring wet-loving septoria disease back with a bang.

Many late-drilled wheat crops have struggled out of the winter, prompting growers to think about cutting back on expensive fungicides as their yield potential is clearly lower.

But some experts argue that even potentially lower-yielding crops can be laid low by disease, and the current dry weather should not lull growers into complacency.

Bill Clark, technical director of crop consultant Niab, says there is plenty of septoria in winter wheat crops and all it needs is showery weather to make the foliar disease rise up from the lower leaves.

“Don’t talk yourself into lower inputs yet, as potentially lower-yielding crops can still see a big response to fungicides,” he says.

See also: How to counter the raised yellow rust risk in winter wheat

See what the situation is in regions across the country:

Kent

East Anglia

North Yorkshire/Durham

Northern Scotland

Herefordshire

Dorset

Dry weather approach

The current dry weather may help fuel a laid-back approach, as the multisite fungicide chlorothalonil will protect emerging leaves, but a change in the weather may herald the need for the eradicant properties of systemic fungicides, which travel into the leaves of plants, such as azoles and SDHIs.

Much attention has been focused on widespread yellow rust, but while it is fairly easy to control with relatively inexpensive azoles such as tebuconazole and epoxiconazole, the wet-liking septoria is often difficult to eradicate.

“Yellow rust is everywhere, but septoria is out there and if we get showery weather, it will jump,” Mr Clark warns.

An azole-multisite approach might work at T1, but there are risks attached, and he advises a SDHI-azole-multisite at T1 and a higher dose of a similar mix at T2.

The T1 stage is when leaf three on the wheat plant is nearly fully emerged, and often occurs in late April into early May, while T2 is when the final – or flag – leaf is emerged and usually occurs in late May into early June.

With yellow rust around, Mr Clark advises not reducing the SDHI-azole mix below half dose, as the rust active element will be too reduced.

He suggests trying new chemistry, such as Revystar, at T2, but to cut the dose of this more expensive mix to match that of previously used products.

Popular SDHI-azole fungicide mix products

Adexar – SDHI fluxapyroxad (Xemium) plus azole epoxiconazole

Ascra - SDHIs bixafen and fluopyram + azole prothioconazole

Aviator – SDHI bixafen plus azole prothioconazole

Elatus Era – SDHI benzovindiflupyr (Solatenol) plus azole prothioconazole

Keystone - SDHI isopyrazam plus azole epoxiconazole

Revystar - SDHI fluxapyroxad + azole mefentrifluconazole (Revysol)

Scottish septoria

In Scotland, where there are a lot more early-drilled wheat, Fiona Burnett, professor of applied plant pathology at Scotland’s Rural College (SRUC), says the dry and sunny weather is reducing the disease threat, with septoria only found on the lower leaves.

She suggests only using an SDHI, which are at a high risk of resistance developing, where there is a lot of disease present (and especially eyespot). In a low-risk situation, an azole-chlorothalonil approach may be adequate.

“If there are any savings to be made, then T1 could be the time,” says Prof Burnett.

For the T2 flag leaf spray, where the most responsive yield effect can be seen, she suggests following the SDHI-azole approach, and as these sprays in Scotland are likely to come after the ban on chlorothalonil on 20 May, the multisite component is likely to be folpet.

She does suggest that at T2, chlorothalonil may have been “propping” up some of the older SDHI-azole mixes, and suggests growers keep doses high and use the most effective new chemistry.

Kent

In the milling wheat heartland of Kent, there is quite a lot of septoria on crops and despite the dry spring, some showers and wind - causing leaf rubbing - will aid the disease’s spread.

Chris Bean, technical director at agronomy group Zantra, is looking to manage the risk sensibly, carefully checking the danger from yellow and brown rust. Growers will struggle with brown rust if not controlled at T0 and T1, he says.

His T1 approach for his area of Kent and south Essex will be an SDHI-azole-chlorothalonil mix, varying the rate according to risk, with strobilurins added to help with rust control and nitrogen update.

“There are a lot of milling wheats down here and strobilurins have been shown to improve the uptake of nitrogen, which translates into protein,” he says.

His T2 strategy will follow a similar approach, focusing on rusts, as all milling varieties saw brown rust in trials last year, with Zyatt and Firefly showing high levels as well as the very susceptible Crusoe.

East Anglia

Yellow rust is the main disease concern in these eastern arable lands, although there is plenty of old septoria in wheat crops after a very wet winter.

Dick Neale, technical manager at agronomy group Hutchinsons, advises growers to look carefully at their crops and make sure they have a rust-active element in their T1 fungicide sprays.

He suggests an SDHI-azole or SDHI-strobilurin route, both with chlorothalonil added, and believes not using an SDHI can be a bit too risky at T1.

“If you do a sensible T1, when you come to T2, you do not have to spend all that much money,” he says.

His approach at T2 would be similar to T1, but growers could drop rates depending on the weather and might omit the chlorothalonil in very dry weather.

North Yorkshire/Durham

Septoria is always the key focus for Nigel Scott, with early-drilled wheat crops of more susceptible varieties, such as Barrel and Kerrin, at risk from the disease.

He says there is a place for SDHIs at T1, especially for their greening effect, helping with rooting and their nitrogen scavenging properties, as well as their fungicidal effect. However, more backward crops may just get an azole-chlorothalonil treatment.

Septoria pressure is lower this year, especially with late-drilled wheat crops in his area of North Yorkshire and Durham, but after such a mild winter and with unknown weather ahead, the risk of this disease is there.

“It will be a decision made on a field-by-field basis. With no rain for more than six weeks, we have to look at spending,” says Mr Scott, who works for agronomy group ProCam.

For T2, the advantages of using an SDHI are clearer, and last year's experience proved the point, as a dry spring prompted thoughts of cutting back before the heavens open in mid-May.

Northern Scotland

Long-term disease control is key in northern Scotland, where the wheat harvest stretches well into September and even October, so coping with septoria is vitally important.

Agronomist Alistair Gordon, who covers Morayshire through to the Black Isle and into Easter Ross, is  seeing septoria in the base of wheat crops. There is more disease on the variety Barrel compared with Skyscraper, which is generally clean.

Mr Gordon, who also works for advisory group ProCam, says his approach is based on using two SDHIs, as he says they help reduce plant stress on the region’s dry, light soils.

He plans to use the older SDHI isopyrazam, along with either of the azoles epoxiconazole or prothioconazole at T1, and then a SDHI-azole-strobilurin mix at T2. He hopes this three-way mix will help counter the absence of chlorothalonil at T2.

“The T3 spray is the important spray for us, as there can still be two to three months to harvest, so we need to protect the crop,” he says.

Herefordshire

Andrew Goodinson is seeing septoria on the lower leaves of wheat crops that were sown early in his area. Yellow rust is visible on later-drilled crops that went in just before Christmas, while those sown after Christmas are generally clean of disease.

For T1, the agronomist’s approach for "cleaner" varieties in terms of septoria, such as Firefly, will be a low-dose azole plus strobilurin and chlorothalonil approach. He will only look at an older SDHI mix product on the more disease-prone crops.

Strobilurins will help crops due to their physiological greening effect and give extra protection against yellow rust, which has been more prevalent this season, especially on Gleam and Skyscraper.

For T2, it will be an SDHI-azole-multisite approach, with chlorothalonil used before 20 May and folpet afterwards, says Mr Goodinson, who covers Herefordshire and the surrounding areas for agronomy group Hutchinsons.

“It’s all about managing the disease threat in often thin and open late-drilled wheat crops this season,” he says.

Dorset

In  the wetter climes of south-western England, agronomist Russell Dean sees the use of SDHIs at T1 and T2 as commonplace to counter the threat of septoria.

He is surprised about the large amount of the disease he is seeing, as growers in his area have switched to more resistant wheat varieties such as Siskin, Costello and Graham in recent years.

Mr Dean, who covers Dorset and Somerset for agronomy group Frontier, is following an SDHI policy at T1, while making sure there is a good rust active included, as he has seen yellow rust as far west as Bridgwater, near the Somerset coast.

For T2, SDHI use will be commonplace across all his crops, and he will be looking to use the new chemistry such as Revystar at this fungicide timing, which traditionally gives the biggest yield boost.

“With high grain prices, growers will see a higher rate of return for only a modest few pounds more for the new chemistry,” he says.

Winter wheat variety disease resistance scores in the AHDB Recommended List

Variety

Septoria

Yellow rust

Brown rust

Zyatt

6.4

7

6

Crusoe

6.2

9

3

Siskin

6.6

9

5

Firefly

7

9

6

Barrel

4.3

9

5

Kerrin

4.9

7

7

Costello

6.1

9

5

Graham

6.8

8

6

Gleam

6.3

7

6

Wheat varieties are assessed on a 1-9 scale for disease resistance in the AHDB Recommended List, where 1 is very susceptible and 9 shows good resistance

JOURNAL : Farmers Weekly

George Eustice is probably still wondering what hit him.

He barely had time to settle himself into the big corner office in Smith Square before the coronavirus crisis was upon him.

Thrust into the full media limelight as shops began to run low on food, any initial roadmap of how he wanted to spend his first months in the top job has been hastily scrapped.

See also: Find all our coronavirus content in one place

The long-awaited consultation on dairy contract reform, for example, was meant to have been published last month, having first been expected in 2018, but has again been kicked into the long grass.

Instead, he has been taking his turn at the Downing Street podium as part of the revolving cast of ministers at the daily coronavirus press conference.

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Back at the office, there has been policy making on the hoof that has helped supermarkets continue to keep shelves full and public concern abated.

The actions that he has taken, and not taken, are giving us an insight into what the current government approach may mean for farmers.

The bedrock of this is a classic Tory belief in the ability of the free market to balance supply and demand and solve problems, with government only intervening to keep the playing field level, rather than supporting the players.

This can be seen with the recent oversupply of milk caused by closure of most of the foodservice sector.

Competition law

The policy lever reached for first was a relaxation of competition law that, in theory, could help rebalance markets, but not to rush back to intervention buying where the state becomes the customer.

And, even though intervention purchasing and private storage aid for some commodities are now available, those are EU measures, not UK government ones.

Defra was also for some time insistent that farmers should use the Coronavirus Business Interruption Loan Scheme (CBILS), rather than receive bespoke support.

The problem there is that many would not pass the viability checks – even though the scheme requires these to be based on the pre-crisis fundamentals of a business.

This is the crux of the issue. Why, a free marketeer might ask, is it the job of government to prop up businesses that didn’t even have the faith of their banks before coronavirus happened?

Furthermore, it can be argued that CBILS, with a maximum loan duration of six years, is very costly for farmers who normally borrow over much longer periods.

Unions have also been quick to point out that coronavirus has pushed food security up the political agenda, and farms need to be helped now in order to maintain UK production after this is over.

Milk promotion campaign

In response, and after much foot dragging, Defra have announced that farmers in England who have seen income drop by 25% or more will be eligible for grants of up to £10,000 to compensate them for up to 70% of lost income.

The department, along with the AHDB and Dairy UK have also this week announced a jointly-funded £1m milk promotion campaign.

Farming unions have been quick to welcome the concession that the Secretary of State and his team won from the Treasury amid the many competing demands from other beleagured sectors of the economy, but it is concerning for affected farmers outside of England that it was not possible to achieve a UK-wide plan of action.

However, despite this sticking plaster the direction of travel remains clear. Direct payments are being phased out. Environmental payments will not fully compensate for the Basic Payments Scheme income forgone.

The era of EU-levels of interventionism is over.

While paying tribute to farmers as essential workers, the government is prepared to allow more of them to fail.

And farmers who may expect Mr Eustice, a former farmer himself, to deliver more on their behalf need to remember which way power flows in cabinet – from the top down.

JOURNAL : Farmers Weekly

Good things, it is said, come in threes and, in terms of government measures to help farmers weather the coronavirus storm, this week has been no exception.

For starters, Defra has finally agreed to give English farmers an extra month to complete their Basic Payment Scheme (BPS) applications without penalty, recognising the disruption the pandemic has caused to many farm businesses.

See also: Defra extends BPS deadline to 15 June

In this endeavour, Defra is joining the Welsh government – though administrations in Belfast and Edinburgh have not followed suit.

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Another positive is the Defra announcement that 75% bridging loans will be made available this month to those still waiting for their 2019 Countryside Stewardship money.

It is estimated that about half of 2019 claimants are yet to be paid, so the loans will provide some essential cashflow to a significant number of farmers and landowners.

The third piece of good news is the government’s announcement of a Bounce Back Loan scheme.

This will offer small and medium-sized businesses affected by coronavirus loans of up to £50,000, guaranteed by the government, with no fees or interest payable for the first 12 months.

It is expected that this scheme will be considerably more useful than the Coronavirus Business Interruption Loan scheme, promising as it does easier access and faster payment.

These three measures are certainly helpful. But, as ever, there is more the government can and should be doing to underpin domestic food production – not least in the dairy sector.

Yes, it recently relaxed some competition rules, enabling processors to co-operate more and so ease product flow to different market outlets.

But that is far short of what is needed at producer level. Many hundreds, indeed thousands, are facing reduced payments, delayed payments and, in some cases, no payment at all for milk they have been forced to discard.

Coronavirus is hitting the whole economy hard, farming included. And while farmers are finally winning some recognition for their role as “essential workers”, to continue producing food for the nation, they need certainty

An NFU-organised letter writing campaign has seen more than 2,200 letters sent to 400 MPs calling for urgent help.

In particular, the NFU is demanding targeted grants for affected farmers, market support measures such as private storage aid, and a government-run milk reduction scheme to better balance supply and demand.

All these ideas make good sense and are fully justified by the extraordinary circumstances the dairy sector now faces, though, as Farmers Weekly went to press on Wednesday (29 April), Defra secretary George Eustice seemed to be playing down the prospects.

But, as well as such short-term measures, the government needs to offer some medium-term reassurance, too.

The EU Commission has already said it will allow 70% advances of BPS payments in October rather than December, and 85% advances for agri-environment schemes. The UK authorities should make the same commitment.

And looking further ahead, Defra should delay its plans to start phasing out direct payments to farmers in 2021 by at least a year, to give the sector more time to prepare for the radical shake-up this will then trigger.

Delaying would also give the government more time to consider its priorities when it comes to food security and supply chain relationships in a world order that is now so fundamentally changed.

Coronavirus is hitting the whole economy hard, farming included. And while farmers are finally winning some recognition for their role as “essential workers”, to continue producing food for the nation, they need certainty.

Starting to slash BPS payments next year – which for many farmers is the entire profit for their business – can only serve to undermine their viability.

JOURNAL : Farmers Weekly

So, the ***Agriculture*** Bill has cleared its third and final reading in the House of Commons and now heads to the House of Lords for the next stage of its parliamentary passage.

The bill paves the way for the new-look ***agricultural*** support system for English farmers, based on a winding down of direct payments and a winding up of a “public money for public goods” approach.

See also: What the new ***Agriculture*** Bill contains for farmers

During the Commons debate on Wednesday (13 May), MPs taking part remotely considered several amendments, including those tabled by opposition MPs and those sympathetic to rural voters.

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The most high-profile of these were the ones surrounding trade in ***agricultural*** goods and the terms to be agreed in any future free-trade agreement (FTA) with the likes of the US.

These amendments – including one from Neil Parish MP and another from Labour leader Keir Starmer – sought to ensure that any future food imports only come from systems that meet our UK standards of animal welfare, plant health and environmental protection.

The ***Agriculture*** Bill is silent on this point, as the government view is that trade matters should be dealt with in the separate Trade Bill.

But pretty much the whole food and farming industry disagrees, and it has been a recurring theme that it is not acceptable for our farmers to have to compete with food imports produced using methods that would be illegal in this country.

Some encouragement was provided by international trade secretary Liz Truss. Writing exclusively for Farmers Weekly, she insisted that “as we leave the EU, we will maintain the same import standards – no UK import standards will be diminished as part of an FTA.

“We will never undermine our high standards on domestic environmental protection, animal welfare and food safety – ensuring that in any agreement, British farmers are always able to compete.”

This is undoubtedly helpful. But it does not provide protection from substandard imports outside of any FTA, and it counts for little until it is enshrined in legislation.

During the debate in the House of Commons on Wednesday, the government whips secured enough support to ensure that the Neil Parish and Keir Starmer amendments were heavily defeated.

Fortunately, this is far from the end game. The Lords still have to give the bill full scrutiny and are expected to be much more sympathetic to the various demands of the food and farming industry - including those not related to trade.

Yes, the new ***Agriculture*** Bill, relaunched in January, contained some improvements to the original – notably requiring a review of food security every five years, introducing a multi-annual budget and providing for emergency market intervention.

But much more needs to be done. The planned cuts to the Basic Payments Scheme should be delayed, food production should be included as a “public good” worthy of taxpayer support, and any aid should be targeted at active farmers.

More power should be given to the groceries code adjudicator to ensure a fairer supply chain, food security should be subject to specific targets and reviewed more frequently.

Above all, protection from below-standard food imports must be enshrined in legislation.

The current ***Agriculture*** Bill is too weak on all these points. It is therefore imperative that industry lobbying is sustained as the Lords debate it in the coming weeks and months.

JOURNAL : Farmers Weekly

In the previous Global Grain Insight, published in the middle of February, we concluded: "If coronavirus continues to spread, it could have a negative impact on the whole global economy."

While that sentiment has proved correct, none of us could have imagined the extent to which the virus has affected our everyday lives, as well as the markets and wider economy.

Markets at this time of year usually have their eye on the weather, with any hint of unfavourable conditions giving support to prices, but while the world is not without these, the crushing destruction of demand from coronavirus is all-pervasive.

See also: Rust control advice to achieve high-protein milling wheats

With a world in lockdown, little travel taking place, hospitality mothballed and minimal global trade, markets are at a standstill.

Without coronavirus, grain markets would be looking very different.

Much of western and central Europe has gone from being too wet to too dry, and although recent rains have helped to stabilise conditions, estimates still put EU wheat production down 12.5m tonnes from last year to 134m tonnes for 2020-21.

Influence of main price factors

Red: Factors putting downward pressure on prices – 45%

***Accounts*** for 45% of current market influence. Demand destruction due to coronavirus is outweighing any current supply hitches in wheat, with availability of low-cost maize aggravating matters.

Amber: Watch this space – 40%

Short-term weather changes could inject volatility into markets. Continuing dry weather in key markets such as the EU, Brazil, Russia and the Ukraine might still unsettle things. But for any long-term effect, they’ll have to be sizeable.

Green: Factors exerting upward pressure on prices – 15%

Current weather issues are enough to keep prices from falling too much, but so far, they are not sufficient to outweigh coronavirus and initiate a sustained rally.

Drier-than-normal weather in the main corn-producing states of Brazil has affected yield potential, and this could drop further if these conditions persist. It is a similar picture for wheat in southern Russia and the Ukraine, where rain is also needed.

That said, Russia is expected to produce 77m tonnes of wheat this year, compared with 73.5m tonnes in 2019-20.

Australian production is expected to rebound from last season’s drought-hit wheat crop of just 15m tonnes to more like 24m tonnes, and US maize plantings are well ahead of average.

Demand for maize, particularly for ethanol, has fallen dramatically, however, and the abundance of cheap maize is adding pressure to all grain markets.

Further weather problems could inject additional volatility into markets, resulting in short-term selling opportunities. There is also encouragement to be taken from some countries seemingly getting a grip on the virus and lifting restrictions.

But for the foreseeable future, nothing short of a major weather event will lift the weight of coronavirus sitting on global markets. Until demand returns, upside potential for markets is limited.

UK prices dictated by global events

UK price prospects have for some time now been driven by global events, with the reduction in domestic wheat production already well known in the market.

Current estimates put UK wheat production for the coming harvest at about 10m tonnes – a substantial drop from the 16.2m tonnes last year. The effect of this, at least in part, is likely to be offset by record carry-over stocks approaching 3.5m tonnes from the current season.

It’s a different scenario for barley, with a record crop predicted. That, in turn, brings with it the need to find export markets and that could be more challenging than normal in these difficult times.

Spain, usually a sizeable destination for UK barley exports, has experienced considerably better weather than many other parts of Europe recently and looks set to produce bumper crops this year.

This could mean a large proportion of UK barley exports must find their way into third country markets, which could prove challenging due to the lower moisture contents required.

With the UK set to leave the EU at the end of December, we could also see a repeat of last season, with growing pressure to export barley ahead of this deadline.

This heavy domestic barley supply, plus the prospect of sizeable maize and wheat imports, mean it is difficult to see how UK wheat prices can rise without global prices going up too.

JOURNAL : Farmers Weekly

Farmers are taking an increasingly measured approach to their grassland and manure management, helping to cut costs and improve efficiencies.

A new survey carried out by the organisers of the Grassland & Muck Event – the third such survey since 2011 – has revealed that more farmers are analysing inputs and outputs, enabling them to better target management decisions.

See also: Why farmers will pay heavily for not reseeding grassland

Nutrient testing

Based on 224 responses from around the UK, it seems more people are testing their soil, and doing so more regularly, with 68% testing it every five years or even more frequently, versus 62% in 2017 and 57% in 2011.

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More than a third of grassland farmers now dig soil pits to analyse soil structure, compared with a quarter in 2017, and they are applying lime more regularly, too, with 56% doing so at least every five years, compared with 49% in the last survey.

“When you look at individual responses, there is good understanding driving these decisions,” says Yara agronomist Philip Cosgrave.

“People may be aware of the acidifying effect that last winter’s high rainfall will have on pH and are basing applications on soil tests.”

More than three-quarters of respondents are also routinely spreading manure or slurry on grassland, and there has been a continued shift to more accurate testing of manure nutrient content: 18% used laboratory analysis against 14% in 2017 and just 9% in 2011. “That is good to see – there is huge variation in organic manures,” says Mr Cosgrave.

But there is still room for improvement. For example, 27% of those surveyed do not produce a manure or nutrient management plan – very similar to the figure found in the previous survey.

That said, farmers are increasingly turning to professionals to calculate crop nutrient requirements, with 54% now using agronomists to do this versus 43% in 2017 and 39% in 2011.

Fertiliser use

As a result of this more technical approach, farmers have further reduced fertiliser use; 32% of survey respondents said they were using less nitrogen fertiliser, while about a quarter had reduced phosphate and potash applications.

However, the percentage of farmers altering applications across the three nutrients was higher than in 2017, suggesting more targeted, reactive use over that period, perhaps in response to manure applications and crop needs.

In contrast, 40% of respondents increased sulphur uses. “Farmers are much more aware of sulphur requirements – it’s up there with NP&K now,” says Mr Cosgrave.

But there is still scope for greater efficiency, with 37% of farmers saying they do not check their sprayer calibration for each product used.

“Carrying out a tray test is a good way of double checking your spreader is working properly,” Mr Cosgrave advises. “There is a lot of wear and tear in spreaders, so you need to ensure the setting you’ve selected is working correctly, otherwise you will get an uneven application.”

Grass growth

But it is an improving picture when it comes to grass management, with 54% saying they measure their grass – mostly using a plate meter – up from just 30% in 2017.

And about 44% use a consultant or software to make grass management decisions, compared with 31% who don’t use any such tools.

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Reseeding levels have remained fairly steady over the past three years, with 79% reseeding leys every one to six years, usually in response to poor yield and weeds.

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Most respondents are tackling grass weeds in-house – only 35% are using contractors – and 45% use a selective herbicide, while 23% are opting for spot treatment.

And when it comes to silage, an increasing number either always use (22%) or have started using (9%) an inocculant to improve forage quality and consistency – both up on the 2017 survey results.

“It is clear to see that farmers are focusing on producing better quality silage and grazing to produce more milk or meat from grass,” says Mr Cosgrave.

“If you start measuring nutrients and how much grass you’re growing you can start making changes and see whether you’re making progress. It all feeds back to better environmental impacts and lower costs of production.”

Grassland & Muck survey

This survey was carried out by the organisers of Grassland & Muck, which was cancelled this year due to the coronavirus outbreak.

Event organiser Alice Bell speaking about the survey said: “It’s wonderful to have been able to gather this information over several years, giving a really strong snapshot of the direction in which the industry is moving.

“Although we sadly had to cancel this year’s event due to the Covid-19 outbreak, we thought it important to publish the results so farmers and their advisers can identify trends and opportunities for greater efficiencies.”

JOURNAL : Farmers Weekly

There is a whole host of very good winter oilseed rape varieties on the current AHDB Recommended List, with 13 new additions to consider for all areas and growing situations, as well as some interesting candidates coming through.

Picking them apart is more difficult this year, believes Colin Peters, Niab’s breakcrop specialist, who points out that all varieties in trials performed better where there was less flea beetle pressure.

“There were issues with both flea beetle and lack of moisture last autumn,” he says.

“As a result, we’ve seen geographical variability, as success with crop establishment depended on the timing of the flea beetle migration in the local area and whether that coincided with some rain.”

See also: How to use active fallows to repair soils on undrilled land

Looking ahead to 2020 plantings without new drilling date guidance – other than the need to use available moisture – Mr Peters recognises that growers have some big decisions to make in a particularly challenging time for producing oilseed rape.

Top variety picks from the proven performers

East and West

North

Conventional

Aspire

Ballad

Elevation

Barbados

Hybrid

Windozz

PT275

DK Exsteel

“There are different trains of thought on whether to go for cheaper seed and higher seed rates or expensive seed and lower seed rates,” he says.

“There are also the tried-and-tested varieties versus the new-kids-on-the-block decisions to wrestle with.”

Proven performers

Starting with the tried-and-tested varieties, he notes that some popular choices are no longer listed.

“A good example of that is Campus. There’s no doubt that some of these will still be widely grown, as everyone knows what to expect from them.”

Looking at proven conventionals that are still on the Recommended List, he highlights Aspire and Ballad for the East/West region and Elevation and Barbados for the North.

Likewise, proven hybrids and Windozz and PT275 for the East/West and DK Exsteel for the North get flagged up.

“These are all good solid varieties that have produced the goods on farm.”

Newcomers

However, there’s no avoiding that the main variety talking point for 2020 is newcomer Acacia.

A conventional variety from Limagrain, it has been given a UK-wide recommendation and tops the list with a gross output of 109%.

In the East/West region, it has a gross output of 110%, while in the North it is 108%.

“It’s a versatile variety that has done very well in trials,” notes Mr Peters.

Acacia is very stiff, a characteristic liked by growers, but its disease resistance scores of a 6 for light leaf spot and a 5 for stem canker aren’t the highest of the current variety selection on the list.

“Acacia does not have turnip yellows virus resistance, which sets it apart from last year’s top conventional Aspire, which is also from Limagrain.

“Whether that will make a difference or not remains to be seen.”

Mr Peters says that virus resistance is another weapon for growers.

“The issue this year is whether or not you can get it and the yield performance you are after at a price that you want to pay.”

Welcome additions

Just behind Acacia comes a strong selection of new UK-wide varieties all from Limagrain and all beginning with the letter A – Ambassador, Aurelia, Artemis and Aardvark.

“They’re all hybrids with turnip yellows virus resistance, except for Aardvark,” he continues.

“Ambassador and Artemis are taller types, but stiff, with good stem canker scores.

“Aurelia has the best disease profile on the list, with 8s for both light leaf spot and stem canker. It’s certainly caught the eye.”

Both Aurelia and Artemis also perform well in the North, where height and maturity can be more of an issue.

“All of these new varieties are interesting and have good oil contents.

“Getting another year under their belts will be helpful in terms of differentiating them,” says Mr Peters.

In the North, new conventional variety Blazen from KWS offers a gross output of 105%, putting it slightly ahead of the rest.

Other types

The best of the Clearfield types is PT279CL, with suitability for all regions, he believes, but NizzaCL has now been recommended for the East/West region.

Otherwise, clubroot-resistant Crocodile offers a gross output of 105% in the East/West, which is a progression.

“Crome is a better choice for the North on clubroot-infested soils, with a gross output of 103%, which is up there with the best.”

13 new additions to the AHDB Recommended List

Variety

Type

Recommendation

Acacia

Conventional

UK

Ambassador

Hybrid

UK

Aurelia

Hybrid

UK

Artemis

Hybrid

UK

Aardvark

Conventional

UK

Dazzler

Hybrid

East and West only

Darling

Hybrid

East and West only

Nizza CL

Hybrid

East and West only

Blazen

Conventional

North only

Specialist varieties

Crocodile

Hybrid

Clubroot resistant

Croozer

Hybrid

Clubroot resistant

PX131

Hybrid

Semi dwarf

Resort

Hybrid

High erucic acid

Winter OSR candidates

It is early days for the 12 candidate winter oilseed rape varieties that are in the Recommended List system, but there are a few that Colin Peters picks out as showing promise where the ***data*** is available.

DSV’s hybrid Voltage is looking strong this spring and has a gross output of 108% in the East/West.

With good standing ability, it also has turnip yelows virus resistance and is up for a UK-wide recommendation.

So is another hybrid, Hermione, from KWS. Although it doesn’t have the highest yields in East/West, it performs very well in the North.

Hermione is a very stiff variety with excellent stem canker resistance.

Two others that are in contention for the East/West region are Antigua from Limagrain and DK Expectation from Bayer CropScience.

“These are both looking very well. They’re hybrids with turnip yellows virus resistance and strong disease resistance packages.”

Cabbage stem flea beetle: Lessons from autumn 2019

Cabbage stem flea beetle is ruining what is an exciting time for oilseed rape breeding with no new regulated chemical control measures available for this year, confirms Colin Peters.

Screening work with biopesticides and beneficials is being carried out by many organisations, he reports, while monitoring of flea beetle movement into crops by Niab will start earlier this year.

This work is being co-ordinated by Aoife O’Driscoll, who is taking the lead in Niab work on the pest.

To date, the work has shown a clear role for white mustard as a companion crop, and future work will involve looking at seed rates and a further understanding of the ecology and lifecycle of the pest.

“What we do know for certain is that pyrethroids aren’t the answer – they won’t do the beneficials any favours.”

JOURNAL : Farmers Weekly

Harper Adams students took the trophy in this year’s Farmplanner competition, with a plan to secure the long-term term viability of Exton Park in Rutland.

The plan included a trial of soya as an alternative break crop to reduce the risk of growing oilseed rape. The team also suggested taking 150ha out of the combinable rotation by planting miscanthus.

Staff would be reduced to one working farm foreman, a general farm worker, a herdsman/general estate worker, and one seasonal harvest worker.

See also: Managing contract farming agreements in difficult seasons

However this would be phased in, with a trainee farm foreman being recruited a year before the current foreman is due to retire, allowing knowledge exchange and training.

The host farm – Exton Park, Oakham, Rutland

1,286ha in hand, managed by Harry Campden, whose family owns the estate

900ha of mainly grade 3 arable land

130ha pasture

85 suckler cows, calves sold at 10-11 months

260ha woodland

Five full-time staff

Grain marketing strategy was targeted for improvement, chiefly by making the best use of a new grain store under construction to time grain sales to better advantage, but also by potentially using futures and options. A move from feed to milling wheat was also recommended.

The plan included replacing the suckler herd with 200 red deer hinds for venison production – a growing market compared with the pressured beef market.

Harper’s recommendations for diversification included a burial barrow within the farm’s woodland, a café in redundant farm buildings to benefit from high use of footpaths on the estate, and a woodland adventure trail for children aged 5 to 12.

Exton challenges for student teams

Labour All the current staff are due to retire in the next five years. Their knowledge of the farm, its land and associated services will be lost, so what new labour system should be put in place?

Farming system With the coming change in labour and associated skills, what arable and livestock systems should be considered?

Redundant buildings A new grain store is being built, making the current store and yard within the village redundant. What development should be considered for the redundant yard and buildings?

Woodland This hosts a shoot but is not used for any other activity – what other diversification opportunities could be considered?

The overall plan was projected to generate a pre-tax profit of £380,000 before subsidy, allowing continued investment and a sustainable business for future generations.

Farm manager Harry Campden, whose family owns the estate, said: “There are good ideas in all of the reports, particularly on the diversification aspects.

“The teams had a real challenge in presenting these remotely from the judges and from each other, and they rose to that very well.

“It was a close call but the Harper entry stood out as the better one of the four. It was professionally presented and the barrow, café and woodland adventure trail are interesting complementary alternative enterprises.”

The other finalists were from Newcastle University, Riseholme College and Bishop Burton.

Mr Campden’s interest was also drawn by Bishop Burton’s plan for a special educational needs enterprise in collaboration with local schools.

The judging panel comprised Mr Campden; Emma Watson of consultant Gasson Associates; Tim Brigstocke of IAgrM; Ben Hatton and Victoria Giles of Farmplan; and Suzie Horne of Farmers Weekly.

Could you host the 2021 Farmplanner competition?

Farmplanner challenges teams from UK ***agricultural*** universities and colleges, usually attracting about 10 entries from which a shortlist of three or four is selected.

The Institute of ***Agricultural*** Management is looking for a family farm business for the 2021 competition, ideally with at least two significant enterprises, preferably arable and livestock.

This should be an enterprise that needs to make decisions about its future and which is willing to host teams of students to walk the farm and draw up competing business plans.

The host must be prepared to set some challenging questions, for example on business structure, enterprise mix, staff, family involvement and/or assessing potential for new ventures.

Student teams make an initial visit to the farm, all on the same day, and then have a couple of months in which to make a report, including recommendations to the farm owner in the same way that an independent consultant would.

The final judging usually takes place at the farm with each team presenting and being questioned on its recommendations.

JOURNAL : Farmers Weekly

Precision-guided hoeing is being put through its paces on a Hertfordshire farm in an effort to improve blackgrass control in winter wheat and minimise the need for a spring-applied herbicide.

A spend of up to £60/ha on post-emergence grassweed chemistry across 620ha of combinable cropping prompted Jo Franklin to look at alternative weed control methods, with the aim of reducing the use of herbicides that have little efficacy on resistant blackgrass.

See also: Why biopesticides will play a bigger role on arable farms

One of the first to use the Garford Robocrop Guided Hoe on narrow 12.5cm rows in a conventional farm setting, she admits that getting the 6m hoe set up right as it moves around the farm is proving to be a challenge in such a busy spring.

“Some of our autumn-drilled wheat is already as forward as it can be for the technique to work,” she told Farmers Weekly in late March.

“You have to be able to still see the row – once the crop is at canopy close, it’s too late.”

For this reason, winter wheat drilled by Baldock-based Kaiapoi Farming towards the end of January proved to be an easier test site, with the hoe working well.

“The crop was still small and weed numbers were low. In those fields, one pass with the hoe will take us right through to harvest.”

Soil moisture

Her plan is to use the implement where conditions are right, as soil moisture is critical to its success.

If it’s too wet, the hoe tends to pull up a clod with the weed still attached, rather than pulling the blackgrass plant out cleanly.

Spring barley

Having a seeder fitted to the guided hoe will allow Jo Franklin to try putting clover into her spring barley crop as she goes through it for weed control purposes.

Her intention is to travel as late as is possible with the hoe – up to growth stage 31-32 in the spring barley crop – as there is a narrow window for getting clover to establish successfully.

If it works, a clover understorey will then develop in the barley, so that the farm’s sheep can graze it after harvest.

“It was never my intention to hoe the whole farm and we will be sticking with our pre-emergence herbicide programme for the foreseeable future,” she reveals.

“Although it’s theoretically possible to use the hoe in the autumn, our plan is to go through October-drilled wheat in early March.”

A concerted, integrated effort for the past few years has seen blackgrass numbers fall across most of the farm, but in the worst patches there can still be 500 heads/sq m.

“We haven’t got post-emergence chemistry that works in the spring.

“Any blackgrass that gets left behind by the autumn programme is an issue.”

Early lessons

Early learnings with the hoe are that it needs patience and a real desire to get it right, she adds.

“Getting it set up correctly is really important. It has to be accurately aligned with the drill coulters and, once in operation, you must follow the exact direction of drilling.”

Operator attitude is essential, as is training, believes Ms Franklin.

“It hasn’t been all plain sailing, and the coronavirus lockdown restrictions have made it more painful. Next year will be different.”

As one of the Agri-EPI satellite farms, she received help with the initial purchase cost of the machine of about £50,000.

Each unit has to be made according to the farm’s row spacings, which is why they have been more widely used in crops planted with precision drills to date.

Her 6m hoe is using 4cm feet on 12.5cm rows.

Accuracy critical

Getting it to work in narrow row cereals is more challenging.

Cameras mounted to the hoe capture images of the crop ahead of the tool bar, with the position of the rows guiding the hoeing tools so that weeds can be removed.

For such accuracy, however, the tractor needs to be almost following the exact path of the drill, to enable the cameras to take out the final few millimetres.

“To get this accuracy, we teamed up with Trimble using a centre point RTK [real-time kinematic] signal and self-steering GFX 750 system to ensure pass to pass repeatability,” she says.

“We were able to record the drill passes and then, several months later, follow the exact same pass with the hoe with less than 2cm difference.”

Agri-EPI satellite farms

Agri-EPI was established by the government as part of its Agri-Tech strategy, to focus on precision ***agriculture*** and engineering.

The satellite farms are a network of commercial farming operations that act as a test bed for research and development, helping scientists and engineers with new ideas.

JOURNAL : Farmers Weekly

A Lancashire veg grower and machinery maker has managed to rack up an impressive 600,000 miles in his mid-noughties Toyota Land Cruiser, without it suffering any serious mechanical maladies.

Peter Gresty, from St Michaels on Wyre, Preston, specialises in growing early crop carrots and has a business producing and selling veg processing equipment.

This work takes him all over the UK, Ireland and Europe, meaning he quickly clocks up miles on a vehicle.

See also: High-hour Horsepower: Land Rover Discovery hits 540,000 miles

But rather than going to the expense of running new cars and changing them regularly, he’s opted to pile the miles on a vehicle with a proven track record for reliability.

His 2004 Toyota LC5 is one of three such 4x4s featured in Farmers Weekly’s machinery pages, all of which have breezed past the 400,000-mile mark without any significant spannering required.

However, with almost 600,000 miles on the clock, Mr Gresty’s truck is the farthest travelled by some margin. The current clock readout is 596,000 and if it weren’t for the coronavirus lockdown it would have been well over 600,000 miles by now.

Peter Gresty’s Land Cruiser LC5

E Year 2004

E Engine 3-litre, four-cylinder Toyota D4D

E Power 161hp

E Towing capacity 2.9t

E ***Transmission*** Five-speed automatic

E Suspension Front coils and rear air bags

E Price paid £21,000 in 2007

E Mileage when bought 28,000

E Mileage now 595,000

The truck was purchased from a Toyota dealer in Nottinghamshire in 2007 – when it was on just 28,000 miles – and it cost him £21,000. “At the time I thought that was a lot of money to spend on a 4x4, but clearly it was a pretty good investment,” says Mr Gresty.

Running costs have been minimal and for a 2t vehicle it is pretty light on fuel use, returning about 35mpg when driven considerately and 22mpg when towing.

It’s only rated to pull a 2.9t trailer, meaning it can’t compete with modern pickup trucks for out-and-out capacity. But the 3-litre four-cylinder diesel has ample power and it could easily pull more if it was rated to do so, he says.

Agritec International

Mr Gresty has worked in the veg business for more than 30 years and grows 40ha of his own early crop carrots, as well as sowing and managing 120ha for other farmers.

Ten years ago, he completed a Nuffield Scholarship that looked at veg production and processing around the world. He saw a market for farm-scale veg processing equipment that would allow farmers to add value to their crops.

This led him to set up a business building and selling machinery for peeling and packing potatoes and carrots. He trades under the name Agritec International and he sells machinery across the UK and Ireland, as well as some exports further afield.

Rear air suspension – standard fitment on the LC5 model – also makes the ride particularly smooth and stable when towing, and it pumps up to help keep the vehicle level.

The generous internal space is handy for carrying large numbers of passengers and cargo too. With all three rows of seats in place, it can accommodate eight people, but with the rear set removed and the central row folded flat, there’s a cavernous void for loading equipment.

“It’s amazing what we’ve been able to carry in there and we can even slot a pallet in with the forklift if we need to,” he says. “This is where the newer Land Cruisers (apart from the commercial-spec model) fall short, as the third row of fold-down seats ruins the carrying space.”

Keeping it running

For the first 60,000 miles, the Land Cruiser was under warranty and during that time it was serviced by Toyota. Just before this ran out, the injectors began playing up – a known fault – and these were replaced free of charge.

Since then, servicing has been carried out at Mr Gresty’s local garage every 10,000 miles. This is always a full service with a complete set of filters and a timing belt on every sixth visit – there are currently 60 stamps in the book.

Considering the car’s mileage, it has required amazingly few replacement parts.

Apart from the injectors, the only other unexpected repairs have been to the rear air suspension system. The first was one of the air bags which went pop when he was towing a loaded trailer, and the second was a new compressor after the original broke down.

“It’s in a pretty poor location on the underside and gets plastered in crud, so it’s no wonder it gave up the ghost,” says Mr Gresty.

Other replacement parts have been limited to the usual batteries, wheel bearings, and brake parts, plus a few alternators. However, the original unit must have been particularly good quality as it held out for 320,000 miles.

It’s still on its original starter motor, but this does work loose and requires a tighten every 80,000 to 100,000 miles.

Interior finishes have stood up well too, with the seats showing remarkably little sign of wear. The only casualty has been the leather on the steering wheel.

Rather than shell out a fortune for a new wheel from Toyota, Mr Gresty purchased a cover from eBay, which he stitched on by hand. “It was a bit of a fiddle and took me about three hours, but it was actually quite satisfying.”

He also saved a small fortune when the satnav/entertainment unit packed up. Toyota quoted £2,000 for a new one, but Mr Gresty took it to a local TV repairer who fixed it for just £150.

The only continual niggle is the air conditioning system, which he has now given up trying to mend. “We’ve tried all sorts over the years, but I’ve had to resort to using the windows and the sunroof.”

Having run several brands of tyre over the years, Mr Gresty has settled on Dunlop Grand Trek, which cost £500 for a set and consistently cover 90,000 miles. The truck’s full-time four-wheel drive system also means wear is fairly consistent between the front and rear.

Building up a fleet

The Land Cruiser’s reputation for reliability means prices for the LC3, LC4 and LC5 models built in the 2000s are now starting to climb.

To make sure he’s got a good supply of vehicles, Mr Gresty has invested in two more to take the pressure off his original truck. These are 2004 and 2007 models that are on 290,000 and 206,000 miles respectively.

Similar Land Cruisers with fewer than 200,000 miles on the clock tend to cost more than £5,000, with lower mileage examples running to over £10,000.

Discovery still going the distance

The arrival of Peter Gresty’s Land Cruiser in our high-mileage vehicle club has nudged Martyn Rainbow’s impressive Land Rover Discovery into second place.

Farmers Weekly featured the 1996 300TDI model in May 2018 when it was on 540,000 miles and we’re pleased to report that it’s still going strong, sitting on a current tally of 569,000 miles.

Since our visit, the only mechanical letdown has been the solenoid on the original starter motor – we’ll forgive it for that. Click here to read the full story on Mr Rainbow’s Discovery

I can beat that

If you own an off-road vehicle that can beat Mr Gresty’s 600,000-mile Land Cruiser we’d like to hear from you – just email [*oliver.mark@proagrica.com*](mailto:oliver.mark@proagrica.com) with a few details.

JOURNAL : Farmers Weekly

Colleges and universities around the country closed their doors as the UK went into lockdown.

This presented big challenges for students, who had to adjust to new ways of studying, faced a premature end to the academic year and found themselves having to cancel holiday jobs.

Though the Covid-19 crisis has brought practical and financial problems for young people, ***agricultural*** students are facing the situation pragmatically.

We hear from two about how they are staying positive.

See also: Coronavirus: How two dairy farmers are staying positive

Charlotte Lawder, Harper Adams University

Charlotte is keeping her fingers firmly crossed her sandwich-year job will happen as planned. The 22-year-old, who’s in the second year of an ***agriculture*** with animal science degree, still expects to start her placement with a nutrition company in early June.

“As of now, it’s still going ahead, but what exactly I’ll be doing might change depending on the movement restrictions, as my role would have involved a lot of travel between farms.”

Charlotte is living with her family in Shropshire, where she’s been busy preparing for open-book exams and completing assignments using online learning material.

Working-from-home challenges

“Working at home has its challenges, but I set myself targets and am quite self-motivated – as long as I have regular tea breaks,” she says.

“Our lecturers have been great and they’re always at the other end of an email to answer any questions.”

Inevitably, the Covid-19 crisis meant a premature end to the academic year, she explains.

“I was living in a student house and we’ve ended up emptying that and moving out, which felt really bizarre.

"It wasn’t a task we were expecting to have to do until early June, but we’re all now working on the principle that we won’t be going back for the summer term.

“The legendary summer ball has also been cancelled, which I’m gutted about. It’s one of the highlights of the Harper year, with everyone’s traditionally in great spirits, having finished exams.

“That said, I’m conscious I’m incredibly lucky compared to a lot of people right now.

“As well as having my health, I’ve got a garden, a field and a horse, so can spend time outside, unlike so many of those who live in towns and cities.”

Charlotte says technology is really proving its worth and is taking advantage of online ways of staying in touch, such as the Zoom and Houseparty.

“Not seeing friends in-person is rubbish and doing it online isn’t quite the same, but the interaction is nice and really important to keep everyone’s spirits up.”

Cancelled travel plans

Another disappointment for many young people has been that they’ve had to cancel travel plans.

“I took a year out before I went to uni and, as well as working on a couple of dairy farms to gain experience and earn some money, I spent some time in the US.

“The sheer scale of the ranches over there was unlike anything I’d seen. It gave me a different perspective and I learned a lot.

“I’m someone who likes to have a long-term plan and the current turmoil won’t derail my plans to pursue a career in the nutrition sector.

“I love being around livestock and nutrition is such an important job – it’s crucial to get it right for the welfare and performance of the livestock and for the viability of the farm business.”

Thomas Gregory, Sparsholt College

Thomas says he’s so busy that it feels like “business as usual” for much of the time, although watching the news can still be shocking. The 19-year-old is helping at his family’s Hampshire-based farming and contracting business, in tandem with focusing on college work in the evenings.

Studying remotely requires extra self-discipline, but the college has been brilliant and the lecturers are amazing, says Thomas. He hopes to begin an ***agriculture*** degree at Sparsholt this autumn, after completing the second year of his Level 3 ***agriculture*** qualification.

“That was the plan, but nobody knows what the situation will be then. It’s not impossible that we’ll still be in lockdown.

Taking precautions

“Everyone has adapted their behaviour in the current crisis. We don’t mix with a lot of people anyway – we feed the stock and spend a lot of time on our own in a tractor – but we’re making sure we’re taking precautions such as handwashing and social distancing.

“Not being able to see mates hasn’t been too tough because most of them are from farming backgrounds and it’s such a busy time of year now and right through the summer that it’s rare we’d get much time to meet up anyway. I do miss the occasional evening in the pub, though.

“It’s also hard not seeing my girlfriend, who’s a Sparsholt student, too, but we’re keeping in touch by text and Snapchat in the day and we FaceTime in the evenings.

"I haven’t seen her since the day we left college and I don’t know when I will be able to again. We all have to respect the rules, though, and that means not doing any non-essential travel.”

Unnecessary trips out

Thomas is concerned, however, that many people are still not listening to the government advice and are leaving their houses unnecessarily.

“I see a lot of walkers on footpaths – sometimes the same people passing three times a day and the route they’re taking means they’ll have had to have been out for more than an hour.

“I also worry about my nan, who’s in her 80s. She lives on the farm and I used to visit her all the time, which I’m obviously not doing now. We take her food, though, and leave it outside her door.

“We’re all just taking it a day at a time at the moment. In some ways, the contracting side of the business hasn’t changed, but cattle prices have been badly hit.

"I don’t understand why they’ve fallen so much – people still need to eat, after all.

“I’m quite an upbeat and cheerful person by nature and, as there is nothing we can do about the current situation, I try not to get too down about it.

"I’m fortunate – no one I know has been affected by the virus and my work means I can be outside, still able to enjoy the fresh air and have the sun on my face.”

JOURNAL : Farmers Weekly

Sheep farmers on Anglesey have cut antibiotics use during lambing by almost 60% over a two-year period.

By improving nutrition, hygiene, colostrum quality and management, a group of seven farmers reduced the number of animals treated with antibiotics without affecting production or welfare.

In the lambing periods from 2017-19, the farms reduced antibiotics by 59.8%, on average.

With veterinary and nutritional advice funded by European Innovation Partnership (EIP) Wales, the farmers demonstrated that a proactive approach can significantly reduce reliance on antibiotics at lambing.

See also: 4-step guide to reviewing antibiotics use on your farm

Feeding space

One of the farmers, Gareth Thomas, of Tregynrig, Cemaes Bay, said one of the simplest, but most effective, measures he put in place was to allow sufficient feeding space for ewes.

His ewes are fed ad-lib silage and receive concentrates twice a day, at 8am and 4pm.

He increased space allowances to 15cm a head when feeding ad-lib forage, and 45cm a ewe when feeding restricted concentrates. He achieved this by reducing the numbers at each trough from 50 to 40.

Protocols at lambing on the project farms

Pre-lambing pens were cleaned out, disinfected and limed between batches.

Water troughs were cleaned out regularly.

Lame ewes were treated promptly and managed separately, to avoid spread of infection.

Castration and tailing of lambs in the first week of life was avoided to minimise stress and wounds where joint ill bacteria could enter.

Everyone involved in lambing and handling sick lambs wore rubber gloves.

Stomach tubes were washed in warm, soapy water and disinfected in baby bottle solution.

Lambing pens for sick ewes or lambs and for ewes that had aborted were set up in a separate area, away from the main lambing pens.

Where cow colostrum was used, the quality was assessed using a refractometer and only colostrum at 22 immunoglobulin G or higher was fed to lambs.

Hygiene

Mr Thomas runs a flock of 650 Suffolk cross North Country Mule ewes, which he breeds to Charollais or Texel rams.

He disinfected the sheds twice when ewes were housed for lambing in January, with a two-week gap between groups to reduce E coli levels - singles were grouped separately from twins and triplets.

To aid the reduction in antibiotics use, bedding was analysed for bacteria that can cause mastitis, joint ill, scours and watery mouth.

“Bedding tests in the pre- and post-lambing pens are vitally important for us to know if we need to do anything to reduce E coli," explains Mr Thomas.

“By testing the bedding, we could act on the results by disinfecting and liming."

Mr Thomas says the EIP project taught him he needs to lime more around wet areas, such as troughs and feeding areas.

Nutrition

Good pre-lambing nutrition is another reason fewer antibiotics were used. For the project, silage quality was analysed for dry matter, protein, digestibility, metabolisable energy, minerals and fermentation.

At Tregynrig, in addition to ad-lib silage, ewes were fed a compound feed at 12.8 megajoules (MJ)/kg DM. This was introduced five weeks before lambing, up to a maximum of 0.9kg for triplets a week before lambing, 0.7kg for twins, and 0.3kg for singles.

Each farmer worked closely with independent sheep consultant Kate Phillips and with Karen Wheeler of Adas to formulate the correct ration.

Mr Thomas, who supplies fat lambs to Woodhead Bros in April and May, says the project has allowed him to lower his costs.

“I've saved at least £2-£3 a head by using vaccinations more accurately and targeting treatment, rather than using a blanket treatment approach," he says.

All the farms involved had achieved savings too, he adds.

“We did this without compromising animal health and welfare, as our ewes were in the best possible condition before starting lambing.

“We are now concentrating our spending on the places where it needs it most."

Sheep vet Kate Hovers, who advised the farmers, says the project demonstrates what can be achieved with good hygiene and nutrition, and simple management changes.

“Wide adoption of these approaches could have a dramatic effect on antibiotics use across the sheep industry," she adds.

About EIP Wales

EIP Wales, which is delivered by Menter a Busnes and Farming Connect, has received funding through the Rural Development Programme 2014-2020, which is funded by the European ***Agricultural*** Fund for Rural Development and the Welsh government.

It aims to take the outcomes from research – whether it is a new technique or technology – and test them at farm scale. There are currently 34 projects across Wales that bring like-minded people from different backgrounds together to try to solve common ***agricultural*** problems.

Lynfa Davies, who is Farming Connect's knowledge exchange manager and heads the EIP Wales programme, said the programme is on course to deliver the target 45 projects, so it is closed to new applications.

However, a number of other Farming Connect services and projects are available to support innovation and the introduction of new technologies, as well as investigating more efficient ways of working.

For more information on EIP Wales, please visit the Farming Connect website or contact: [*eipwales@menterabusnes.co.uk*](mailto:eipwales@menterabusnes.co.uk)

JOURNAL : Farmers Weekly

The Bazeley family run well-established self-storage and bottled beer businesses at Offwell Farm, near Fareham, Hampshire.

A tenant of Southwick Estate, Martin Bazeley started the storage business in 2003 and launched Suthwyck Ales in 2000, teaming up with a local brewery to make beer using malt from the farm’s own barley.

See also: Coronavirus news and advice

The coronavirus lockdown caused the loss of 95% of the pub trade for the beer business and the closure of its Victorian Steam Brewery retail shop.

Home deliveries help compensate

However, a home delivery service has been swiftly developed and this, together with increasing orders from independent shops, has roughly made up for the loss of the pub custom, says Mr Bazeley, whose sister, Jane, runs the office for the businesses.

Storage and beer – preparing for end of lockdown

Marketing course with the Self-Storage Association

Google Ad words evaluation and improvement

Increased Facebook marketing

Thinking ahead, planning for possible loss of storage customers

Using time to make sure storage offer is spick and span

Review of shop hours and how to maintain new business of home deliveries

Developing online offerings at Barn Store and Southwick Brewhouse websites

“One or two pubs have been brilliant at innovating, selling take-away containers of beer alongside fruit and veg and much more,” says Mr Bazeley

“The shop already had an online order and payment facility, so it was simply an update to add free delivery within 15 mile radius and a minimum order of £30, and we were away.”

Online sales went from a trickle to a healthy flow, boosted by additional marketing efforts, including Facebook posts.

Brewhouse manager Matt Hallett’s latest e-newsletter included a video and just a couple of hours after it went out, he took £1,062 of orders.

Business review

The enforced turnaround has brought a swift reappraisal of the business.

“It has just made us revise the whole thing. Maybe this is going to be the new way we trade,” says Mr Bazeley.

“Perhaps we will open the shop just on Friday and Saturday for beer sales and take care of home deliveries from Monday to Thursday.”

The business qualifies for small business rates relief and received a £10,000 grant from Winchester council. “This has helped us gear up to the new way of operating, so it has been a brilliant help,” he says.

Three business customers of the Barn Store self-storage operation have been badly affected by the lockdown and have been offered a 50% rent reduction for three months, with a review at that point, says Mr Bazeley.

“It’s important to have an end point. We prefer to help a customer who has been genuinely adversely affected to get through the worst and remain a happy customer, rather than lose a customer who may be hard to replace.

“It costs five times as much to acquire a new customer than to retain an existing one.”

Just three new customers have moved into the storage units since lockdown.

“We have been able to remain open, albeit discouraging casual or unnecessary visits. It’s mostly the business customers, one of whom is a supplier to the NHS, that still access their units.

“The flip side is, we are expecting some ‘pent-up' move-outs post lockdown – people who would have moved out naturally had it not been for the restrictions.

“We are examining our marketing to do what we can to replace these customers when they go.

“We’ve got to keep positive and keep going,” says Mr Bazeley. “We are channelling time into making sure the storage premises are looking top-notch.

“We all have to remember that however bad this is, it is temporary. When people are able to, they will be spending.”

Uncertainty causes wedding woes

Michael and Jenny Churches had a record 38 weddings booked for this year and many more coming in for 2021 and 2022 at their Glastonbury Wedding and Events business.

The ceremonies and receptions are held in a deconsecrated church right next door to Godney Farm, near Wells, Somerset, where they have a dairy herd, sucklers and sheep.

Wedding challenges

Uncertainty over likely physical distancing rule changes makes communication with couples difficult and planning almost impossible

Cashflow drop from weddings mean delay to investment on farm

Summer 2021 will be more of a management challenge as some weddings have been moved from 2020 and the calendar will be more crowded

After a two-year planning saga and much restoration work, the first wedding was hosted in 2015.

Providing a wedding venue is hard work at any time, with tensions rising as the big day draws near, and very bespoke arrangements are needed to accommodate different couples’ requirements.

“Since the announcement of the lockdown on 27 March, it has been awful,” says Mr Churches. The uncertainty makes planning impossible and things have been frustrating and, at times, fractious, he says.

“It was very stressful getting in touch with couples and having to tell them they were going to be limited on numbers before the government stopped weddings and events altogether.

“We have since managed to move 15 weddings that would have been taking place in April, May and June, and lost three couples that cancelled.

“We have even had to move our daughter's wedding. When the invitations have already gone out it, it is even more frustrating for us and for other couples, because of the uncertainty and having to judge how long you leave it before you tell your guests it will not be happening.”

Six weddings are pending, with couples waiting to see if the government limits numbers or stops them altogether.

“The only small consolation is the farm is still operating as normal as can be possible,” says Mr Churches. “But the price of the milk and beef is not that good either. It is all looking a bit grim.

“We are grateful for the couples that still have their weddings with us and we are rolling all the deposits on for a year.”

The shutdown time is being used to extend the car park and do maintenance such as creosoting fencing and planning for five glamping pods, pending planning permission being granted.

“We could really do with having them here now so we can get the services into them,” says Mr Churches.

“It’s all moving forward, but we just need the cash coming in – we’re not alone, but it’s going to be challenging.”

The farm funded the £167,000 spent on updating and converting the church, and while this is preferable to owing the bank, the farm must be paid back, as improvements are needed there too, says Mr Churches, who has applied for the £10,000 small business rates relief grant.

The Churches’ son, Andrew, has converted two Rice horse trailers (pictured above) into mobile event bars. One generally stays at the farm for functions in the church, while he takes the other one to events off farm. Both are being kept in the barn until lockdown rules ease.

FW Awards finalists

Jenny and Michael Churches were finalists in the diversification category of the 2019 Farmers Weekly Awards and hosted a Farmers Weekly diversification event in October 2019.

Lakeland venture adapts to forced change of plan for first full summer

Isaac and Kerrie Benson only opened their Lakeland Farm Visitor Centre in July 2019.

Lockdown has meant the closure of the centre and the café, just as the business was looking ahead to its first full summer season.

However, like many others, the Bensons are adapting.

Before the closure, footfall at the centre and in the shop and café was about 90% local, but also heavily weighted to older customers, who in general will have to isolate for the longest, says Mr Benson.

This makes the outlook for the recovery a long one. It’s never going to be business as usual for the next 18 months, while the older generation will have to shield, he points out.

“But I’m not complaining; things could have been a lot worse.”

Lakeland Farm Visitor Centre

Farm experience venue, café and farm shop, near Ings, Cumbria

Demonstration area based on an auction-ring setting for safe livestock handling

Dry stone walling demos and classes, alongside wool spinning and craft classes

Adapted to supply takeaway ready meals to help make up for loss of café income

Meat sales from own livestock has doubled in shutdown

Meat sales rise

While the café and the centre are closed, the use of the farm’s own lamb and beef has doubled, benefiting from the closure of the local town’s two butcher shops, which were heavily dependent on the hotel and restaurant trade.

The business has adapted to provide reasonably priced takeaway ready meals all day, on which no VAT is payable. Staff costs are also lower, so the margin is higher. Orders and payment are generally taken over the phone, and customers can pick up their meals in the car park.

Family labour

The four full time café staff have been furloughed and the business is relying on family labour, alongside the full-time butcher in the shop.

“We’ll miss the whole summer season,” says Mr Benson. “But as long as the furlough system is in place, the jobs will be there for the staff to come back to. But if that goes, they’ll be looking for a new job, and that’s the brutal reality of it.”

“We can’t expect to go into the winter with a full team unless there is some sort of help package and until our older customers have the security of a vaccine.”

The Bensons also have a holiday cottage, for which they received some local authority grant aid, but as the farm visitor centre is still in the process of being rated, they are unsure how much help will be available for this.

JOURNAL : Farmers Weekly

Feeding a 50:50 ration of grass and maize silages to pregnant ewes three weeks before lambing is improving their ability to produce milk.

Home-grown maize silage is fed to the 500 Mule ewes at Bryn Farm, near Cowbridge, when they are housed before lambing.

“The maize makes the ewes very milky,” says Owen Rees, who oversees the sheep enterprise and farms with his father, Ed, his uncle, Robert, and cousins, David and Tom.

Farm facts

384ha farmed, of which 243ha are owned

Lambs sold to Dunbia at a liveweight target of 40kg

Most lambs sold by the end of September

100 lambs retained as replacements

Aberdeen Angus cross Friesian and Hereford cross Friesian suckler herd, calving from April to June

Offspring sold at 26-28 months old at a target of 280-330kg deadweight. Angus cattle are sold to Scotbeef and the Herefords to Celtic Pride

Why did they switch to feeding maize?

The business is largely self-sufficient in feed, growing 10ha of maize and up to 16ha of spring and winter barley.

The maize had been grown as feed for the 120-cow suckler herd, and was introduced into the ewe diet two years ago when the family were seeking an alternative to energy blocks.

“We were using the energy blocks to balance the grass silage and hay the ewes were getting, but they were costing us about £25 each and we were getting through two pallets of them," Owen calculates.

See also: All you need to know about feeding sheep a total mixed ration

With limited feed space, the blocks were positioned in ring feeders in a yard adjoining the housing.

“The blocks were expensive. We never knew which ewes were taking them and we were getting a lot of cases of twin lamb disease," Tom recalls.

Their nutritionist suggested adding maize silage to the ration.

Minimising health risks

Owen admits he initially had reservations, because ewes are known to gorge on maize and become fat, putting them at risk of metabolic disorders in late pregnancy.

But by introducing maize silage into the ration just three weeks before lambing, the Reeses say the condition of ewes can be maintained.

“Although we were advised twin lamb disease could be an issue with feeding maize, we haven’t had a single case since we introduced it two years ago," Tom points out.

He adds: “If anything, the flock is doing better on maize because ewes are producing more milk and the lambs are born stronger.”

Expert advice on feeding maize to pregnant ewes

Below, independent sheep consultant Kate Phillips offers some advice on feeding maize to pregnant ewes.

1. Analyse grass and maize silage to establish if supplementary protein is needed.

E To develop an appropriate nutritional plan for pregnant ewes, it is important to know the feed value of the silage being offered.

E Maize has a lower crude protein content than grass silage, but it is generally high in energy, so is an ideal partner to high-protein grass silage.

E The high starch level in maize provides plenty of rumen-fermentable energy; this gives a synergistic effect with the high protein of grass silage.

E It is important the ewe’s protein and energy requirements are met so that colostrum and milk supplies are plentiful. Check the grass/maize silage intake is meeting the ewes needs by assessing silage dry matter intake and comparing it to the standard energy and metabolisable protein needs as ewes approach lambing.

E Supplements may be needed to provide additional protein, but the level depends on the forage analysis. Rapeseed meal, beans and soya bean meal are all possible supplements.

2. Condition score ewes

E It is very easy to overfeed single-bearing ewes, so care should be taken to check ewe body condition and feed ewes according to body condition score and litter size.

E In late pregnancy, ewes on maize can become fat and prone to metabolic disorders, such as twin-lamb disease, so when condition scoring, feel for backfat rather than visually scoring ewes.

For advice on feed rates see p4 of the Improving ewe nutrition PDF.

3. Allow sufficient feed barrier space

E Allow a minimum 15cm of feed space a ewe when feeding a total mixed ration to avoid cramming, which increases stress and may lead to abortion in extreme conditions.

4. Don’t overlook minerals

E Maize has lower mineral and vitamin concentrations.

E Provide additional minerals – particularly calcium and trace elements.

The feeding process

The system at Bryn Farm is simple: a bucket of fresh maize is deposited in the central passage once a day and forked into the silage.

“There is no science behind it, but it is roughly 50:50 grass silage and maize silage," says Owen.

The feed is pushed up with a fork about three times a day.

In 2019, the maize analysed at 33% dry matter (DM) and 11 megajoules (MJ) of metabolisable energy (ME)/kg DM . The grass silage analysed at 32% DM, 15.9% crude protein, 11MJ ME/kg DM  and had a D-value of 69.

The Rees family give no supplementary feed. Instead, the aim is to produce lamb as cheaply as possible while maintaining ewe performance.

“Margins are very tight, and we are trying to keep costs low by making more use of home-grown feeds,’’ says Tom.

“Some of the ewes get a bit of barley when they are at grass, if they are a bit lean.’’

Ewes are typically at grass until they are housed three weeks before lambing, depending on the weather. Grass intakes are supplemented with baled silage and hay fed from a ring feeder.

Practical considerations

Maize can easily be incorporated in the diet because the Reeses grow a large acreage as feed for their beef herd – the 2019 harvest yielded 49t/ha, with about 50t fed to the sheep.

Although it has been straightforward to add maize to the ewe diet at Bryn Farm, Owen admits it can be impractical to grow maize in some sheep systems.

“If we needed maize just for our sheep, we would only need to grow 2.5 acres [1ha], and at that level we wouldn’t do it, because it would need to be harvested and clamped,” he says.

Another option for sheep farmers is to buy maize from a local grower, he suggests, although keeping it fresh could be a challenge if it is delivered in large quantities.

Owen admits it is not always easy to get the feeding of ewes right, but with maize silage, he says, he has found a system that works for him.

“Some farmers can overcomplicate their systems, adding to their costs, but we keep everything as simple as possible, to keep our costs to a minimum,” he says.

JOURNAL : Farmers Weekly

Buying “waste” dairy bull calves and finishing them on low-cost feed and crop waste is helping to keep feed costs low while improving arable ground.

Each year, Will King buys 1,000 dairy bull calves and dairy cross beef calves from the three main commercial dairy herds in Essex.

After rearing, they move on to a low-cost ration that uses unsaleable crops from the arable business and bought-in feed waste. This helps maximise potential margins.

See also: Target daily liveweight gains to cut beef finishing times

“I’m buying a low-cost animal that no one has tried to get a profit from before me,” explains Mr King.

“We’re feeding them waste products – while still providing a quality diet – and homegrown feed such as potatoes and homegrown fodder beet this year. My physical capital outlay is minimal.”

With Arla among a growing number of milk processors moving to stop the slaughter of dairy bull calves under eight weeks old, Mr King’s model could prove useful to dairy farmers looking for an outlet for calves.

Farm facts

Old Oaks Farm, Little Bentley, Essex.

Will King farms in partnership with parents, Brian and Judy (WL King & Son).

162ha at Old Oaks Farm, including 121ha of arable.

Will King is also part of Wix Farms, a co-operative farming arrangement with two neighbouring arable farmers. This business farms 810ha.

Grows winter wheat, winter barley, spring peas, potatoes, onions and maize and grass leys for cattle. Fodder beet also grown this year.

Grass and maize for cattle are bought at cost rate from Wix Farms by WL King & Son.

Construction business: K&J Construction – fabricates and manufactures steel-framed ***agricultural*** buildings.

This could be particularly attractive to arable farms looking to address diminishing soil fertility by reintroducing stock.

“Big arable farms are turning to AD plants and they’re feeding the concrete cow,” says Mr King.

“What’s the point when you can feed the real thing, get the muck back and produce a product the market wants?”

Sourcing calves

The value of mixed farming has long been recognised by the King family, who traditionally ran pigs and cattle alongside the arable.

The decision to source dairy-bred calves locally came about seven years ago when Mr King began to experience health challenges in bought-in cattle.

“We started buying from a dealer in Cheshire, but we were starting to get TB problems and pneumonia as they were coming from so many farms,” explains Mr King.

As a result, he instigated discussions with three Essex producers to see if he could source stock directly.

This would minimise any disease risk as they would be coming from herds of known health status on a four-yearly testing regime.

He now buys from three dairy farms and takes every beef calf they produce. Mr King works closely with the dairy farms to discuss requirements.

Good colostrum management is expected. Calves are also vaccinated for infectious bovine rhinotracheitis (IBR) and all herds are monitoring for bovine viral diarrhoea (BVD).

To maintain relationships, and encourage calf quality, on average, producers are paid slightly above market price, with Mr King aiming to take out the peaks and troughs of the market.

Rearing process

Mr King buys the calves from one week of age. They are then picked up from the dairy farms by contract calf rearer, Daryl King, who feeds calf milk replacer twice daily before weaning them at eight weeks of age.

At 14 weeks, they move to Will King’s farm, where they are housed year-round. Bulls are castrated. Will King believes diet consistency is essential to prevent dips in growth rates. With that in mind, he continues to feed the same pre-weaning pellet up to six months old.

He also avoids making any changes to the total mixed ration (TMR). The current TMR includes grass and maize silage, brewers grains, waste bread, homegrown fodder beet and some feed-grade urea. Sometimes, potatoes may be used instead of fodder beet.

Onions may also be fed to younger animals, but they must not be fed three months before slaughter to avoid meat taint. Some wheat or barley bran may be bought in, but the aim is to avoid concentrate feeding.

The proportions in the ration will be altered to deliver a 14% crude protein diet until 11 months of age, when this reduces slightly to a 13% grower/finisher ration.

The aim is to make the most of the better feed conversion efficiency in younger animals and finish them by 18 months old. Mr King believes keeping them any longer just encourages frame growth and adds to overhead costs, which reduces margins.

Half of the beef animals are finished and sold to Dunbia. These typically achieve 320kg deadweight at 18 months old at O- or O+3. The rest sold as stores. On average, cattle are hitting growth rates of 1.2kg/day from arrival to slaughter.

He explains: “Others will get better growths than me. I’m not getting the fastest growth, but I’m doing it economically.

“The margins in beef are very tight and you have to be careful with your overhead costs; they can easily spiral.”

Resilience

With the recent crash in beef prices, Mr King says all farmers will struggle to make money. However, he feels his low-cost model puts him in a better position than some.

“At the current price of £2.91/kg, any profit is very marginal. However, I feel we are in as good a position as we can be to weather the forthcoming storm,” he says.

He believes his model also proves there is a market for dairy-bred beef, particularly considering the demand for smaller cuts and processed beef – something that has increased in light of coronavirus.

Mixed farming benefits

Grass and maize provide a breakcrop for blackgrass.

Grass leys may be planted after barley to provide a cover crop over winter before maize drilling – this helps soil fertility and prevents winter run-off.

Maize can be put on ground not suitable for onions or potatoes.

Muck from cattle goes back on arable land to help fertility.

Leftover wheat may be ground for cattle. Stock feed potatoes are also fed to stock – converting waste into a valuable product.

JOURNAL : Farmers Weekly

Money-back schemes designed to compensate growers for some of the economic risk associated with failed oilseed rape establishment are being offered on seed purchases of selected varieties again this year.

After pilot initiatives in 2019, most breeders have launched risk-sharing or establishment guarantee schemes for 2020 drillings, with funding either coming direct from the breeder or through the existing Bipo model royalty system.

As such, it means OSR crops that are drilled but then fail to establish by a certain date – usually late October/early November - will be eligible for an agreed rebate of about £30/ha.

See also: Guide to which OSR varieties to drill in summer 2020

However, only named varieties nominated by the different breeders are covered and growers will be expected to submit evidence of crop failure in order to receive the money.

Crop support

The finer details of the various schemes may vary, but the intent is the same and reflects the industry’s willingness to support the crop at such a critical time, says James Barlow, head of seed at ADM ***Agriculture***.

“After two very tough years for oilseed rape establishment, there is recognition that growers are under pressure with the crop and reluctant to expose their businesses to more risk.

“These initiatives, which apply when the crop is still in the danger zone, can be a useful part of a risk-management strategy. There’s no extra cost associated with them, so there is no downside for growers.”

Where oilseed rape is to remain in the rotation, Mr Barlow recognises that farm-saved seed can seem attractive if establishment problems have been encountered previously and growers are looking for up-front savings.

“Remember that you won’t get useful traits such as turnip yellows virus resistance if you home-save. If you want top-line genetics and all the advantages they can bring, then you do need to go down the hybrid route and buy new seed,” he stresses.

Uptake in 2019

Last year, RAGT saw about 900ha of the crop sold through the company’s royalty payment scheme.

Of that, growers claimed on about 40% of the area, reflecting the tricky combination of high flea beetle pressure and lack of soil moisture at the critical establishment stage.

Tom Dummett, cereal and OSR product manager at RAGT, expects greater engagement with the company’s scheme this year and predicts 6,000ha of rape will be covered by it.

“It’s a very straightforward process to sign up – it takes two minutes and can be done online,” he says. “The system is based on the existing Bipo model, and it means we are sharing the risk with growers – our royalty income is affected if crops don’t establish.”

Just two RAGT varieties are included – the company’s new Clearfield variety, Nizza CL, and a French-bred hybrid variety, Azurite, which is not going through the Recommended List system.

“We want to encourage farmers to grow oilseed rape, so we’ve chosen varieties that have the vigour required for good establishment.”

Risk mitigation

Not all of the breeders are taking part; Limagrain has no current plans to offer an oilseed rape establishment guarantee.

With a very strong oilseed rape portfolio, including the top-yielding conventional and hybrid varieties, the company believes it has built-in risk mitigation.

“The conventional varieties have a lower seed cost and the hybrids are packed with traits,” says Will Charlton of Limagrain. “We think the genetics speak for themselves.”

What schemes are on offer for 2020/21?

RAGT

RAGT is putting its weight behind an oilseed rape royalty payment scheme, which means growers will save about one-third of their overall seed costs, or £30/ha, where crops fail.

Growers declare the area of oilseed rape established by 1 November and pay the royalty due. Failed areas are exempt - so there will be no royalties paid if crops don’t make it.

To be eligible, growers must have a signed royalty area collection agreement with an RAC number and have to declare the crop area established by 1 November.

Two RAGT varieties are in the scheme - Clearfield variety RGT Nizza CL and hybrid RGT Azurite.

BASF

BASF is backing all of its InVigor winter oilseed rape varieties with a seed risk-sharing scheme that will also pay growers £30/ha for crops that don’t establish.

Providing drilling takes place before 22 September and crops have failed by 31 October 2020, payment will be triggered.

All purchasers of InVigor seed will be automatically registered onto the programme, following a successful launch last autumn.

Bayer

Bayer has introduced an enhanced establishment scheme that will compensate growers by £100/bag or about £33/ha for any crops of more than 6ha of certain Dekalb hybrids that are lost by 31 October.

Three of its hybrid varieties are eligible – DK Exstar, DK Extremus and DK Excited. To take advantage of the scheme, growers need to purchase their seed through one of Dekalb’s participating distributors and register on the brand’s website.

Validated claims for crops drilled before 20 September that failed to establish by the end of October will be issued with credit notes by 20 November.

KWS

KWS has extended its Oilseed Establishment Partnership, which it introduced last year following concerns about the establishment of oilseed rape crops.

Growers will be expected to pay about 50% of the seed costs upfront, with the rest waived if the crop does not establish. Two conventional varieties are covered by the scheme – Blazen and Codex – with crops that have failed by 1 November being eligible.

The compensation amounts to £25-£28/ha, as the seed costs £115-£120 for packs with 4m seeds.

DSV

In a different approach to establishment risk, DSV will be supplying three of its triple-layer hybrid varieties – Duplo, Darling and Dazzler – in a larger seed bag, at no extra cost to the grower.

In practice, it means growers will be getting 20% more seed than before, with the bag now containing 1.8m seeds rather than 1.5m seeds. The company calculates the move is worth £50/bag.

HOLL varieties

Seed of two high-oleic, low-linolenic acid (Holl) varieties, V316OL and V367OL, will be replaced for free if the crop has failed by 15 September. To be eligible, the replacement seed has to be redrilled in the same year, highlights United Oilseeds.

Grower reaction

In Dorset, Tim Hall is halving his OSR area and does not plan to buy in any seed, so guarantee schemes aren’t relevant this year. He also wants the best varieties for his farm and system, rather than have them dictated to him.

The current OSR YEN winner, Richard Budd, in Kent, will be sticking to his tried-and-tested approach of using home-saved seed, drilled late at a high seed rate. This approach does not suit hybrids, he points out, as the seed cost would be prohibitive.

Andrew Wells, agronomist and farmer in Nottinghamshire, says he is very unlikely to grow oilseed rape this autumn, no matter what seed deal is available. He believes a co-ordinated regional break from the crop for more than one year is needed, to reduce the pest load.

In Staffordshire, farm manager Tim Parton intends to continue with his successful oilseed rape production and would take up the right money-back offer, just as he did last year. However, a planned move towards conventional varieties may limit his chance of benefiting from such schemes.

JOURNAL : Farmers Weekly

Genetics and a programme of tailored nutrition have helped two Herefordshire farmers successfully lift the laying cycle of their flock of free-range hens beyond the UK’s 72-week average.

As long as everything is working well, 100 weeks is definitely achievable, believes Nick Panniers, who farms with his father, Allan.

“The back end of the cycle is where you get the most profit; that is when you make the money to cover the cost of the pullets," he says.

See also: 4 key poultry management factors influencing egg size

The Panniers produce eggs from 64,000 Dekalb Whites at Wellington Farm, Bishops Frome, switching from brown layers in 2018 in response to a new supply contract.

Their existing packer, Stonegate, had asked the business to supply white eggs for Waitrose's essential free-range brand.

In response, they sourced white birds from Hendrix Genetics.

After visiting farms stocked with Dekalb Whites in Holland, they were confident the breed would last longer in their system than the typical 74-week cycle they had with Brown Lohmanns, although they did have initial concerns that the Dutch systems are mostly barn, while theirs is free range.

“That was a big point of difference to consider but we discovered that white birds perform extremely well in free-range," Nick says.

He initially set a depopulation target of 90 weeks, but increased that to 100 weeks to supply the Christmas market.

“As the hens were laying well we agreed to keep going and did so with very few issues," says Nick.

Their rate of seconds did increase to 12% at week 85, but this was due to an infectious bronchitis challenge.

“That knocked them a bit, so without that we think we can improve on our seconds rate this year,’’ says Nick.

He admits the practicalities around when to depopulate are a consideration.

“This year, if we deplete at 100 weeks it will fall in August when we are busy with the harvest, which doesn’t suit us very well, so perhaps we will need to deplete a bit earlier to balance the work out a bit.’’

The challenges of longer lay

One of the challenges of keeping flocks for longer is maintaining consistent performance. Nick says the system is set up to take pressure off the birds.

“We have to make sure that everyone involved is singing from the same hymn sheet. The routine is very important, we always pack at the same time, feed at the same time."

Four ways Wellington Farm  increased depletion age and maintained productivity

1. Genetics and vaccination

Through selection and breeding programmes there are now efficient laying hens with greater persistence of lay, alongside acceptable egg quality and egg numbers.

The Panniers pay about 5% more for white birds, but say this cost is balanced by the breed’s hardiness and longevity.

Their pullets are comprehensively vaccinated for Newcastle disease, Marek’s disease, egg drop syndrome, salmonella, infectious bronchitis, and also for E coli due to a challenge on the farm.

2. Nutrition

Helping the bird preserve good eggshell quality for a longer laying period requires specifically tailored nutrition.

The flock is run on a four-stage diet, with a high but consistent energy structure across all the rations to lower consumption and minimise stress on the birds when they are introduced to a new ration.

The farm’s nutritionist, Tom Lander of Lloyds Animal Feeds, devised the feeding programme. He says taking birds to 100 weeks is “a marathon, not a sprint".

“Really large, early egg size will render the 100 week programme unviable," he warns.

The strategy for feeding is as follows:

Start of lay ration

This is 18% protein to help birds recover from the stress of transit and to build bodyweight as they come into lay.

5% lay to peak ration

Crude protein level reduces to 17%, but fibre levels increase slightly to 5% and calcium to 3.75%.

Mr Lander says fibre content is designed to help slow digestion so that faecal matter is drier.

“Layers coming into lay very quickly can become stressed easily and their faecal matter can become quite loose," he says.

The extra calcium is important as the birds’ rate of lay increases.

“We give the bird every opportunity to absorb the right amount of calcium to reduce second quality eggs," says Mr Lander.

Post-peak ration

Once birds have maintained peak production for several weeks and egg quality and size are appropriate, the amino acid profile is slightly reduced, for methionine and lysine in particular, to prevent eggs getting too large very quickly.

This diet is 5.5% fibre, combining digestible and non-digestible elements, with supplementary dried lucerne bales used in the housing.

Home-grown oats are milled on farm and included at 5% post-35 weeks, increasing to a maximum of 8% later in lay.

Oyster shell and limestone content is increased every 10 weeks to reduce calcium exhaustion in the medullary bone and aid its transfer to the digestive tract.

Post 75-80 weeks

Eggs start to reduce in quality but increase in size, putting pressure on the bird.

To manage this, this diet is lower in lysine and methionine while, at 4.5%, the maximum level of calcium that can be usefully absorbed and digested by the birds is included.

Crude protein is 15.5% and fibre 6%

Regular analysis of home-grown feeds

At 12-week intervals, wheat is tested against target specification requirements

Finished feed analysis is also scrutinised to ensure it is at the correct specification

This policy pays off, says Mr Lander. “We had some wheat samples where protein was a little higher than what we expected so we addressed the balancer to take ***account*** of that result."

This made sure that they were not over-supplying the bird with crude protein and the amino acid profile stayed in line with target levels.

3. Management

The birds are flighty when they arrive, which can make weighing and stock management a challenge. But the Panniers and their stockmen, Gary Morgan and Jackie Dorrington, overcome this by weighing before the lights come on.

White birds pick up both good and bad habits in no time, says Nick.

“They quickly learn to go up into the system at night and into the nest boxes but they will also learn to lay floor eggs, so you have to be on the ball."

The early morning routine is consistent with birds walked every morning, at the same time, to check for feed, water and any changes to behaviour. Birds are not disturbed in the afternoon.

Dimmer lighting regimes help control egg size and quality at end of lay. “We run the sheds a bit darker to keep the birds calmer," says Nick.

4. Water quality

Water is tested every 12 weeks. If it is high in bacteria, with a total viable count (TVC) exceeding 100, an acid is applied and flushed through the drinker line. However they consider anything over 50TVC to be undesirable.

Water is particle and UV-filtered for each house to help reduce the TVCs further. “This maintains a low TVC on the farm, this solves a big part of the production puzzle," says Mr Lander.

JOURNAL : Farmers Weekly

Jim and Julia Beary have transformed an upland farm by doubling stocking rates and cutting 30% off prime lamb cost of production since moving to Yorkshire.

Rotational grazing, hard work and a helpful landlord, who contributed to the cost of improving water infrastructure, have made the gains possible.

Now farming a total of 250ha of grassland, ex-Farmer Focus writer Mr Beary has fulfilled his dream of farming full-time after several years of balancing farmwork with off-farm income, which still comes in from Mrs Beary’s part-time nursing.

See also: How beef herd is delivering £350/cow net profit with deferred, mob grazing

Now based near Sheffield, the Bearys moved to their current second tenanted farm – on a 10-year farm business tenancy – at the 140ha Ughill Hall Farm, Bradfield, in 2017.

Glen Farm: getting started

The first big step for the Bearys came in 2012 when Mr Beary took on his first farm, Glen Farm near Aston, in 2012 – an 34ha county council farm.

Mr Beary contract reared 900 dairy-cross calves a year and developed a flock of Aberfield cross New Zealand Romneys.

He also contract gritted through the winter.

Farm facts

Beary Farming

800 Aberfield cross Romney, Cheviot and Highlander ewes and 200 breeding ewe lambs

Lambs sold to Kepak on Tesco cost of production contract

Growing 100 dairy-cross steers a year on Dovecote Park contract for Waitrose

3,750 pigs grown for BQP a year on Freedom Foods system

Average rainfall of 1200mm/year

Land rising to 365m

250ha in total

140ha at Ughill Hall, 60ha at Dronfield and 50ha of grazing/cropping

Ughill Hall: chance of a bigger farm

In 2017, the Bearys applied for a larger tenancy at Ughill Hall after a friend had seen it advertised. Equipment and 600 sheep were moved from Staffordshire to South Yorkshire.

“The farm was in good order, but it was set up for set stocking,” explains Mr Beary.

“There were only four gates on the whole farm and two water troughs.”

The Bearys borrowed money to fence the farm and increase flock numbers, buying 200 one-to-three-year-old Cheviots from South Wales in 2018. Contract growing arrangements on batches of cattle and pigs were added last year to further dilute fixed costs across more output.

Previously, sheds were only required in the spring to lamb ewe lambs and some triplets, but the arrival of 900 pigs means sheds are used most of the year.

Weaned pigs arrive at 7kg and are grown to 50kg on loose-housed straw as part of the Better Quality Pigs (BQP) supply chain on a bed-and-breakfast contract. Dairy-cross cattle continue to be reared for Dovecote Park.

Cattle now arrive at about 150kg as strong weaned calves from Waitrose dairy farms and are targeted to gain 0.8kg/day over 12-14 months, taking them up to 450kg.

Apart from being built up from 1.5kg to 2.5kg a head a day of a 16CP grower pellet when housed for winter, the cattle just get silage and grazed grass until being sold to a finisher farm.

The mixture of enterprises helps with cashflow and the pigs and cattle produce P and K for the land. The cattle also help control parasites for the sheep.

Investments

A fencing overhaul at Ughill Hall has so far seen £15,000 spent on electric, semi-permanent and permanent fencing. Initially Mr Beary started by simply halving the biggest fields for grazing and then enlisted consultants Precision Grazing to map out paddocks.

Subsequent subdivision left 40-50 paddocks and required £20,000-worth of infrastructure, which was covered partly by the landlord.

Mr Beary opted for a 45,000-litre Agrismart bladder tank – enough for all stock for five days. Liming one-third of the farm has increased pH levels from an average of 5.5 to 6.

Mr Beary calculates a 30% return on investment on lime, fencing and water infrastructure.

Rotational grazing on 2.5ha paddocks has improved swards. Seeds have been stitched in to diversify species – only 20ha of reseeding has taken place after winter forage swedes (plantain, Aber grasses and clover). Nitrogen use has fallen from 70-80kg/ha on the lambing paddocks to just 25kg/ha.

“Letting the sheep graze and stitching in deeper-rooting varieties such as chicory, timothy, cocksfoot, plantain and clovers has helped soil health, helped clover return and cut nitrogen use.”

Progress

Stocking rates have lifted from 90 livestock units (LSUs) to 200, not ***accounting*** for 900 housed pigs. Grass use has also lifted. The farm grew 6t/ha DM of grass last year and used 80%, compared to growing 4t/ha DM and using 50%.

This has allowed Mr Beary to run the sheep without hard feed, which, hand-in-hand with a growing flock, has seen cost of production drop by £2/kg.

Future

Another 100 calves are arriving this spring, which will mean stocking rates will peak at a total of 200 cattle on the farm for four months until the previous year’s cattle are sold.

The farm expanded last year when the Bearys took on a 60ha ex-dairy farm 14 miles away, near Dronfield, in April 2019. The current plan is to re-establish the paddocks and water troughs at the new farm and use that as a finishing unit.

The upland farm is currently stocking at a little over one LSU/ha when ***accounting*** for moor, banks and restricted grazing, but Mr Beary says they could probably stock 20% more.

“We could expand but the plan is to make better use of what we have,” says Mr Beary, who would like to regenerative farming and possibly convert to organic.

“I am really excited by the holistic and regenerative farming principles of Joel Salatin and others.

“It makes sense to start with soil health, what’s there ends up in the plant and what’s in the plant ends up in the animal.”

“Whatever we do, we need to keep it simple, keep costs down and try to finish off forage, so we sell a better product at the end.”

Tips for expanding for new entrants

Try to expand steadily and maintain a secondary income. The Bearys did this with contract gritting and Mrs Beary’s nursing work.

Always have cash to buffer yourself as a plan B if things go wrong, such as bad weather, low output, disease.

Limit spending to infrastructure that you can take with you – for example, electric fencing, portable troughs and essential machinery.

Ensure quick returns from improvements the landlord will benefit from after you’re gone. Lime, fencing and reseeding can see a 30% return on investment if done well.

Keep machinery to bare essentials as it depreciates. Invest in stock instead as this can appreciate and grow your balance sheet to take more land or increasing borrowings. The Bearys use contractors for most work and have a load-all, 120hp tractor, quadbike, trailer, aerator and fertiliser spinner.

JOURNAL : Farmers Weekly

Feeding a 50:50 ration of grass and maize silages to pregnant ewes three weeks before lambing is improving their ability to produce milk.

Home-grown maize silage is fed to the 500 Mule ewes at Bryn Farm, near Cowbridge, when they are housed before lambing.

“The maize makes the ewes very milky,” says Owen Rees, who oversees the sheep enterprise and farms with his father, Ed, his uncle, Robert, and cousins, David and Tom.

Farm facts

384ha farmed, of which 243ha are owned

Lambs sold to Dunbia at a liveweight target of 40kg

Most lambs sold by the end of September

100 lambs retained as replacements

Aberdeen Angus cross Friesian and Hereford cross Friesian suckler herd, calving from April to June

Offspring sold at 26-28 months old at a target of 280-330kg deadweight. Angus cattle are sold to Scotbeef and the Herefords to Celtic Pride

Why did they switch to feeding maize?

The business is largely self-sufficient in feed, growing 10ha of maize and up to 16ha of spring and winter barley.

The maize had been grown as feed for the 120-cow suckler herd, and was introduced into the ewe diet two years ago when the family were seeking an alternative to energy blocks.

“We were using the energy blocks to balance the grass silage and hay the ewes were getting, but they were costing us about £25 each and we were getting through two pallets of them," Owen calculates.

See also: All you need to know about feeding sheep a total mixed ration

With limited feed space, the blocks were positioned in ring feeders in a yard adjoining the housing.

“The blocks were expensive. We never knew which ewes were taking them and we were getting a lot of cases of twin lamb disease," Tom recalls.

Their nutritionist suggested adding maize silage to the ration.

Minimising health risks

Owen admits he initially had reservations, because ewes are known to gorge on maize and become fat, putting them at risk of metabolic disorders in late pregnancy.

But by introducing maize silage into the ration just three weeks before lambing, the Reeses say the condition of ewes can be maintained.

“Although we were advised twin lamb disease could be an issue with feeding maize, we haven’t had a single case since we introduced it two years ago," Tom points out.

He adds: “If anything, the flock is doing better on maize because ewes are producing more milk and the lambs are born stronger.”

Expert advice on feeding maize to pregnant ewes

Below, independent sheep consultant Kate Phillips offers some advice on feeding maize to pregnant ewes.

1. Analyse grass and maize silage to establish if supplementary protein is needed.

E To develop an appropriate nutritional plan for pregnant ewes, it is important to know the feed value of the silage being offered.

E Maize has a lower crude protein content than grass silage, but it is generally high in energy, so is an ideal partner to high-protein grass silage.

E The high starch level in maize provides plenty of rumen-fermentable energy; this gives a synergistic effect with the high protein of grass silage.

E It is important the ewe’s protein and energy requirements are met so that colostrum and milk supplies are plentiful. Check the grass/maize silage intake is meeting the ewes needs by assessing silage dry matter intake and comparing it to the standard energy and metabolisable protein needs as ewes approach lambing.

E Supplements may be needed to provide additional protein, but the level depends on the forage analysis. Rapeseed meal, beans and soya bean meal are all possible supplements.

2. Condition score ewes

E It is very easy to overfeed single-bearing ewes, so care should be taken to check ewe body condition and feed ewes according to body condition score and litter size.

E In late pregnancy, ewes on maize can become fat and prone to metabolic disorders, such as twin-lamb disease, so when condition scoring, feel for backfat rather than visually scoring ewes.

For advice on feed rates see p4 of the Improving ewe nutrition PDF.

3. Allow sufficient feed barrier space

E Allow a minimum 15cm of feed space a ewe when feeding a total mixed ration to avoid cramming, which increases stress and may lead to abortion in extreme conditions.

4. Don’t overlook minerals

E Maize has lower mineral and vitamin concentrations.

E Provide additional minerals – particularly calcium and trace elements.

The feeding process

The system at Bryn Farm is simple: a bucket of fresh maize is deposited in the central passage once a day and forked into the silage.

“There is no science behind it, but it is roughly 50:50 grass silage and maize silage," says Owen.

The feed is pushed up with a fork about three times a day.

In 2019, the maize analysed at 33% dry matter (DM) and 11 megajoules (MJ) of metabolisable energy (ME)/kg DM . The grass silage analysed at 32% DM, 15.9% crude protein, 11MJ ME/kg DM  and had a D-value of 69.

The Rees family give no supplementary feed. Instead, the aim is to produce lamb as cheaply as possible while maintaining ewe performance.

“Margins are very tight, and we are trying to keep costs low by making more use of home-grown feeds,’’ says Tom.

“Some of the ewes get a bit of barley when they are at grass, if they are a bit lean.’’

Ewes are typically at grass until they are housed three weeks before lambing, depending on the weather. Grass intakes are supplemented with baled silage and hay fed from a ring feeder.

Practical considerations

Maize can easily be incorporated in the diet because the Reeses grow a large acreage as feed for their beef herd – the 2019 harvest yielded 49t/ha, with about 50t fed to the sheep.

Although it has been straightforward to add maize to the ewe diet at Bryn Farm, Owen admits it can be impractical to grow maize in some sheep systems.

“If we needed maize just for our sheep, we would only need to grow 2.5 acres [1ha], and at that level we wouldn’t do it, because it would need to be harvested and clamped,” he says.

Another option for sheep farmers is to buy maize from a local grower, he suggests, although keeping it fresh could be a challenge if it is delivered in large quantities.

Owen admits it is not always easy to get the feeding of ewes right, but with maize silage, he says, he has found a system that works for him.

“Some farmers can overcomplicate their systems, adding to their costs, but we keep everything as simple as possible, to keep our costs to a minimum,” he says.

JOURNAL : Farmers Weekly

Genetics and a programme of tailored nutrition have helped two Herefordshire farmers successfully lift the laying cycle of their flock of free-range hens beyond the UK’s 72-week average.

As long as everything is working well, 100 weeks is definitely achievable, believes Nick Panniers, who farms with his father, Allan.

“The back end of the cycle is where you get the most profit; that is when you make the money to cover the cost of the pullets," he says.

See also: 4 key poultry management factors influencing egg size

The Panniers produce eggs from 64,000 Dekalb Whites at Wellington Farm, Bishops Frome, switching from brown layers in 2018 in response to a new supply contract.

Their existing packer, Stonegate, had asked the business to supply white eggs for Waitrose's essential free-range brand.

In response, they sourced white birds from Hendrix Genetics.

After visiting farms stocked with Dekalb Whites in Holland, they were confident the breed would last longer in their system than the typical 74-week cycle they had with Brown Lohmanns, although they did have initial concerns that the Dutch systems are mostly barn, while theirs is free range.

“That was a big point of difference to consider but we discovered that white birds perform extremely well in free-range," Nick says.

He initially set a depopulation target of 90 weeks, but increased that to 100 weeks to supply the Christmas market.

“As the hens were laying well we agreed to keep going and did so with very few issues," says Nick.

Their rate of seconds did increase to 12% at week 85, but this was due to an infectious bronchitis challenge.

“That knocked them a bit, so without that we think we can improve on our seconds rate this year,’’ says Nick.

He admits the practicalities around when to depopulate are a consideration.

“This year, if we deplete at 100 weeks it will fall in August when we are busy with the harvest, which doesn’t suit us very well, so perhaps we will need to deplete a bit earlier to balance the work out a bit.’’

The challenges of longer lay

One of the challenges of keeping flocks for longer is maintaining consistent performance. Nick says the system is set up to take pressure off the birds.

“We have to make sure that everyone involved is singing from the same hymn sheet. The routine is very important, we always pack at the same time, feed at the same time."

Four ways Wellington Farm  increased depletion age and maintained productivity

1. Genetics and vaccination

Through selection and breeding programmes there are now efficient laying hens with greater persistence of lay, alongside acceptable egg quality and egg numbers.

The Panniers pay about 5% more for white birds, but say this cost is balanced by the breed’s hardiness and longevity.

Their pullets are comprehensively vaccinated for Newcastle disease, Marek’s disease, egg drop syndrome, salmonella, infectious bronchitis, and also for E coli due to a challenge on the farm.

2. Nutrition

Helping the bird preserve good eggshell quality for a longer laying period requires specifically tailored nutrition.

The flock is run on a four-stage diet, with a high but consistent energy structure across all the rations to lower consumption and minimise stress on the birds when they are introduced to a new ration.

The farm’s nutritionist, Tom Lander of Lloyds Animal Feeds, devised the feeding programme. He says taking birds to 100 weeks is “a marathon, not a sprint".

“Really large, early egg size will render the 100 week programme unviable," he warns.

The strategy for feeding is as follows:

Start of lay ration

This is 18% protein to help birds recover from the stress of transit and to build bodyweight as they come into lay.

5% lay to peak ration

Crude protein level reduces to 17%, but fibre levels increase slightly to 5% and calcium to 3.75%.

Mr Lander says fibre content is designed to help slow digestion so that faecal matter is drier.

“Layers coming into lay very quickly can become stressed easily and their faecal matter can become quite loose," he says.

The extra calcium is important as the birds’ rate of lay increases.

“We give the bird every opportunity to absorb the right amount of calcium to reduce second quality eggs," says Mr Lander.

Post-peak ration

Once birds have maintained peak production for several weeks and egg quality and size are appropriate, the amino acid profile is slightly reduced, for methionine and lysine in particular, to prevent eggs getting too large very quickly.

This diet is 5.5% fibre, combining digestible and non-digestible elements, with supplementary dried lucerne bales used in the housing.

Home-grown oats are milled on farm and included at 5% post-35 weeks, increasing to a maximum of 8% later in lay.

Oyster shell and limestone content is increased every 10 weeks to reduce calcium exhaustion in the medullary bone and aid its transfer to the digestive tract.

Post 75-80 weeks

Eggs start to reduce in quality but increase in size, putting pressure on the bird.

To manage this, this diet is lower in lysine and methionine while, at 4.5%, the maximum level of calcium that can be usefully absorbed and digested by the birds is included.

Crude protein is 15.5% and fibre 6%

Regular analysis of home-grown feeds

At 12-week intervals, wheat is tested against target specification requirements

Finished feed analysis is also scrutinised to ensure it is at the correct specification

This policy pays off, says Mr Lander. “We had some wheat samples where protein was a little higher than what we expected so we addressed the balancer to take ***account*** of that result."

This made sure that they were not over-supplying the bird with crude protein and the amino acid profile stayed in line with target levels.

3. Management

The birds are flighty when they arrive, which can make weighing and stock management a challenge. But the Panniers and their stockmen, Gary Morgan and Jackie Dorrington, overcome this by weighing before the lights come on.

White birds pick up both good and bad habits in no time, says Nick.

“They quickly learn to go up into the system at night and into the nest boxes but they will also learn to lay floor eggs, so you have to be on the ball."

The early morning routine is consistent with birds walked every morning, at the same time, to check for feed, water and any changes to behaviour. Birds are not disturbed in the afternoon.

Dimmer lighting regimes help control egg size and quality at end of lay. “We run the sheds a bit darker to keep the birds calmer," says Nick.

4. Water quality

Water is tested every 12 weeks. If it is high in bacteria, with a total viable count (TVC) exceeding 100, an acid is applied and flushed through the drinker line. However they consider anything over 50TVC to be undesirable.

Water is particle and UV-filtered for each house to help reduce the TVCs further. “This maintains a low TVC on the farm, this solves a big part of the production puzzle," says Mr Lander.

JOURNAL : Farmers Weekly

Improving soil health and establishing a cover crop is helping farmers overcome the effects of extreme weather on their cropping system.

The past few months have seen big swings in conditions, with a winter that was so wet that a proportion of winter cropping never got drilled. This was followed by a spring that has seen little rain, with growers trying to establish crops in bone-dry seed-beds.

Therefore, there is a need for more resilient cropping systems that cope better with the extreme weather patterns seen in recent years.

See also: How ethylene can help control sprouting in potato stores

Here we look at two farmers who are looking to improve resilience on contrasting soil types.

Ian Wilkinson, Honeydale Farm, Oxfordshire

Ian Wilkinson has developed his own unique system by introducing sheep into the cropping system on the 43ha demonstration farm on poor Cotswold brash soils.

“There is nothing worse than soil being left bare over the winter,” he says.

“I saw very little green [cover] around here, as many had expected soils to be drilled, but they are now dry and I can’t see how farmers can grow a crop in it.”

His system is based on having 100% ground cover “pretty much all year round”. This helps retain moisture for spring seed-beds, which otherwise would dry out.

Farm facts

Cotswold Seeds purchased the farm in 2013 with aim of developing it as a centre for farming diversity, demonstrating how small family farms can use sustainable farming practices while maintaining a respectable income

Area 43ha

Soils Costwold brash

Cropping Herbal fertility building leys, wheat and oats

At the heart of his low-input system is an eight-year crop rotation, which begins with a four-year deep-rooting herbal ley to build soil fertility. He describes this as “the engine of our rotation”.

The herbal leys sequester carbon and fix nitrogen. “It’s the only way I can see of building fertility on these soils. The soils have no inherent fertility and organic matter is low,” Mr Wilkinson says.

A flock of 100 ewes, owned by a neighbour, is sufficient to manage the forage areas and they are moved every 24 hours to a new 0.1ha block. It takes about 40-50 days for the flock to move around and mob graze the blocks.

Sheep graze about half of the forage and the other half is left for carbon sequestration, as the sheep are moved on. “It is delivering good sheep production and biodiversity.”

While cover crops are grown, he is looking to take this further by having permanent green covers and is currently looking into drilling wheat into a white clover which protects soil and fixes nitrogen.

“I don’t know if it will work yet, but trying a way to have a continuous green mulch with a crop growing in it.”

Mr Wilkinson also highlights sanfoin as a potentially useful crop, as it is drought-tolerant, which is ideal for the dry spells. However, it doesn’t like being sat in wet soils.

Phil Jarvis, Loddington Estate

Phil Jarvis farms 330ha at Loddington and says the swings in weather can have major effects on the heavy land.

He says soils that were "like sludge” a month ago are now bone dry. Repairing drains on heavy soil is paramount and the wet weather highlighted some areas that needed attention. Consequently, Mr Jarvis has spent recent weeks repairing 17 drains on the farm to help improve drainage for next time.

It’s not just the wet, he also points out that heavy land can go from extremely wet to extremely dry very quickly, so they need care to prevent drying out in spring. “Having moisture at the right time is key.”

Farm facts

The Allerton project has been researching farm ecosystems and the effects of different farming methods on wildlife and the environment for more than 20 years at Loddington.

Area 330ha

Soils Denchworth and Hanslope clay

Cropping Winter wheat, oilseed rape, winter oats, spring oats and spring beans

To help build resilience into soils at Loddington, Mr Jarvis has successfully widened the rotations, introduced cover crops and is making the transition to direct drilling.

“The direct drill approach allows our soils to remain undisturbed by leaving crop residues on the surface from harvest until sowing.”

This helps to conserve moisture for spring drilling, which is critical in a dry spring like 2020.

Online farm tours and discussions

Agricology has put together a series of virtual events over the summer, helping farmers to learn more about sustainably farming based on agro-ecological principles.

New this summer are the virtual field days, which aim to bring together farmers and researchers to discuss key practices on “tour” around a farm. Participants can interact via a webinar, dial in or watch it on YouTube Live.

The summer programme also includes virtual discussions, which are 30-minute webinars/live podcasts offering Q&As and discussions on key agro-ecological practices and themes.

Kicking off the programme on 28 April is a virtual field day looking at helping farmers take the first steps to agroecological farming. Other topics to be covered include intercropping and herbal leys.

Find out more at the Agricology webpage.

Both farmers were speaking at a recent briefing organised by Agricology.

What is Agricology?

Agricology is a knowledge exchange network of farmers, researchers and farming organisations aimed at sharing best practice on agro-ecological practices (such as reduced tillage, cover crops and reintegrating livestock).

The project was set up in 2015 and is run by three core organisations: the Game and Wildlife Conservation Trust Allerton Project, the Daylesford Foundation and the Organic Research Centre

JOURNAL : Farmers Weekly

A new V-Spread disc design on Bergmann’s huge 24t 6240 muckspreader has increased working width to 36m for farmyard manure and other materials.

The patented blueprint consists of a three-roller milling unit and two 1,100mm discs that are mounted at an angle to make spread widths and pattern consistent.

See also: Driver’s view: Vredo 5518 self-propelled muckspreader

The system will also be available on the tandem-axle 5210 and tri-axle 7340S.

Elsewhere, Bergmann has added its widest-ever pick-up (2,270mm) to the 34t tri-axle Shuttle 510K forage wagon. At 1,840mm, it claims to have the biggest drum on the market, too, and the 53-knife kit offers a chop length of 34mm.

The German firm has also made much of its mainline kit Isobus compatible, including the forage wagons.

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**Section:** NEWS IN BRIEF

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Americas

Canada-based Ingenia Polymers has acquired the La Porte, Texas, masterbatch tolling operations of LyondellBasell, also known as Bayshore Industrial. Financial terms were not disclosed. This is the first acquisition by the company. Ingenia’s line of business includes the manufacturing of synthetic resins, plastics materials, and non-vulcanisable elastomers. This is the first acquisition for Ingenia Polymers

Plastic packaging manufacturer Berry Global Group has begun commercial production of its trademarked non-woven material Spinlace at its facility in Moorsville, North Carolina. This is the latest decision taken by Berry to meet demand for healthcare materials in the wake of the coronavirus. The facility is adding 17,000 tonnes/year of capacity to the marketplace. The Spinlace asset makes various wipes for the healthcare, hygiene, household cleaning, foodservice, and industrial markets.

Brazilian energy major Petrobras will proceed with plans to idle a nitrogen fertilizer plant in Parana state following the end of a strike by the nation’s oil workers union (FUP).“The factory has stopped its production, operating only systems to maintain the safety of the equipment,” the company said. The two sides reached a resolution earlier in March, with the workers agreeing to accept a benefits package proposed by Petrobras and Brazil’s Superior Labour Court.

Canadian midstream energy and petrochemicals company Pembina Pipeline is cutting capital spending by between Canadian dollar (C$) 900m to 1.1bn ($625-764m) as it reacts to the coronavirus pandemic and the recent decline in global energy prices. Several projects will be deferred, including Pembina’s investment in the Canada Kuwait Petrochemical Corp (CKPC) petrochemicals joint venture. Pembina expects its revised 2020 capital budget to be C$1.2-$1.4bn - down from previously planned C$2.3bn.

Carol Hochu, CEO and president of the Canadian Plastics Industry Association (CPIA), will leave the group on 18 March, she confirmed in an email to ICIS. Her resignation comes as CPIA is set to merge with Chemical Industry Association of Canada (CIAC) and then continue as a new Plastics Division within CIAC. Jon Pyper, a former CPIA board member, will take over as CPIA’s interim leader to oversee the merger, scheduled for 1 July.

Finnish refining and renewable fuels company Neste has agreed to acquire Mahoney Environmental, a US-based collector and recycler of used cooking oil. Mahoney, of Joliet, Illinois, collects used cooking oil and turns it into renewable fuels. With the acquisition, Neste will gain access to “a substantial volume” of used cooking oil as well as a platform to grow its raw material supply chain in North America, CEO Peter Vanacker said.

Bartek plans to raise its malic acid capacity by 10,000 tonnes/year, the Canadian producer of malic and fumaric acids and maleic anhydride (MA) said. The expansion, to be completed in Q1 2021, follows a 4,000 tonne/year expansion completed last year, as well as the previously announced installation of a new 22,500 tonne/year MA reactor, which will also be operational in early 2021. With the expansions, Bartek will have in excess of 30,000 tonnes/year of malic acid capacity in place.

German fertilizer firm K+S plans to sell its North and South American salt business, with a deal expected to be signed before the end of 2020. The divestment is part of a “comprehensive realignment and restructuring of K+S.” The sale of the salt business, along with other measures, will make it possible for K+S to reduce debt by more than 2bn over the next two years, it said.

Hess Midstream is cutting its 2020-2021 expansion capital expenditures by $200m, compared with earlier plans. For 2020, Hess is cutting the expenditure to $260m, down by $75m or 20% from its previous guidance. Full-year 2020 maintenance capital guidance of $15m remains unchanged. For 2021, Hess Midstream plans to reduce expected expansion capital expenditures by about $125m, or 55%, to about $100m, relative to its previous plan.

US president Trump issued an order on 13 March to purchase oil for the country’s strategic reserve (SPR), a move not enacted since 2011. This comes following the declaration of a national emergency in the wake of the coronavirus outbreak. No details were provided on volumes or purchase price. A memo was issued later that evening by the Energy Secretary to start an “expedited process” for this purchase. The reserve, the world’s largest, has 713.5m bbls of authorised capacity.

europe

Covestro has inked a new expanded 2.5bn credit facility to provide additional financial stability, the Germany-headquartered chemicals major said. It has agreed terms with 16 banks for a revolving credit facility to replace its existing 1.5bn financing line. The new credit line is linked to the environmental, social, and governance (ESG) rating, where strong performance allows for lower interest levels.

Inflation in the eurozone sank to 1.2% in February amid lower energy pricing, ***statistics*** body ***Eurostat*** said. Inflation levels for the currency bloc fell 0.2 percentage points month on month, with energy pricing falling during the period. EU inflation fell 0.1 percentage points over the same period to 1.6%.

Sika is building a new plant at Sarnen near Lucerne, Switzerland, to produce flexible polyolefin (FPO) water-proofing membranes, the Swiss construction and specialty chemicals major said. Sales of the SikaProof membrane products - used to waterproof below-ground structures and basements - are expected to double by 2023. More stringent requirements for water-tightness of basements in the wake of growing urbanisation and densification are fuelling demand.

The board of chemical tanker specialist Stolt-Nielsen has voted to cancel its proposed final 2019 dividend pay-out as it looks to preserve liquidity for the impact of the coronavirus outbreak. The board of directors voted to withdraw the proposal to pay out $0.25/common share ahead of the of its full-year 2019 results announcement, which would have brought its full dividend for the year to $0.50/share.

BASF has postponed its annual shareholders’ meeting due to bans on large public assemblies in Germany during the coronavirus crisis, meaning that its proposed dividend will not be ratified by the original 6 May pay-out date. It had been expected to convene the meeting on 30 April in Mannheim but has pushed back the date after assemblies of more than 100 people were banned in the country. The company aims to hold the meeting within six months of the start of the fiscal year, running to 30 June.

Sasol is to expand and accelerate its asset disposals programme, may seek a partner for its US base chemicals operations, and is contemplating a rights issue worth up to $2bn as part of a raft of measures to pay down debt, the CEO of the South Africa-based producer said. The company is looking to raise around $6bn by the end of its fiscal year 2021 through a mix of cash savings, expanded asset sales, and a sale of new shares to existing investors. CEO Fleetwood Grobler said the measures are intended to “reset” Sasol’s balance sheet

BASF is set to begin production of hand sanitizers at its Ludwigshafen petrochemicals hub in Germany and will distribute them for free to nearby hospitals to help alleviate supply bottlenecks amid the coronavirus crisis. The company has obtained quick regulatory approvals to begin the production, and several tonnes of isopropanol have already been re-allocated to enable hand sanitizer production at the site.

Germany’s Volkswagen Group (VW) is shutting down most of its automobile production in Europe on the back of the coronavirus pandemic. Plants in Spain, Portugal, Slovakia and Italy are already down, and most of the remaining European production is set to be shut for about two weeks, CEO Herbert Diess said in a webcast press conference. The company has been hit by auto parts supply disruptions, officials said.

MOL is preparing substantial new investments in the petrochemicals space as the Hungary-based oil and gas major seeks to rebalance its revenues toward higher-value products. The firm has been developing a new roadmap to diversify its business towards higher-value areas such as petrochemicals and sustainability and away from its core oil and gas business, according to Ferenc Horvath, executive vice president of MOL’s downstream business.

German economic sentiment plummeted by the sharpest level since records began in 1991, economic research firm Zew said, on expectations of GDP contraction on the back of the coronavirus outbreak. The institute’s survey of analyst sentiment fell 58.2 points compared to the previous month in March, to a level of -49.5 as markets brace for a GDP decline in the first quarter, according to Zew president Achim Wambach, who said the economy was on “red alert”.

asia

China will increase export tax rebate for melamine to 13% from the current 10% from 20 March, in a measure to boost the country’s exports. The export tax rebate also will benefit close to 1,500 products, according to an official statement from the Ministry of Finance. “The news may weigh on the melamine export market, as buyers may ask lower prices,” a major Chinese melamine producer said.

Certain Southeast Asian ports have issued fresh restrictions this week amid increased cases of the coronavirus outbreak in the region. Johor port in Malaysia issued a notice this week that declarations must be submitted and ship crew must obtain clearance for shore leave from the immigration department. Ship crew are also not allowed to depart the ship unless in the event of an emergency. Anyone on board who has travelled to China, South Korea, Japan, Italy and Iran within the past 14 days will not be allowed to enter the port.

China will increase tax rebates for over 1,400 export items from 20 March, including many chemicals such as ethylene, propylene, 1-2 butene, styrene, polystyrene etc, the Ministry of Finance said. Products like o-xylene, m-xylene, formaldehyde, acrylonitrile-butadiene-styrene (ABS) resins and toluene diisocyanate (TDI) are also included in the list. The rebate rates for those chemicals will be hiked to 13%. Their current rates are mostly 9%.

Pengerang Refining and Petrochemical’s (PRefChem) shut its refinery complex in Johor, Malaysia following a fire and an explosion that hit the site late on Sunday, killing five people and injuring one. The incident occurred at the diesel hydro treating (DHT) unit within the Pengerang Refinery Complex.

China saw a heavy battering on its economic performance in the first two months of 2020 amid the coronavirus outbreak. Industrial output contracted by 13.5% year on year in January to February, the steepest fall in 30 years, according to ***data*** published by the National Bureau of ***Statistics*** (NBS). Fixed asset investment dropped by 24.5% year on year in the first two months, compared with 5.4% growth in December 2019.

China will cut its reserve requirement ratio (RRR) for banks that have met inclusive financing targets by 0.5-1.0 percentage points from 16 March to support growth and reduce funding cost, the central bank announced. The RRR for qualified commercial banks will be reduced by an additional 1 percentage point, the People’s Bank of China said. The move will inject CNY550bn ($79bn) of long-term liquidity.

India’s overall vehicle output fell by 18% year on year in February as producers cut output ahead of the implementation of new emission standards from April this year, industry ***data*** showed. Vehicle sales and exports also posted double-digit declines in February, the Society of Indian Automobile Manufacturers said. Production of two-wheelers, which made up of 78% of overall output, fell by 18% year on year to 1.58m units.

China’s n-butanol (NBA) plants posted an average operating rate of 61% in the week ended 12 March, unchanged from the previous week, according to the ***data*** compiled by ICIS. Sinopec Qilu Petrochemical cut the operating rate of its 85,000 tonne/year NBA plant from 100% to 90%. PetroChina Daqing Petrochemical reduced the run rate of its 80,000 tonne/year NBA plant from 80% to 70%.

middle east & africa

Saudi Aramco, the world’s kargest crude exporter, will cut its capital expenditure (capex) this year amid a low oil price environment and weakening demand, as it reported a 21% decline in full-year 2019 net profit. It will reduce total 2020 capital spending to between $25bn-30bn from $32.8bn in 2019, “in light of current market conditions and recent commodity price volatility”, the state-owned energy firm said.

JOURNAL : Farmers Weekly

Clever loader attachments from our 2020 Inventions Competition included a pukka wheel weight lifter, swivelling telehandler bucket and a brilliantly simple feeder hook.

Keith Maxwell’s hydraulic lifting jib

Steel frame erection has been simplified by Keith Maxwell’s 3m-long hydraulic lifting jib.

See also: Workshop tips: What you need to know to use grinders safely

The telehandler attachment was constructed from universal beam, a hydraulic ram and Manitou headstock, and has a second hook halfway along its length for lifting heavy items.

Hydraulic side shift is by way of a ram plumbed into the loader’s third service, and it offers a total articulation of 150deg. Combined with the headstock tilt/crowd and boom in/out functions, it offers movement along three axes.

This means there is no need to move the whole telehandler to make slight adjustments, which has improved safety and accuracy, says Mr Maxwell.

It took a week to construct and, so far, has been employed on six shed building projects.

Kevin Trotter’s excavator adaptor plate

A neat attachment adaptor plate has allowed Kelso-based Kevin Trotter to get more use out of his 360 digger.

The steel assembly allows attachments designed for a JCB Q-Fit carriage to be hooked to the farm’s recently purchased JS130 excavator.

Expenses were modest, as Mr Trotter already had all the essential components – spare Q-Fit carriage, 2.5cm-thick steel plate and pins – tucked away in the workshop. Manufacturing took just an evening, though it involved a fair bit of planning, he says.

It’s meant that in wet years – last autumn being a prime example – he can load muckspreaders with the tracked machine, significantly reducing ground compaction compared with a telehandler.

DJ’s wheel weight loader attachment (simple category highly commended)

Wrestling with wheel weights carried on pallets often takes two men, lots of time and, probably, the odd health and safety breach, but not so with Derek Howard’s loader attachment.

His smartly finished tool was built from an old cultivator stub axle bolted to a steel frame that forms the telehandler attachment. To the turning axle he fitted six nylon-lined carrier brackets and three locking arms.

In use, the operator slides the hub through the centre of the weight. Once in position, the locking arms are turned through 90deg to hold it in place.

The weight can then be offered up to the tractor wheel and the beauty of mounting it on a free-turning axle is that it can easily be lined up with the bolt holes.

Mr Howard says it has proved particularly useful on his Fendt 828 with Variogrip tyre inflation system, as the weights include a recess that must be carefully positioned over the check valve.

The build cost totalled just £150, as most of the components were already in stock.

John Adams’ feeder hook

Stock farmer John Adams from Ringwood, Hampshire, knocked together a gloriously simple hook for shifting ring feeders while still having a bale of silage on the loader tractor.

It’s notoriously difficult to repair and reseed the ground around permanently positioned ring feeders in the spring due to poaching, a build-up of uneaten silage and a trench of slurry. Therefore, he chooses to move the feeders at every refill.

To do this, he made a hook from 20mm bar roughly 75cm long. The top part of the hook hangs on the front loader or bale spike, allowing the feeder to be lifted at the front and dragged backwards to fresh ground.

The two bottom hooks are welded at right angles to each other so at least one of them will catch on the top ring of the feeder. The hook also works well on tombstone feeders, he says.

Robert Wright’s swivelling telehandler bucket (intermediate category highly commended)

Narrow feeding passages are pretty common on livestock units and getting grub into the right places with modern kit can be a bit of a challenge.

Northern Irish engineer Robert Wright was tasked by one of his dairy farming neighbours to build a swivelling bucket for the front of his loader. The clever design means the bucket can be used in a normal fashion or be spun 90deg to deposit material at the side of the handler.

For this, Mr Wright attached the bucket supplied by the farmer to a box section frame with a pivot point located vertically for the bucket to swing from. This was approximately one-third in from the right-hand edge and it took a fair few attempts to get the weight distribution correct.

This means when the bucket is turned 90deg, the weight distribution is 70% in front of the headstock and 30% coming back towards the machine.

A solenoid valve has ben piped to the third service, so the bucket and subframe can be swung out and still have tipping and crowding functions, thanks to two rams fitted between the subframe and the bucket.

A clever latch system was needed during normal work, as the bucket tended to creep away from the frame. It is based on a single-acting hydraulic ram and a spring mechanism working on the principle that oil takes the path of least resistance, so when the flow begins, it unlatches before the bucket is pushed out.

The spring-loaded part of the system will automatically lock the bucket when it returns to its original position to avoid any creeping.

The whole project took about a month to complete and cost in the region of £4,500. Mr Wright admits that if he were doing it again, the positioning of the rams to crowd the bucket would be altered.

Simon Frederick’s bale kit

In order to take full loads back to the yard, Kent farmer Simon Fredricks adapted his flat eight-bale sledge so it was leaving piles of 10 bales that would take up the full load-bed on his trailer.

The 10-bale affair turns the end two bales and according to Mr Fredricks, actually ties in better and makes the stack more stable during transport.

Local mechanic Joe Still helped to convert the sledge, which involved using some half shafts from a Land Rover as well as beefing up areas of the machine to get the bales flowing out correctly.

To unload the bulging trailer back at the yard, the pair converted a couple of Browns eight-bale grabs into a huge 20-bale lifter. The grabs cost the grand total of £95, with the most expensive parts being the new hydraulic pipes.

It took the best part of a week to make and fits the farm’s John Deere 3800 articulated loader. The grabs have been braced with some heavier-grade steel, as the original units needed some reinforcing.

Adrian Marsh’s knife bucket

Shropshire fertiliser spreading contractor Adrian Marsh was determined to stop his workforce putting themselves in danger by climbing up on fertiliser spreaders to split bags.

He came up with the idea of building a bucket that could take 4.2t of fertiliser before being tipped into the spreaders. Made from 3mm sheet steel, the bucket has a set of forager wagon knives in the top to split bags as they are lowered in, so the operator doesn’t leave the seat and can unload six bags at once.

Once full, the Claas telehandler hooks on and tips into the hoppers. All the staff are now so set on the idea, that if the bucket has been moved, they’ll go and find it rather than loading the old way. So far, more than 6,200t have been loaded with the bucket, with no spillages.

It took two days to put together. The first day was spent assembling it, but when it was tested, there wasn’t enough angle to tip the fertiliser out. So, the second day was needed to tweak the design, although it never received a lick of paint.

Mark Wagstaff’s bale grab

Bawtry contractor Mark Wagstaff was looking for a squeeze grab that didn’t have the D-shaped paddles on, as he wanted to get tighter bale stacks to stop vermin and birds nesting in the holes.

Realising he couldn’t find anything, he set about designing and making his own. He used a couple of lengths of 100mm box section for the arms,  which are tapered at the end to slide in between bales. It is also possible to unstack without puncturing the wrap.

The build took about a week to complete in April 2019, once all the pipework and metal had been delivered. Mr Wagstaff shifts up to 7,000 bales a year and although he reckons the grab cost him similar to a new one, the end product is something that is fit for the job, and he no longer has to leave gaps in between bales.

Gary Brandrick’s bale grab

Switching from chopped silage to round bales meant Gary Brandrick had to find an easier method for splitting up the bales to feed his 60-strong herd of dairy cows.

His feed shed consists of two long, narrow passages and, rather than spending money on a feeder wagon, he came up with the idea of mounting two shear grabs together in order to break round bales into manageable chunks.

He already had a 20-year-old Parmiter grab and managed to source another identical one on eBay for just £65, conveniently located only 10 miles down the road. He took the forks off and mounted the grabs together, leaving a little gap between them to avoid any pressure issues when they close.

Luckily, his JCB 530-70 doesn’t show any slowdown in hydraulic flow while coping with two grabs, and they shut evenly every time. Mr Brandrick is able to cut bales up into little chunks and he is now a dab hand at removing the plastic as well.

The grab is now four years old and handles about 800 bales a year on the Derbyshire farm.

JOURNAL : Farmers Weekly

Several inventive tractor attachments, entered into the 2020 Farmers Weekly Farm Inventions Competition, have helped resourceful farmers reduce work hours and expenses.

See some of the best, including Tom Jefferies with his front linkage conversion and Charlie Land's linkage-mounted mudguards.

See also: Workshop tips: A guide to oxy acetylene gas cutting and welding

Harri Whittingham’s carrier frame

An L-shaped, front-mounted load carrier has allowed sheep farmer Harri Whittingham to complete more tasks with fewer machines.

The box-section frame and chequerplate base – together with reflectors and paint – cost £450 to assemble.

It allows him to carry races and gates, or the ATV, on the front of the tractor – held in place by ratchet straps – while the stock box is hooked on the back.

This has turned out to be particularly useful as the farm fattens lambs 30 miles from its base, saving two people transporting all the kit across separately.

Niall Murphy’s front-mounted cameras

After purchasing a front-mounted mower, Niall Murphy decided he needed to come up with a way of improving visibility for him and other motorists when pulling out on to the road.

His solution was to mount two night-vision cameras on the mower bed – one looking left and one right – and add lights protruding above the mower guards so drivers can quickly spot the mower as he is inching out.

To make use of the cameras when he isn’t mowing, he also made a bracket to attach them to the front of his Deutz-Fahr X720.

This has a fairly long bonnet, so the cameras significantly improve safety for other jobs that involve driving on the road.

The cameras were purchased online for £70 apiece and rather than opting to view them on a split screen, each has its own large display.

Tom Jefferies’ front linkage conversion

Somerset farmer Tom Jefferies and his brother, Josh, designed a front linkage adaptor that allows them to harrow and aerate grassland at the same time.

The new frame was constructed predominantly from box section, with flat plate used to form the mounting clevises.

It clamps around the main beam of the Hatzenbichler harrow and stretches over the tine assembly to a new linkage at the rear of the machine.

Mounting to the Massey Ferguson 7620’s front linkage is via an old scraper A-frame. Other bits used in the build include muckspreader repurposed as reinforcing plates.

Pairing the grass harrow and Browns Slitmaster aerator has saved countless field passes and it also appears to have impressed some of the neighbours, as Mr Jefferies has landed several contracting jobs.

Paul Spinks’ Skeyton Slop Slinger

In a bid to keep roads as clean as possible during the sugar beet lifting campaign, Paul Spinks from Skeyton, Norfolk, made some clever modifications to his Suton sweeper brush.

This involved extending the original 1.75m rotor to 2.25m – tailoring it better to the width of his tractor – and adding a separate 0.5m unit to the rear, set at 90deg to the direction of travel.

This flings the slop well away from the edge of the road so vehicles hugging the verge don’t end up splashing it back onto the carriageway.

It was put together over a couple of days using recycled metal, a few extra brush sections and a second hydraulic motor borrowed from Mr Spinks' home-made chaser bin.

Charlie Land’s linkage-mounted mudguards

A set of linkage-mounted mudguards have helped keep Charlie Land’s John Deere 6250R relatively clean.

The kit, which fits pretty universally to all 6R tractors, was made from 75x25mm steel off-cuts combined with worn-out conveyor belts previously used on concrete crushers.

The only cost was for the welding gas and wire, electric and spray paint, but if it was built with new materials, Mr Land reckons it would cost roughly £80.

To drop them off, he typically sits them on the drawbar of a trailer or props them against a wall.

Stuart Pears and Kevin Lester’s straw-baling press

A ground-driven straw press built in the farm workshop by Stuart Pears and Kevin Lester, from Faldingworth, Lincolnshire, has helped put a stop to regular blockages under the tractor and improved the flow of material into the baler.

The front-mounted kit was built predominantly from old power harrow parts found in the hedge, with the 250kg packer unit forming the main press.

This can be filled with water to add more weight, if needed.

Warning lights across the front help when pulling out from concealed gateways. The total cost was £110.

Paul Woolsey’s tractor crane

Lincolnshire farmer Paul Woolsey needed a lifting device that would work on the rough ground in his shed to help him split a David Brown 1490 without spending thousands of pounds on expensive engine hoists.

His design uses parts cobbled together from his yard, including an old plough ram, which had to be welded into a tube to make it longer.

The top lifting bar is reversible to gain extra height and wheels were added at the base to take the weight of the heavier items, such as the David Brown’s engine.

Fine adjustments can be made with the top link for lining up gearboxes. All in, the build cost half a box of welding rods over a few afternoons.

It has already proved extra useful for other lifting and shifting jobs.

David Cook’s potato digger

David Cook grows a small area of potatoes for farm shops near Preston, Lancashire, and has built a one-man lifter that chops the tops and loads into a trailer towed behind.

The starting point for the project was a single-row Johnson digger with 22in webs that Mr Cook bought for £400.

To the front of this, he has added a flail, which has been fashioned out of parts scavenged from a Ransomes self-propelled mower.

These include the petrol engine and the original grass-cutting cylinder, which has been cut down and fitted with home-made flails.

The height of this can be adjusted so it’s skimming the top of the ridge.

Finally, a cut-down elevator from an old Ransomes Faun lifter was added at the rear to load into a trailer towed behind.

Mr Cook admits that it’s a bit of a “Heath Robinson” set-up, but it only cost £600 to put together and will comfortably lift 4t a day.

It’s also the only outfit he has seen that does all these jobs in one.

Tonka’s gear shifter and camera

Spending 1,500 hours a year driving a hedgecutter for JS Rose Country Contractors in Dorset prompted Tony Adams, known locally as Tonka, to develop a nifty solution to save chronic neck ache and make his life a little easier.

The John Deere 6920 he drives has standard powershift buttons on the right-side of the tractor, but no way of changing gear on the left side, where the hedgecutter controls are positioned.

So, he extended the wires under the seat from the shifting button on the right and mounted a new £40 switch next to the hedgecutter joystick.

He has also installed a rear-facing camera on the bottom of the external mirror that gives him full view of the trimming head.

His work involves a lot of council verges and mowing around signposts and Armco barriers.

He says he is so used to it that he now controls the hedgecutter solely from the camera’s 18cm display, even when the head gets cosy with the tractor’s wheel.

It cost about £100 for the camera and screen, but has transformed his job.

JOURNAL : Farmers Weekly

A growing number of farmers are overhauling their systems and are now farming in a way that has little impact on soil health, includes greater diversity and leads to more resilient crops which need fewer inputs.

Enthusiasts of 'Regenerative ***Agriculture***' – which is also referred to as conservation ***agriculture*** – also point out that healthy soil functions can deliver carbon and ecosystem services.

This is something that growers will increasingly need to be able to demonstrate as direct payments are replaced by support based on environmental measures.

See also: How a grower slashed insecticide use by splitting fields

What is regenerative ***agriculture***?

Sometimes referred to as conservation ***agriculture***, regenerative ***agriculture*** is a system of farming principles and practices that aims to increase biodiversity, improve soils, protect the environment and enhance ecosystem services.

Common principles include:

Limiting soil disturbance

Building diversity through rotation

Keeping the soil covered

Integrating animals.

Resource use efficiency

Already using resources more efficiently, Regenerative ***Agriculture*** practitioners are also starting to measure reduced tillage's contribution to carbon sequestration, the value of greater biodiversity and the potential for farmland to reduce the risks from hazards such as flooding.

At the recent Biodiversity, ***Agriculture***, Soil and Environment (Base) conference in York, those who have already taken the plunge and changed the way they farm all agreed on one thing – there is no blueprint.

Instead, they are having to find ways of making it work on their own farms, learning from each other and from their mistakes. For this, knowledge transfer is key, which is why Base was formed eight years ago.

Water holding

“It’s never been so relevant as this year,” said Northumberland farmer and Base chairman Edwin Taylor.

“After such a difficult winter, there’s renewed focus on soils and their ability to deal with water. It’s been a steep learning curve for everyone, but the system has performed.”

There was no shortage of ideas and enthusiasm at the event. As Scottish farmer Robert Brewster, one of the conference speakers, explained, having a “low-tech, high-biology” farm which follows nature’s model has made his business more resilient and sustainable, with wildlife also being a winner.

His system has recorded slow and steady increases in soil organic matter, less poaching and much better water holding capacity, despite receiving up to 1,000mm annual rainfall.

Nitrogen reductions

For south Lincolnshire farmer George Sly, who has already cut machinery, fuel and labour costs and improved his soil through strip-tillage and cover crops, the next focus is to further reduce inputs, specifically synthetic nitrogen fertilisers.

As his business moves towards carbon neutrality, he plans to eliminate the broadcasting and spraying of nitrogen on to crops by 2021.

“All of it will be sub-surface or side dressed in very small doses,” he says. “I’m hoping to have stopped using it altogether by 2025.”

For that to happen, he will be making greater use of white clover sown in between crop rows and then hand mown, so that it releases nitrogen and allows the crop to grow.

The same topic is also on Oxfordshire farm manager Julian Gold’s mind. The current Soil Farmer of the Year, Mr Gold has calculated the carbon footprint of his farm and identified nitrogen fertiliser as his main target.

“We need to improve nitrogen use efficiency. In order to do that, I am investigating companion cropping, the use of a clover under-storey, and direct drilling spring crops into established winter beans.

“There are ways of reducing nitrogen fertiliser use and it’s up to us to learn about them, before restrictions come into force.”

Resilient cropping systems

Adrian Newton of the James Hutton Institute has been working on resilient cropping systems, looking at the role of variety blends and intercropping, as well as the effect of different cultivation systems on crop performance.

Prof Newton’s findings include:

Variety blends give a 6-7% yield increase in most situations and have up to 50% less disease, as well as being less susceptible to lodging.

Some varieties respond differently with less soil disturbance, making them more suitable for no-till regimes. A good example is the spring barley variety Sassy.

A measurable effect of tillage on some cereal diseases, with yellow rust and powdery mildew being as much as 20% lower in direct drilled crops.

These disease effects can be explained by the fact that ploughing disturbs mycorrhizal fungi networks, which work with plant roots to prime resistance mechanisms.

Different soil management approaches have effects on soil biology, with greater diversity found in direct drilled soils.

Where soil biology has shifted through reduced cultivations, soils have better water infiltration rates and more soil carbon.

Case Study: HB & LJ Lear, Aylesbury, Buckinghamshire

The sudden realisation in 2016 that his system was not sustainable was the prompt that Steve Lear needed to make radical changes to his farming business.

Farming 1,020ha – some of which is heavy clay soils – across five sites from his base at Creslow Manor, he was finding it increasingly difficult to create a seed-bed as soils became harder and harder to work.

“At that time, we needed up to three power harrow passes to get them in to shape. Not surprisingly, our crop establishment costs kept rising and our fixed costs were far too high,” he recalls.

In addition, yields had plateaued while workloads had increased. Being told that his soils were dead was the final straw – so the decision was made to put far greater emphasis on soil health.

That initially involved moving towards no-till, so Mr Lear’s first step was to use a trial area of 32ha to try out a number of drills and see whether they would be suitable for his new system.

“We had a list of things that the new drill had to be able to do,” he says. “It ranged from dealing with uneven ground to having enough down pressure to drill into sun-baked soil, as well as being low disturbance and able to seed pastures.

“We were also keen to avoid smearing in the slot and hair-pinning.”

Drill choice

Given this list, the most suitable drill turned out to be the Cross Slot, so with the help of a 40% Leader grant, a new drill arrived on the farm.

“Of course, I then realised that I needed to change the whole system, not just the drill. So we ventured into cover crops, controlled traffic, muck management and including perennials in the rotation. We also started reducing inputs.”

His original strategy of using a cover crop where there will be an eight-week gap between crops has since been tweaked to take ***account*** of soil moisture. “Now, if we know we are going to get growth, we’ll put one in.”

Soil trafficking has been reduced, not by adopting a Controlled Traffic Farming system but by insisting that operators drive on the tramlines at all times. At the same time, bigger tyres are being used and fieldwork is abandoned if it’s wet.

“This year has been a good test of that. With a 12t drill, we had to make the decision to stop drilling.”

Using the muck from the farm’s Turville herd of pedigree Limousins has evolved so that he now composts it first, making it more biologically active. By mixing it with woodchip, the end product has a higher C:N ratio and helps to feed the soil fungi.

“It’s also a lighter product, so we’re not causing compaction when we’re spreading it or running up against complaints about the smell,” he points out.

Grass/clover leys

Bringing perennials, in the form of grass/clover leys, into the arable rotation has helped with blackgrass control and also ticked the diversity box, although wireworm control was difficult in following cereal crops.

“As a result, we’ve changed that and now have beans growing after grass.”

Neither insecticides nor seed treatments have been used for the past three years, with Mr Lear expecting further reductions as the system matures and he continues to farm in a more biological way. Untreated home-saved seed is now the norm, providing the test results come back clear.

He freely admits to making mistakes along the way but has learned just as much from them than from getting things right. He now knows that clover is not killed by glyphosate and that fields with compaction are not suitable for direct drilling.

Conversely, problems that he expected to arise haven’t been obvious. “Slugs are no worse than they were and there’s been no sign of the yield dip that some others have experienced.”

Water infiltration rates have improved, as has blackgrass control. He also believes the health of plants is better in the no-till areas and is committed to moving as little soil as possible.

Looking ahead, Mr Lear is planning to start soil benchmarking and hopes to mob graze the cover crops with sheep. “I thought this would be an arable project, but it is integrating well with our livestock enterprises,” he says.

JOURNAL : Farmers Weekly

We are facing some tough times at the moment. Farming and the country as a whole is taking a relentless beating from Mother Nature.

Many peoples lives and businesses are being literally left in ruins by the mighty force of the harsh elements, with people frantically battening down the hatches, sandbagging the doors and doing everything they possibly can to protect their livestock, livelihoods and loved ones.

Seeing the despairing footage and reading the heartbreaking stories on social media, I found myself totally sympathising with the victims of this winter's raging floods and storms.

See also: Tips to help livestock farmers plan winter feed on a budget

On our farm we have been incredibly fortunate and have thankfully avoided the floods, even though parts of South Wales have been some of the hardest hit areas in the country.

Charity begins at home

The situation has really got me thinking and my honest conclusion is – charity begins at home.

This might not be a very politically correct opinion, but I imagine it is one that will be shared by many folk.

We need to start looking after our own first and make sure their wellbeing is paramount.

I don’t say this lightly, but if there really is no more money available from the government to help the people of this country in their hour of need, then should we be pushing more of our charitable aid resources towards our own communities?

This would allow resources to be pumped into making sure that infrastructure is in place to protect us all from the elements, as well as looking after the needs of British people caught in the middle of these destructive episodes.

From a purely farming perspective the industry is already enduring difficult times, without the added pressure of weather-related disasters.

Arable farmers have seen hundreds of acres of crops destroyed and some still haven’t even had the opportunity to establish crops in the first place.

Nowhere to turn?

Then there are the heartbreaking images of sheep farmers trying desperately to keep their ewes and lambs alive with the sheds filling up full of water.

With helpless situations like this and those affected often feeling they have nowhere to turn for help, it comes as no surprise that our Industry has a tragically high suicide rate.

There are many, many fantastic charities out there that support our ***agricultural*** communities in their hour of need.

Rabi – emergency grants, DPJ Foundation – emotional support, Farm Community Network and Forage Aid – providing forage/bedding, to name but a few.

These incredible charities provide invaluable practical and emotional support in times of need.

We never know when tough times are going to hit. We or someone we care about may need to reach out to one of the charities for a bit of support and I would like to think that there were enough resources in the pot to make a difference to them.

That’s why I think charity begins at home.

JOURNAL : Farmers Weekly

In the rare event that a large holding comes to the market in Northern Ireland, high demand from non-farming buyers pushes prices to a premium.

The majority of farms of more than 100 acres are bought by people currently involved in ***agriculture*** but supported financially by a second, more profitable business, said James Butler, head of country agency at Savills.

These purchasers are also willing to be flexible about location in order to secure scale, especially within a single block.

See also: Land in your area: Wales

“Typically, the average size of each farm or block of land offered for sale is about 35 acres, with between 0.5% and 1% of the province’s total area of farmland coming to the market each year,” says Mr Butler.

“Usually no more than one farm in excess of 100 acres comes to the market in each county and it is rare for multiple farms of more than 200 acres to be offered for sale throughout the entire province.”

Pressure on farming profits over the past year has continued to bring economies of scale into focus and all large farms offered for sale by Savills in 2019 generated competitive bidding, he said.

Average land values across the country remained steady, though variations remain based on region, infrastructure and the need for capital investment.

The sales success of smaller blocks of land is determined by the demand from local buyers and commitment to realistic pricing by sellers.

“The majority of purchasers are already based in Northern Ireland, and with a strong farming heritage throughout the country we expect demand for land to continue, despite local and international political uncertainty,” Mr Butler says.

“However, an emphasis on scale and quality will be to the fore, and discounts will be applied to farms that require capital investment or lack viability.”

What sold well?

Altahammond Farm, Carrickfergus, in County Antrim was launched by Savills and guided at £1.45m.

The coastal farm includes 124 acres, two properties and a range of buildings.

It sold in lots in excess of the guide price to local farmers.

English farmland market round-up

This week marks the end of Farmers Weekly’s annual regional analysis of the land market across the UK.

Here are some key numbers for the 2019 English land market, compared with 2018:

69,200 acres of farmland were marketed – 35% lower than in 2018, 20% below the five-year average and well below the 10-year average of 86,400 acres

225 farms were publicly marketed (2018: 260)

60 farms were launched in south-west England, the most across England (2018: 59)

North-east England marketed the least number of farms: 12

The biggest drop was seen in the southern half of England where the number of farms for sale was down 13% on the five-year average

The top price paid for arable land was £17,500/acre in the East Midlands (2018: £15,000/acre)

The average price of arable land was £9,200/acre, unchanged from 2018

For the past three years, about 30% of arable land has traded at £10,000/acre or more, with about one-quarter selling for less than £8,000/acre. At the peak of the market in 2014-15, almost half traded above £10,000/acre.

The most expensive grassland was sold for £11,000/acre in Buckinghamshire, south-east England (2018: £15,000/acre)

The lowest price paid for grassland was £2,800/acre, in Cumbria, north-west England (2018: £3,000/acre)

About 55% of purchases were made by farmers, below the 10-year average.

Source: Strutt & Parker Farmland Database

Land markets

If you missed your area’s land information, you can find all the land round-ups here, along with further insights, advice and case studies.

JOURNAL : Farmers Weekly

Ewes with low body protein levels are more likely to lose lambs between scanning and birth, according to a new study.

While ewe body condition and energy balance in late pregnancy were already known to influence lamb survival, the effect of protein status has been less well understood.

Now, though, research led by the University of Edinburgh has revealed that protein plays a vital role in newborn lamb survival.

See also: Mastitis antibiotics shortage likely, say vets

The study

Metabolic profiling carried out across a single flock showed good energy balances among all of the individual in-lamb ewes.

But the blood samples highlighted that long-term protein balance in half the ewes was variable.

After lambing, the results showed that ewes which had lost one or more lambs between scanning and tagging at 24 hours old had lower blood protein levels than those with surviving lambs.

Researchers said the trial indicated that poor long-term protein status was an important factor.

But further work was necessary to determine whether this was due to concurrent disease such as liver fluke or poor dietary protein supply during pregnancy.

The trial was backed by the AHDB, Quality Meat Scotland (QMS) and Hybu Cig Cymru – Meat Promotion Wales (HCC).

A joint statement by the three levy boards said the results highlighted the importance of ensuring ewes were fed to meet both their energy and protein requirements in late pregnancy.

It also demonstrated that any diseases which might affect protein status should be tackled.

“This project has highlighted the importance of ewe nutrition during the lead-up to lambing and the potential outcome of the lamb,” the statement said.

“In order to provide sufficient colostrum for their newborn lambs, ewes require a diet which meets their nutritional requirements in the final weeks before lambing.”

Edinburgh’s project partners, the University of Liverpool, University of Nottingham, Bangor University and Synergy Farm Vets, will continue to explore the risk factors for poor long-term protein status in late pregnancy.

A second strand in the study looked at the use of antibiotics.

This area of the trial found that medicine records showed most beef and sheep farms were able to manage infectious disease and maintain production, without resorting to High Priority Critically Important antibiotics.

It also found that prophylactic oral antibiotic treatment at birth in a well-run flock did not improve lamb survival or performance.

Further information

Interim results of the study can be found on the AHDB's website

JOURNAL : Farmers Weekly

Liveweight lamb prices eased back over the past week despite lower throughputs caused by the bad weather and a general lack of supply.

According to AHDB figures, auction market numbers fell by nearly 12% to 102,400 head in the week to 26 February.

But despite the tighter supply, old season lamb SQQ prices dropped to average 234.88p/kg – down 4p/kg compared with a week earlier.

See also: Levy boards to get £3.5m to promote red meat

Sedgemoor Auction Centre reflected the trends with 13% fewer sheep through at 1,036 lambs and hoggs on 24 February.

The 1,024 SQQ hoggs averaged 232.08p/kg, down by almost 6p/kg on the previous week, while just 12 finished lambs averaged 248.82p/kg.

Greenslade Taylor Hunt auctioneer Paul Ashton at Sedgemoor explained that prices had eased on the back of significant hikes in values over recent weeks.

“In the past three weeks prices have risen by £20/head to £109/head,” he said.

“This rise was too fast and has met resistance from buyers this week, so causing prices to ease back even though numbers are down.”

Mr Ashton suggested that the tighter supply went beyond transport difficulties caused by the appalling weather and flooding across the country.

“This year’s weather is only partly to blame for lower throughputs,” he said.

“There are simply fewer numbers available on UK farms, because so many producers capitalised on the good grass growth last summer and finished lambs early.”

The 2019 lamb crop was also lower because producers cut ewe numbers back in the wake of the 2018 drought which hit grass and forage stocks, he added.

Deadweight still rising

Meanwhile the AHDB has reported that deadweight prices in the week up to 22 February continued to track upwards.

The overall deadweight SQQ price averaged 532p/kg – more than 9p higher than the week before, according to AHDB red meat lead analyst Duncan Wyatt.

Estimated slaughter fell in the week, to 184,400 head, which was 18,000 head lower than the week before and 38,500 head lower than in the same week last year.

In the year to date, slaughter was 59,000 head behind where it was a year ago, Mr Wyatt reported.

JOURNAL : Farmers Weekly

Liveweight lamb prices have continued to rise this week, with markets reporting a brisk trade, according to AHDB Beef and Lamb.

Figures for the week ending 11 March, show the GB old-season lamb (OSL) liveweight SQQ up by 4p to average 242.8p/kg on the previous week.

The higher price was achieved despite an increase in throughput of 4,800 head, which took the total across the seven days to 111,700 head.

See also: 7 ways to help hit lamb growth targets

AHDB analyst Hannah Clarke said the trade was reportedly brisk at the moment, with well-presented lambs attracting the premiums.

Bakewell market, in Derbyshire on 12 March, was typical of the buoyant trade.

Auctioneer Bagshaws reported 782 sheep sold, including 476 finished hoggs, 120 cull sheep and 186 store lambs.

“Despite several lots being end of season, last draw types, meated sorts were still very much in demand, with three pens more than 265p/kg to peak at 269p/kg,” a Bagshaws’ spokeman said.

The best heavyweight lambs grossed more than £128 a head, with an overall market average of 238.91p/kg.

The 120 cull sheep on offer also attracted very brisk bidding for all types, with top prices of £175 a head for Texels, £115 for Mules and horned ewes to £88, said Bagshaws.

The overall average for cull ewes was £83.33.

Deadweight

While liveweight prices lifted, the deadweight GB OSL SQQ plateaued in the week ending 7 March, after its recent rise.

Prices increased by just 0.6p compared with figures from a week earlier to average 530.9p/kg.

However, the price is still about £1/kg up on the same week last year and on the five-year average, Ms Clarke said.

As with liveweight, throughput for deadweight was up on the week, with an estimated increase of 3,800 head to total 208,000 head.

However, these weekly increased numbers are still down on 2019 throughputs.

During February 2020, there were 835,600 lambs forward – about 70,000 fewer than 12 months earlier.

Ewe numbers at 119,500 head were also back year-on-year at 17,000 head down.

Rebecca Wright, red meat analyst for the AHDB, said the lower ewe headage was not surprising because the kill at the same stage in 2019 was relatively high.

“Lamb carcass weights were back slightly, which is also not surprising considering the poor pasture conditions over winter,” said Ms Wright.

Global trade

Meanwhile, fears that the coronavirus crisis would see New Zealand sheepmeat exports diverted from China to Europe have been allayed.

“So far, at least, the diverted product has mainly headed towards the Middle East,” reported Ms Wright.

To date, this year’s imports have actually been lower, Ms Wright added.

However, she said it would be premature to suggest that there was no chance of additional product coming to Europe, although the quantity involved may be limited.

“An issue not just affecting the sheep industry, but almost all industries, is shipping container availability.

“Chinese ports are still somewhat backlogged.

“This means containers are not being emptied and therefore not available for use again,” she suggested.

JOURNAL : Farmers Weekly

Dairy farmers supplying Meadow Foods in Cumbria face a 2p/litre price drop from April after the processor lost a key contract to supply Arla.

Producers in its northern milk field will see their price cut to just 24p/litre, while the rest will remain on 26p/litre, according to multiple sources.

The company has about 650 farmer suppliers split into two groups, with one located in Cumbria and the remainder based within about 80 miles of the company’s main factory in Chester.

See also: How multi-cut can deliver profits of £333/ha over three-cut silage systems

The move is likely to put severe financial pressure on farmers as the price will be below the cost of production for many, with Kite Consulting putting the average net cost of production at 29.1p/litre for the year ending March 2020.

The figure includes both variable and fixed costs, and allows for rent, finance and family labour, but also takes subsidy income into ***account***.

Supply surplus

Meadow Foods representatives told farmers at a series of meetings this week that its has lost a 150m-litre contract to supply Arla, leaving it with a surplus.

Farmers in Cumbria are bearing the brunt of the losses as their milk is the most expensive because of its higher transport costs.

The price change will see the Cumbrian group move to the bottom of the liquid milk price league, based on ***data*** from market analyst Milkprices.com.

The site put Pensworth Dairy as the bottom-ranked processor for March, with an adjusted price of 25p/litre for 4% butterfat and 3.3% protein.

The highest non-aligned liquid price is currently Arla, on 29.75p/litre.

Reversal in fortune

The move is a reversal in fortune for Meadow Foods, which had increased its milk price twice in the past two months by 0.5p/litre each time.

In January, it revealed pre-tax profits of £25.6m in the year to March 2019, up from £22m the previous year, and trumpeted its expanding product portfolio.

The news fuelled speculation that a number of the Cumbrian group will seek to leave their Meadow Foods contracts when they expire and move to rival processors with closer facilities.

This could include Yew Tree Dairy, which specialises in the production of milk powder, and is located in Lancashire.

A spokesperson for Meadow Foods said: “We are meeting with our producers over the coming week to discuss milk pricing and market performance.

“We are unwilling to offer further comment until we have communicated directly with our producers first.”

JOURNAL : Farmers Weekly

Milk processors are working flat out to keep shelves stocked as demand for liquid milk at retail level spikes higher than at Christmas. UHT sales have also risen.

How long this lasts and whether it will compensate for the drop in sales to the café, restaurant and other food service sectors remains to be seen.

Food service ***accounts*** for 10-15% of the UK’s liquid milk sector, which in turn represents about 50% of UK milk consumption.

“The food service sector is struggling big time and it’s getting worse every day,” said Chris Gooderham, AHDB Dairy head of markets specialist.

See also: So you want to sell produce at a farmers' market

However, while cafes and restaurants were suffering a huge fall in demand, hospitals and schools, which ***account*** for a big element of food service milk use, were still operating .

“It’s more the impact on individual processors – cashflow will be a big issue for them,” said Mr Gooderham. “It will be fairly rocky for certain processors.”

There would also would be knock-on effects for the spot market, as food service demands change and spot volumes fluctuate.

Mr Gooderham said processing kit could come under a lot of strain and any breakdowns could add to spot market pressures.

Many of the parts required are manufactured abroad and many of the fitters are based in continental Europe, so any issues with availability, travel time and access could exacerbate the situation.

There has been much recent speculation about the track of spot milk prices, which have fluctuated between 31p/litre and 25p/litre in the past couple of weeks.

“It’s difficult to tell if the downturn in spot prices is due to concerns on Covid19 or just the fact milk production has started to pick up after being flat from the turn of the year,” said Mr Gooderham.

“We would normally expect spot prices to reduce in March, as we start the run-up to the spring peak.”

Dairy market analyst Chris Walkland said the spot market trading was very thin, so prices could be misleading.

“A better one is the cream price - which at £1.25-£1.28/kg is stable on a month ago, but down on last week. At this level, it will do nothing to support milk prices, though,” said Mr Walkland, who is also concerned for the future of processors heavily reliant on the food service sector.

He said we could see another plant come out of production in the next six months or so, or even another processor failure.

GDT sees fourth fall

On a wider scale, the New Zealand-based online dairy commodity GDT auction on Tuesday (17 March) was down 3.9%, with skim milk powder taking an 8% hit. This was the fourth consecutive drop for the fortnightly sales index.

China encourages higher milk consumption

The Chinese government is promoting higher milk consumption to boost the nation’s immune status. It wants to see average daily consumption of the equivalent of 300ml of liquid milk.

Rabobank predicts coronavirus hangover for dairy markets

Global dairy product prices were rising in the final quarter of 2019, but have now stalled because of the uncertainty imposed on the market by coronavirus in addition to the slower global growth that was expected even before the virus took hold.

“Global dairy commodity prices have already priced in the uncertainty,” said Michael Harvey, RaboResearch senior dairy analyst. “But a less-than-favorable expected finish to the New Zealand production season is providing some price support.”

Rabobank expects China's consumer buying patterns to normalise by the second half of this year, with some supply chains already showing an improvement.

However, any setback or a delayed economic recovery in China presents a major downward price risk to its forecasts, it warns.

Milk output is rising among the world’s top seven producers – the EU, US, New Zealand, Australia, Brazil, Argentina and Uruguay.

“The combination of reduced Chinese imports, significant supply chain disruptions, including extreme competition for shipping containers across the globe, and rising dairy surpluses in export regions will keep downward pressure on global markets through much of 2020,” according to Rabobank.

JOURNAL : Farmers Weekly

Growing miscanthus can make sense on poorer-quality land, offering farmers a financial return and a chance to do their bit for the environment.

But the government is being urged by farming unions to offer incentives through the Environmental Land Management scheme (ELM) and help develop the market for sequestered carbon if it wants to significantly expand the acreage of this and other bioenergy crops.

Climate change experts say there needs to be rise in the amount of such crops grown for biomass, because of their potential to deliver carbon savings.

See also: Miscanthus fuels Norfolk growers desire to improve soil

Miscanthus facts and figures

Establishment costs for miscanthus are high, at about £1,800ha (excluding fencing), but the ongoing management costs are relatively low, according to the ***Agricultural*** Budgeting and Costings Book.

Terravesta, which offers growers long-term contracts to grow and sell the crop, suggests growers can make an average net profit of of £530.85/ha over a 15-year period based on a mature yield of 14/t/ha.

There is currently no specific grant funding available to help pay for establishment.

The crop is estimated to have an average lifespan of 15 years, with peak yields achieved from year four onwards ranging from 9-12t/ha on light land to 12-18t/ha on medium to heavy land.

In its recent report, Land Use Policies for a Net Zero UK, the independent Committee on Climate Change called for average planting rates of miscanthus, short-rotation coppice and short-rotation forestry to rise to 23,000ha/year between 2020 and 2050.

No ***data*** is available regarding UK-wide planting areas of miscanthus, also known as elephant grass, but Defra ***statistics*** suggest there were just 7,149ha of the crop grown in England in 2018.

Government failures

Jonathan Scurlock, NFU chief adviser on renewable energy and climate change, says successive government administrations have failed to offer consistent enabling policy measures to promote miscanthus further.

For example, the Energy Crops Scheme was withdrawn in 2013, and despite strong lobbying, Defra had resisted allowing miscanthus to be counted as an ecological focus area (EFA) under greening.

But more positive signals are starting to emerge from policymakers.

Speaking at last month’s NFU conference, the chair of the Environment Agency, Emma Howard Boyd, was asked why government policy was not more supportive of perennial crops such as miscanthus, which could play a role as soft flood defences.

She said: "This is exactly where ELMs should come in. We want to make sure we are working with Defra and others, in joining up these dots and seeing new markets and new rewards [for perennial crops].

“I hope this is something we can start moving on as quickly as possible.”

Markets

While the primary market for miscanthus is for large-scale heat and power generation, the crop can also be used as a construction material and for livestock bedding.

According to Terravesta, the UK’s largest producer group for miscanthus, second-generation markets are also emerging for advanced end uses, including degradable bioplastics, pharmaceuticals, bioethanol and biogas production.

It says the business model for the crop has been developed to the point that it more than competes in commercial terms with most farm enterprises (see case study, below) – but if the government is to meet the targets set out for its uptake, it will need favourable treatment in the ELMs framework.

William Cracroft-Eley, Terravesta chairman, points out miscanthus is a multi-faceted environmental crop that can play an important role in tackling climate change by sequestering carbon and helping to improve soil health.

“Biodiversity in miscanthus, above and below ground, is also much richer than the intensive arable or grass crops that it is likely to displace, and this needs to be recognised,” he says.

“It is also a crop that happily withstands winter flooding, while its root systems improve soil water holding capacity and hold back water flow, meaning it is an excellent strategic option for protecting vulnerable communities.”

Case study: Jon Hatt, Coombe End Farm

Jon Hatt has been growing miscanthus at Coombe End Farm, near Goring Heath in Berkshire, for about 15 years and says it is a straightforward crop to grow, offering significant benefits in terms of locking up carbon and helping wildlife.

Mr Hatt estimates it costs him £1,500/year for a contractor to harvest and bale the crop and another £1,000/year to cover carting, loading, storage and composting costs.

“We earn between £3,000-£4,000/year from the 6ha, plus our basic payment, so it’s not big bucks, but it is low cost once it has been established.”

Mr Hatt agrees that government incentives to encourage farmers to plant miscanthus would be justified and would help to boost the earning capacity of the crop.

Growers should also be able to get paid for carbon credits, alongside ELMs payments to reflect the environmental and soil benefits it brings, he says.

First steps

His miscanthus enterprise began in 2006, when he planted one field of about 6ha as a trial, using a 40% establishment grant available under an old Energy Crops Scheme.

That field is still in production, yielding up to 10t/ha of straw, which he sells for £60-£70/t.

“The government were particularly keen on encouraging miscanthus at the time and we were looking for alternative options for some poorer arable ground to help spread risk,” he says.

“We are near Didcot power station, and at that time they were looking to use miscanthus to co-power it.”

Spotting what looked to be a potential opportunity, Mr Hatt originally signed up a supply contract with Bical, which was promoting the crops and supplied the rhizomes.

Crop establishment

The establishment of the crop was straightforward with the rhizomes planted using a converted potato planter.

The crop was sprayed to control weeds in the first year, but has required no further treatments since.

Although rabbit and deer damage can be a problem during the establishment phase, Mr Hatt had no problems and the crop now seems to be ignored by pests.

Miscanthus can be ready to harvest in year two, but Mr Hatt did not harvest his crop until year three.

“Although you can get a harvest in year two, in our case there was not enough straw there to justify the cost,” he says.

Specialist harvesting

The crop starts to shoot in the spring and grows to 3-4m high by September.

Harvest takes place the following March or April, when a specialist contractor uses a forage harvester setup to cut the straw into 30cm lengths, which are then left in the swath until they are dry enough to bale.

“Harvest in year three was a learning experience and we found it not as cheap and simple as we had originally been told it would be,” says Mr Hatt.

“Rather than out-of-season use of mowers and balers, we discovered we needed a specially set-up forage harvester and heavy-duty, big baler, as miscanthus can wrap around and wreck machinery quite easily.

“Once cut, the straw needs to drop to below 15% moisture content before baling, so if it rains, it also needs to be moved to get enough airflow to dry it out.

"In addition, the baled crop needs to be stored inside or sheeted, as a wet crop will not be saleable.”

Mr Hatt says he was originally told that the crop would require no fertiliser.

“But we found yields dropped off after four or five years.

“The theory is that dropped leaves form a compost layer, so we spread green waste compost post harvest at a rate of 15t/ha to help it break down.

“This reversed the yield drop, so we now continue to apply solid digestate annually.”

While long-term contracts can give growers security, after Bical went into administration in 2009, Mr Hatt chose to find his own markets for the crop.

“Initially, we sold to an East Anglian straw-burning power station [the original aim], but haulage can knock a big hole in the sale price,” he says.

“Since then, we've looked for more local buyers.”

JOURNAL : Farmers Weekly

With just weeks to go until the first of three Britain's Fittest Farmer qualifier events, the judging panel has been seriously impressed by the competition applications so far.

More than 110 farmers and ***agricultural*** industry workers are up for the friendly challenge of putting their all-round fitness to the test, and raising awareness of mental health issues along the way.

Everyone who applies to take part in this year's competition on the Britain's Fittest Farmer website gets an invite to their preferred qualifier event, hosted on farms across the country.

See also: How better exercise improves wellbeing on the farm

On the day, contestants will be put through their paces with a series of physical tasks to test their speed, stamina and strength.

These are set to be fun, free events for the rural community to come together, cheer on our competitors and get talking about physical and mental-health matters in farming.

As the countdown to these fantastic events enters its final stages, we've picked out some more of our favourite entries to date.

How to apply

To apply, go to the Britain’s Fittest Farmer website and answer a few questions on how you keep yourself physically fit and look after your mental health. You will also need to upload a video or photo of yourself.

Check out the fantastic applications so far for some inspiration.

John Taylor

Thirty-one-year-old John runs his own flock of sheep and works as an estate manager in the Peak District.

A self-confessed CrossFit nut, he loves the sport for its camaraderie and competitiveness. He also takes part in local and national competitions either individual or in team events.

"It is the sport of fitness, and I think it gives you a great foundation of fitness and strength for life and especially farming.

He also keeps a tractor tyre in the corner of his six-acre field where he'll be found flipping it from one side to the other, much to the bemusement of his sheep.

"I have found that mental and physical health are so connected," he says. "Getting into the positive CrossFit environment, working hard alongside your mates has helped hugely."

Remembering what he is thankful for and using a meditation app have been helped to aid his positive mindset.

Britain’s Fittest Farmer 2020: Dates for your diary

Qualifier 1: Marlborough, Wiltshire – Sunday, 29 March 2020

Qualifier 2: Melton Mowbray, Leicestershire – Saturday, 4 April 2020

Qualifier 3: Jedburgh, Scottish Borders – Saturday, 18 April 2020

Final: Great Dunmow, Essex – Saturday, 9 May 2020

Katie Littlejohns

Young farmer Katie works on her family's beef and sheep farm in Devon as the main shepherd, taking on lambing duties. She also pilots the straw chopper, does the farm paperwork and works at her local livestock market.

Shepherding work and running up to five times a week keeps her fit to farm. Endorphins released when running out in the fresh air make her feel like anything is possible.

"I have used running as a tool to cope with many low points I have overcome. It has always made me look at things with a more positive outlook," she says.

Flavian Obiero

Flavian has been working in the pig industry since he finished his A-levels at school, and today he works as a pig unit manager in East Sussex.

The 28-year-old is a keen sportsman, playing rugby and badminton and he hits the gym regularly. He has a supportive group of friends and family to listen when he needs to share a problem.

"I'm also fairly thick-skinned, so I let a lot of things that could potentially affect my mentality go over me."

Lindsay Walker

Forty-year-old Lindsay has worked on the same dairy, beef and sheep farm for the past 25 years in Cumbria. A keen road, trail and fell runner, she's the captain of her ladies' running club and also enjoys cycling.

Like many farmers, she sometimes finds her work stressful with the highs and lows of life on the farm. "People often ask how I manage to exercise after a long day at work, but I find even 30 minutes of exercise – either running or on my bike – helps clear my head and makes me feel better.

She says her running club is great for her social life, getting away from work and meeting new people. "Running has made me so many friends, and having days away to look forward to helps."

Britain's Fittest Farmer: Our sponsor and partners

Grenadier: Sponsor

Tough, rugged, agile – the new INEOS Grenadier 4X4 will share plenty of traits exhibited by the winner of Britain’s Fittest Farmer. That’s why we’re so pleased to be sponsoring this rural British physical challenge.

As an uncompromising, no frills, off-road vehicle, the Grenadier will provide all the capability, durability and reliability you need to tackle the toughest tasks on the farm. That’s why we see ourselves as the ideal partner for this true test of grit, endurance and strength.

For more information on Grenadier, pay a visit to their website.

Farm Fitness: Partner

Farm Fitness has rapidly become a burning beacon on the UK fitness scene, attracting spectators and participants from all over the country to come and take a swing at its almost alchemic blend of modified strongman, functional bodybuilding, calisthenics and blistering cardio efforts.

The gym, founded by farmer’s son Tom Kemp, was voted one of the best gyms in the world and 'coolest outdoor space' by Men's Health (PDF)

Tom has blended his farming background with his love of training to create a raw and exciting outdoor environment for people of all strengths and abilities to get fit.

The Farming Community Network: Partner

The Farming Community Network (FCN) is a voluntary organisation and charity that supports farmers and families within the farming community through difficult times.

The charity has helped thousands of people deal with a variety of issues, including financial difficulties, animal disease, mental health and family disputes.

Volunteers provide free, confidential, pastoral and practical support to anyone who seeks help, regardless of whether the issue is personal or business-related. FCN also runs a confidential national helpline and e-helpline.

JOURNAL : Farmers Weekly

Farmers and growers in West Sussex have called for MPs to protect standards and avoid a labour shortage that would “leave food in the ground”.

With the government’s new ***Agriculture*** Bill underway, five MPs from the county were told it must go hand in hand with trade and immigration policy, to support domestic producers and ensure they are not undermined.

The NFU welcomed the expansion of the Seasonal Workers Pilot for 2020 but expressed concern at the lack of an entry route for 2021, which it said would severely impact farm businesses and hit the country’s ability to produce fruit and vegetables in particular.

See also: Tories promise farmers more seasonal migrant workers

The numbers of non-EU workers allowed in under the pilot will be set at 10,000 in 2020 – a fourfold increase on the 2019 scheme, but well short of the estimated 70,000 needed by the UK horticultural sector.

Mark Chandler, NFU chairman for West Sussex, told Farmers Weekly the issue was “absolutely critical” for the sector.

He said: “They need to start recruiting this autumn for next year’s harvest and there will literally be food left in the ground if we can’t make that happen.

“In terms of timescale, that is top of the agenda and it must happen; we need a commitment.”

MPs Andrew Griffith, Gillian Keegan, Jeremy Quin, Tim Loughton and Mims Davies met farmers and growers from the Arun to Adur cluster group at Lychpole Farm near Worthing on Friday 28 February, to hear about a five-year project to improve soil health on nine farms.

Addressing concerns about migrant labour, Andrew Griffith, the Conservative MP for Arundel and South Downs, said it was “absolutely essential” that farmers get continued access to workers and the needs of the different sectors were met.

“What I need and what I am working with local farmers on is: what are those specifics?” said Mr Griffith.

“Where are they [the workers] coming from? What time do we need them to make sure that the [points-based migration scheme] scheme, which I welcome, does actually create an architecture that is very flexible, so you can bolt onto that different programmes for different types of workers.”

With the government piloting its future approach, the time to have these discussions is now, to ensure the labour was accessible, he added.

Global scheme

The NFU is seeking a commitment from government on a global seasonal ***agricultural*** workers’ scheme from 2021 for fruit, vegetable and flower farms and viticulture.

The union added that the scheme must cover labour providers and direct recruiters, allowing the ***agricultural*** industry to access the 70,000 workers nationwide it needs.

Historically, about 60% of these workers have been EU nationals.

From next year, the government will end free movement of EU citizens to the UK and it has decided not to add ***agriculture*** and horticulture to its Shortage Occupation List.

Migrant workers who wish to work in the UK in these industries will have to apply instead through seasonal and other worker visa schemes.

JOURNAL : Farmers Weekly

Almost two-thirds of farmers are still waiting for their Countryside Stewardship (CS) money, with three months of the payment window left, according to new figures.

Defra said in its update on farm payment schemes that 37% of eligible CS customers have been paid their full claim ahead of the June deadline.

The NFU welcomed improvements in the delivery of agri-environment scheme payments in the past year, but said it was still not where it needed to be.

See also: Countryside Stewardship payment delays compounded by flooding

Farmers were told they would receive a single payment between December last year and June 2020 for CS claims submitted in 2019.

NFU countryside adviser Alisha Anstee said the uncertainty of not knowing when payments would be received was causing farmers cash flow problems.

She added: “The payment window leads to financial planning issues for our members; 63% of CS agreement holders are still awaiting 2019 monies with no details of if payment will arrive in the next week or in three months.”

Defra said payments for stewardship schemes have started to arrive four months earlier than last year, with farmers receiving one full payment for the first time as part of plans to deliver a better service.

For Environmental Stewardship (ES) claims, 77% of eligible farmers and land managers have been paid, worth a total of £133m.

Ms Anstee said: “ES is in a better place, with the majority of agreement holders having been paid their full claim value now. We hope to see this level of payment maintained or improved in the weeks ahead to translate into all agreement holders being paid ahead of the June deadline.”

99% of BPS payments made

Meanwhile, the Rural Payments Agency (RPA) has now paid almost 99% of eligible farmers under the Basic Payment Scheme.

RPA chief executive Paul Caldwell said it was “working tirelessly” to ensure remaining payments for all schemes were made as quickly as possible.

In Scotland, more than 17,400 farmers and crofters have received their individual allocation of convergence funding from an £86.2m pot.

The initial payments are the first tranche of a £160m package from the UK government to rectify a historic wrong relating to EU Common ***Agricultural*** Policy funding that it failed to pass on to Scotland between 2014-18.

Every eligible farmer or crofter will be paid by the end of March.

JOURNAL : Farmers Weekly

Newly elected NFU vice-president Tom Bradshaw says food production must remain at the heart of the UK's ***agricultural*** policy as farmers look to a future outside the EU.

Producing and growing food was fundamental to farming, Mr Bradshaw said following his election as a senior NFU officeholder on Wednesday (26 February).

See also: New team elected to steer NFU through Brexit

“Food production has to be a core part [of policy],” he told Farmers Weekly. “It is our raison d'etre as farmers and we have to make sure we drive that message home.”

Mr Bradshaw’s comments follow a week when the government confirmed further details of its plans to phase out direct payments to farmers over seven years, beginning in 2021.

It also shared more details of its planned Environmental Land Management (ELM) scheme – due to be fully up and running by 2024.

The ELM scheme will reward farmers who undertake environmental measures – including encouraging public access to the countryside and climate change mitigation.

Legal guarantee

But the NFU has warned that farmers’ efforts to look after the environment could be undermined by cheap imports of food produced using methods that are illegal in the UK.

It wants legal guarantees that shipments of chlorinated chicken and hormone-treated beef will not be allowed into the country under any trade deal.

In his previous role as NFU combinable crops chairman, Mr Bradshaw campaigned against imports of oilseed rape and cereals produced using neonicotinoid seed treatments.

Neonicotinoids are banned in the UK over concerns they damage bee populations.

Mr Bradshaw runs his family's home farm at Fordham, near Colchester, alongside a contract farming business growing combinable crops across 1,450ha in north-east Essex.

Expertise

He was originally co-opted on to the NFU's combinable crops board to further the industry's understanding and use of on-farm technologies such as GPS and soil mapping.

An experienced public speaker, he has completed a Nuffield scholarship researching soil fertility and fertiliser efficiency – and was the lead farmer in the BBC’s Harvest programme.

Mr Bradshaw said: “We have some really technical policy areas going on at the moment – and I am more than happy doing the public leadership stuff.

“But we have to get the technical detail right.”

The government's net zero carbon ambition, its plant health strategy and clean air strategy were all policies which would have huge impacts on farm businesses, he said.

Net zero was an opportunity for farmers to be paid for storing carbon – but the NFU had to deliver the technical detail of how this would work for its members.

Scientific background

“I think it is that element – that sort of scientific background – that I can hopefully bring to the team and make sure we really do focus on that detail.”

As NFU vice-president, Mr Bradshaw will work alongside NFU president Minette Batters and NFU deputy president Stuart Roberts, who was previously the union's vice-president.

The three officeholders would set their priorities together as a team, he said.

“It is going to be an amazing opportunity to work with Stuart and work with Minette – making sure we do gel as a team,” he added.

“We have to be realistic in our ambitions but there are going to be some opportunities – and in this time of change it is critical we look for those opportunities.

“There will be challenging times – I don't think we can hide from that – but we have got to make sure we create those opportunities too.”

JOURNAL : Farmers Weekly

A pest-repellent bale wrap that protects plastic against bird and rodent attack is set for launch later this spring.

The product, developed by plastic film specialist Rani Plast, could help save livestock farmers money by reducing loses through bale damage or from contamination which may affect cattle health and milk production.

The wrap contains a non-toxic, natural, active ingredient which is forced into the bale wrap at the manufacturing stage.

The wrap then exudes an odour and has a bitter taste that repels crows, ravens, rats and mice.

See also: Video: Homemade silage station reduces round-bale headache

Trials carried out in the USA showed bird and rodent attacks were almost completely eliminated and wrapping remained intact.

The repellent remains active for two years but the company said the additive does not transfer to the baled crop or soil.

A spokesman for Rani Plast said: “Because the repellent is integrated into the outer layer of the film it cannot affect the wrapped crop.

“It cannot be washed off by rain, it is resistant to high temperature variations and remains fully active for two years from the production date.”

The spokesman added that bales are protected against degradation by rodent and bird attack.

See also: Guide to managing rats on your farm

“Damaged bales lead to mould, crop contamination and bacterial toxicity, which in turn can affect cattle health and milk production,” he said.

The product will be distributed in the UK by Tama UAT through the usual network of co-ops, dealers and merchants.

Prices are still to be set but Tama UAT said that the additional cost would be about £1/bale for a four-layer wrapped bale.

For six layers of wrap the extra cost would amount to about £1.50/bale, the spokesman said.

JOURNAL : Farmers Weekly

A newborn lamb was mauled to death by a loose dog just 20 minutes after being turned out into a field.

Sheep and arable farmer Russell Scudamore said the two-day-old Suffolk cross Texel lamb was attacked by a brown terrier on Tuesday (25 February). It had been bitten around the neck and choked to death.

“We were turning out some ewes and one- or two-day-old lambs. As soon as we headed back to the farm, I got a phone call saying there was a dog chasing my sheep. There was no footpath in the field,” he said.

See also: What to do if you’re a victim of sheep worrying

Mr Scudamore, who farms at Sudeley Hill Farm, a 202ha family-run tenant farm in Winchcombe, Gloucestershire, rushed back to the field, but the lamb had already died from its injuries.

“It was dead by the time we got there. It looks like it had been caught around the neck and shook. The other ewes and lambs were visibly shaken,” he said.

The owner and the dog had left the scene. But Mr Scudamore tracked them down as they were walking away. The owner, a local woman, was said to be “very remorseful”.

“I told her, if it happens again, we will shoot her dog. No questions asked,” Mr Scudamore told Farmers Weekly.

“We won’t tolerate it. Last year, we had a dog kill a ewe that had lambs with it. It happens every year.”

Post gone viral

Mr Scudamore said the woman told him her dog had never chased sheep before. “She fully admitted it and took responsibility. We will be sending her a bill for the loss of the lamb and our time having to sort the ewes and lambs out.”

He has posted a picture of the dead lamb on his Facebook page, along with a warning to dog owners to “keep their f\*\*\*ing things on leads”.

The post has gone viral and been shared more than 5,000 times, with more than 4,800 comments.

“It’s not just us. Farmers in general are suffering from these types of attacks,” said Mr Scudamore.

“Some lose a lot more sheep than us. We don’t want to go out to shoot dogs, but if it’s the only way to get people’s attention, we will.”

15% increase in England

Last month, rural insurer NFU Mutual released figures showing the cost of livestock worrying claims has risen by 15% in England over the past year to £837,083.

As the peak lambing and calving season gets under way, NFU Mutual is calling for dog owners to ensure their pets are under control at all times when livestock are nearby and to report out-of-control dogs to a local farmer or the police.

JOURNAL : Farmers Weekly

Coronavirus is having a growing effect on markets as economic activity slows in more countries.

Oilseed rape prices fell £14/t in the week to Wednesday (11 March), to average £309/t spot ex-farm.This followed an oil price crash on Monday, with a slight recovery to put Brent crude at just under US$36 a barrel midweek – about 30% lower on the week.

Ex-farm rapeseed values ranged from £304-£313/t midweek for spot sales, with firm meal prices helping to hold values higher than they would otherwise have been.

The oil crash also brought down the value of the US dollar, in turn helping push down imported feed ingredient prices.

Chicago soya bean futures hit a 10-month low on Monday, and almost all of the main ingredients are down in price on a week ago.

Spot feed wheat lost about £1/t in value over the week, ranging from £138-£150/t ex-farm across the regions and averaging £145.50/t as Farmers Weekly went to press on Wednesday.

Feed barley was also about £1/t down on the week, at an average of £122.23/t ex-farm and ranging from £119-£127/t spot.

Trade has been thin, as both growers and consumers step back from the market and weigh the twin implications of coronavirus and the lack of drilling progress.

Trade estimates now put the size of the UK 2020 wheat crop at just 10.5m to 11m tonnes.

Milling premiums rise again

With drilling still so far behind, fears about quality and supply continue to push up milling wheat premiums. Prices gathered by Farmers Weekly show full-spec breadmaking premium midweek averaging just over £20/t for spot movement.

The average old-crop premium has risen by almost £5/t in five weeks, while new-crop premiums are even higher.

“You could make £25-plus,” said Saxon ***Agriculture*** grain director Mark Smith. “But given the small area and the condition of wheat, understandably, nobody is prepared to sell and there’s a bit of a stand-off.”

New-crop milling premiums will be capped by Germany’s ability to supply milling wheat to the UK, according to traders.

Currency volatility factor

Currency has been a huge factor in price movements. A week ago, sterling was at a four-and-a-half month low against the euro.

Monday saw a big fall in the value of the US dollar, while on Tuesday the Russian rouble hit its lowest value against the dollar since 2016.

Tuesday saw falls in sterling and the euro against the dollar, while Wednesday’s Bank of England surprise interest rate cut pushed the pound down again.

Oil price fall has wider implications

While the oil price drop brings a welcome reduction in farm fuel costs, there is widespread concern about the potential for further economic shocks that could result from it.

For example, the fall has brought into sharper focus the huge short-term debt burden of US shale gas and oil producers, and the potential effect defaults in this sector could have on the wider global economy.

See also: Guide to claiming tax relief on energy efficient kit

Milling wheat premiums continue to rise

Date

Full spec milling premium (£/t)

5 February

16.40

12 February

17.90

19 February

19.80

26 February

19.70

4 March

20.10

11 March

20.08

Source: Farmers Weekly regional grain prices

JOURNAL : Farmers Weekly

Caroline Lucas, Green Party MP for Brighton Pavilion, sets out her vision for a sustainable farming future and an ***Agriculture*** Bill that is fit for this purpose.

Our food and farming system is at a crossroads. The current model too often favours consolidation at the expense of ecology and farmers’ livelihoods.

We need a sustainable, resilient food system that works with nature, not against it; restores rather than undermines biodiversity; and makes a full and fair contribution to our climate goals.

The ***Agriculture*** Bill is an opportunity to start this transition. But without major improvement, it’ll flunk it.

See also: What the new ***Agriculture*** Bill contains for farmers

Yes, there is a welcome mention of soil protection, which was inexplicably absent from the previous version.

Soil degradation

It’s estimated that nearly half of European soils are degraded and have low levels of organic matter, with intensive ***agriculture*** being a key factor.

We need the new farm payment system to prioritise soil health, but we need to recognise the role of well-designed regulation too.

On that, the Bill is worryingly silent, with the government still not banning practices that do unforgivable harm – such as burning of blanket bogs or the use of peat in compost.

Organic farming

With organic farming supporting healthy soils – with an on average 44% higher capacity to store long-term soil carbon – this Bill should also do more for soil by supporting an expansion of organic farming.

Farmers are being let down with this Bill. We ask our farmers to meet strict standards on animal welfare, environmental protection and public health. There should be a watertight requirement that all food imported to the UK is produced to at least equivalent standards.

Less than 3% of UK land is organic. Surely we can do better than that?

And if the objective is to have healthy, living soils – for fertility, biodiversity and carbon storage – then where are the policies to minimise the harmful inputs that cause the damage?

As a minimum, the Bill should set national targets to cut pesticide use.

Climate change

To meet the climate challenge, the Bill also needs a link to carbon budgets and sense of urgency to match the science.

As the Committee on Climate Change said in its report on land use in January: “Continued delay is not an option it is critical that change starts immediately”.

Over recent years, an incredibly strong case has been building for a 10-year transition to agroecology.

That’s the sort of bold vision the Bill needs to rise to the climate emergency, whose effects many farmers are already experiencing.

One proponent of a transition to agroecology is the RSA Food, Farming and Countryside Commission, which had extensive input from farmers and growers.

Food import standards

Crucially, the commission found that farmers agreed they could make big changes to the way they farm in five to 10 years – “with the right backing”.

The ***Agriculture*** Bill should have put that backing on the table. It hasn’t.

There is another way that farmers are being let down with this Bill. We ask our farmers to meet strict standards on animal welfare, environmental protection and public health.

There should be a watertight requirement that all food imported to the UK is produced to at least equivalent standards.

This was the hottest of all topics in the debate during the second reading of the Bill, but no such guarantees were offered.

There are distinctly mixed signals coming from the government. One week, the prime minister dismisses concerns about equivalence as “hysteria”.

The next, the government states: “All products sold in the UK are required to meet our regulatory requirements, and this will continue to be the case.”

If ministers mean it, they need to put it into law – especially when the mood music is that our food and farming standards may be cast aside in pursuit of a trade deal with the US.

The opportunity is there for us to design a new farm policy that rises to the challenge of the climate and biodiversity crises, while simultaneously securing sustainable rural livelihoods for the long term.

JOURNAL : Farmers Weekly

My family were big fans of the late Henry Brewis, the Northumbrian farmer, writer and cartoonist – featuring Sep, Gladys and the collie dog, Sweep – who farmed at the evocatively named “Clartiehole”.

After this winter, I have not only read about Clartiehole, I’m beginning to think I live there.

The storms seem to have continued week after week and the wind, rain and mud have been pervasive.

The marshy bits of the hill are saturated, as you might expect, but in addition, whole new areas of sludge have been left around the house and buildings, deposited by the runoff from our road.

See also: How to protect farm businesses against extreme weather

It isn’t possible to access the premises without your feet squelching and sinking into the mud, and the vehicles get filthy every time they move.

My dream home improvements now consist of a load of concrete and a pressure washer.

Of course, I know we have had it easy compared with many people in other parts of the country.

“Extreme” weather seems to be becoming normal. The type of flooding that was comparatively recently described as a “once-in-a-lifetime event” now just seems to be something that is to be expected and will have to be prepared for.

I caught part of Defra secretary George Eustice’s recent interview on the BBC’s Andrew Marr Show – you know, the one in which he said there was “room for a sensible discussion” about importing chicken washed in lactic acid into the UK.

The main part of the interview was on flooding policy, which seems to be under review.

Mr Eustice indicated that the government’s response to future flooding would feature more nature-based solutions upstream, specifically mentioning “soft dams”.

Initially, I thought this would comprise a lot of officials quietly muttering “damn, damn, damn”.

To be fair, this would build on the existing policy, require no training or additional cost, and would probably be as effective as any other proposed measures.

However, I suspect Mr Eustice was actually talking about leaky woody dams, which are one of a number of soft engineering options for managing river flow upstream of the main towns and cities.

“Extreme” weather seems to be becoming normal. The type of flooding that was comparatively recently described as a “once-in-a-lifetime event” now just seems to be something that is to be expected and will have to be prepared for

Similar measures include tree planting near rivers, blocking upland drains and encouraging rough vegetation to slow the flow of water into the river system.

These options are relatively cheap, easy, environmentally sensitive and sound broadly sensible.

Upland farmers should be willing to engage with them as part of Environmental Land Management plans, both to do our bit and to develop solutions that are effective and acceptable to all parties.

Andrew Marr cited two experts who say the soft engineering proposals are simply not enough on their own and that they would be overwhelmed by the extreme weather events such as those we have been experiencing recently.

But they may be useful as part of a package of measures.

This would likely have to include hard engineering options such as building proper dams, widening or deepening river channels, or constructing relief channels, sluices and barriers.

There may also be a need to restrict developments on flood plains to buildings designed to be flood-proof, even if that is more expensive and thus politically difficult.

I await the Environment Agency’s revised strategy with interest. In the meantime, I’m just hoping for a break in the weather.

JOURNAL : Farmers Weekly

MI5 has a pretty simple maxim that society is “four meals away from anarchy”. In other words, the security agency believes that Britain could be quickly reduced to large-scale disorder, including looting and rioting, in the event of a catastrophe that stops the supply of food.

Given the combination of our growing dependence on food imports, the increasingly “just-in-time” nature of our food supply system and the rapid disruption to global supply chains caused by the coronavirus outbreak, it’s pretty fair to assume that food security will have risen, in recent days, rather rapidly up MI5’s risk agenda.

See also: Defra adviser slammed over ‘farmers not needed’ comments

So, revelations in the press about how unimportant certain advisers to the Treasury consider domestic ***agriculture*** and food production to be are rather poorly timed, to say the least.

Tim Leunig, an economist from the London School of Economics and an adviser to newly appointed chancellor Rishi Sunak, is understood to have said the food sector is “not critically important” to the country’s economy – and that ***agriculture*** and fisheries “certainly isn’t”.

Coronavirus and our pending departure from the European Union has exposed just how vulnerable we are to disruptions to the hitherto apparently seamless international supply lines we have come to rely on

In emails leaked to the Mail on Sunday last week, Dr Leunig is reported to have said that ministers could follow the example of Singapore, which is “rich without having its own ***agricultural*** sector”.

This is not a new idea. It fact, it’s one that seems to find favour with economists and politicians with alarming and hubristic regularity, despite the obvious folly of its adoption as policy during the interwar years that led to more than a decade of food rationing and the near capitulation of the UK in the face of vital food imports being restricted by German U-boats.

While the threat of global conflict may not be nearly so great today, coronavirus and our pending departure from the European Union has exposed just how vulnerable we are to disruptions to the hitherto apparently seamless international supply lines we have come to rely on.

This is not a uniquely British problem. Despite what Dr Leunig seems to think, wholesale reliance on food imports is viewed by Singapore, the very country he holds up as an example of economic best practice, as a major strategic weakness.

The Asian city state, due to its high population density and paucity of ***agricultural*** land, currently imports more than 90% of its food. But as recently as 2019 it introduced an initiative to produce 30% of its requirement domestically by 2030, precisely to mitigate the risks we are seeing today.

That is before we begin to consider the moral imperative for a country blessed with the climatic and natural resources we enjoy to produce at least a significant proportion of its food requirement to alleviate the increasing pressure on the wider world’s food supply and the subsequent effect on food affordability that would disproportionately affect the poorest in society.

The government has an ambitious and potentially transformational agenda for ***agriculture*** that, if judiciously and proportionately implemented, can and will underpin future food security and affordability while enhancing the natural environment.

It will require buy-in, commitment and innovation from all stakeholders. But in the longer term, it is a far more sustainable, economically and politically expedient strategy than the short-sighted and potentially ruinous alternative offered by certain economic experts.

We can only hope that this is one of those "off-the-wall" ideas so favoured by the prime minister’s adviser Dominic Cummings that doesn’t make it past first base.

JOURNAL : Farmers Weekly

As you probably know, I farm in East Anglia, the “driest” area of the UK. So, you might think we have escaped the worst of the wet weather. You’d be right.

That said, I have never seen our farm look as bad as we emerge from the winter.

We have wheat crop failures where the seed appears to have been “drowned”; some part-drilled fields where, in places, the land was too wet to carry a tractor; and some fields not drilled at all.

See also: Why wheat growers may need to target mildew this spring

We have about five acres of sugar beet that the contractor could not harvest because the soil was so soggy.

If he can’t get them out before the sugar factory closes, we’ll either have to plough them in or try to borrow someone’s sheep to graze them off.  We’ve never seen that field flood before.

All we have is Defra secretary George Eustice spouting Boris-based platitudes and waving a few quid, while the rest of the government spreads cash like confetti

Then there’s the rape. Drilled without the protection of neonicotinide seed dressing, of course, we have lost more than half our acreage because of flea beetle damage and/or too much rain. Many of our neighbours have lost all of theirs.

I understand UK rape crops are expected to yield a total of less than 1m tonnes this year, which means that, to satisfy domestic requirements, we will have to import another 1m tonnes from abroad (grown, of course, with the benefit of neonics).

I apologise to those across the rest of the UK, many of whose farms have been flooded for weeks, if not months. They are much worse off than we are.

Indeed, in most countries faced with such a catastrophe, a state of emergency would have been declared, with measures announced to help.

All we have is Defra secretary George Eustice spouting Boris-based platitudes and waving a few quid, while the rest of the government spreads cash like confetti.

I am, of course, aware that we are supposed to be optimistic about the opportunities presented by leaving the European Union.

But that is difficult to manage given the situation described above. For, inevitably, on many UK farms, 2020 will be a financial disaster.

And it won’t all be over in a few months. At a time when we are being urged to improve our soil structure, many of us are facing the worst soil damage for years.

Whether by deep “wheelings” from harvesting potatoes or sugar beet while the land was too wet, or simply because of waterlogging or outright flooding, it will take a few seasons to put things right on many fields.

And we have been warned to expect regular repeats of the kind of weather we’ve experienced. Sounds like some big challenges ahead.

Maybe part of the answer lies in light, robotic tractors. I know they have been written off as toys by some who have continued to develop bigger and heavier equipment.

But if we are to have a succession of wet autumns and winters, we are going to have to learn new skills and use new methods.

Meanwhile, let’s hope the trade deals supposedly being negotiated on our behalf enable us to survive the planned basic payment cuts, thereby giving us time to adj

JOURNAL : Farmers Weekly

Are we losing the fight? You’d be forgiven for thinking so.

As a dairy farmer, I’m well versed with the recent media trolling and fake news surrounding my profession. But it’s starting to wear thin and, quite frankly, emotive arguments are difficult to counter.

See also: Myth buster – the BBC’s anti-meat programme examined

The question I recently found myself asking is “does anyone really care?” The Oscars, where Joaquin Phoenix took a pop at the dairy sector, had its lowest TV audience on record.

The much celebrated Veganuary signed up 400,000 people – less than 1% of the population. To put it in perspective, 500,000 people are in air transit globally at any one point in time.

How much effort is spent chasing the 1%? Perhaps we need to withdraw from the battle in order to win the war.

Social media is by far our biggest tool, but we’re using it wrong. The majority of all anti-farming propaganda is actually spread by our own industry being outraged by it and commenting on it.

So how do we get the British public back on side and realise that British ***agriculture*** is currently the most secure, safest and climate-friendly system of food production in the world?

It’s clear our food system has been overtaken by a plutocracy – big businesses wants part of what we do.

So how do we counter the big advertising budgets that bolt themselves onto our well-established food system?

The direction of travel has to change. ***Agriculture*** has become the byword for climate change. Even the most educated could be forgiven for believing the media circus.

Greenhouse gas levels are rising as a direct result of the burning of fossil fuels for energy and an increasing global population.

That’s the hard reality and, short of advocating genocide or the collapse of capitalism, this is fixed. Population will grow and people will want heat, light and luxuries.

That same population needs to eat, and as yet there is no better way to do that than ***agriculture***. In the UK, the most efficient and nature-friendly way to a balanced, stable, healthy food supply is livestock.

It’s almost by accident that this same system can also play a major part in countering rising carbon dioxide emissions, but the UK is a small island in a massive pond and, ultimately, the steps we take will have little effect on the global problem.

That said, the leadership we could show in the UK could be the blueprint for the world in reversing climate change.

But this effort will all be in vain if all we do is export our climate responsibilities and undermine our home food economy.

So how do we get the British public back on side and realise that British ***agriculture*** is currently the most secure, safest and climate-friendly system of food production in the world? We need to prove it.

Perhaps our fight back in the media should begin by admitting global ***agriculture*** does have a problem.

For me, even some methods here in the UK have a problem, but we are taking steps to look at our environmental effects, record it and improve on it.

But any improvements we make now are lost, as we have no benchmark for success. Current science isn’t up to speed.

We need leadership and collaborative thinking to drive ***agriculture*** forward, because in a new world of open borders, we’ll need every marketing tool we have at our disposal.

So, in answer to my first question, are we losing the fight? No, I don’t think we’ve even joined the war.

JOURNAL : Farmers Weekly

Heifer-rearing rations require careful balancing between weaning and insemination to avoid excess energy and fat heifers calving down with ketosis and other transitional issues.

The issue of overconditioned heifers is affecting cow longevity, warned Stefan Neumann of nutrition company Agrosom. He was speaking at the European Calf Conference held in Bremen last week (12-13 March).

“Approximately 25% of heifers are culled by the end of the first lactation, and one of the key factors is transition and ketosis, caused by being overfat,” explained Mr Neumann.

He said scrutinising energy intake when heifers weigh 250-300kg and thereafter is critical, as this period is when fat deposition starts to physiologically overtake muscle building.

See also: 4 steps to ensure heifers are on track to calve at 24 months

Take-home messages

Weigh as often as possible to understand your heifer growth (birth, weaning, insemination)

Analyse all forage

Weigh feed and calculate dry matter intake, if possible

Evaluate whether you are overfeeding energy at the 250-300kg stage

Manage feed intake and fat deposition with neutral detergent fibre

Pasture is a good solution for controlling body condition in pregnant heifers, but must be managed well

Talk to your nutritionist about supplying enough protein

Mr Neumann stressed some heifers are not developing structurally fast enough, due to low protein levels in rations, and are laying down too much fat because of high energy levels.

At a rough cost of 1,500-2,000 (£1.300-£1,800) to rear each heifer in Germany, Mr Neumann said it is worth analysing forage to ensure money isn’t being wasted on bought-in energy.

Heifer-rearing feed costs total £1,051 a head alone, before vet and med at £22 and fixed costs at £140. Pre-weaning feeding costs £350, the 100-250kg growing stage costs £150 and feeding a heifer weighing 250-600kg costs about £536.

German feeding concept

Mr Neumann detailed a rough heifer feeding programme with guideline energy and protein requirements to meet the desired condition at first calving (see table below).

Weaning-to-insemination feeding programme to calve at 22-24 months

Months old

Live weight kg at end of period

Average dry matter intake (kg)

Management and feeding

Energy (ME)/ crude protein (%)

3

120

2.5-3

Weaning, weighing, introduce new diet

11.5/18

6-7

230-250

5.5-6

Two-thirds corn silage, one-third grass silage

2.5kg soya bean meal/corn

0.1kg mineral

11.2/17.5

7-12

250-360

6-7.2

Two-thirds corn silage, one-third grass silage

2.5-3kg soya bean meal/corn

0.1kg mineral

10.8/17

Use fibre

He said a tried-and-tested way of controlling energy intake is by feeding dietary fibre.

Depending on feed palatability and energy density, neutral detergent fibre (NDF) should be fed accordingly.

NDF recommendations

NDF (g/kg DM)

Feed intake (kg DM/day)

300kg liveweight

500kg liveweight

350

8.6

14.3

400

7.5

12.5

450

6.7

11.1

500

6

10

550

5.5

9.1

Pasture management

Pasture grazing is one way to control energy in the diet, with the option to supplement early or late in the season as grass quality alters, said Mr Neumann.

But he stressed altering stocking rates is vital. A German study found the pasture requirements of 400kg heifers gaining 700g a day increased from 0.25ha a heifer a month in May to 1.05ha in October.

A 500kg heifer growing at 700g a day needed 0.31ha in May, which increased to 1.27ha in October.

Weight targets

He advised farmers to reassess what size cows they are trying to breed and feed accordingly.

Optimal weights and sizes, rather than maximum weights and sizes, had the best yield benefit in first lactation, he explained.

He said a target body weight of 561kg-600kg for a Holstein-Friesian heifer after calving is optimal, with a height of 1.41-1.43m at the sacrum.

“Danish breeders are now advising a maximum of 1.48m,” he said.

JOURNAL : Farmers Weekly

France’s most famous ***agriculture*** show has been closed a day earlier amid the coronavirus outbreak.

The final day of the International ***Agricultural*** Show (IAS) at the Paris Parc des Expositions on Sunday 1 March was cancelled after the country’s total number of coronavirus cases rose to 100 people, including two deaths.

Each year, the show attracts between 630,000 and 650,000 visitors, 1,000 exhibitors and 32,000 professionals from around the world.

See also: Global dairy markets feel coronavirus pressure

The 57th edition of the show was themed “***Agriculture*** welcomes you with open arms”.

But organisers had to cancel the final day after the French government introduced health security measures banning all large indoor gatherings of more than 5,000 people, in an effort to slow the spread of the country’s coronavirus outbreak.

In a statement on Twitter, Salon ***Agriculture*** said: “Following the government and health authority’s decision, every [indoor] gathering of 5,000 people is banned.

“The show will, therefore, close this evening, Saturday 29 February, at 7pm and not reopen its doors tomorrow, following the recommendations and decisions of public powers.”

The organisers said they would reimburse anyone who had bought advance tickets for Sunday’s show. Further details will be announced soon.

UK monitors situation

In the UK, the number of coronavirus cases rose to 40 on Monday 2 March. The government is monitoring the developing issue of the coronavirus.

Prime minister Boris Johnson said on Monday that the spread of the disease now looks “likely”, but he added that people “should go about their business in the usual way”.

If the virus spreads in the UK over the coming months and the government was forced to introduce similar restrictions to France, it could threaten ***agricultural*** show dates and conferences here.

JOURNAL : Farmers Weekly

The acceptance rate for permitted development rights (PDRs) applications has risen to 80%, showing progress has been made compared with the previously lesser-known and misunderstood system.

PDRs enable certain types of development to be granted without applicants having to go through the full planning permission process, and were introduced to tackle the national housing deficit.

In 2018, the right for changing the use of ***agricultural*** buildings to dwellings (Class Q) was amended to allow for up to five dwellings and up to 865sq m floor space to be converted, and this has seen an overall increase in uptake.

See also: How Class Q development rights are working in practice

However, over the past few years, they have been generally misunderstood by local planning authorities and were even often mistakenly refused.

Though more applications are now being made and granted, councils are still interpreting the rules differently with success rates fluctuating even within the same county, say advisers.

Landowners may be more aware of the opportunity than they were previously, but ***agricultural*** conversions still ***account*** for a low percentage of the total PDR applications.

The government’s most recent figures (July-September 2019) show that district level planning authorities in England received 106,500 applications for planning permission and granted 90,600 (88% success rate).

Of the 8,600 PDR applications reported in this period, prior approval was not required for 4,900, and permission was granted for 1,900 and refused for 1,800 – an overall acceptance rate of 80%. Just 7% of the applications related to ***agricultural*** to residential changes.

Resisted by councils

According to Georgina Simonds, graduate surveyor at Rostons, in general, PDRs have been resisted by local planning authorities – particularly where development is rife and the number of applications is high and stretching resources.

“Applications in Cheshire are split between two local planning authorities, with one generally more accepting than the other,” she said. “It is important to remember that the problem may not always lie with the council but a lack of understanding of the criteria by applicants.”

If in doubt as to whether an application complies with the PDR criteria, either professional guidance should be sought or a full planning application route, where there is more flexibility, should be considered, says Ms Simonds.

Varied interpretations

Class Q application success remains variable between different local planning authorities and sometimes even within the same council, says Tony Kernon, director of Kernon Countryside Consultants and recently appointed British Institute Of ***Agricultural*** Consultants chairman.

“The greatest area of variability relates to interpretations about whether or not the works go beyond a conversion,” he said. “Some officers interpret the need to install a wall in an open-fronted section, for example, as more than a conversion.”

Class Q does not apply within National Parks, areas of outstanding natural beauty, for listed buildings, or if a landowner has put up any buildings or carried out any Part 6 ***agricultural*** permitted development since 20 March 2013.

Therefore, even if farmers are aware of it, it may not be relevant for a substantial amount of people, says Mr Kernon.

Advice for PDR applications

Provide plenty of information about the structural quality of the building.

Explain what will be retained in terms of walling or roof sheeting.

Research what has been permitted locally under Class Q and refer to that.

Class Q is a rule-based approval – do not make schoolboy errors such as making curtilage too big.

Check your proposal carefully.

You may be asked for an ecological survey – build that into your programme and costs.

Class Q only applies to buildings in ***agricultural*** use on 20 March 2013 – double check this if there is any doubt about the use.

Using your Part 6 ***agricultural*** permitted development rights since March 2013 can result in you losing Class Q. If you need to modify other farm buildings or tracks, for example, consider making a full planning application to protect the Class Q right.

You must complete the conversion within three years, not just start it.

Source: Tony Kernon

JOURNAL : Farmers Weekly

Rising pork prices have boosted pig sector incomes by 95% to £58,000 in 2019, according to Defra’s latest figures.

The pig sector figure is part of Defra’s farm business incomes forecast, which provides estimates for all farm types in the 12 months to February 2020.

It suggested that pork prices were driven up by China’s production losses due to African swine fever (ASF), which created extra demand.

See also: Guide to managing big pig litters

Prices are up by about 5% compared with 2018-19 due to the ASF outbreak in Asia and eastern Europe.

What is farm business income?

For non-corporate businesses, farm business income represents the financial return to all unpaid labour (farmers and spouses, non-principal partners and their spouses and family workers) and on all their capital invested in the farm business, including land and buildings.

For corporate businesses it represents the financial return on the shareholders' capital invested in the farm business.

Returns were also up on the back of higher throughput and carcass weights, and a 4% fall in feed costs.

With specialist pig businesses outperforming all other sectors, the National Pig Association has urged caution when viewing the figures.

Chief executive Zoe Davies said China's ASF woes meant the sector's income performance was artificially inflated.

Future caution advised

"As ASF continues to spread towards Germany, we are extremely cautious about future prices," said Dr Davies.

An outbreak in Germany will see exports to China blocked and its output returned to the EU market, which will increase supply and pressure prices. The UK's valuable cull sow market in Germany may well collapse.

Meanwhile at home, domestic demand is still a struggle. "These figures suggest a period of making hay while the sun shines, but continuing to invest and ensure pig businesses are resilient and competitive for the future," she said.

Other sectors

For other sectors, the weather was a key driver for change during 2019 compared with year-earlier results.

For grazing livestock farms, better weather during the 2019 growing season had helped bolster incomes on grazing livestock farms through reduced feed costs.

But arable farms have reported falls in income with the value of higher yields offset by lower prices and a hike in machinery costs.

Lowland cattle and sheep

Average income on lowland cattle and sheep farms is expected to have increased by 51% to £19,000. Defra suggested the additional margin was mainly due to lower feed costs.

Almost perfect summer grass-growing conditions combined with lower concentrate prices to cut feed and forage costs by about one-fifth.

In addition, total output for cattle increased by about 3%, helped by slightly heavier carcass weights. The improved incomes were achieved despite lower prices for most of the period covered.

Less-Favoured Area (LFA) livestock

Defra has predicted a 40% increase in average incomes for LFA livestock to £22,000, driven by lower feed costs and an increase in sheep output.

The same factors pushed up LFA cattle output with feed costs reckoned to be 20% down.

Cereals

Specialist cereal crop growers saw the biggest drop in incomes across the farm sectors. Defra’s estimate suggested that average income on cereal farms dropped by 15% to £57,000 in 2019-20.

The main factor was the weather which saw bumper yields and increased crop areas planted compared with 2018. These plentiful supplies and a successful harvest pointed to a 4% price drop.

At the same time, input costs are expected to have risen by 2%, with higher fertiliser and machinery prices the big drivers.

General cropping

Average incomes on general cropping farms are expected to show a fall of about 7% to £99,000 in 2019-20. Peas, beans, sugar beet and potatoes all saw increased yields compared with the drought-stricken harvest of 2018.

But, like cereals, the effect of the rises, coupled with increased areas for some crops, are expected to be offset by lower prices.

The exception to this is oilseed rape, where prices are predicted to remain firm, but the area and yield decreases, reflected losses to cabbage stem flea beetle and pigeon grazing.

Dairy

In the dairy sector, Defra estimated incomes to have remained static at about £80,000.

A fall in input costs was offset by a similar reduction in output, with prices for the period March 2019 to January 2020 about 1% lower than the previous year.

JOURNAL : Farmers Weekly

The coronavirus outbreak has prompted governments to ban large gatherings in a number of European countries, including France and Italy, with Germany and Romania about to do the same.

The UK government could soon move from “containment” to “delay”, the second phase of its four-part plan to tackle the spread of the disease.

Proposed measures to delay the virus’ spread would include social distancing, people showing symptoms of the disease being asked to self-isolate and a ban on mass gatherings of people.

See also: Eustice holds further talks with retailers on coronavirus

In the UK, five people have died from the coronavirus and the number of confirmed cases stood at 321 on Tuesday (10 March).

(function(d,s,id){var js,fjs=d.getElementsByTagName(s)[0];if(d.getElementById(id))return;js=d.createElement(s);js.id=id;js.src='[*https://embed.ex.co/sdk.js*](https://embed.ex.co/sdk.js)';fjs.parentNode.insertBefore(js,fjs);}(document,'script','playbuzz-sdk'));

In the ***agricultural*** industry, large gatherings of people are planned over the coming weeks, including conferences, machinery sales and the start of the ***agricultural*** showing season. On a daily basis, livestock farmers are also in regular close contact with each other at auction marts across the country.

Farming rally

Hundreds of farmers are also expected to travel from across the country to London on 25 March to take part in a rally to urge the government to safeguard the industry’s world-leading standards in future trade deals.

An NFU spokesman told Farmers Weekly the union still planned to hold the rally on 25 March, but it was keeping the situation under review.

The spokesman said: “We are currently not aware of any issues on British farms as a result of the coronavirus. The NFU will be following all government guidance for businesses and we will encourage our members to do the same.”

Last week, the last day (1 March) of the Paris ***Agriculture*** Show was cancelled amid the spread of Covid-19 in line with a French government order to ban indoor gatherings of more than 5,000 people.

JOURNAL : Farmers Weekly

Prime cattle supplies are likely to tighten throughout 2020, with fewer cattle available and greater proportions of male cattle being slaughtered at a lower age.

Analysts say this could point to firmer prices but warn that demand for beef remains “sensitive” to consumer opinion and international trade agreements.

Latest figures from Quality Meat Scotland (QMS) show that calf registrations in Scotland were 552,700 head in 2019, the same as in 2018, but 2.5% lower than in 2017.

See also: App reveals sires worth £120 more in gross margin

Analysis also shows that while the age profile of female cattle under 30 months of age on farm is unchanged, male cattle are typically being sold younger.

Combined with the fact that prime cattle slaughtered this year will largely be drawn from animals born in 2018, and those numbers born were lower than 2017, it all points to a slightly tighter supply of prime cattle.

Stuart Ashworth, director of economic services at QMS, said: “Economic theory tells us that tighter supplies support prices, but the caveat to that is demand must remain firm domestically and internationally, and access to international markets must be open with minimal constraints.”

Native breeds

The calf registration ***data*** also highlights the continuing trend towards native breed sires, which is about 28% of all registrations, up from 20% a decade ago.

In Scotland, the Aberdeen Angus breed now ***accounts*** for 19% of all Scottish registrations up from 14% 10 years ago.

Dairy-sired calves

Another noticeable trend is a 3.5% fall in the number of dairy-sired male calves between 2018 and 2019.

“This reflects the growth in the use of sexed semen to produce replacement dairy stock, leaving scope to increase the use of beef sires on a greater number of dairy cows,” said Mr Ashworth.

Nationwide trend

This trend has also been seen in England and Wales, where there was an 11% drop in dairy-sired male calves between 2018 and 2019, while female dairy calf registrations remained unchanged, said Mr Ashworth.

AHDB analysis of the December 2019 census also highlights sizeable drops in the number of male cattle under two years of age, because of greater use of sexed semen.

It suggests that sexed semen ***accounts*** for almost one in three dairy inseminations.

AHDB is forecasting that the prime slaughter kill will be 2% lower in 2020 at 1.96 million head, compared to 2.01 million in 2019.

Ireland

Census figures from Ireland show similar patterns.

The number of cattle aged 1-2 years on Irish farms fell 2.7% between December 2018 to December 2019, and the number of male cattle in this age group fell 4%.

JOURNAL : Farmers Weekly

The close-up dry period is a critical period in the last three weeks before calving.

It is essential to the success of the next lactation and rations should change to prepare the animal for lactation.

Forages low in energy are a must as it is essential cows don’t put on or lose weight.

See also: How to assess if your dry cow ration is working effectively

Together with independent nutritionist Mark Price, we take a look at five options for dry cows.

Dry cow diet facts

Target calcium level in a dry cow diet is 30g a head a day.

The average calcium content of grass silage is 8-10g/kg DM meaning if a cow eats 12kg of forage DM matter a day that’s 120g of calcium

Excessive calcium will stop a cow from mobilising it from her bones when she needs it at calving

Be aware, a heavily fertilised grass high in potassium creates an alkaline blood and reduces calcium mobilisation.

1. Goldilocks diet

What it is?

The Goldilocks diet is low in energy and high in low-quality forage, typically straw, and fed for the entire dry period.

The term "Goldilocks" is derived from the fact cows are provided with just the right amount of nutrition. This means the cow’s energy requirements will be met, but not exceeded when they are fed the diet ad lib.

How does it work?

By feeding the cow just right amount of energy, there is a lower rate of fat mobilisation. This is because cows’ tissues become more insulin sensitive, and insulin is a hormone that reduces fat mobilisation.

Many Goldilocks diets are also dietary cation anion balance (DCAB) diets. This means they contain a balance of minerals that acidify the blood, which promotes calcium mobilisation from the bones (see point 2).

Vital elements of the ration/inclusion rates

Typically, the diet will contain:

More than 50% forage.

Low levels of grass silage (ideally no more than 3kg a head a day).

2-3.5kg a head of dry straw (high quality, low energy and chopped short).

Crude protein is 13.5-15.5%.

At least 1,200g of metabolisable protein.

Neutral detergent fibre is 40-50%.

Micronutrients are dependent on factors such as milk yield and raw material bioavailability.

Potassium as low as possible.

Magnesium to potassium ratio is 1:4.

Pros

Good at keeping the rumen full and because less grass silage is used, the risk of milk fever is reduced because the energy density of the ration is kept low.

It can be fed to one group throughout the entire dry cow period.

Cons

You must be able to chop high-quality straw down to 2cm and ensure cows eat it.

It is not the cheapest diet as the straw brings no nutritional benefit.

What type of herd is it suited to?

This diet is suited to mid- to high-yielding herds (7,000-12,000 litres) because it is effective at controlling milk fever and ketosis, both of which are present in higher yielding herds.

2. DCAB diet (semi-DCAB and High-DCAB)

What it is?

The DCAB system is probably the most common modern dry cow feeding approach to help prevent milk fever. It involves balancing the minerals naturally present in the feeds to create the most favourable, slightly acidic conditions in the blood.

The difference between a high-DCAB and a semi-DCAB is the level of acidification – a high-DCAB (full) diet causes the blood to be more acidic.

A semi-DCAB (partial DCAB) contains less anionic salts meaning the blood is less acidic. Magnesium chloride is the main anionic salt used in both diets.

A high-DCAB diet involves the use of a commercial mineral pack (supplement) containing a balance of anionic salts and additional calcium. This works well under careful management, but high calcium can make milk fever worse if the supplement is not fed accurately every day.

How does it work?

It acidifies the blood which allows calcium to be mobilised from the bones.

To acidify the blood, you need to offset the inputs of positively charged cationic salts such as potash and sodium, which make the blood less acid, with acidifying, negatively-charged anions like chloride and sulphate.

This essentially causes the cow to get mild, metabolic (not rumen) acidosis which triggers the metabolism of calcium from the bone reserves to redress the balance and prevent milk fever.

Vital elements of the ration/inclusion rates

The rations of a high-DCAB and semi-DCAB diet are similar except for the mineral pack.

The diet includes:

2-4kg a head of straw (no higher than 6kg a head).

Ideally, low levels of grass silage (typically no higher than 10kg a head) to keep potassium levels low.

Typically, 5kg/head a day of hay/haylage (not essential).

Maize silage.

2kg a head a day of concentrates.

Mineral pack – the pack will depend on whether it is a full or semi-DCAB diet and also the base ration of the diet. The semi-DCAB mineral pack will contain less anionic salt.

Pros and cons

High-DCAB diet can be more expensive.

Can be hard to manage and needs to be accurate. Blood acidity will need monitoring by testing the pH of the urine.

A semi-DCAB diet is slightly cheaper because of the mineral pack contains less anionic salts. However, the semi-DCAB diet is less effective in minimising milk fever in high risk animals such as high-yielders.

What type of herd is it suited to?

High-DCAB to high yielding herds and semi-DCAB to high- (10,000 litres plus) and medium- (7,000-9,000 litres) yielding cows.

3. Calcium binders

What it is?

Calcium binders are granular compound clay pellets that bind excessive calcium in the diet (for example, if a high amount of silage is being fed.) They have been found to decrease the incidence of milk fever and are often used where high amounts of grass silage is fed in the dry cow diet.

How do they work?

Some of the products are based on sodium aluminium silicate, which is a synthetic zeolite clay that binds calcium. This causes the cow to mobilise calcium from her bones when she needs it.  Binders are often sold as a compound dry cow nut.

Vital elements of the ration/inclusion rates

20kg ahead a day of grass silage.

2kg a head a day of straw.

2kg a head a day of concentrates.

Roughly about 500g of zeolite (calcium Binder) although many complete formulations include the zeolite and the concentrates.

Pros

Feeding a calcium binder is one of the most robust and reliable ways of stopping milk fever.

It allows farmers to feed high amounts of grass silage which can be high in calcium.

Cons

Expensive.

Only prevents milk fever and not other metabolic diseases such as ketosis.

Needs precise management of the zeolite – it cannot be fed at all post calving.

Some farmers can be so reliant on the binders, the ration often receives less attention.

What type of herd is it suited to?

Small herds/all year round (AYR) small calving groups or herds that may struggle to source and chop straw, and where grass silage is the main source of feed. It also suits farmers that graze dry cows.

4. Standing hay for grazing herds

What it is?

This is where a field is left to grow for two months and then strip grazed. It provides cows with a high fibre, low-energy diet.

How does it work?

Instead of incurring the cost of baling long, stemmy grass for silage or hay, cows harvest it themselves by strip grazing it. The paddock can also double up as a calving area.

Vital elements of the ration/inclusion rates

Cows typically eat 8-10kg of DM a head a day.

For very low yielders, no supplementation will be required.

High yielding cows will need to be supplemented with dry cow rolls or nuts.

Pros

It is the cheapest diet – the cost of grazing standing hay is only 7p/kg of DM and for the total ration cost, you are talking pence not pounds – half the price of other diets.

Works well for farmers managing dry cows outdoors or calving outdoors.

Cons

Weather can reduce the DM intake and affect the hygiene of the cow and calf.

If calving outside, ensuring good colostrum intake in the calf can be trickier to manage.

Potentially there’s a higher risk of metabolic diseases in higher yielding cows if they are not receiving the correct dry matter intake.

What type of herd is it suited to?

Smaller cows and low-yielding cows (below 7,000 litres). It also works better logistically for an autumn calving herd.

5. Simple forage and dry cow nut

What it is?

A forage-based ration such as haylage supplemented with a dry cow nut is the simplest dry cow ration available.

How does it work?

This diet is reliant on forage. The dry cow nut is used to address any protein and energy needs with minerals often fed in addition. The diets are often semi-DCAB which helps acidify the blood slightly and causes mobilisation of calcium from the bones.

Vital elements of the ration/inclusion rates

25-30kg a head a day fresh weight of forage.

Dry cow nuts should be 25% protein, 18% starch and an ME of 12.5% and fed at a rate of 2-3kg a cow a day.

Overall ration ME of 10.5ME.

Pros

Simple diet and be very effective.

Works well with small groups.

Can be flexible.

Cons

If you do have issues, it can be hard to adjust.

Reliant on forage.

What type of herd is it suited to?

Lower yielders and cows housed in smaller groups where feeding multiple diets would be hard. i.e. if there are only a few cows in each group.

JOURNAL : Farmers Weekly

A new rapid test is set to help farmers save money on their fungicide bill, by detecting septoria in wheat crops before symptoms are visible.

Septoria is considered to be the biggest threat to wheat crops in the UK, causing yield losses in excess of 30%. This is because the disease reduces the ability of the wheat plant to produce energy.

However, it has a long latent period where it grows inside the leaf for weeks (20-plus days) before becoming visible on the surface as yellow blotches and black dots.

See also: 3 high-tech gadgets for monitoring crop diseases

This makes it difficult to target fungicides, as infection can be lurking undetected. To help farmers, Microgenetics has developed a rapid test that takes just six hours from the start of the process.

The company claims it is very sensitive to even early infections of septoria, where only a small amount of fungal matter is present.

Andrew Davies, Microgenetics managing director, said farmers/agronomists can send samples using a standard next-day mail service and receive results as soon as 24 hours after posting.

He believes it will enable growers to save on fungicide costs by opting for cheaper products where the risk is low. Conversely, where the disease is detected, farmers can target it with a beefed-up spray programme.

After proving the technology, this year the company is looking for farmers and other partners to take part in a testing pilot, where they will receive their next-day results free of charge.

JOURNAL : Farmers Weekly

The Food Standards Agency (FSA) has announced plans to tighten controls on raw milk production in England and Wales.

Raw milk is unpasteurised and therefore carries a greater risk of containing harmful micro-organisms such as salmonella, campylobacter, E coli and listeria, according to the FSA.

It said greater scrutiny and tougher controls of the raw milk sector are needed because of a significant increase in both producer numbers and customer illness.

See also: So you want to sell milk direct from farm

Up to 2014 there were roughly 100 farmers producing raw milk.

But this grew by more than 70% to 171 by 2018, as an online market developed and demand increased.

However, the rapid expansion saw a parallel increase in customer illness. Between 2015 and 2017, there were five outbreaks of illness linked to raw milk compared with no outbreaks during the previous 12 years, the FSA said.

Within these outbreaks, there was a total of 103 reported cases, with some people requiring hospital treatment.

The FSA responded by carrying out a consultation in early 2019. This was conducted in conjunction with the Raw Milk Producers Association (RMPA), which has advised on the new controls that will come into force on 1 April 2020.

Tali Eichner, RMPA membership secretary, said she was pleased to have been engaged in constructive dialogue with the FSA throughout the process.

“The approach proposed by the FSA enables the producer to assess the risks in their own system and set controls appropriate to their individual situation,” Ms Eichner said.

Hazard assessments

She explained that producers will be expected to carry out full hazard analysis and critical control point (HACCP) assessments that identify risks to the product safety and the measures implemented to prevent contamination.

These measures will be assessed during routine inspections, which will also include more in-depth audits of the farm.

Dairy hygiene inspectors already look at the milk-producing facility. But their visits will scrutinise things more widely, including pest control, feed storage and veterinary records, across the whole unit, said Ms Eichner.

Milk sampling will also look beyond the standard hygiene controls to test for specific pathogens.

Ahead of the stricter regime, the FSA has produced a 37-page document that sets out what will be required of producers.

The guidance, which must be read and adhered to from 1 April 2020 states:

Anyone planning to sell raw drinking milk must first register as a food business with the FSA.

Farms already registered must notify the FSA of an intention to start selling raw drinking milk.

Raw milk producers face an initial check and milk sampling by dairy hygiene inspectors.

Inspections will be on a six-monthly basis thereafter.

Farms are legally required to devise and implement a safety system that includes an assessment of risks of their product.

The system must also identify controls to prevent the risks from affecting their product safety.

Producers are expected to adopt recommended periodic testing for specified pathogens and indicators of poor hygiene and disease that can be found in milk.

Local authorities will be informed of proposed raw milk production by the FSA. However, producers must also contact the local authority, which may want to carry out its own inspection of the filling and bottling process.

Michael Wight, head of food safety policy at the FSA, said: “Food businesses must follow the measures set out in this guidance in order to reduce the health risk to consumers from this product.

“The FSA will continue to monitor any health incidents associated with raw drinking milk to see if these measures are sufficient.”

Further information

Guidance for raw milk producers (PDF)

It should be read in conjunction with the Food Hygiene Regulations (Wales) 2006 and the Food Safety and Hygiene Regulations (England) 2013.

In England and Wales, contact the FSA on [*approvals@food.gov.uk*](mailto:approvals@food.gov.uk)

In Northern Ireland, email [*executive.support@food.gov.uk*](mailto:executive.support@food.gov.uk)

The sale of raw milk is banned in Scotland

JOURNAL : Farmers Weekly

Red diesel prices have slid by 2p/litre after Saudi Arabia announced it would step up crude oil production and lower prices.

The national average diesel price fell to 48.5p/litre this morning, down from 50.5p/litre last Wednesday (4 March).

The price is based on a Farmers Weekly UK-wide survey for a 5,000-litre delivery within 20 miles of the depot on 28-day payment terms.

See also: Fury over chancellor’s plans to scrap red diesel duty rate

Some fuel retailers reported to Farmers Weekly that farmers have stepped up their buying to capitalise on the low prices, with reports of deliveries now scheduled for the end of the week in some regions.

Additional interest is also being generated by reports that chancellor Rishi Sunak may remove the red diesel duty rate for the ***agricultural*** and manufacturing industry in his Budget statement on Wednesday (11 March).

Why has the price fallen?

Prices now stand at multi-year lows after Saudi Arabia announced an aggressive expansion in crude oil production at discounted prices despite forecasts of global demand falling as the effects of the coronavirus causes manufacturing and trade to slow.

This caused oil prices to crash by 30% as markets opened this morning, with traders saying it was the biggest one-day fall since the 1991 Gulf War.

Brent crude, the international marker, was trading at $31.25/barrel at its lowest point after opening at $45.27.

The Saudi strategy is understood to have been caused by the country seeking to punish Russia for failing to agree to a cut in global production at the end of last week.

Wider implications

The move is likely to put pressure on a number of ***agricultural*** commodities with by-products that are made into energy such as wheat, maize and soya, warned Rabobank commodity analyst Michael Magdovitz.

“These are still food-related, but they have biodiesel components,” he said.

Traders will also be closely studying forecasts for feed demand, which could be under threat because of the logistical difficulties in getting crops into China, as many areas are still operating under quarantine restrictions, he added.

The May-20 UK wheat futures market was down from £149.55/t at its close on Friday to £147.25/t in intraday trading, while May-20 European rapeseed futures had fallen by 10/t this morning to stand at 367.75/t.

JOURNAL : Farmers Weekly

Beef and lamb sales fell in both volume and value over the past three months, but pigmeat spending was up, according to Kantar WorldPanel (KWP) figures.

The market analyst said total spending on beef was down by 3% in the three months to 26 January 2020, compared with the same period a year earlier.

This was primarily driven by a 2% decline in the amount purchased, but average prices were also down by 1%.

Both the volume purchased per buyer and market penetration fell.

See also: Doorstep milk round revived by dairy farm selling direct

AHDB Beef and Lamb analyst Bethan Wilkins said the figures suggested consumer demand for beef continued to struggle.

Lamb sales also fell by 3% year-on-year during this period, KWP figures show. This was due to a 6% drop in the amount purchased, which was only partially offset by a 3% rise in average prices.

People who did buy lamb purchased similar amounts to last year, so buyers may have been deterred by the rise in retail prices, said Ms Wilkins.

However, retail spending on pigmeat showed a slight increase of 1% compared with the same three months last year.

“This was driven by a 5% increase in average prices, partly due to a reduction in promotional support [shopper discounts and offers] for both primary pork and bacon,” said Ms Wilkins.

British pig prices were 17% higher than year-earlier levels in January, and the price of imported pigmeat was also up by 17% in December. This may well be pressuring retail margins, encouraging some price increases, she said.The amount of pigmeat purchased declined by 4%, mainly due to consumers purchasing less a head.

The main casualty was primary pork cuts, with fewer people buying pork and the amount bought a head dropping off.

The 1% rise in values was down to increased spending on processed pigmeat, while overall market penetration was maintained due to some growth in the ready-to-cook market, Ms Wilkins said.

Retailer performance

The decline in red meat volumes comes as KWP figures suggest an overall increase in supermarket sales figures.

In the past 12 weeks, year-on-year supermarket sales grew by 0.7% - the fastest rate since November 2018.

However, some supermarkets performed better than others. Sainsbury’s was the only one of the traditional large grocers to increase year-on-year sales, with spend up by 0.3%, said KWP’s Fraser McKevitt.

Among the rest of the big four, sales at Tesco and Asda dipped by 0.8% and 1.2%, respectively, while Morrisons' sales were 2.0% lower than the same period last year.

The traditional big hitters saw their market shares further eroded by competition, with Lidl leading the charge.

Lidl is Britain’s fastest-growing grocer for the first time since November 2017, with sales up by 11.4%, Mr McKevitt said.

Lidl has benefited from its rapid store expansion programme, with its 800 stores serving an extra 900,000 shoppers over the 12-week period.

Its market share has risen accordingly, with sales up from 5.2% last year to 5.8% in 2020.

Meanwhile, Aldi’s sales were up by 5.7%, with its share of the market now standing at 7.9%.

JOURNAL : Farmers Weekly

Selecting a building design with no roof is allowing expanding dairy farms to save money on new infrastructure.

Topless cubicle housing and milking parlours cost less and, contrary to perception, there is no trade-off in the comfort and welfare of cows and staff, say farmers who have gone down this route.

But there are issues that must be considered when a building has no roof.

Simon Hennessy, of Grasstec’s Farmyard Design Department, says the additional rainwater collected from roofless cubicles can increase slurry requirements by up to 80%.

See also: Video: Roofless sheep unit helps Anglesey farmer preserve spring grass

However, the cost advantage of not installing a roof is a saving of about 55,000 (£46,743) per 100 cows accommodated, he calculates.

Below, we consider the pros and cons with two dairy farmers who have chosen roofless facilities.

See also: How to avoid the 9 most common dairy cow housing pitfalls

Case study: Rory Christie’s roofless cubicle shed

At £600 a cow place, topless cubicles have provided Rory Christie with a lower capital solution for housing his large-scale, spring calving herd.

Mr Christie, who farms with his brother, Gregor, in south-west Scotland, had been running 600 cows in four separate herds until he streamlined the system to create a single herd, milking 1,200 cows.

With milk production on the Port William holding run on a lower capital system, he trialed different ways of managing the cows for the winter dry period.

Farm facts

Spring calving

Milking 1,000 Friesians cross Jerseys through a 44-point rotary parlour

Yielded 3,500 litres last year on once-a-day milking, at 5.41% butterfat and 4.33% protein

Sells milk to the Milk Suppliers Association (MSA), a co-op supplying the Caledonian Creamery in Stranraer owned by Lactalis

They previously had cows at different locations, on fodder beet and silage bales, rough ground and sacrificed land, but it was becoming logistically very difficult and they were concerned about the potential run-off.

He sought potential solutions during a visit to New Zealand.

He didn’t find any answers but received a photograph of roofless cubicles when he returned and later discovered similar housing in Wales.

Impressed by what he saw, he built his own roofless cubicles, initially installing 500 places and expanding to 1,000.

Cost and benefits

The building and associated slurry storage facilities cost £600 a cow place, but the decision to go roofless was not down to cost alone.

“The cows are much healthier and cleaner because they are outdoors in clean air,” says Mr Christie.

“They grow hairy coats. It is the equivalent of a farmer putting on warm clothes and waterproofs to go outside if the weather is bad – they are kitted out well for being outdoors.”

Location and considerations

The cubicles are in a sheltered position. They were built on a site once occupied by a 10,000-space pig unit and are protected from the prevailing wind by surrounding buildings.

The stalls have rubber mats and these are brushed daily with a Plant-mec motorised brush.

“We floodwash and scrape the passages every day, just like a normal cubicle setup,’’ he explains.

His farm is well suited to the structure – the annual average rainfall is just 1m (39in).

“It is a good solution for spring block calving herds because cows are predominately dry when they are on it.’’

The herd is Friesian cross Jersey – a robust, 500kg cow.

“They are very resilient animals. They are bred specifically for a system like ours.”

The success of the system is driven by body condition scoring (BCS) and Mr Christie manages this very closely.

“We use the New Zealand scoring system. I like them to be at BCS 5 when they are dry,” he says.

After calving in February, the cows perform well off grass as they are already acclimatised to the outdoors.

Overcoming challenges

The downside is there is a higher volume of dirty water generated because the building is not protected from rainwater.

To overcome this, there is a 5m gallon slurry store that provides sufficient capacity to hold slurry and dirty water produced over 12 months.

As a safety net, the cubicle layout and feed area were designed in such a way that they can be roofed at a later stage if required.

But Mr Christie sees no reason to adapt the shed yet.

Case study: Johnjo Roberts and Mat Venables roofless rotary

Investing in 70-point rotary parlour without a roof helped business partners Johnjo Roberts and Mat Venables stick to a tight budget when they established a new dairy unit on Anglesey.

At £460,000 inclusive of all associated costs, the parlour was their biggest expense, but they made a saving of £40,000 by installing a model with no roof or walls.

Cow numbers were their priority when they set the budget to establish a new dairy unit at Bryn Celli Ddu, a 250ha rented farm on the Plas Newydd Estate.

Farm facts

Yielding 4,400 litres at 4.66% butterfat and 3.7% protein

Milk sold to Arla

“Capital is limited when you are setting up a new dairy. We wanted to stock the farm fully from the start, so cow numbers were a priority,” explains Mr Roberts.

The pair were already heavily invested as this was the second farm they converted to dairy; they had already established a spring calving herd as a joint venture two years earlier.

They were confident their decision to install a roofless parlour was the right one after visiting another spring block calving dairy farm in north Wales that had been milking in a rotary with no roof for 10 years.

“We had the benefit of being able to visit the farm and speak to the farmers.

"It is easier to be the second to try something than the first,” Mr Roberts adds.

Location and considerations

At 36in, the farm’s average annual rainfall is not high and shelter is not an issue because the Waikato parlour is not completely devoid of a roof.

There is an overhang above the area where the milkers operate and this provides some shelter.

“We milked in the rotary through the Beast from the East and we had no more problems than we had with our fully covered 46:92 herringbone,” says Mr Roberts.

In fact, herdsman Gethin Jones, who has worked in the business since the parlour was installed in 2016, insists there are no downsides to a roofless design.

“When the weather is a bit wet, we get kitted up well, and when the sun is shining, everyone is smiling because we are out in the daylight.’’

The parlour is operated by three milkers in the spring and two at other times of the year.

Benefits

Mr Jones says heifers acclimatise quickly to being milked because they are not entering a dark building.

In fact, throughput averages 400-450 cows/hour.

Not having walls is an advantage for cleanliness, he reckons.

“The parlour keeps itself very clean, there is hardly any build-up of muck and when we get a bit of rain, it gets a good wash.

"It is kept very clean because there are no walls, that is a big positive.”

Overcoming challenges

When the weather is at its most challenging, in December and January, the herd of New Zealand Friesian cross Jerseys is dry.

Calving gets under way at the beginning of February and only limited numbers are milked in that month.

Roofless livestock facilities can elicit negative comments on social media and the sources of those comments can be surprising, Mr Roberts admits.

“Occasionally, a photograph of the parlour will appear on social media with negative comments, sometimes from other dairy farmers, who suggest it must be miserable to work in. That is definitely not the case.

“It is a nice environment to milk in. Why spend more money on infrastructure than you need to?”

JOURNAL : Farmers Weekly

Farm-built cultivators and drills are a staple of the Farmers Weekly Inventions Competition, and 2020 was no exception.

See also: Video: On test – 20 top workshop tools recommended by farmers

George McWilliam’s cover crop drill

Aberdeenshire farmer George McWilliam built a cover crop drill for just £400 over the course of a few afternoons last spring.

The outfit is based on an old 5.5m Kongskilde Triple K cultivator, which he bagged for just £150 at a local collective sale.

To this, he fitted a recycled Accord distributor head (£50) and fabricated his own spreader plates to run along the back of the cultivator.

New pipework finished the job and an Amazone front hopper – already on the farm – holds and meters the seed.

Mr McWilliam drills the crops directly into barley stubble in August and has so far sown 40ha, with decent, uniform results.

The cover crop will then be ploughed in prior to spring barley sowing this year.

Compared with previous systems, the new drill pulls fewer stones to the surface, and is quick and cheap to run. It could also be used to sow grass seed, he says.

Rob Gash’s drill packer scrapers

Wet conditions have been bunging up drills across the country, but Rob Gash has come up with a neat way of keeping packer rollers relatively clean.

His cable scrapers fit to new brackets welded on the farm’s Horsch Pronto drill, flicking soil off the tyres and avoiding any build-up of material against the main frame.

The brackets have several hole options to vary the distance of the cable from the tyres.

Total cost was £200, and assembly took just a day.

Geoff Beck’s plough pan breaker

Rock-hard furrow bottoms could be a thing of the past with Geoff Beck’s bolt-on plough attachment.

The leg is designed to break up soil compacted by the tractor’s wheels, using a curved cultivator tine to throw the soil ahead of the mouldboards.

Mr Beck says he typically runs it 7.5-10cm below the plough’s points, so roughly 35cm when ploughing at 25cm.

The kit has hole-and-pin height and width adjustment and it can be pulled out completely if not needed.

Stevie Houston’s grassland drill

County Antrim farmer Stevie Houston built a grassland drill for rejuvenating tired swards, repairing poached pasture and sowing new grass lays.

The high rainfall in Northern Ireland means Mr Houston’s 200-strong autumn-calving herd can quickly destroy parts of a field, so he started looking around on Facebook and Gumtree for a seed drill and grass harrow to help alleviate the compaction.

His combination centres around a second-hand KRM air drill, which he managed to get for half the asking price, as well as two grass harrows and a brand-new Fleming Agri 3m spiker.

In order to covert the grain drill to sow grass, Mr Houston blocked off half the seed rollers to lower the rate. He says this has worked perfectly.

He has also removed the bout markers and tramline kit and believes the simple ground-driven wheel is all that is needed.

All in, the build cost about £3,000, and this included the purchase of the new spiker. Once all the parts were delivered, it took a couple of days to knock up.

Paul O'Connell’s combi drill bag lifter

Paul O'Connell from County Laois, Ireland, made a hydraulic bag lifter for his Amazone Combi drill, so he doesn’t need a separate tractor and loader for topping up with seed.

The device has a simple central mast with one pivot point and a single long-stroke hydraulic ram to do the lifting.

Cleverly, Mr O'Connell set up the geometry in such a way that the bag can be lifted from the side and it comes up perfectly in line with the top of the hopper.

It is capable of lifting bags from the ground or off a trailer, and has telescopic adjustment to get the placement right.

When it’s not in use, the arm can be neatly folded to the side of the machine.

Edward Heath’s Weaving drill conversion

To improve the performance of his 4m Weaving Tine drill on min-tilled ground with chopped straw, Essex farmer Edward Heath extended the frame and spread the coulters over an extra two rows.

As his drill is an early model, the coulters were originally spread over three rows and they tended to clog up when there were large quantities of straw.

However, by distributing them over five rows, he now has ample clearance for trashy conditions.

Mr Heath says the modification was relatively straightforward and involved cutting off the following harrow and pre-em markers, adding the additional rows of diagonally mounted box section and then reattaching the harrow and markers.

Finally, he added some seed pipe joiners and extensions to span the extra distance to the coulters.

He considered adding a second pivot point for folding mechanism, but having tested it in its standard form, decided it was already strong enough.

JOURNAL : Farmers Weekly

Scottish Basic Payment Scheme (BPS) payments must remain “largely unchanged” until 2024, says NFU Scotland (NFUS), avoiding the kind of cuts already scheduled to hit farmers south of the border from next year.

The call forms part of a raft of post-Brexit policy demands for Scotland during the 2021-24 “transition”, which also include scrapping the crop diversification (three-crop) rule and the permanent grassland requirements of the existing CAP.

See also: Scottish farmers offered £40m to tackle climate change

NFUS believes funding increases of up to £100m more than the current £500m “pot” will also be needed, especially with action to mitigate climate change being central to any future farming policy.

Despite the call for more money, there were signs that Scottish farmers could be pushing at an open door, with Holyrood’s rural economy secretary Fergus Ewing saying there is “common ground” to work on.

Although the union wants the BPS left generally untouched, it has called for improvements to farm mapping requirements, the farm inspection regime and penalty processes.

NFU Scotland proposals summarised

The BPS should continue largely unchanged to 2024, but must include improvements to farm mapping requirements, the farm inspection regime and penalty processes.

The crop diversification (three-crop) rule and permanent grassland requirements of the existing CAP must be removed from current greening rules.

A full review of ecological focus areas must be undertaken.

Both of Scotland’s existing coupled support schemes - the Scottish Suckler Beef Support Scheme and the Scottish Upland Sheep Support Scheme - must be amended to improve delivery and reduce compliance risks.

The Less Favoured Areas Support Scheme must be retained in its current form until 2024, but rebased on 2019 ***data***, while maintaining the £65m budget.

The Beef Efficiency Scheme must be replaced with an effective Beef Improvement Programme that delivers productivity and environmental outcomes.

The Agri-Environment Climate Scheme must take a non-prescriptive approach, led by farmers and based on rewarding outcomes rather than only covering income foregone or additional costs.

Slower pace

Launching NFUS’ latest post-Brexit policy document, Stability – The Platform for Change, union president Andrew McCornick suggested the changes in Scotland should happen at a slower pace than in England.

“Let’s not pin ourselves to something hard and fast we need flexibility,” he said, adding that the proposals were “ambitious”, but deliverable.

To achieve the sector’s aims, pilot schemes on farms to help deliver Scotland’s climate change targets need to be bolstered, he said. For example, the ***Agricultural*** Transformation Programme (ATP) announced last month need an increase in the £40m already pledged by the Scottish government.

The union also says a ring-fenced financial framework must be established for Scotland, with at least the same amount of funding as now under both pillars of the CAP.

Although it does not want to go into detail, when the £40m for ATP is taken into ***account***, NFUS thinks a further £60m is needed to deliver its and the Scottish government’s aims.

What happens next

NFUS will use its Steps for Change policy document, published in March 2018, in negotiations with the Scottish government on future ***agriculture*** policy, including financial stability, environmental measures and productivity.

The ***Agriculture*** (Retained EU Law and ***Data***) (Scotland) Bill is currently going through the Scottish parliament and will contain the main policies for farming after Brexit.

Updates to existing climate change legislation are expected to be published by the Scottish government next month and could contain arrangements to increase funding for the farming sector.

Future proof

Launching the document at the Scottish parliament on Tuesday (2 March), Mr McCornick said the proposals for a 2021-24 transition and a post-2024 policy would “future-proof our sector”.

“Both the short- and longer-term proposals recognise Scottish ***agriculture***’s fundamental role in emissions reductions and carbon sequestration, while retaining our ability to profitably produce food to the highest of standards.

“Farmers and crofters must be incentivised to take up fundamental measures focusing on soils, input costs and emissions reduction. It is essential that such actions are taken up by a much wider swathe of Scottish ***agriculture*** and that all doing so are appropriately supported.”

Common ground

Mr Ewing said the Scottish government would consider the NFUS proposals.

“We will particularly look at the proposals around penalties and inspections, as these are two areas our simplification taskforce has already highlighted, and I have committed to making rapid progress on,” he said.

“These proposals show that there is common ground between the Scottish government and NFUS to do all we can to provide stability for farmers and crofters in the critical years ahead.”

JOURNAL : Farmers Weekly

Farmers in Scotland have been granted a derogation from the three-crop rule following prolonged cold, wet weather.

The decision follows lobbying by NFU Scotland, which has consistently opposed the need for the EU rule, describing it as a blunt instrument with little benefit.

See also: No three-crop rule derogation for farmers in England

Bad weather has also prompted a derogation for farmers in the Republic of Ireland. But farmers in England must still abide by the three-crop stipulation.

Designed to encourage crop diversification, the rule requires farmers to have a minimum of two or three crops in the ground during the months of May and June.

NFU Scotland combinable crops chairman Willie Thomson said cold and wet conditions had meant a narrow window of opportunity to plant and establish crops for 2020.

“Meeting the three-crop rule for many farmers has been almost impossible,” he said.

“The derogation from the three-crop requirement will make a difference to growers who have been unable to get on to waterlogged ground.

“But it is already looking for some parts of the country that fallow may be a more economic option than planting.”

Significant cost

NFU Scotland argues that the rule does not fit the profile of Scottish ***agriculture*** and offers little environmental gain but adds significant cost for many farmers.

It says the rule also has a public cost in terms of inspections and compliance complexities.

The union has proposed the removal of the crop diversification and permanent grassland requirements from farm support greening rules from 2021.

It says there is no monoculture issue in Scotland and the abundance of permanent grassland at a national level renders the requirements completely unfit for purpose.

Mr Thomson said: “Required ‘green’ outcomes – notably on climate change and biodiversity – need to work within ***agricultural*** systems.”

But the three-crop included prescriptive dates that compromised food production while doing little or nothing in terms of environmental benefits.

JOURNAL : Farmers Weekly

Self-employed workers will have quicker and easier access to benefit support during the coronavirus pandemic.

As part of the government’s response to tackling the virus, chancellor Rishi Sunak announced people ineligible for statutory sick pay, such as the self-employed, will be able to claim Employment and Support Allowance (ESA) from day one of illness, rather than day eight.

ESA is paid to those who are too sick to work, provided they meet certain conditions. It is worth £73.10/week, or £57.90 for under-25s.

See also: Coronavirus: How employers can get help with statutory sick pay

The government is also temporarily removing the minimum income floor from universal credit.

The minimum income floor takes into ***account*** how much a worker would normally expect to earn in a month, when calculating entitlement to universal credit.

Not having the floor means being able to claim for time people spend off work due to sickness, which Rob Hitch, of Dodd and Co Accountants, called a helpful measure.

“It should be noted, however, that the government states the minimum floor will be suspended ‘for the duration of the outbreak’, so this is very much a temporary measure,” said Mr Hitch.

“Universal credit is a means-tested benefit, so if you hold non-business or personal home assets, such as premium bonds, ISAs or let property, these will bar you from a claim if they exceed £16,000, and at present this still applies.”

The chancellor also said instead of attending a job centre, applications could be made on the phone or online instead.

Farmers must review their responsibilities towards their farmworkers and ensure appropriate measures are put in place to protect them, said Mr Hitch.

“Farming is one of those industries that cannot operate remotely,” he said. “Staff availability, which is already an issue for many farms, may become even more of a problem in the coming weeks and months.”

Support for businesses paying tax

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC’s Time To Pay service.

These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

If you are concerned about being able to pay your tax due to Covid-19, call HMRC’s dedicated helpline on 0800 0159 559.

JOURNAL : Farmers Weekly

Four leading shooting organisations have joined forces to fight Wild Justice’s latest judicial review against Defra on the legality of releasing game birds over designated sites.

The British Association for Shooting and Conservation (BASC), Countryside Alliance, Game Farmers’ Association and National Gamekeepers’ Organisation have jointly applied to become interested parties in the proceedings.

The campaign group claims that releasing birds, even at considerable distance, could damage a European Protected Site (EPS) and that no game bird releasing should be allowed unless an assessment has shown there will be no impact on the area.

See also: Defra to review law on release of game birds in sensitive areas

But a spokesperson for the shooting organisations said this case had “direct consequences” for thousands of their members and supporters; many of whom were also responsible for the care and management of these sites.

“It is essential that the shooting community involves itself in the proceedings at the earliest possible stage so that we can present a robust, evidence-based case to the court,” the spokesperson said.

“No matter the cost, our voice needs to be heard during the proceedings. And time is of the essence. Many people involved in shooting have already begun preparations for next season which carry significant financial burden.

“The countryside does not operate to the same calendar as the judicial system and it is essential that point is delivered loud and clear to the court.”

Livelihoods ‘at risk’

The organisations warned that livelihoods and the health of the countryside would be put at risk if the judges making the decisions got this wrong.

“In their attempt to attack shooting, Wild Justice are putting at risk the responsible management, use and enjoyment of the countryside by farmers, land managers and the public at large, as well as endangering the very wildlife and environment which they claim to be interested in protecting,” they added.

Wild Justice, founded by TV presenter and wildlife campaigner Chris Packham, raised the legal challenge against the government’s policy on the release of game birds last summer.

The group argued that Defra had failed to assess the impacts on sites of conservation interest of releasing 50 million non-native game birds, specifically common pheasant and red-legged partridge, into the countryside.

Defra has launched a review and says it cannot comment on the legal action while proceedings are active.

JOURNAL : Farmers Weekly

Extremely slow farmer buying is keeping nitrogen prices in check. February saw little, if any, movement and current levels are just £2-£3/t above late January prices for UK-manufactured ammonium nitrate (AN).

This puts it onto farm for March delivery at £227-£230/t on normal payment terms.

Imported material is in a wider range, with  some offers from those holding more stock than they would like.

However, strong sales by Egypt and large purchases by the US have put upwards pressure on the global urea market, say traders.

See also: New nematicide Red Tractor rules for farmers explained

For UK buyers, the recent weakening of sterling has not helped, although at £245-£250/t in March, it is still good value against AN.

While urea is readily available, importers are wary of committing to new cargoes because of uncertainty over farmer demand.

AN prices on continental Europe have risen recently. Traders suggest this and the firmer urea market could push the UK AN market up a bit in April but this is weather dependent.

Phosphate and potash prices are steady.

Fertiliser update (£/t delivered March 2020)

UK 34.5% N (Oct)

Imported AN

Granular urea 46% N

Potash MOP

Phosphate DAP

Phosphate TSP

£227-£230

£210-£223

£245-£250

£245-£250

£290-£303

£248-£250

All illustrated prices are based on full loads for cash payment on 28-day terms.

JOURNAL : Farmers Weekly

Selling at a market is a popular diversification for farmers who are already creating products and enjoy working directly with the public.

A fairly inexpensive option, it’s a good social opportunity and can help advertise and build up an existing farm shop or online or mail order business.

Farmers Weekly asked the Farm Retail Association (FRA) what rules, legislation and tips people considering becoming a stallholder need to know.

See also: So you want to sell food and drink to the public?

How many farmers’ markets are there?

There are about 650 farmers’ markets in the UK, according to the last count, which was in 2018.

Their number is still growing and more producers are always welcome.

The FRA has recently relaunched a Real Farmers Market Certification, and a declaration form is available free of charge for association members. This is a paper-based self-certification scheme for markets that includes random checks.

Markets are usually monthly, with the larger ones held at the weekend and the smaller ones more likely to take place during the week.

When considering which markets to attend, think not only about size, timing and mix of stalls but also about practicalities such as hours, access, parking and other facilities.

What are the rules about selling products?

The most important rule for certified farmers’ markets is that the stallholder must have produced the food they are selling.

Producers adding value to primary local produce by baking, for example, are encouraged to use local ingredients such as jams and butter, meats, fruit and vegetables, rather than going to wholesalers.

Individual market operators or managers usually have the final say about what can and can’t be sold at their market.

Most have a distance rule allowing produce from a 30- to 50-mile radius, although sometimes this is defined by county boundaries.

In London and other urban areas, farmers’ markets may allow produce from up to 100 miles away.

Markets usually try to balance the range of produce offered to ensure a “full basket” shop and stall types so there is not too much direct competition between stallholders.

If you produce something different to what is already on offer at a market, you may be more likely to get a stall.

How do I know it's right for me?

First you should be sure that your produce appeals to farmers’ market customers (see panel “What sells well?”).

Visit markets and talk to other stallholders to learn more about how it works and what to expect.

One benefit of markets is that they don’t require investment in premises and are a relatively cheap way of retailing.

They are a good platform for promoting a farm shop, internet or mail order business, but can be time consuming.

Business cards, fliers and recipes given out to market attendees can help promote your business and attract customers.

Who do I need to notify about selling food?

As soon as you start to sell food, Environmental Health officers and Trading Standards officers need to be involved. They can be contacted through the local authority.

The former deal with hygiene and good practice regarding production, while Trading Standards covers weights, measures and labelling.

Talk to both before you go to your first market.

What about legislation?

Food safety, health and safety, trades descriptions and weights and measures are the main areas.

Because of allergens and intolerances, ingredients need to be listed in the food labelling, and food hygiene is paramount.

The government provides allergen guidance for food businesses.

The Food Standards Agency is a great source of information, as is the local authority’s environmental department.

The requirements vary depending on the type of produce you are selling.

For example, in the case of fruit and vegetables, some produce must be sold by weight, others can be sold by count.

If you sell by weight, the price a kilogram must be displayed on the pack or prominently on your stand.

The labelling and traceability requirements are rigorous for meat, and in particular for beef, but any food which is ready for immediate consumption at the point of sale is of concern to environmental health officers (EHOs).

Raw and cooked foods need to be stored and handled separately, as does money, and some form of hand cleaning facilities must be available other than toilet washbasins.

Within the Food Safety Act, fitness to work rules cover personal hygiene and communicable diseases, including infections such as gastroenteritis.

If you offer free samples, the same hygiene rules apply as if you were selling them.

If you are preparing food at home, your kitchen must meet certain minimum standards and will need EHO inspection and approval.

Some food types need batch numbers, best-before dates, and detailed record keeping for full traceability.

There are minimum required temperatures for meats, ready-to-eat and cooked foods – your EHO will advise you.

Some foods that normally need refrigeration may be displayed for up to four hours in ambient temperatures but cannot then be returned to a chilled condition.

If unsold, they must be thrown away.

Investing in a chilled cabinet may seem expensive (second-hand ones are available) but presentation will be better and your stock-control easier.

Many farmers' markets offer a power supply to run them.

Alternatively, many stallholders sell from insulated polystyrene boxes; regular monitoring of temperatures is essential.

Goods must, by law, be priced, with the price displayed on the pack or prominently on the stall.

If prices are not immediately clear, some customers will just walk away.

All food businesses must have a Hazard Analysis and Critical Control Point (HACCP) plan.

This is a food safety management system that identifies what could go wrong in your processes, how to prevent it and how to address it.

Do I need any training?

It depends what you are selling, but a basic food hygiene certificate (about six hours of online training) is good practice and your EHO may insist on it for handling ready-to-eat food products.

If you are adding value, or offering certain ready-to-eat foods, an advanced food hygiene certificate will be a good idea. This can be completed over a number of days at a local college or through a training provider.

What sells well?

Try to provide something different and don't compete with the supermarkets.

If you are considering making cheese, for example, don't make a run-of-the-mill cheddar.

Carefully assess what’s already on offer and selling well at your chosen markets.

Pricing is important – it must reflect costs of production and not be too cheap, but it must also not be too expensive, especially if a similar product is already available.

Customers care about quality and provenance more than ever before – they want to know where their food comes from and they support local.

Many stallholders are specialists as they are one- or two-person businesses and do not have the time to provide a wide variety of quality products.

Do I need to spend a lot of money on my stall?

No, but the appearance and attractiveness of your stall is very important.

Remember that this is not like a shop where people will browse – they are on the move and you have got to get them to stop and look.

A good display with information about the farm and the produce (with photographs) will all help.

The stall must look inviting and you must be prepared to engage with customers and draw them to you - at a farmers' market, customers buy from the person behind the stall.

A white coat or coloured apron helps to give a professional image.

Tie hair back and ensure hands and nails are clean.

If it is in a good position, try to book the same stall each time so customers can easily find you again.

Attend as many markets as you can – it’s important to build loyalty.

Be prepared for a 9am to 10am market start, but be ready an hour before that – regular customers will be.

Monthly markets trade for four to six hours, and weekly markets for two to four hours.

Should I pre-pack my produce?

Some people think this detracts from the appeal of fresh produce, but it can save a lot of time on the day, especially when the market’s busy.

You can pre-price, and pre-packing allows customers to choose their produce easily and to handle it without problems.

It also avoids the hygiene issue of handling both fresh food and money.

How much does a stall cost?

Anything from £10 for a small community-run market run to £75 for a larger city market.

What insurance do I need?

Product and public liability – at least £5m for each category – is recommended.

Stallholder insurance costs range from £52 to £110 a year.

If you have staff, you'll need employer's liability cover too.

Case study: Frocester Fayre Farm

Farm facts:

101ha

Mixed livestock and arable

Family-run farm in Gloucestershire on ***agricultural*** holdings act tenancy

Sells produce at Stroud, Cheltenham and Bristol markets

Also has a farm shop

Four full-time and one part-time staff

Products: pork, beef, lamb, sausages and burgers as well as ready-to-eat meat pies, sausage rolls and pasties.

Nikki Pinker’s tenanted farm used to be a dairy unit until it was struck by bovine tuberculosis in the late 1990s.

The decision to sell the herd, combined with an offer from her uncle to butcher pigs for free, led to the milking parlour being turned into a shop and registered cutting room.

Stroud Market started in July 1999 and was seeking stallholders, so the Frocester team decided to sign up, initially using portable coolers before investing in a proper chiller.

At one point they were attending three or four different markets a week, but they’ve now settled on two a week.

The Frocester team regularly attends Stroud (£40 a stall), Cheltenham (£35 a stall) and Bristol (£30 a stall).

“It’s a nice social place to go,” Mrs Pinker says. “You get to meet people interested in food and we’re able to go to our customers, as we’re a bit off the beaten track.

“The most difficult thing is making a profit out of it because you don’t make as much as people think and it is difficult when you’re employing staff.”

As tenant farmers, she finds they are slightly limited with what they can do and cannot expand any further, so utilising markets is a good option.

The markets attract tourists, some of whom come back year after year, and the Frocester stalls also have extremely loyal local customers.

Nikki’s tips

Make sure you’re up-to-date with health regulations.

Get environmental health officer on your side from the start. Go to them rather than making them come to you, ask them questions and run ideas past them, and you'll find they are more amenable to you.

It’s helpful to have someone who knows about social media on your team so you can advertise yourself.

You can’t be scared to talk to people.

JOURNAL : Farmers Weekly

A global tightening of pig supplies as a result of African swine fever culling in China has elevated pig prices 15-20% across the board since last spring.

National average store and weaner pig prices were up on the year 18-20% and 14%, respectively, in February, according to AHDB Pork figures.

***Data*** from average sales of young pigs exchanged between marketing groups reveals an average of £57.99 a head for store pigs (30kg) and £42.20 for weaners (7kg).

See also: UK pig prices edge up after post-Christmas lull

Hereford

Hereford market’s pig values were firm in February and started March on a very strong footing last week (5 March).

A lower entry than normal of 140 pigs included a quality consignment of 30 white store pigs that made £44 a head, with some plainer coloured stores at £19 a head.

Auctioneer Andrew Edwards said weaner and store pigs were up 20% on the year, and, barring a post-Christmas lull, there had been a good trade on all sections since November.

Quality white porkers ranged from £70-£126 a head and cull sows and boars were a very strong trade with better quality cull sows making £130-£202 and cull boars at £120-£125.

Rough-coated, coloured, outdoor pigs were, as ever, harder to sell and really only wanted for niche markets, Mr Edwards added.

He said coronavirus had not yet affected the pig trade, although weaners were a slightly more selective trade of late; he suggested this could be weather-related.

“Prices could go either way. There is a possibility that home meat trade could improve as the public might appreciate UK reared livestock more, rather than importing meat.

“There aren’t many pig markets around anymore, which is partly why we’ve had buyers from as far as Dorset, Kent and Yorkshire. It’s a good way of getting young people interested in farming and is an entry enterprise.”

Market Drayton

An entry of 63 store and weaner pigs topped with weaners at £42 and the best end of the weaners selling between £25 and £35, with others at £15 to £22.

Ben Baggott, auctioneer at Barbers, said that 12-18kg weaners had generally been making about £30-£35, but that the pig market was, as ever, “boom and bust and difficult to call”.

He said weaners could be £50 one week and £25 the next, although prices in general were dearer than a year ago.

JOURNAL : Farmers Weekly

The average farm manager earns £49,523 including any bonuses and profit share payments.

In addition to this, they receive an estimated £8,368 in non-cash benefits such as housing, vehicle use and utility payments.

The figures come from the Institute of ***Agricultural*** Management’s (IAgrM) survey, carried out every other year.

On the face of it, the results show a £2,700 drop in salary compared with the previous survey’s average of £52,268.

See also: Farmers Weekly awards - farm manager finalists 2019

High number of young managers skews results

However, the results are skewed by a large rise in the number of younger farm managers completing the most recent survey, which, in great part, explains the apparent drop in average salary.

At 120, the level of respondents was the highest ever, and 45% of the sample were under 40 years old, compared with just 26% in 2018.

In the 2020 results, only 5% of farm managers are over 60, compared with 16% in 2018.

“It simply introduces the question of what the average age profile of farm managers is, compared with the average age of farm managers completing this salary survey. The answer to this question we do not yet have,” says the report.

Fair comparison shows just 2.1% increase over two years

To compare this year’s survey more closely with 2018 levels, the figures were reworked to exclude all managers at either end of the age profile in both 2018 and 2020.

This showed the average manager's salary, including profit share/bonus, increased by 2.1% – from £51,671 in 2018 to £52,769 in 2020.

Splitting the results by age bands shows that cash earnings for those aged 50-59 average £58,823 gross, compared with £45,078 for those aged 30-39.

Higher earnings at top

For the first time, the survey showed farm managers in the UK earning in excess of £90,000, and 3% getting more than £100,000/year.

However, there was a drop in the number receiving non-cash benefits. Where such benefits were paid, their value fell 40% from £14,000 to an average of £8,368.

The number of managers getting no non-cash benefits has tripled since the last survey, and such perks might become a thing of the past, say the authors.

Holidays

More than half (55%) get 21-25 days holiday annually, while 23% get 26-30 days and 7% more than 31 days.

Other findings include:

Almost one-third earn income from elsewhere, with half of these earning outside the farm through rental income. Consultancy was the next largest non-farm income source.

Members of IAgrM (37% of respondents) earn £4,379 more than non-members, although the reason for this is not clear.

More than half of all managers are degree holders, with almost all the others having achieved a diploma.

Two in every three farm managers have also undertaken post-education farm management and leadership training.

Half of farm managers now also have diversified enterprises under their management.

Approximately half of farm managers are employed by a private individual.

In line with previous surveys, three-quarters of farm managers reside in central, southern and eastern England

Almost all farm managers have responsibility for the day-to-day organisation of the business and decisions relating to the farm system, while only 60% have financial control of the business.

About 60% of farm managers receive a fixed salary, with the remainder receiving a bonus and/or a share of profits.

Those who contribute to a pension put in 5.7% of their salary, while employers contribute an average of 5.6%.

There was a drop in the percentage owning their own house, at 64%, compared with 70% in 2018, likely reflecting the far larger proportion of younger managers responding to this year’s survey.

Women and ethnic minorities under-represented

As in other years, the results show the tiny proportion of women in farm management – just 2%.

“While this survey does not capture the information, we all know ethnic minorities are also woefully under-represented,” says the report. “***Agriculture*** is a stereotypical industry trapped in the 1960s”.

[*https://infogram.com/farm-manager-earnings-2019-1h7v4p85ye086k0*](https://infogram.com/farm-manager-earnings-2019-1h7v4p85ye086k0)

Farm Managers in 2020 findings: key salary, bonus and benefits

2014

2016

2018

2020

Number in sample

77

84

69

120

Gross annual pre-tax salary

47,879

49,052

48,760

46,527

Additional share of profits/bonus

5,251

3,186

3,508

3,016

Total gross annual salary plus profit share/bonus

53,130

52,238

52,268

49,523

Estimate of non-cash benefits

12,603

12,530

14,053

8,368

Source: IAgrM

The Farm managers in 2020, their jobs and their pay survey was compiled by:

Richard Crane – head of the ***agriculture*** and food investigation team within the School of ***Agriculture***, Policy and Development at the University of Reading

Graham Redman – a partner of The Andersons Centre and a director of Agro Business Consultants

Victoria Bywater – director of IAgrM.

IAgrM members can get a free copy of the full survey results via the "member resources" section of the IAgrM website.

Non-members can obtain a copy for £25 by emailing IAgrM at [*enquiries@iagrm.co.uk*](mailto:enquiries@iagrm.co.uk)

JOURNAL : Farmers Weekly

Increasing calcium in pre-calving diets can improve postpartum uterine health and fertility, a recent study has revealed.

The study, which took place at the University of Illinois, examined feeding dry cows differing amounts of calcium or no calcium.

See also: How to feed dry cows to prevent negative protein balance

How the study worked

A group of 76 Holsteins was split into three and fed:

A negative dietary cation-anion difference (DCAD) diet with calcium added at 2% of dry matter (DM)

A negative DCAD diet with no added calcium (0.4% of DM)

And a positive DCAD control with a standard calcium range (0.4% of DM).

The cows were fed these diets 28 days before calving until 30 days after calving, when the animals moved on to a common diet until pregnancy checks at 72 days in milk.

Cow health and fertility checks were carried out after calving. These included taking ultrasound measurements four days post-calving to identify follicular growth to determine days to first ovulation.

Blood tests were carried out, along with metricheck scores to evaluate vaginal discharge for the presence of purulent material – indicating uterine disease. Uterine swabs were also taken to identify infection.

What the results showed

Cows on the negative DCAD diets with higher inclusion of calcium (2%) had improved reproductive performance.

Cows fed the high-calcium diet took 16.3 days to ovulate after calving, while the low-calcium cows took 17.93 days against the control at 18.93 days.

Cows fed the high-calcium diet were found to have disease-fighting antioxidants, blood tests revealed.

They also had an increased number of glands in the uterine lining. These keep the uterus clean and excrete hormones which start ovulation, improving reproductive performance.

Cows fed the added calcium also had a lower metricheck score and a healthier uterine environment.

Professor Phil Cardoso, from the university's department of animal sciences, says other studies show shorter ovulation leads to improved conception rates.

Cows on the higher calcium diet probably had a healthier uterine environment due to enhanced immune response to parturition and an alleviation of oxidative stress.

He recommends farmers use a negative DCAD strategy with a higher concentration of calcium in the diet (1.5-2% of DM).

This is because cows that were fed negative DCAD diets suffered from increased calcium excretion and, therefore, performed very poorly without extra calcium.

In the study, calcium carbonate – otherwise known as limestone – was used.

 “But if there are better sources available, I encourage farmers to discuss them with their nutritionists and veterinarians as they may need to be used in a smaller amount,” said Prof Cardoso.

Take-away messages

Consult with a nutritionist or veterinary specialist before adding calcium to the diet

Know the correct concentration of calcium – ideally 1.5-2.0% of DM

Too much calcium could lead to milk fever

JOURNAL : Farmers Weekly

A T0 fungicide should be used this season on winter wheat crops that are already showing early signs of rust or mildew to prevent disease festering all season.

However, for most other crops this spring, growth will be so fast that a T0 will make little meaningful contribution to disease control.

A later drilling date combined with mild winter conditions means both yellow and brown rust are likely to be an issue for growers in the East this season.

See also: Advice on draining and restructuring waterlogged soils

Rust and mildew

Any signs of rust should be tackled early with a T0 spray, says Adas research scientist Philip Bounds.

He says a review by Adas 10 years ago revealed a correlation between a later sowing date and yellow rust levels, especially when there were less than five -5C frosts over the winter, making it a real risk this season.

“For brown rust, the worst seasons are when it comes in early, so for varieties with less resistance and later sowings there is a need to control it,” he says. “If crops have it, hit it early.”

Mildew will also be a problem if its not kept under control early, but both rust and mildew should be controlled if growers plan to use something for septoria at T0, such as chlorothalonil or folpet.

T1 timing

Out of rust risk areas, the majority of crops will have been drilled later than usual, and are therefore unlikely to need a T0, says Mr Bounds.

Crops that were not drilled until December or January will rush through their growth stages, however, this will make identifying the correct T1 spray timing very difficult, he says.

“On late-sown resistant varieties we rarely see a response from T0 for septoria, but it can be used as a management tool if the T1 spray is unlikely to be applied at the right time,” he says.

Keeping crops clean at the T1 timing will also be key to getting the most out of thin crops this season, says Bayer agronomist Gareth Bubb.

“Leaf three is going to be contributing more to yield this year than it would usually, so keeping disease out will be critical,” he says.

Field-by-field assessment

Mr Bubb adds that with a wide range of sowing dates and varieties in the ground this season, spray programmes will have to be decided on a field-by-field basis.

He suggests there will be two schools of thought this season on how to manage disease.

For some, the crops that are in the ground will be very high value, so growers are likely to want to protect the yield.

Meanwhile, others will be reluctant to spend out on a really robust programme if yields are already looking compromised.

“A programme should always be driven by septoria, so focusing too much on other diseases, such as rust, could let septoria in.

“Look at what covers all of the bases,” he says.

He adds that if growers are thinking of giving up on a crop, it should be winter barley crops, which have wet roots.

“For wheat, try to keep it greener for longer.”

Case study: Jack Hopkins, Herefordshire

Assistant farm manager Jack Hopkins plans to use a T0 on his early-drilled crops this season, as he expects there to be disease in the crops after the wet and mild winter.

He plans to use up some chlorothalonil at T0 if conditions are good enough to travel, as he expects there to be a higher disease level in the crops right from the start.

“Where crops are not so good, the skill this season will be deciding how to treat them,” he says.

Mr Hopkins will look at the yield potential of his winter wheat crops at Lower Hope Farm, Herefordshire, and work backwards, cutting his programme to match lower plant numbers.

“We will be judging the potential of the crop and not just throwing inputs at it.”

JOURNAL : Farmers Weekly

Farm leaders are demanding continued protection from cheap foreign imports, with tariffs maintained at current levels to avoid an influx of food produced to lower standards.

This followed a recent Department for International Trade consultation into its plans for a simplified tariff schedule to apply to imports once the Brexit transition ends at the end of the year.

In particular, the government is seeking to “catalyse free trade across the world” to generate greater wealth among nations.

See also: Relying on imports for our food is strategic folly

But responding to the consultation – which was only open for a month – the Ulster Farmers Union (UFU) said it is vital tariffs are set “at a level that prevents the UK from being flooded with imported food produced to much lower standards when compared to those our farmers are expected to meet”.

Recognising that many in government favour a cheap food policy, the UFU says food is already very affordable.

“The average UK family spends 10% of its income on food and drink – a decline from 30% in the 1950s," said UFU president Ivor Ferguson. "In fact, in the UK, the proportion of household incomes spent on food is the third lowest in the world, behind only the US and Singapore.”

High standards

These concerns are shared by NFU Scotland president Andrew McCornick, who says it is “absolutely crucial that we keep tariffs at the current level”.

“Our industry is proud of the high standards it operates to, but these impose very significant additional costs,” he said. “With WTO rules not allowing trade to be blocked to ensure a level playing field, it is only through the applied tariffs that any protection can be offered to our industry.”

Mr McCornick added that any tariff reduction or removal should only be done as part of trade negotiations and in return for reciprocal concessions.

He suggested that the publication of a temporary tariff schedule by the UK government last year, as part of “no-deal Brexit” preparations, had caused potential trade partners to halt negotiations, because they knew they would get what they wanted without giving ground.

What the government is seeking

The Department of International Trade says it wants to simplify the UK’s tariff policy and remove tariffs on certain key inputs to production. It suggests:

Removing all “nuisance tariffs” (less than 2.5%)

Introducing tariff “banding”, so tariffs are rounded down. For example, a tariff of 12.8% would become 10%,  while a tariff of 48% would become 45%

***Agricultural*** tariffs would be expressed as a single percentage, whereas currently some contain a fixed monetary element. For example, boneless cuts of beef have a tariff of 12.8% plus 303/100kg, while live chickens are levied at 52 per 1,000 birds.

However, the UFU sees a danger in a single percentage approach. “The ***agricultural*** process can be very volatile and a fall in prices would reduce the protection of local producers,” it says.

“This could subsequently lead to an import surge at a time of already low prices, further compounding the market problem.”

JOURNAL : Farmers Weekly

Defra has said it will amend laws to give tenant farmers more flexibility on how they run their business and when they retire, under new plans to modernise legislation and boost productivity.

The government has published the response to its consultation on ***agricultural*** tenancy law in England and confirmed it will amend the ***Agricultural*** Holdings Act (AHA) to make it fit for purpose in the 21st century.

See also: Radical shake-up of ***agricultural*** tenancies proposed

Amendments include repealing the minimum succession retirement age of 65 to provide tenants with the flexibility to decide when it is right for them to retire and hand over the farm to the next generation.

A new dispute process will also be introduced to enable AHA tenants to ask to vary restrictions in their tenancy agreements and make it easier for them to apply for the Environmental Land Management scheme.

Radical shake-up

Plans were put forward in April 2019 for a radical shake-up of ***agricultural*** tenancy legislation in England and Wales, with a key aim being to improve productivity growth by making it easier for people to enter and exit the industry.

Two 12-week government consultations were launched and farmers were urged to have their say on the proposals.

The consultations build on the work of the Tenancy Reform Industry Group (TRIG) to reinvigorate the tenanted sector.

TFA response

The Tenant Farmers Association (TFA) welcomed the new provisions and said it supported all of the changes set out in the ***Agriculture*** Bill, but added that there were gaps which must be filled urgently.

It said in a statement: “While we welcome the new provisions which will allow a tenant the ability to object to a refusal from the landlord for consent to enter into a scheme introduced under the financial assistance provisions of the Bill, or to carry out works in accordance with a statutory obligation, currently this only applies to tenancies regulated by the 1986 AHA.

“These provisions must be extended to tenancies regulated by the 1995 AHA.”

It said this left many tenants vulnerable to being disenfranchised from the new financial assistance arrangements.

Nearly half of the land in the tenanted sector is let under the 1995 Act provisions.

The association said it would be a “significant failure” if the Bill did not provide the same level of protection to tenants under the 1995 Act.

Modernise laws

Farm minister Victoria Prentis said tackling barriers to productivity for tenant farmers was “vital” for unlocking the potential of the whole industry.

“It is high time that we modernise outdated legislation so that it is fit for today’s farmers and their families,” she added.

“I am pleased that we have already been able to incorporate some of these proposals into our landmark ***Agriculture*** Bill and look forward to working closely with industry to continue supporting this vibrant sector.”

Defra has amended the ***Agriculture*** Bill to take in the most popular points of the tenancy reform consultation. The Bill is currently at the report stage in the House of Commons and could still be amended before it is passed.

JOURNAL : Farmers Weekly

Most farmers would back themselves to spot a dodgy tractor a mile off, but a burgeoning ***agricultural*** business is offering an impartial inspection service that goes a bit further than lifting the bonnet and giving it a quick run down the farm track.

Ryan Fletcher's new venture, Elite Associates, involves a thorough tractor inspection to produce a dossier for the buyer that outlines its exact condition.

The negotiations remain the buyer's responsibility – Mr Fletcher purely arms them with a bit more information – and nor does he offer a warranty.

See also: Ultimate guide to buying a tractor 2019

The idea for the business came from his work in various service roles with Agco, CNH and John Deere over the past decade, where he regularly watched buyers part with thousands of pounds for machinery they had never seen.

Mr Fletcher’s new business will work closely with well-established automotive company Elite Inspections, which already offers pre-purchase inspections (PPI) on supercars and motorhomes.

Emotional attachment

Although Mr Fletcher is aware that his service won't appeal to everyone, one of the main benefits is his ability to make an impartial decision, with no emotional attachment, on the suitability of the machine.

Searching for a specific machine online can be the ultimate thief of time. For most buyers, the second stage involves viewing the tractor in the flesh, but Mr Fletcher says farmers’ keenness to get a deal over the line often means they turn a blind eye to potential problems.

“By employing someone who doesn’t have an involvement in the purchase, the inspection can become more matter-of-fact,” he says.

“Sometimes condition and faults can be overlooked, fuelled by the desire to own a vehicle you’ll be spending a lot of time in. My job is to provide an honest, factual report on the condition and spec of the machine and check it is as advertised.”

Inspections can take place on any tractor, regardless of age and warranty cover. However, the reality is that lower-value vehicles carry less risk to the buyer, so it's more difficult to justify the expense of an inspection.

What does the inspection involve?

Mr Fletcher will arrange to see the machine, usually within three days of being notified.

“Inspections usually take around three hours, but I will be with the machine until the job is done. The logbook and service history are both required and if they aren’t available, we’ll insist that copies are sent after the visit, or go to the dealer to get them.”

These are studied to make sure they are legitimate and that there's nothing of concern.

HPI checks are also carried out. Tractors, like most vehicles, will transfer with any outstanding finance so it becomes the new owner’s problem once the sale is completed.

Mr Fletcher says he is surprised at how rarely this is checked, given the amount of finance taken out on new tractors.

Everything is digitally documented, with pictures and close-up shots of specific defects – a typical report may contain more than 250 photos.

A visual check looks in-depth at the usual weak spots. These vary, but common issues include worn mudguard pivots and broken grease nipples, which Mr Fletcher says highlight a “telltale sign of a maintenance – or lack of, in some cases”.

Damaged engine catches and elongated holes around pins, especially on front linkages, are often revealed, while little things such as drawbar condition and the inclusion of weights, drawbar and link balls will all contribute to extra expense after the sale if not clarified.

Tyres are checked for bulges and cracks, and the date of manufacture is noted down. This is particularly handy for spotting if rubbers are older than the machine, which could indicate that it has had a hard life.

Pressure tests

Carrying out a pressure test on the hydraulic system will give a good idea as to the health of the pump.

“This is a job that most farmers won’t do when looking at a second-hand machine and it does add a big value to our service,” Mr Fletcher says.

Spools can be checked to make sure the flow reflects the size of pump and this is a quick way to establish if the pump advertised is actually the unit on the machine.

It is also possible to up the pressure and check how the flow reacts – if it falls away rapidly then a failing pump is the likely culprit.

The tractor’s air and hydraulic trailer brakes are also subject to a pressure test and the results compared with the manufacturer’s guidelines.

“Another potentially missed area is how the front linkage receives its oil flow,” Mr Fletcher says.

“If the feed has been tapped into one of the rear spools rather than being fed by a dedicated supply, it won’t be possible to use both front and rear valves at the same time. For those running triple mowers, this could be a deal breaker.”

On request there is the option of a dyno to test power output at the pto. Mr Fletcher also carries refractometers and battery testers to every inspection.

Even if the machine’s warranty is still intact, there are key areas this may not cover, such a lights and stabilising arms, or any damage caused by the owner or operator.

Farmers Weekly looked around a John Deere 7260R with Mr Fletcher and he pointed out some exposed wires at the back of the engine that had lost their protective conduit.

This left the wires exposed to the searing heat of the engine and meant they could already be damaged internally and could potentially present a fire risk.

What does it cost?

Mr Fletcher says: “Although it’s an upfront fee, this service shouldn’t cost the buyer money as any defects found should influence further negotiations for a better price or repairs to be sorted pre-delivery.

In most cases, I anticipate a far bigger saving than the price of an inspection.”

The service is being pitched in the region of £850 for a tractor with a value of £50,000. Each inspection is tailored to the customer’s requirements and this is reflected in the price.

While there is no warranty offered on the tractor by Mr Fletcher, he has insurance to cover any claims if his reporting is found to be inaccurate.

While it might sound expensive, it takes only a few minor defects to have the inspection fee almost paid for, he says. It’s also worth factoring in the potential costs in fuel, accommodation and time if you carry out a viewing yourself.

Verbal feedback takes place immediately after the inspection, with a detailed report and accompanying images usually sent over within 48 hours of the visit. It is then up to the buyer to make the decision.

The business is in the early stages but there are big plans for the future, with inspections of combines and cultivators both possibilities.

JOURNAL : Farmers Weekly

Livestock rustlers have struck in Monmouthshire and stolen a flock of 47 lambs.

The animals were taken from a farm in Llandenny sometime between Tuesday 3 March and Wednesday 4 March.

The thieves cut open the farm gates and rounded up the lambs, according to Gwent Police’s rural crime team.

See also: What to do if you’re a victim of sheep rustling

Officers believe the animals were removed from the farm in a lorry.

It is the second large-scale livestock rustling incident to have happened in the county over the past few weeks.

In February, 140 lambs were stolen from farmland in Rogiet Moors, near Caldicot.

But most were later recovered in a field near the M4 Prince of Wales Bridge.

Anyone who may have witnessed the latest incident, or who has information about either theft, is asked to contact Gwent Police on 101, quoting reference number 200080648.

Alternatively, call Crimestoppers anonymously on 0800 555111.

According to rural insurer NFU Mutual, livestock worth more than £3m was stolen from UK farms in 2019.

Top tips to prevent livestock rustling

Preventing rustling is not as easy as putting a padlock on a building or fitting a security system to a tractor.

However, there are a number of steps farmers can take to reduce the risk, and technology is now providing effective ways of tracing stolen livestock.

To deter livestock thieves, NFU Mutual advises farmers to:

Ensure stock is clearly marked and records are up to date

When possible, graze livestock in fields away from roads

Check stock regularly and vary times of feeding/check-ups

Consider a high-tech marking system such as TecTracer, which puts thousands of coded microdot markers into a sheep’s fleece

Join a Farm or Rural Watch scheme to share information about rural crime in your area

Ask neighbours to report any suspicious sightings to the police, or to give information 100% anonymously to the Rural Crime Hotline on 0800 783 0137, [*www.ruralcrimehotline.co.uk*](http://www.ruralcrimehotline.co.uk)

Dial 999 immediately if an incident is taking place – do not approach criminals.

JOURNAL : Farmers Weekly

Sugar beet growers can still achieve effective control of costly weeds in crops without the herbicide desmedipham, although care should be taken as there is a higher risk of crop damage due to the greater reliance on mixing straights.

Post-emergence herbicide desmedipham has been the cornerstone of beet weed programmes for many years, offering control of key broad-leaved weeds such as cleavers, knotgrass and fat hen, especially in cooler and drier weather.

However, this spring is the last season that sugar beet growers can use products containing desmedipham, which cannot be used after 1 July.

See also: Beet growers set to benefit from herbicide-tolerant varieties

Effectively it means the loss of valuable formulations such as Bayer’s Bentanal range, like the four-way mix Betanal maxxPro (desmedipham + phenmedipham + ethofumesate + lenacil) and UPL's Betasana Trio (esmedipham + phenmedipham + ethofumesate).

It’s also the last season for pre-emergence herbicide chloridazon, but it has a later final use date of 30 July.

As sales of desmedipham-containing products were not possible after 1 January, some growers may find themselves short of product and this spring will have to take a different approach to that of the past few years.

Looking at the alternatives, Darryl Shailes, research and development manager at agronomy group Hutchinsons, says there are fortunately plenty of approved options still available, "but we will have to be more precise with advice and applications".

These include ethofumesate, lenacil, metamitron, phenmedipham, triflusufluron-methyl, clopyralid, quinmerac and dimethenamid-p.

Crop damage risk

Pam Chambers, national influencer at agrochemical firm UPL, adds that growers will, therefore, become more reliant on straights, which can bring greater risk of crop damage.

That means particular care should be given to temperature and crop conditions when spraying.

“There were some issues with herbicides in 2018 where the beet crop was generally drilled a month late, but then growth was very rapid and temperatures were very warm at spraying,” she says.

Ensuring crops are stress free when applying herbicides is, therefore, vital. Growers should avoid spraying during extreme temperatures such as frosts or hot conditions.

Optimising crop nutrient status and checking soil pH is also important, otherwise this can lead to plant stress and consequently herbicide damage.

Greater monitoring between sprays

To achieve good control, Mr Shailes says growers and agronomists need good knowledge of the remaining approved actives and to increase their crop monitoring between sprays.

“Growers are likely to be using more frequent applications of less effective products, with reduced spray intervals, so it’s essential they or their agronomist get into the field more frequently to monitor their crops.”

The identification of weed species, soil type and weather conditions will also be essential when choosing what active to apply and when.

“It will be important to mix and match products to fit the specific weed spectrum as the product used will highly depend on the type of weed, soil conditions and weather,” he adds.

For example, the residual metamitron is useful for tackling knotgrass and fat hen to build up residual and control cotyledon weeds.

Looking at conditions, he highlights that phenmedipham works better in warmer, more humid conditions, so where desmedipham is in short supply this season, it's best to save it for cooler, drier conditions up to the last usage date and use phenmedipham when warmer and more humid, says Mr Shailes.

Mrs Chambers believes adjuvants can also play an important role in helping weed control and also increasing the efficacy of herbicide formulations.

However, careful consideration on the use of these products should be taken as they can also increase leaf damage if applied in the wrong conditions.

Cultural control methods

Cultural control methods provide another alternative to weed control in sugar beet crops, as the crop’s wide-row spacing creates ample room for a mechanical hoe to pass.

Improved technologies, such as GPS systems and camera guidance, further enable the potential success of this weed control method.

“Cultural methods should always be used where practical, and some growers may use a combination of mechanical weeding with conventional chemistry to enhance effectiveness,” says Mrs Chambers.

JOURNAL : Farmers Weekly

Another month has slipped by and we are still battling with the elements.

I think the farm is now so wet that it might break free from England and join the Isle of Wight, or preferably the Channel Islands, where I gather there has been less wet weather and no coronavirus.

Since the turn of the new year, it feels like we, as an industry, have been increasingly bombarded with how ***agriculture*** has got to change.

How we have to challenge ourselves to be more environmentally friendly, be custodians of the land and change the way we produce food.

See also: 3 ways a beef farmer is adapting to improve profitability

We even had some idiot come out and say actually we don’t need farmers at all in the UK.

We are going to change as an industry and as the old, slightly annoying saying goes; “In order for things to stay the same, something has to change.“

Machinery is another industry with some serious questions to answer. The cost of a new tractor has risen by 20% in the past six years, but as farmers, are we earning 20% more from that machine?

So this got me thinking about the "other side" of ***agriculture***, what I call the commercial ***agricultural*** world.

For example, feed companies, medicine companies, supplements, seed, spray, fertiliser and machinery manufacturers and all those other sectors that rely on farmers. Are they ready for change?

A lot of companies are thriving on the inefficiency of farming, but the clock is ticking for them. Take the feed industry, for example.

In my former life as a feed rep, there were 13 competitors operating in my little patch in mid-Devon.

Yes, 13 of us all running around trying to take the business off one another and persuade farmers why certain products are a better fit for their farm or needs.

As farmers get bigger and grow into more professional outfits, there just isn’t room for that. Surely consolidation is the order of the day if they want a sustainable future.

Keep up

Machinery is another industry with some serious questions to answer. The cost of a new tractor has risen by 20% in the past six years, but as farmers, are we earning 20% more from that machine? Debatable.

It is about time that the agri-commercial world gets with the times and start developing a constructive path for farmers to work with them.

They need to look at where farming is going after subsidies and have a long, hard look at themselves.

As a farm, we see and deal with all sorts of companies, but we also see some that have an attitude of everyone for themselves, which is not going to get them very far in the future.

I was staggered by the comment about whether the UK needs farmers or not, especially coming from government.

What a way to kick an industry while it’s suffering from flooding and dire circumstances. But watch this space, because change is coming.

Let's hope everyone can keep up.

JOURNAL : Farmers Weekly

Police investigating a crash in which a mother and young child were hurt are appealing for a tractor driver to come forward.

It happened at about 7.25pm on Wednesday (26 February). A Volvo C30 car and a tractor towing a trailer collided on Northallerton Road, Leeming, North Yorkshire.

See also: Road rules reminder: Trailer safety, tractor speed and licences

Both the driver of the Volvo and her 18-month-old child were treated in hospital for injuries they suffered in the crash.

Police are appealing for the driver of the tractor to come forward and for anyone who may have witnessed the collision or either vehicle in the area at this time to contact them.

Anyone with information should call North Yorkshire Police on 101, and ask for Emma Bainbridge, or email [*emma.bainbridge@northyorkshire.pnn.police.uk*](mailto:emma.bainbridge@northyorkshire.pnn.police.uk)

JOURNAL : Farmers Weekly

A gang of organised criminals is being hunted by police over high-value thefts of GPS kit on farms in West Sussex.

Thieves have raided three farms and one tractor dealership in the county and made off with kit worth an estimated £131,000.

All the thefts took place within a 15-mile radius over a seven-day period since 24 February.

See also: Ultimate guide to farm security kit

In total, 25 tractors have been broken into – most with a single-use key – but some have had their locks drilled out.

Ten GPS receivers, 29 screens and one multi-use screen have been stolen.

The thieves also caused serious damage, with numerous cuts to tractor cabling and wiring.

Farmers say the loss of earnings and time to repair the tractors, including labour, will cost them an extra £70,000.

Police rural taskforce needed

West Sussex NFU chairman Mark Chandler, from Moor Farm, Petworth, was one of the farmers targeted.

He told Farmers Weekly: “This is a really concerning spate of thefts, probably carried out by a gang that is then moving the kit abroad.

“Our neighbours and friends are also getting done over and we are wondering what’s next?

“We have been calling for a rural crime police taskforce in West Sussex for three years now – and nothing is happening.

“The cost of the thefts to us is nearly £250,000. If that happened on the high street, police would be throwing all sorts of resource at it.

"But because it’s rural crime, it goes to the PCSOs and they just don’t have the time.”

Sussex Police and crime commissioner Katie Bourne agrees there should be a rural crime taskforce for the county.

But the decision rests with chief constable, Giles York, QPM, who announced on Wednesday 4 March that he would be stepping down.

“We need trained police officers who are specialised in tackling rural crime,” said Mr Chandler.

“We currently have six rural PCSOs, who have been employed since last year.

"They are trying to visit as many farms as they can, but they are totally overwhelmed.

“In West Sussex, 349 police officers are now getting recruited. We need 35 of these in a rural crime team.”

Manufacturers 'must raise game'

Farmer Dominic Gardner had £30,000 worth of GPS kit nicked from Lee Farm, Patching, Worthing.

He said: “The thieves just walked in and took the receivers from the top of the cabs by cutting them off.

“They took the screens out of the cabs, which made the tractors immovable. They also took a specialist screen for a trailed sprayer.

“The police need to raise the game, but so do the manufacturers.

"A lot of this equipment you can operate without a password or code.

"If they changed this, it would stop the kit being so attractive to thieves.”

Police response

A Sussex Police spokesman said: “We are investigating four incidents in which specialist GPS equipment valued at more than £130,000 altogether, has been stolen from 25 tractors in farming communities in West Sussex since 24 February.

“Our rural crime officers have been in contact with the victims, in Patching, Easebourne, Bosham and Church Norton near Selsey, and an investigation into each of the incidents is ongoing.

“They are working with colleagues across the force, and nationally, to deal with this issue, which has been seen in other areas of the country although not so far in other areas of Sussex.”

Anyone with information about these incidents is asked to contact Sussex Police on 101, quoting serial 451 of 24/02.

JOURNAL : Farmers Weekly

Long gone are the glory days when the vast majority of tractors used on UK farms were built in UK factories.

Today, only CNH Industrial’s New Holland plant in Essex survives as a major tractor assembly centre, with JCB’s Fastrac production line near Cheadle, Staffordshire, being the only other source of UK-built tractors.

Further afield, Austria, France, Germany and Italy have managed to retain tractor production on a large scale, as have Japan and the United States – the latter being the source for the majority of the highest horsepower models used in Britain.

See also: Combines: where are they made?

For simpler, lower-powered models with thin profit margins, lower-cost locations are increasingly being exploited.

Turkey has huge manufacturing capacity – its tractor market, in unit terms, is one of the biggest in the world.

Likewise the scale of India’s market and improving production technologies make it a relatively new source of tractors for the West.

Although tractor sales growth in China has stalled over the past two years, the trend towards better-equipped machines – and big investments there by Western manufacturers – have strengthened the country's potential for export sales.

And in the sub-100hp and compact tractor sector, South Korea is already a strong player in the global production network.

In many cases, the manufacturers make the engines, ***transmissions*** and cabs that go into the finished products, or source major components from independent suppliers such as Carraro, Cummins, Dana, Deutz, FPT Industrial, Perkins and ZF, and local cab suppliers.

Check the map below to see which manufacturers are based in which countries - we've divided them into components and tractor assembly, cabs, engines and axles/***transmissions***.

See more detail on the manufacturers below the map.

Armatrac

Tractors supplied under the Armatrac export brand of Turkish manufacturer Erkunt Traktör Sanayi are assembled in the town of Sincan, on the outskirts of the Turkish capital Ankara.

The business, owned by Indian group Mahindra since 2017, sources ***transmissions*** from Carraro Group, which has plants in Italy, India and China, and engines from Deutz in Cologne, Germany, and Perkins in Peterborough.

Belarus

An integrated complex of factories producing engines, ***transmissions*** and cabs feeds the assembly lines of Minsk Tractor Works (MTZ), which turns out Belarus tractors in the east European country of the same name.

Branson

Branson is the export brand of Kukje Machinery Company and the tractors are built in Okcheon-gun, a city in central South Korea.

Kukje has been owned by fellow South Korean manufacturer Tong Yang Moolsan (TYM) since 2016.

Case-IH

All top-end Case-IH tractors are built in the United States.

The Magnum is assembled in Racine, Wisconsin, on the west bank of Lake Michigan, using CNH powershift and stepless ***transmissions*** also built there, and front axles from Dana’s Spicer range.

Steiger and Quadtrac artics come from Fargo, North Dakota, 600 miles to the north-west.

These feature powershift units from Univance in Japan and a ZF CVT from the Eccom range built in Passau, south-east Germany, and the town of Steyr in Austria.

All three ranges are powered by Cursor engines from FPT Industrial’s Bourbon-Lancy plant in central France.

European factories produce other Case models, mostly using cabs from the CNH plant in Croix, near Lille, northern France.

The factory in St Valentin, northern Austria, assembles all Luxxum (formerly Farmall Pro), Vestrum, Maxxum, Puma and Optum tractors for the UK, using ***transmissions*** from CNH’s Antwerp facility in Belgium and FPT engines from Turin, north-west Italy.

CNH’s Jesi plant near the Italian east coast port of Ancona is home to most of the smaller tractors in the Case range, including the Quantum orchard models and the Farmall C.

But production of simpler Farmall A tractors is shared by Jesi (85A to 115A) and CNH’s Türk Traktör joint venture in Ankara, Turkey, which also produces the FPT S8000 engine that powers them.

All F5C and NEF power units used in other models are sourced from FPT’s Turin factory.

Claas

The Le Mans factory in France, acquired with the Renault ***Agriculture*** operations in 2003, remains the principal home of Claas tractor production.

The one exception is the flagship Xerion built at the Harsewinkel headquarters plant of Claas, with its Eccom CVT sourced from ZF.

Power comes from Mercedes-Benz branded off-highway versions of Daimler OM engines prepared by MTU, a division of Rolls-Royce Power Systems, in Friedrichshafen, north-west Germany.

All Arion and Axion tractors use powershift transaxles from the Gima joint venture with Agco in Beauvais, northern France.

CMatic stepless units for the Arion 500 come from Claas Industrietechnik in Paderborn, Germany, and for the larger models from ZF Friedrichshafen’s German and Austrian plants.

Front axles, meanwhile, are sourced from Carraro and Dana factories in Italy.

FPT Industrial ships engines from Italy for the Arion 400 and Axion 800 and 900, while John Deere’s Saran plant in France supplies diesel power for the Arion 500 and 600 tractors.

Cab frames are outsourced but “dressed” in the Le Mans factory, while cabs for the Xerion are produced alongside the tractors in Harsewinkel.

Claas outsources its smaller, more specialist tractors – the Nexos orchard and Elios farm models are built by the Agritalia unit of Carraro Group in Rovigo, north-east Italy, while the Atos 200 and 300 come from SDF Group’s Treviglio factory further west.

Deutz-Fahr

All Deutz-Fahr tractors in the 6, 7 and 9 Series – from 126hp to 336hp – are built in a new factory at Lauingen, 80 miles north-west of Munich in southern Germany.

Diesel engines arrive from the Cologne plant of independent engine manufacturer Deutz.

Powershift and CVT ***transmissions*** for tractors from the 6 Series RCShift models upwards are shipped from ZF.

The Powershift models have ***transmissions*** built in SDF Group’s Treviglio factory in northern Italy. Front axles are built there, too.

Treviglio also makes the majority of smaller Deutz-Fahr tractors, including the Agrokid compacts, 5 Series Ecoline and TTV, and the 5G Series.

But the new 5D Keyline “economy” models are sourced from SDF’s newly upgraded Bandirma plant in north-west Turkey.

Apart from the 110-126hp Deutz-powered 5 Series tractors, all the Treviglio-built products have SDF Farmotion engines assembled in the group plant in India.

Fendt

Production of Fendt tractors is concentrated in the Bavarian town of Marktoberdorf, southern Germany, along with the Vario stepless ***transmissions*** that go into them.

Cabs are shipped in from Asbach-Bäumenheim, 70 miles north of the main factory.

Cabs and ***transmissions*** for the Fendt 900 MT Vario twin-track tractor are sent to Agco’s Jackson, Minnesota, plant in the US.

This also builds Challenger versions for the North American market, but the bigger 1100 MT has a locally-built cab and a powershift ***transmission*** from Caterpillar’s factory in Peoria, Illinois.

Front axles from Dana’s Spicer range produced in Italy include the central housing and independent wishbone suspension units on the new 900 and 1000 Vario models.

Fendt’s engine sourcing is quite diverse – the tracked machines and the 200/300 Vario tractors use Agco Power engines from Finland.

The 500 to current 900 Vario models have Deutz power; and the new Fendt 900 and 1000 Vario tractors have diesels from the newly formed MAN Engines unit of MAN Truck & Bus in Nuremberg, southern Germany.

Iseki

The Iseki TG6 Series tractors and other models in the Japanese manufacturer’s range are built in Matsuyama on the southern Japanese island of Shikoku.

JCB

The production lines for JCB’s two ranges of Fastrac tractors are located alongside its wheeled loader operations near Cheadle in Staffordshire.

Agco Power engines, and ***transmissions*** from Fendt's Marktoberdorf factory, are installed as part of the modular powertrain.

Axles for the Fastrac 4000 are built by JCB ***Transmissions*** in Wrexham, north Wales, and purpose-built axles for the Fastrac 8000 are shipped from Dana’s Graziano facility in Italy.

Both series have a bespoke chassis fabricated by GKN Wheels & Structures in Telford, Shropshire, while driver accommodation is produced by JCB Cab Systems in a new factory near Uttoxeter, Staffordshire.

John Deere

For the most part, John Deere’s tractor production is shared across two locations – one in Germany and one in the US.

All tractors in the 7R, 8R and articulated 9R series emerge from Deere’s Waterloo, Iowa, headquarters plant.

Most use diesels from Deere’s engine plant nearby, but the top-horsepower 9R and its derivatives are powered by a 14.9-litre motor from the Jamestown factory of Cummins in Lakewood, New York.

In Europe, JD’s Mannheim facility in south-west Germany assembles all the 5R-, 6M- and 6R-series tractors up to the biggest 6250R model, with cabs shipped in from Bruchsal, 30 miles south of Mannheim, and engines from Saran, near Orleans in France.

Historically, the larger 6-series tractors (170hp-250hp) were also built in Waterloo for the US market, but this arrangement is coming to an end, which means Mannheim will now build all 6R models for global sale.

Towards the lower end of the range, the 5M tractors are sourced from a John Deere factory in Augusta, Georgia, while the 5E comes from Deere’s Hadapsar factory near Pune, south-east of Mumbai, India.

The 5G-series orchard and vineyard tractors are produced by Carraro Group’s Agritalia plant in Rovigo, Italy.

Kioti

Tractors carrying the Kioti export brand of Daedong Industries are assembled along with engines up to 73hp at Dalseong-gun near Daegu, in the south-east of South Korea.

From 100hp up, engines are sourced from the relatively new Doosan Infracore compact diesel operation at the port city of Incheon to the north-west of the tractor plant.

Kubota

The M4002 and M5001 series tractors are built in Tsukuba near Tokyo and the M-GX series at Sakai, near Osaka, using in-house engines, ***transmissions*** and cabs.

For the larger M7003 Series tractors, Kubota set up an assembly-only plant in Dunkirk on the northern French coast, using engines from Japan and ***transmissions*** from ZF.

Landini

Components are manufactured and assembled at three Argo Tractors plants in northern Italy, where powershift and CVT transaxles and front axles for all models up to 140hp are built in-house.

The 2 Series compacts, Rex 3 orchard and Trekker crawler tractors are all assembled at the San Martino in Rio factory near Modena, along with cab versions of the Rex 4 fruit tractors.

Platform versions of the Rex 4 are built in a dedicated plant in nearby Luzzara.

Both are within 14 miles of the cab and headquarters factories in Fabbrico, where the rest of the Landini product range is built.

This includes the flagship 7 Series, which uses powershift and CVT ***transmissions*** from ZF.

Engines for the Landini 2 Series are shipped from Yanmar’s Biwa factory, north-east of Osaka in Japan, and for the Rex 3F from Kohler Power in Reggio Emilia, 20 minutes up the road from San Martino in Rio.

Engines for all Landini models up to 130hp are from Deutz in Germany, while FPT’s Turin factory supplies diesels for the larger 114-225hp models.

Massey Ferguson

As one of the core plants producing Massey Ferguson tractors for global markets, the factory in Beauvais, northern France, turns out five series from the 5700 Dyna-4 to the 8700 S Dyna-VT.

Cab production is in a dedicated plant nearby, while Dyna-4 and Dyna-6 powershift ***transmissions*** for all models are manufactured and assembled in the Gima joint venture with Claas that forms part of the main factory complex.

Stepless ***transmissions*** are brought in from Agco’s Marktoberdorf factory in Germany, and all engines from Agco Power in Finland.

At the lower end of the range, the MF 4700 and MF 5700 “global platform” tractors are built at Agco’s Changzhou factory near Shanghai, China.

MF 3700 orchard tractors are outsourced to SDF Group, and the MF 1500 and 1700 compacts are supplied by Iseki in Japan.

McCormick

All models in the McCormick range are built in the Argo Tractors factories in and around Fabbrico in the Reggio Emilia region of northern Italy.

The VT-Drive stepless ***transmissions*** for the X8 and X7 models are built in ZF’s German and Austrian plants, along with the X7’s P6-Drive powershift transaxles.

Argo’s own powershift ***transmissions*** go into the 70-140hp X4M to X6.4 models – plus the X6.4’s VT-Drive stepless option – while orchard and vineyard tractors are built in the Luzzara and San Martino in Rio factories nearby.

These also manufacture ***transmission*** and axle components.

Cabs for all McCormick tractors come from Argo’s own facility in Fabbrico. Engines from 114-310hp are courtesy of FPT, while all smaller models get Deutz power (other than the Yanmar-powered X2 compacts).

New Holland

With the exception of two low-end ranges, all New Holland tractors for the UK are assembled in one of three plants.

Basildon in Essex is the site of Britain’s only large-scale tractor production facility, where it builds T6, T7 and T7 HD models for world markets.

It uses transaxles manufactured in a CNH plant in Antwerp, Belgium, fully-dressed Horizon cabs from Croix near Lille in northern France, and FPT Industrial engines from Turin, north-west Italy.

High-horsepower manufacturing goes stateside, with the T8 models built around CNH powershift and stepless ***transmissions*** in Racine, north of Chicago.

The T9 artics are from the Fargo plant in North Dakota, using powershift ***transmissions*** from Univance in Japan and Auto Command stepless ***transmissions*** from the Eccom range of ZF.

CNH company FPT Industrial ships Cursor engines from its Bourbon-Lancy plant in central France for these tractors.

The Jesi factory near the Italian port of Ancona produces the T4 specialist fruit and vineyard tractors, the TD5 and T5 families and the ***transmissions*** that go into them, while engines are from FPT in Turin.

Cab production is more diverse – for the T4 F/N/V and T5 Utility and Electro Command, glazed frames from Cab Plus in Jesi are “dressed” in the tractor plant.

However, for the T5 Auto-Command, frames welded up in Croix head across to the St Valentin plant in Austria for dressing.

Cabs for TD5 models are shipped from Yaris Kabin in Turkey, where CNH’s Türk Traktör joint venture builds New Holland T4 and T4S models powered by FPT S8000 engines.

LS Mtron’s Wanju-gun factory in South Korea supplies latest-generation Boomer compact tractors.

Same

While the new Same Dorado Natural range of 65-97hp tractors are built in SDF Group’s Bandirma factory in Turkey, the rest of the range comes from the headquarters plant in Treviglio, northern Italy.

Cabs, ***transmissions***, front axles and engines are also produced there, but the smaller capacity Farmotion diesels are shipped from SDF’s Indian factory.

Solis

Tractors carrying the Solis export brand of India’s International Tractors Limited (ITL) are manufactured in Hoshiarpur, Punjab, alongside ***transmissions*** and engines. Smaller compact models are sourced through a partnership with Yanmar of Japan.

Tafe

An integrated manufacturing and assembly plant for ***transmissions***, engines and finished products in Chennai, southern India, produces Tafe tractors for manufacturer Tractors and Farm Equipment.

TYM

The tractors from Tong Yang Moolsan (TYM) of South Korea are produced at the company’s Jeonbuk factory in the city of Iksan.

Doosan and Daedong engines from South Korea, Deutz motors from Germany and UK-built Perkins engines are used in the various models.

Valtra

All of the Finnish marque’s mainstream products, comprising the A, N and T series, are built at the Suolahti factory in the south of the country, with the exception of the flagship S4 series produced in Massey Ferguson's Beauvais plant.

The integrated Suolahti facility includes production and assembly of complete powershift and CVT ***transmissions*** for the N and T models.

As part of the Agco “global platform” family, the Valtra A series tractors use 12x12 mechanical transaxles from the Changzhou factory in China and HiTech 4 powershift ***transmissions*** from Gima in Beauvais.

Engines are also built locally, at the Linnavuori factory to the south-west of the tractor plant, while cabs for the Suolahti-built models are assembled in Yliharma, to the north-west.

Orchard and other specialist A series models were previously sourced from Turkish partner Hattat, but the newly introduced F series tractors come from  Carraro’s Agritalia operation.

Versatile

The Winnipeg headquarters factory of Buhler Industries in Manitoba, Canada, builds the big four-wheel-drive and Delta Track articulated tractors, using powershift ***transmissions*** from Caterpillar’s Peoria plant in the US and Cummins X15 engines from Jamestown, New York.

Zetor

All tractors in the Zetor range have traditionally been built in the company’s Brno factory in the Czech Republic, along with engines and ***transmissions***.

While that remains true for the Proxima and Forterra, the Major and top-end Crystal models also built there now have Deutz engines from Germany. The 43-49hp Perkins-engined Utilix and 68hp Deutz-powered Hortus are sourced from TYM of South Korea.

JOURNAL : Farmers Weekly

Many arable farmers are not taking a rigorous enough approach to grain trading to protect themselves from losing money in volatile grain markets, say experts.

James Bolesworth, director of independent grain trading advice firm CRM Agricommodities, says that UK farmers are great at insuring themselves against yield losses in the field through the use of fungicides and fertiliser.

However, many lag behind their global counterparts in deploying a proactive strategy and using all available tools to avoid missing out on a price rally after selling, or a price drop before selling, he says.

See also: Arable finances: What to consider after tough winter

Price swings increasing

This is despite on-farm yields showing lower year-on-year deviation than grain prices, which have shown increasing volatility in the UK since 2004-05, when the US bioethanol boom contributed to a global grain shortage.

Average ex-farm wheat prices saw a 35% swing between their highest and lowest level in 2019, while on-farm yields typically move by a maximum of 20%, so growers should try to de-risk both to maximise their chances of making money, he says.

And while it is impossible to always sell at the peak, he recommends the following framework for farmers wanting to revisit their trading strategy:

Step 1: Understand the minimum selling price at which the crop is profitable

Until a grower is certain they have covered their cost of production and made a margin, they will not know if the price is right for them to trade at.

Step 2: Consider the constraints on your business that affect trading decisions

This will involve taking stock of:

Cashflow requirements. Those with large monthly outgoings may not be able to hold back as much of their crop until late in the season.

Storage constraints. Growers constrained by storage may be physically forced to sell more at harvest and will have less to market later on.

Market opinion. Those with crops still to sell and a low attitude to risk may wish to sell even while prices are rising but others will be willing to wait.

A combined assessment of these factors will form the basis of a grower’s trading strategy – the decisions they make on when and how they trade their grain.

This will normally be through a combination of forward contracts, where a fixed price is agreed for a crop prior to harvest, and spot sales, where grain is traded based on the price for immediate movement.

Step 3: Familiarise yourself with volatility management tools

While trading throughout the season is in itself volatility management, as growers will normally average out the highs and lows of the market, there is more that can be done to lock in at a favourable price and be more versatile, says Mr Bolesworth.

One tool that he says is underused by UK farmers is the options market.

An option is a product that can be purchased through a broker.

It acts as insurance against a price rising or falling over a fixed period of time.

They can sometimes also be bought from a grain merchant but may cost more than buying them direct as the merchant will need a margin for managing the position, he says.

There are two types of option – call options and put options.

Call options insure against a price increasing and can therefore be useful to a grower who needs to sell their grain quickly as they will still benefit from the rising market.

Put options insure against a price falling and can be useful to protect someone who has the storage or cashflow to not sell at harvest as they believe the market will rise.

Losses are limited to the cost of the option premium if the market does not rise or fall accordingly, says Mr Bolesworth.

This is akin to insuring your car and not getting a payout because you haven’t crashed it, or applying a fungicide and then having a period of dry weather.

Trading in these products is only speculative if it is not linked to a physical transaction, and they are also used by city traders to make bets on the market rising or falling.

How it works

Purchasing put or call options gives the purchaser the right to buy or sell on a futures market of their choice at a certain price for a certain duration.

Grain is traded by farmers on futures markets around the world, including the London-based Ice Futures Europe, formally known as LIFFE, the Euronext in Paris and the Chicago Board of Trade, known as CBOT.

As ex-farm prices and futures prices track each other, a grower can use the futures market to insure a physical transaction of real grain on a spot market.

The price that you fix at is referred to as the strike price.

The cost of insuring that price is referred to as the premium.

At any time until the product expires, the buyer can “exercise” or re-sell the option and they will be paid the difference between the strike price and the futures market price on the day.

If they chose not to exercise their option before the expiry date, any payout owing to them will be automatically paid at expiry.

It is recommended that any grower who chooses to use these products closely monitors the grain markets or takes professional advice while they have active products, as they will need to decide whether to exercise their options.

However, they will already know any losses are limited to the cost of the premium, said Mr Bolesworth.

Case study: Wormell Farms

Dan Wormell, of PR Wormell Farms near Colchester, has managed risk by avoiding price falls by selling early and using options to insure against missing out on the market rising.

The 600ha farm has three flat stores, but he took the decision to lease out two of them in 2015 for rental income rather than use them for crop storage, meaning all crops had to be sold for harvest movement.

Mr Wormell worked with CRM Agricommodities to come up with a strategy that allowed the business to benefit from the diversified income without suffering from not being able to trade grain throughout the season.

Forward selling

They now forward sell up to 70% of the crop before harvest, with the rest being sold spot at harvest, but this year’s challenging weather means they have committed a lower-than-average amount so far.

He is hoping to continue trading into May and June, when spring crops have emerged, although the variability of spring wheat yield means caution will be needed.

He says: “We may lose out on a percentage in the harvest spot-price dip, but by the end of September we have sold 100% of our harvest and we have taken all downside price risk out of the marketing of the grain.

He then uses options to insure against an upswing in the market after the grain has been sold.

Get educated

“When I buy an option, I am paying an insurance premium to hedge the physical sale in case of the market rallying,” says Mr Wormell.

“You look at farmers across the world and they are using these financial tools to assist their businesses,” he says.

He says farmers should take a gain a thorough understanding of all the strategies available to their businesses.

“If they are not right for you, that’s fine, but understand them and know they are there,” he says.

“Marketing it is one of the most important things you can do – there is nothing professional about just selling grain when a merchant rings up.”

JOURNAL : Farmers Weekly

Two men have been arrested over the theft of two tractors in the Staffordshire Moorlands.

Police were called to reports that the farm machinery was stolen from two locations in the Kingsley area on Saturday (29 February).

One of the missing tractors was found on at 11.20pm on Tuesday night (3 March) on the A53 road near Leek.

See also: Ultimate guide to farm security kit

But the investigation is ongoing and officers from Staffordshire Police are still searching for the second set of stolen machinery, a red Case tractor and green silage trailer.

Two men, a 42-year-old and a 33-year-old, both from Cheadle, Greater Manchester, were arrested on suspicion of theft and remain in custody at this time.

A force spokesperson said: “The information provided by members of the community has led to the recovery of one of the valuable vehicles.

“Anyone with information is again asked to message Staffordshire Police on Facebook or Twitter, quoting incident number 821 of March 3, call 101, or contact Crimestoppers anonymously on 0800 555 111.”

Meanwhile, farmers in West Sussex are being warned to stay vigilant after £131,000 worth of GPS equipment was taken following raids on 26 tractors across four farms.

[*https://twitter.com/chandlerfarming/status/1234792351027126273*](https://twitter.com/chandlerfarming/status/1234792351027126273)

JOURNAL : Farmers Weekly

Dairy product exports have outstripped imports for the first time since records began, according to the AHDB.

Figures released by HMRC show that the UK dairy trade balance – exports minus imports – was positive, in volume terms, at 95,000 tonnes during 2019.

It is the first overall UK trade volume surplus since records started in 1997, said AHDB Dairy analyst Katherine Jack.

See also: Study reveals what a farm manager is worth

Trade balance volume

Of the product types, the largest shift in trade balances was seen in skim milk powder (SMP). The category recorded a positive balance of 55,000t in 2019 – almost double the 30,000t surplus of a year earlier.

Ms Jack said that the marked improvement in the trade balance for skim milk was a direct result of a shift in trade patterns across the Irish border.

“In 2019, exports of skim milk to Ireland increased by 20,000t while imports to the republic fell by nearly 59,000t,” she explained.

The overall powder trade surplus also increased, with the figure for whole milk powder (WMP) up by 5,000t to a record 45,000t for the year.

“For buttermilk, there was a small increase in exports, but the main reason for the improved trade balance was a significant drop in imports of 103,000 tonnes,” Ms Jack said.

“[Reduced] shipments from France, Belgium and Germany ***accounted*** for most of the drop,” she added.

The shift in the cream trade balance from a deficit of 6,000t in 2018 to a surplus of 5,000t last year was due to both higher exports and lower imports.

A year of strong milk production and high butterfat levels supported this, said Ms Jack.

Cheese, yoghurt and butter still traded at a deficit.

The deficit was reduced for butter – down from -22,000t in 2018 to -9,000t last year – as imports fell and exports rose.

For cheese the deficit fell from -332,000t to -327,000t in 2019 as imports declined.

Trade balance value

In value terms, there was still a yawning dairy trade deficit in 2019 of more than £1bn (-£1.09bn).

However, the deficit was significantly smaller in 2019 compared with a year earlier, Ms Jack pointed out.

The overall deficit at £1.09bn was £167m down on the previous 12 months, as export values increased and import values shrank.

Butter and cream were the strongest performers.

Cream almost reversed a deficit of -£13m in 2018 to record a trade value surplus of £12m in 2019.

Butter products saw the most notable change, with a reduced trade value deficit of -£87m in 2018 down to -£31m last year.

“This is partly because we imported less butter in 2019, but also because lower prices meant the volume deficit was worth less overall,” Ms Jack said.

JOURNAL : Farmers Weekly

Silage and haylage from Forage Aid has arrived on two Yorkshire Dales farms still suffering the effects of flooding last July and more recently.

Doug Barningham lost 120 sheep and 300 silage bales at Home Farm, Arkengarthdale, Richmond, last summer.

In addition, there was huge damage to the yard and the land.

In just three hours 340mm of rain fell, turning a stream into a powerful torrent which dumped 10,000t of stone on the field nearest the yard and far more in the yard itself.

Boulders carried by the stream stacked up against a building, forcing the water through the yard, taking with it stone walls and washing away the single track road that runs past the farm.

See also: Flood hit livestock farmers face long road to recovery

CCTV caught the torrent carrying bales past its doors and Mr Barningham’s daughter’s horse swimming as the water rose close to the top of the breeze block walls.

Incredibly, the horse managed to clamber out of the building, but his son’s car was lost in the floods.

Mr Barningham is waiting for a payment from the government’s Flood Recovery Fund, although the maximum grant of £25,000 will go nowhere near covering the damage.

Forage Aid has supplied more than 200 bales of silage and haylage to Home Farm.

“We’ve had tremendous help from Forage Aid and from many local farmers and the young farmers,” he said.

“Everyone’s been so helpful, it’s helped us get through a really tough period.”

Where to go for help

Farminghelp.co.uk

Forage Aid – 07967 219 991, email: [*info@forageaid.org.uk*](mailto:info@forageaid.org.uk)

Farming Community Network – 03000 111 999

Royal ***Agricultural*** Benevolent Institute – 0808 281 9490

The Addington Fund – 01926 620 135

Rsabi (Scotland) – 0300 111 4166

JCB sent two Fastracs and Ripon Farm Services provided trailers to help the clean-up.

Mr Barningham also faced huge costs, including waste charges to dispose of the wrecked silage bales.

Forage Aid stepped in to help with this, too, as it has done on other farms, removing about 700 bales in total and delivering them to an AD plant further north.

His sheep carcasses were found as far as five miles downstream and the costs for the carcass disposal fell to Mr Barningham to pay.

This year, the recovery will continue, with a lot of walling work planned.

A load was also delivered to Ron Bailey, who farms a few miles away at Fremington Mill Farm, Fremington.

The Forage Aid help had been absolutely fantastic, said Mr Bailey.

More donations needed

Forage Aid is growing all the time, thanks to the support and goodwill of the wider farming community.

However, it is currently working hand to mouth, said founder Andrew Ward.

It has delivered more than 500 loads to hundreds of farmers since 2013.

“We’re still looking for silage, another load or two would help,” he said.

The organisation is part of the farming help group, supported by the Prince’s Countryside Fund.

Mr Ward founded it in 2013, when snowstorms left farmers in Wales and north-west England without feed.

Almost 400 loads went to more than 120 farmers in its first three years of operation, worth about £725,000.

Helping with the impact of the summer floods last year and those in early November, it has moved another 30 loads worth £48,000 and there are five more to schedule.

About 85 hauliers, many of them owner-drivers, have given their time and trucks free  of charge to make the deliveries.

JOURNAL : Farmers Weekly

The Farmers Weekly 2020 Farm Inventions Competition featured some smartly made farm equipment, such as a powered gravel cart, home-built flat-bed trailer and a nifty two-way log splitter.

Robert Wright’s ground-driven gravel cart (complex category highly commended)

Ground-driven implements are pretty common in wet areas such as mid-Ulster, so when a local drainage contractor asked Robert Wright to build a driven gravel cart for an employee with health issues, he got straight to work.

See also: How to tackle rust by galvanising farm kit

His first job was to work out the diameter of the large flotation wheels needed on the trailer.

A scrap axle from an 18t Volvo lorry then determined the width of the machine and allowed Mr Wright to make the modifications needed to the rims for it to be as narrow as possible for road transport.

The complicated process of making it ground driven originally had the gearbox for the trailer drive at the front of the machine, directly in line from the pto drive on the tractor.

But Mr Wright was cautious, as when going down the road at 50kph, it wouldn’t take much for the gears to walk and the whole setup to go bang.

He then switched the gearbox to the rear, where it was set in its own sub-chassis within the trailer’s larger chassis. It was far enough away from the rear axle differential for two universal joints to be used as connectors and allow for any alignment tweaks.

Crucially, these were still strong enough to transmit the drive to the axle.

The gearbox was turned around so reverse gear was used to match the rotation of the tractor and provide drive to the rear axle.

At the other end of the gearbox, where the clutch would be, a modified sprocket was added to take the chain drive from here and link it via three other sprockets to the front of the machine. This setup was needed to get around the 10t gravel hopper.

By doing this, getting the timing spot on between the tractor’s ground drive and the rotation of the gravel cart’s wheels was made easier, as there were multiple adjustment points along the drive line. Mr Wright settled on a 1% variance over a 50m distance.

Once at this stage Mr Wright needed a way to disengage the drive for road transport. He used the gear selector on the ***transmission*** to change the drive from reverse to neutral. That meant drive still came from the tractor, as the pto remained connected, but nothing was transferred through the gearbox to the trailer’s axle.

He employed a 12V linear actuator with a 50mm stroke and a force of 150kg, which is equivalent to a person trying to engage a gear without the clutch. He hooked it up to a rocker switch in the cab and it takes about three seconds to change gear, while a warning light denotes the gear position.

It’s best done at slow speeds, as any gears that aren’t aligned quite right can move to allow the lever to engage. The complicated build took about six months to complete and has meant that a driver in poor health can operate the gravel cart without having to get off the seat.

It cost £6,000-£7,000 to complete.

Andrew Burt’s tilt-bed trailer (complex category highly commended)

Having searched for and failed to find a rattle-free tilt-bed trailer, Andrew Burt decided to make one himself.

The tandem-axle design uses high-quality German-built running gear, heavy-duty pivots and folding aluminium rear ramps that don’t rattle around and jam up.

He also incorporated a slight beavertail into the deck that allows the rams to be kept short, making them easier to handle. Twin tilt rams hooked up to electric controls mean there is no manual pumping required, either.

Mr Burt designed the trailer to have a 3,500kg gross weight and had the complete chassis galvanised to prolong its life. He did all of the work himself, but had some of the more complex components laser cut. Apparently, it is almost silent during towing.

Ieuan Evans’ shed roof cleaner

Ieuan Evans has come up with an ingenious answer to mossy shed roofs.

His brilliantly simple scraper solves the age-old challenge of cleaning dangerously fragile roofs that may have built up several decades’ worth of green matter.

Central to the assembly is an axle and wheel combination from an old ride-on pedal tractor. The blown plastic wheels are lightweight and chunky, allowing them to ride over delicate sky lights and traverse the uneven profiles of roofing sheets.

To the running gear, Mr Evans welded recycled steel reinforcing bar carrying four thin-edged, U-shaped scrapers. There were made from semi-circular cable ducting scavenged from old electric posts and run in the channels of the corrugated roof, dragging the moss down to the gutter ready to be cleared.

The whole lot is connected to a long T-bar handle, which allows the operator – from the safety of a lifting platform – to run the cleaner up the roof on its wheels, before flipping it over (with the wheels in the air) to scrape back down.

Of course, anyone that decides to build a similar version should use caution when working on roofs that may contain asbestos.

Graham Jackson’s stationary engine

An engine from a scrapped John Deere combine has been given a new lease of life by Graham Jackson, based in Little Eccleston, Lancashire, as a means of powering the farm’s Master grain dryer.

He had previously used a spare tractor for the job, but decided it was drinking too much fuel and, with the engine thrashing away at high revs and in dusty conditions all day, it was at risk of seizing.

Instead, Mr Jackson sourced an old four-cylinder, 90hp oil-burner and mounted it to a solid RSJ base frame.

Both the original diesel tank and rotating air pre-cleaner were salvaged; with the latter particularly useful in keeping the radiator clean and cool while drying dusty barley.

To avoid the complications of a gearbox, drive is simply engaged by a hydraulic ram that tensions a set of upgraded Kevlar belts.

Mr Jackson also bought a £400 auto shut-off kit from the US that kills the engine if oil pressure and coolant temperature exceed set levels.

It runs impressively smoothly at 1,500rpm too – so much so that it doesn’t need bolting to the ground. It’ll also run all day on less than 136 litres of fuel.

The build cost left a handful of change from £3,000.

David Devine’s log splitter

This nifty two-way log splitter is the work of County Londonderry farmer David Devine.

It has a double-edged splitter and uses two rams – one pulling and one pushing – to give even splitting power in both directions. These are controlled by one half of a Ford 10-series double spool block with adjustable detent.

Mr Devine has also incorporated a hydraulic log lifter on the side of the table, which can be left up to give a larger working area. This has a separate ram that is controlled by the other half of the spool block.

Apparently, it more than doubles splitting time, as the long ram stroke means it’s often possible to split two logs at once.

Edward Ward’s road grader

As he needed to keep more than seven miles of tracks in good order, Lincolnshire farmer Edward Ward took a redundant set of Massey Ferguson discs and converted them into a track leveller.

The build took about a day to complete and began with removing the disc gangs. He kept the hydraulic drawbar pitch, as it is handy for levelling up the U-shaped blade when working on different tractors and uneven ground.

The wheels were also retained from the discs to lift and lower the blade into action. So far, it has covered about two miles of farm tracks, levelling humps in the middle of tracks as well as grading out piles of tipped stone.

The costs included welding rods and the time it took to build.

Ieuan Thomas’ electric scooter

It’s torture for most young people growing up on farms to look at machinery, but not be allowed to drive it. This is why 15-year-old Ieuan Thomas decided to build a scooter so he could help out with general tasks.

Most of the parts came from scrap lying around the farm, and power is provided by a couple of 12V batteries that run an old motor his grandfather had used on a previous project.

It has an electromagnetic brake system that slows the motor down once the drive is stopped.

The front wheels are from an old mobility scooter that was being chucked out by a local shop and the seat was pinched from Mr Thomas' grandfather’s old 2008 Ford Focus, that failed its MOT.

All in, the build cost about £20 and took two weeks to build in his spare time. It has proved very useful transporting everything from feed bags to bales around the yard.

James Park’s track grader

Living at the end of a long farm track sounds idyllic, but the combination of heavy farm traffic and wet Lancashire weather meant James Park was regularly dodging potholes on his route home.

Previously, he would fill in the potholes with a shovel, which was not only hard work, it took up valuable hours, so last year he decided to speed the job up by building a tractor-mounted leveller from scrap angle iron.

The clever design uses the iron cross members welded at 10deg angles to shave off the high spots and fill in the low areas. The high sides also mean material isn’t lost onto already graded areas.

Mr Park can also adjust the link arms so he can grade a camber onto the track, and it is used on average four times a year.

The 2.7m-wide frame is made from weighty offcuts of metal pylons and can be pushed or pulled by the farm’s Massey Ferguson 6716S.

There was little cost to the project and it took about three days on and off to knock together.

Lloyd and Pete Mortimore’s wrap compressor

Since adopting big-bale forage, organic beef farmers Lloyd and Pete Mortimore needed to come up with a way of neatly managing their used wrap.

The solution was to build a DIY compressing bay at their Dartmoor farm, which uses an intermediate bulk container (IBC) full of water to squash the material, making it easier to store and cheaper to dispose of.

On the top on the IBC, the pair have fashioned a simple rolling table with a guide that keeps the wrap clean and allows it to be formed into neat, uniform pellets.

These are then stacked on a pallet in the bulker and when this is full, the IBC is placed on top to compress them. More wraps are added and compressed until no more can be accommodated.

In total, about 300 wraps can be fitted onto a pallet, at which point it’s removed from the bunker and the load is secured using more used wrap.

It’s then easy to take to a recycling centre, where they are given a discounted rate for bringing in clean, sorted material.

Phil Metcalfe’s suspended grain conveyor

After a quote for a full-length transverse grain conveyor was considered too expensive, Yorkshire farmer Phillip Metcalfe decided to have a go at building his own.

The base of the project was a second-hand conveyor that received a full refurb before installation. Two steel tracks at either end keep it suspended and move it up and down the grain store via wire rope pulleys, operated from the ground.

Most of the steel tracking had a previous life on the farm before being repurposed.

A large red hopper receives the grain from an overhead chain and flight conveyer, which has a number of outlets fitted with swivelling spouts to help transfer the grain. The main conveyor is bottomless, so allows for a level fill and better air movement due as it is not pushed with a loader.

Fan pedestals are also put in the crop to help the air flow.

Once a bay is full, a light is illuminated by a level sensor to alert the grain store operative to move the conveyor forward about 50cm for it to continue filling the bay.

New parts included the steel for the red hopper and the nylon wheels used for the track runners. The winding mechanism to move the conveyor was all fabricated from existing parts.

A new motor for the conveyor was installed by an electrician and the final cost was approximately 15% of the initial quote and was built last year in the farm’s workshop.

Chris Barker’s novel trailer catch

Fed up of filling his boots with grain every time he unlatched his trailer’s tailgate, Yorkshire farmer Chris Barker developed a low-cost solution that keeps a safe distance between the grain and his boots.

The design focuses on a length of baler twine that is tied to the top of the trailer’s tailgate. One end is threaded through the lower catch and then hooked back onto the longer end that runs down the length of the trailer.

When the string is pulled, it tugs on the catch, lifting it off the bar and releasing the gate. Mr Barker says it avoids countless boot empties a day and the colour of the twine is optional. And the cost is "Yorkshire’s favourite price", he says.

Peter McLaughlin's people carrier and post knocker

North Ayrshire farmer Peter McLaughlin converted an old Canycom tracked dumper into a people carrier capable of carting four people to remote areas.

The low-ground-pressure machine has a 1,400x600mm storage area that has a 1,000kg payload and helps to deliver personnel and tools to hard-to-reach jobs.

Mr McLaughlin also fitted a crane and a Wrag post driver to a 5t Morooka tracked dumper. It has the capacity to carry lots of fencing kit and is driven by the hydraulic levers at the rear of the machine.

The post driver can swivel 180deg to help the operator get the right distances and angles to knock the posts into the ground.

JOURNAL : Farmers Weekly

Calves reared in a specific youngstock unit are growing 100g/day faster during the 20-120-day phase in early trial work.

The High Health Unit (HHU) prototype has been trialled for two years on a calf rearing unit at Long Lane Farm, near Frome in Somerset, where it was first designed by the late Tim Walwin, a calf rearer with over 50 years’ experience.

See also: What’s In Your Livestock Shed? visits £130,000 cubicle shed

Growth rate ***data*** shows calves achieve an average daily liveweight gain of 1.15kg a day, between the age of 20 and 120 days in the HHU.

This is 100g a day higher, than in conventional general-purpose livestock sheds on the same farm across the yard, at a 0.5% morality rate.

Shed facts

Dimensions: Each pen is 5x3m = 15m

Stocking rate: Each pod can stock 10 calves up to 85kg (1.5sq m a calf) or seven calves up to 140kg (2.14sq m a calf)

Materials: Made from steel frame, insulated non-drip roof and pens segregated with recycled plastic stock board. Seven-rail galvanised steer gate at front.

Erection: Takes a telehandler and four hours to erect a 10-pod system

Extras: Each unit comes with three walls and a gate at the front. Pellet hoppers and push-nose drinkers can be bought as optional extras.

Retail: A 10-pod system costs approximately £26,500 (+VAT), depending on specification, farm requirements and delivery charges.

Watch the video and read the rest of the report below.

Development

After five initial prototypes and two minor redesigns during the trial period, the design is now commercially available.

Recent improvements include, a rear flap to control air flow at the back of the shed during cold weather and recycled plastic stock board being used as segregation boards in between each pod due to its strength and lightweight qualities.

Design principles

Gabby Emery of Buitelaar’s Tech Team, explains that to ensure airflow is achieved systems should start with a minimum of two pods and not have more than ten in a line.

The sheds can be erected anywhere relatively sheltered and away from other farm buildings to allow air to circulate into the pens.

Farms must have a solid concrete base to secure the front of the unit by screwing it into the floor, but it can stand on hardcore or concrete, she explains.

“The key design feature is the low roof because young calves don’t generate the same heat and stack effect that older cattle do,” says Ms Emery.

“The gradient of the roof helps draw fresh air in, which doesn’t happen in multi-purpose livestock sheds with high roofs.”

A telehandler is required for construction, but the idea is farms erect units themselves, she adds.

Key design features

Airflow

The roof is pitched at a 45deg angle, sloping upwards from the rear. This helps draw fresh air in to replace stale air.

The shed is completely open in normal conditions at the front and rear of the shed. The rear back boards are 1.24m high, meaning no drafts at calf level.

Segregation

Side boards separating pods are also 1.24m high meaning different pens are segregated and calves from different batches can’t touch and transfer pathogens via direct contact.

Insulated roof

A non-drip insulation material is housed inside the sloping roof. This helps stabilise temperatures, keeping it warm in winter and cool in the summer.

Easily cleaned

All surfaces are stainless steel or plastic, meaning the units can be easily cleaned and disinfected between batches.

Grouping

Calves are grouped in the units upon entry at three weeks of age. Grouping calves has been shown in scientific trials to result in better growth rates due to competition for feed.

It also increases animals’ socialisation skills, which helps them integrate into new groups when regrouped at pasture or in feedlots.

Push-nose drinkers

While an additional cost over a simple bucket, the push-nose drinkers are recommended.

Automatically refilling when calves need to drink, they save on labour, spillages, reduce the risk of disease transfer through water and are easily cleaned out compared to buckets.

Rearing system

The units take in calves from dairy units at three weeks old, on a 42-day milk plan feeding 25kg of milk powder a calf. Calves are fed a 16-17% crude protein calf rearer pellet on an ad-lib basis.

Over 500 calves have been through the system, with a week rest period between each batch and 3.5 batches are grown in a year.

Calves are weaned at around 90kg after six-to-seven weeks in the unit at ten weeks old, averaging 0.9kg/day at weaning and 1.1kg thereafter.

Calves are bedded up daily with barley straw.

Health protocols are planned by vets at Synergy Farm Health. All calves enter the unit after receiving 10% of body weight in colostrum in the first three-to-four hours of life at the dairy farms where they are born.

All calves are vaccinated with a four-in-one vaccine covering parainfluenza 3, bovine respiratory syncytial and bovine viral diarrhoea viruses, as well as Mannheamia haemolytica serotype A1, with a follow-up booster given two weeks later.

After weaning calves are given a live marker vaccine for infectious bovine rhinotracheitis.

Approximately one third of calves through the unit have been dairy bulls which are kept entire, a third have been a mix of Angus-cross and a third blue-cross steers and heifers.

Calves are sold on to finishing farms for grazing or intensive finishing at 150kg.

JOURNAL : Farmers Weekly

Bovine TB compensation for Welsh farmers has jumped 15% in a year, according to new figures.

Compensation in 2018-19 for farmers hit by the disease was £18.24m, with £15.9m paid in 2017-18. Over the past five years, compensation to Welsh farmers totals just under £74m.

The figures came in response to a written assembly question submitted by Welsh Conservative Andrew RT Davies.

See also: Counting the cost of bovine TB in Wales

The Farmers’ Union of Wales (FUW) said the rise reflected the unsustainable increase in the number of valuable cattle slaughtered due to the disease.

It said in a statement: “The current level of compensation takes no ***account*** of the consequential losses caused by current regulations and these consequential losses can be significant.

“We know that issues, including loss of stock; problems with cashflow, costs of housing and feeding additional stock; loss of business control; and uncertainty over the future inevitably affect the emotional wellbeing of farming families and have a long-term effect on the cattle sector in Wales.”

The FUW added that the past three decades of “ineffective policy” had restricted the ways in which farmers can manage the wildlife source of TB infection.

Mr Davies, the shadow rural affairs minister, said the figures were further evidence of the Welsh government’s failure to listen to the farming community and implement an effective strategy to eradicate bovine TB.

He added: “Compensation payouts are spiralling, and the costs of administering the wider scheme are also going upwards.

“As Welsh Conservatives, we have long called for a comprehensive, scientifically led programme of TB eradication, as it’s clearly not sustainable to preside over such an ever-increasing compensation bill.”

Farmers Weekly has contacted the Welsh government for a comment.

JOURNAL : Farmers Weekly

A £2.5m flood relief fund has been opened to help Welsh farm businesses recover from damage and disruption caused by storms Ciara, Dennis and Jorge.

The Business Flood Relief Grant provides funding for small and medium enterprises facing the immediate costs of recovery.

A maximum of £2,500 is available per business to ensure that they remain solvent through disrupted trading periods.

Initially there was some doubt over whether farm businesses could apply.

See also: Herefordshire farmer reveals flooding devastation

But they have been given the green light to apply following talks between NFU Cymru and the Welsh Government.

“We are now able to confirm that farm businesses are eligible and should provide their CRN reference in the application," an NFU Cymru spokesman said.

Only small and medium enterprise businesses (SMEs) are eligible, which means those with fewer than 250 employees and a turnover lower than £44m.

The fund is administered by Business Wales and will support those with the immediate costs of recovery not covered by insurance, the union spokesman added.

The Business Flood Relief Fund is open to applications from 11 March 2020 to 20 August 2020, subject to funds remaining available.

Who can apply?

The grant can only be claimed by businesses that meet the following criteria:

The business must be an SME based in Wales

The business needs to demonstrate that it has suffered severe disruption as a result of storm Ciara and/or storm Dennis and/or storm Jorge

It must have been directly affected by the weather event – ie, flood damage to the property,equipment, and/or stock

Alternatively, it must have been indirectly affected by the weather event ie, the business has had no – or highly restricted – access to premises, equipment and/or stock as a result of flooding; restricted access for customers, suppliers and/or staff; suffered loss of trade and have issues with regards to wages for employees.

What does it cover?

Funding can only be used to cover costs that cannot be recovered from insurance, and only one application is allowed for each business.

Costs incurred could include:

Clean-up of equipment – generators, dehumidifiers, lighting, brushes, power sprayers etc

Building and stock security

Costs associated with getting IT and electricity up and running

Temporary accommodation costs

Specialist advice to help you work out what to do, such as legal advice

Anything to help you get open and trading again

Grants can be paid against items that have already been purchased (after the date of the flood), and/or items which the business has not yet bought.

All applications will be considered on an individual basis and payment of the grant is at the absolute discretion of the Welsh Government.

How to apply

Businesses will need to provide details of estimated affected costs to their business and evidence of business address. They must also provide photographic evidence of the damage

Online: Businesses can apply for the grant using a Business Wales application form.

By phone: Contact the Business Wales Helpline on 03000 6 03000.

Email queries to: [*floodrelieffund@businesswales.org.uk*](mailto:floodrelieffund@businesswales.org.uk)

JOURNAL : Farmers Weekly

Farmers, growers and land managers in Wales are being offered the opportunity to dispose of unwanted pesticides for free.

Welsh Water has relaunched PestSmart, its free and confidential pesticide disposal scheme, which aims to safeguard raw water quality before it reaches treatment works.

The “no questions asked” scheme offers land managers the chance to get rid of out-of-date, unwanted or unlicensed chemicals safely.

See also: The rules for legal storage of pesticides on farm

The scheme is available throughout Wales, not just Welsh Water’s operating area. It is completely confidential and available for a limited time on a first-come, first-served basis.

Ian Christie, managing director of water services at Welsh Water, said: “Our routine raw water monitoring programme has detected increasing traces of pesticides in areas where we have never seen them before.

“While these levels are too low to pose a risk to those drinking the water, they are enough to risk breaching rigorous drinking water standards, so we want to work with farmers, growers and land managers to take action to address this issue together.”

The project has received funding through the Welsh government Rural Communities – Rural Development Programme 2014-2020, which is funded by the European ***Agricultural*** Fund for Rural Development and the Welsh government.

Protect water

Welsh rural affairs minister Lesley Griffiths, said: “This is a great initiative by D r Cymru and I encourage all farmers, growers and land managers to register for the free pesticide disposal scheme.

“Minimising the impact of pesticides on the environment is an essential part of responding to the ecological crisis, protecting Wales’s watercourses for future generations. “

To register, visit [*www.dwrcymru.com/disposalscheme*](http://www.dwrcymru.com/disposalscheme) or call 01443 452716 by no later than 5pm on Tuesday 31 March 2020.

Your details will be securely transferred to Welsh Water’s appointed hazardous waste contractor which will contact you for further details before collecting your unwanted pesticides and herbicides on a pre-arranged date.

JOURNAL : Farmers Weekly

Almost half of all farmers in the south-east and east of England have already invested in non-farming activities such as building lets and agro-tourism, as they seek to diversify their income sources.

The latest Farm Practices Survey, carried out by Defra in October each year, attracted more than 2,700 responses from farmers, providing a snapshot of how they run their business.

See also: Find all our diversification advice in one place

The latest survey across all farm types and all regions of England include a detailed section on how farmers are changing their businesses, such as diversifying into non-farming activities, investing in renewable energy or changing their cropping patterns.

The survey found almost one-third of farmers have already invested in things such as tourism and letting building, with another 15% expecting to do so in the next three years.

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But there were strong regional differences, with 49% of farms in the South East and 47% of farms in the East having already diversified their income streams, compared with just 22% in the North West and West Midlands.

This reflects the greater opportunities for farmers in areas of higher population density and household income.

Renewables

Investing in renewable energy is another popular development, especially among pig and poultry farmers. However, the importance of continued taxpayer support is apparent, with 51% of all farmers saying they would invest in renewable energy if it were grant aided.

“In terms of changes farms were planning to make in the next three years, farmers were most likely to widen the variety of crops or enterprises, with 26% of farms selecting this option,” says the report.

This is in contrast to the 11% who were inclined to become more specialised in their farming activities.

Not surprisingly, cereal growers were the most inclined to extend the variety of crops grown, with 39% planning to do so. This compared with just 9% of upland grazing farms that plan to add an enterprise in the next three years.

Precision farming

Precision farming remains a minority activity on both livestock and arable farms, with most farmers citing "lack of relevance" or "lack of cost-effectiveness" as the main reasons for not adopting it.

But of those who have, more than three-quarters said it was to increase productivity, while over half said it helped improve accuracy and reduce input costs.

The most common forms of precision farming technology include measuring livestock growth rates – especially common on pig and poultry farms – and using breeding indices or estimated breeding values.

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Using agri-tech to reduce environmental effects such as soil loss or greenhouse gas emissions was a relatively minor motivation, with just 38% of farmers who use any precision farming tools citing this as a reason.

“But this ranged from 22% of lowland grazing livestock farms to 60% of cereal farms” says the report.

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It was a similar story for using precision farming to improve soil conditions, with 66% of farms in the arable-dominated east of England giving this as a reason, compared with just 35% in the livestock-dominated South West.

Asked why they did not use precision farming techniques, 63% said they were not relevant to their farms, while 48% said they were too expensive.

Sources of advice

The farming press remains the number one source of advice for farmers, whether it be about productivity, the environment or regulation.

"Friends and family" rank second, with organisations like the NFU or AHDB third.

Around 30% of farmers also pay for an adviser.

Government advisers are little used for advice on productivity, but more so on environmental and regulatory matters.

JOURNAL : Farmers Weekly

The latest instalment in our long-running What’s in Your Shed? series features 27-year-old Cumbrian livestock farmer and contractor Edward Beard.

He reveals the best and worst of his largely Case-branded machinery fleet, with tractors ranging in age from a long-in-the tooth K-reg 1455 to a brand-new Puma 165.

How did you get started?

I grew up in Cockermouth, but my grandad really got me into farming. I was offered the tenancy of a 40ha farm, plus fell rights, when I was 18 and straight out of college.

I started with 250 sheep and eight Galloway cows, along with an old Case 895 tractor and McHale wrapper.

It was a steep learning curve and it took me several years to start making any money.

Somehow, I scraped together the cash for a Case 5150 and began taking on more land, to the point where I now have 180ha, 800 sheep and 65 Blue Grey suckler cows.

Alongside the farm, I offer contracting services, including mowing, tedding and baling.

But the thing that keeps me busiest is fencing – I did 12km last year, a lot of which was done by hand for the National Trust and River Trust.

See also: Take a trip around the UK with our What's in Your Shed map

Farm facts: Edward Beard, EJ Beard, Buttermere, Cockermouth

Farm size 180ha rented

Cropping 80ha silage/hay, 100ha rough grazing

Soil type Mixed, from bedrock to heavy clay

Stock: 800 Herdwick, Swaledale and Cheviot ewes, 65 Blue Grey suckler cows

Contracting Mowing, tedding, baling, groundworks and fencing

Staff Edward Beard, plus up to three others at peak times

How brand loyal are you?

As you can probably tell by the picture, I like Case tractors. I dreamt of having a 5150 – which I now own – and a 1056, which I’m still keen to find.

That said, the new tractors don’t excite me quite as much and I occasionally mull over the idea of getting an old Fendt.

Favourite dealer?

CT Hayton at Wigton is my go-to for tractors – the Puma and Farmall came new from there and the JXU and Maxxum were second-hand.

Their service is good and, more importantly, the man in the parts department knows exactly what he’s talking about.

For most other stuff, I tend to use David Johnson ***Agricultural*** Engineers at Broughton-in-Furness. They’ll source pretty much anything, can be contacted at any time of day and I love how brutally honest and straight they are.

They’ve also just moved to a smart new premises and must have one of the biggest workshops in Cumbria.

Favourite and least favourite pieces of kit?

My undisputed favourite is the Case 5150, but we’ll come to that later. Apart from that, it’s my new 9t Takeuchi digger kitted up with a Wrag post knocker.

I paid £22,500 for it two months ago – it has 7,000 hours on the clock – and it has revolutionised the fencing job.

It’s far more stable than a five-tonner and has the reach we need to get into awkward places – it’s already been in some fairly gnarly locations on the fells.

Least favourite is the McHale Fusion 2 baler wrapper, though it’s because of the way I run it, rather than its performance.

There are too many buttons to think about while concentrating on changing gear in my old tractors, particularly because most of the work is on hills.

That said, I wouldn’t change it and the weight in the bales is amazing – I usually make 5,000, but expect to add another 1,000 this year.

Kit list

Tractors All Case: Puma 165, Farmall 115HD, Maxxum 140, 5150, 1455, 895, 4230. Siromer scraper tractor

Balers McHale Fusion 2, Lely 235, New Holland 376

Other forage kit Lely front and rear mower, Krone 680 twin-rotor rake, 2x Claas tedders (six- and eight-rotor), Tanco linkage-mounted wrapper, McHale trailer wrapper

Muckspreader Bunning Lowlander

Other 6t and 10t dump trailers, Marshall livestock float, low loader trailer, 9t Takeuchi digger

Latest purchase?

A brand-new Puma 165, which arrived just before Christmas. I also picked up a second-hand Walter Watson Spiral Blade Aerator for £4,800.

It was recommended by several farmers for alleviating soil compaction caused by sheep.

It is far heavier-duty than other aerators I have tried before – 6t fully laden – so should penetrate the ground a bit better.

Oldest machine still at work?

The K-reg (1992) Case 1455. I was at a farm sale looking for a scraper tractor and got a bit carried away. It was on 7,500 hours and I paid £22,000 for it.

I could have sold it for £28,000 last year, but chickened out at the last minute.

Last year, it ran the Fusion and hauled trailers – it’s ideal for the job, as it has so much power and torque.

It’s also pretty heavy, which is important because the Fusion can weigh 8t with two bales on the back.

However, the 35kph top speed is a bit slow and I’m getting more reluctant to use it in case I blow up the engine.

How long do you keep your machines?

As long as possible – I wouldn’t buy any of the kit when it is finished here. I usually chuck it in a collective sale when it’s no longer useful.

The reality is that, until the past couple of years, I haven’t been able to afford any really decent machinery. But I’m now in a position where I can be a bit more selective about what I buy.

Next on your wish list?

Hopefully I can add to the Case tractor collection with a baby brother to the 1455, so either a 956 or 1056. It will be an investment, as I can’t see them dropping in value.

I’d also like a new film-on-film Fusion 3 baler wrapper and maybe a new tedder.

Ideally, I’d like to upgrade the trailers as well – I’m keen to get everything on commercial axles with a Tilly Pass certificate, particularly given the steep hills, narrow roads and abundance of tourist traffic around here.

Biggest machinery mistake?

I once reversed the 21ft livestock box into a parked car, pulling off the back wing and shoving it into a dyke.

It wasn’t really my fault, though – I’d met a local service bus on a single-track road and had to back up, but the car was parked on double yellow lines at a passing point with no sign of the owner.

Most expensive repair bill?

The Maxxum 140’s back-end. The handbrake had been sticking and, while I was on a dual carriageway near Penrith, the disc shattered. It destroyed the crown wheel and pinion, casing and the brakes.

The bill was £7,000, but the dealer offered to knock the cost off the price of a new Puma, which was all the incentive I needed to expand my tractor fleet.

Best invention?

I don’t invent stuff, but the best idea I’ve seen is Agricision’s low-cost lightbar guidance system.

I saw it at Lamma and bought one for £600 – a small price to pay for accurate fertiliser spreading and field mapping.

What couldn’t you live without in the workshop?

I recently upgraded some of my Makita tools to Milwaukee and I’m seriously impressed. The 3/4in impact driver is a beast for rattling off wheel nuts, so I’m already eyeing up the 1/2in-drive version.

Favourite and least favourite jobs?

Favourite: Mowing, as it is fast and satisfying to see the work you’ve done.

Least favourite: Wrapping bales, which is monotonous.

The reason I bought the Fusion 2 is that my main part-time employee got himself a demanding girlfriend who wouldn’t let him work late, so I needed to make the baling and wrapping a one-man job.

What’s your everyday transport?

I recently bought an Isuzu D-Max Blade on 18,000 miles. It replaced a Rodeo and seemed like a good deal – £18,000 for built-in satnav, leather seats and 3.5t towing capacity.

My runaround is a little Y-reg, 90,000-mile Suzuki Jimny. I’ve had it a year and not yet managed to get it stuck.

It can clock up to 80 miles a day during lambing and I’ve stuck a load liner in the boot for the dogs, along with a spare battery for emergencies.

Best tractor you’ve had?

Without question the 5150, which arrived on 7,000 hours as my main tractor in exchange for £11,000.

I had the head gasket done as soon as it arrived five years ago, but have had no problems since then, despite their reputation for iffy electrics.

It’s now on 10,200 hours and still goes on the rake in the summer. I’ll never part with it – it was the tractor that got me started.

Worst tractor you’ve had?

An International 454 that I had for scraper duties. It had lived on easy start and the tractor was OK once it started. But it eventually drank all the oil from the sump and blew up.

Biggest machinery bargain?

The ex-demo Puma, mainly because it saved me paying the Maxxum’s ***transmission*** bill and I’ve got it on 0% finance and three years' warranty.

JOURNAL : Farmers Weekly

Farmers could have a key role to play in helping reduce flood risks faced by UK communities – but only if the government puts its money where its mouth is, say industry experts.

As the UK continues to grapple with the effect of widespread flooding, it is clear that a new national strategy is needed to help businesses and communities cope with increasingly frequent extreme weather events.

See also: Managing contract farming agreements in difficult seasons

Farm leaders say this should include a mix of natural flood management measures – including changing the way land is managed so it can absorb more water – and engineered solutions, such as storing floodwater on farmland away from villages, towns and cities.

The NFU set out its proposals for the government to improve flood mitigation in a flooding manifesto in 2017. Although the document was well received, few, if any, of its recommendations have been implemented.

“Nothing has changed and I think that is the main frustration for farmers across the country,” says NFU national flood risk adviser Mhari Barnes.

“Defra and the Environment Agency said they agreed with many of our proposals, but nothing has happened.”

Natural measures

Farmers are willing to adopt natural farm management measures – such as “leaky dams” of fallen trees and branches that slow the flow of water, silt and sediment downstream – but they need assurances about the ongoing maintenance and liability of such schemes.

“If you put in leaky dams, and they work and are doing well, that's fine,” says Ms Barnes. “But if the timber rots and it is transported downstream, where it blocks a culvert leading, to increased flooding, the liability is with the landowner. That is a massive issue.”

More landowners would adopt natural flood management measures if water management legislation was changed to ensure they are safeguarded in such an eventuality – especially as such schemes benefit communities downstream, rather than the farmer implementing them.

The government should adopt a longer-term outlook in relation to water and flood management – and support it with adequate investment - Ian Moody

Long-term outlook

Ian Moody, technical manager at the Association of Drainage Authorities (ADA), agrees that the government should adopt a longer-term outlook in relation to water and flood management – and support it with adequate investment.

“The government needs to sit up and take notice,” he says. This winter has been wet throughout – and has included a number of extreme weather events. This means already saturated catchments are flooding because water has nowhere to go.

“We are going to see more of this in the future,” says Mr Moody.

Alongside natural flood management measures, the ADA favours hard flood defences around towns and cities where necessary, and convergence work within those channels, including targeted dredging and the clearing of vegetation.

Making room

Mr Moody believes the UK could learn from the Netherlands, where a major scheme called Room for the River has improved flood management.

The scheme worked by relocating dykes, lowering the floodplain and increasing the depth of side channels (see: "Case study – Dutch scheme makes Room for the River").

The UK government's forthcoming Environmental Land Management scheme might encourage farmers to undertake flood risk mitigation on a small scale. But bigger thinking is needed to reduce flooding following the sort of extreme weather seen this winter.

“Large-scale flood water storage on farmland could be an option, but it is about getting the incentives right,” says Mr Moody.

This means controlled storage, with the farmer compensated in right way, and without taking land out of production for large parts of the year.

Case study – Dutch flood improvement scheme

A water management project in the Netherlands is managing flood risk by allowing Dutch rivers to expand naturally during periods of high flows.

The Netherlands is one of the most densely populated countries in the world, and more than half of it is below sea level.

Flood protection is therefore a very high priority for the Dutch government, which started planning the Room for the River programme in 2007.

The 2.3bn programme has seen natural floodplains restored in places where it is least harmful to protect areas that need to be defended.

Floodplains are lowered and broadened with river diversions and temporary water storage areas created.

At Lent, on the river Waal, a water-holding dyke was moved 350m inland. An ancillary channel was dredged in the floodplain to help drain the river during extremely high water.

This in turn has created better flood protection for the area behind the dyke.

Flood mitigation measures

Washlands like this should be accompanied by broader flood mitigation measures – rather than a sole focus on ***agriculture***, believes Country Land and Business Association director general Sarah Hendry, who was formerly Defra director for floods and water.

“We need the government to recognise that a range of things are contributing to flood risk – including infrastructure, roads and the way that more of our landscape is being concreted over in built-up areas,” she explains.

Proper sewerage systems that can better cope with heavy rainfall would be a good start, Ms Hendry suggests. “I worry sometimes that there is a tendency to scapegoat people who manage the land rather than looking at the whole picture.”

Adequate compensation for farmers who store water is a must, she adds. The government has a tendency to focus on what happens to people's homes – underestimating the value of farmland and its value in mitigating flood risk and to wider society.

For their part, farmers should consider working together to manage flood risk in the same catchment. “One farmer or landowner working on their own cannot do as much. We need to be working in clusters or groups and work on solutions at a landscape scale.”

Case study – Philip Wynn, of Aubourn Farming, Lincolnshire

The government is under increasing pressure to properly compensate farmers where ***agricultural*** land is flooded to protect nearby homes and businesses.

Long-standing washland arrangements should be reviewed, because climate change and population growth means farmland is being deliberately flooded much more frequently and for much longer than originally envisaged.

Land farmed by Mr Wynn includes the Witham Washlands, which extend to some 700ha south-west of Lincoln.

Under an agreement originally made in the 1980s, the washlands are to be flooded in perpetuity when required to protect the city.

“We are being flooded for weeks at a time rather than days – and much more often – and it takes a long time for the soil structure to recover,” says Mr Wynn

The washlands have been on alert for flooding six times since last June. “The whole scheme needs a complete review.”

Investment

Overall, though, says Ms Hendry, the hard truth is that flooding will happen with increased frequency and can't prevented completely. In short, it is here to stay and we need to learn to live with it, mitigating its worst effects where possible.

“We perhaps need to have a more open and honest debate. If we want to carry on living and working in the same places, we have to recognise that flooding happens. That means a lot more investment in being able to recover and clean up afterwards.”

The Environment Agency will publish a new floods strategy later this year.

It will set out plans to prepare for and adapt to the risks created by climate change – including the impact on individuals and communities – and structural damage to property and infrastructure.

Defra secretary George Eustice told the recent NFU conference that the government had invested £2.6bn to better protect the country from flooding over the past five years and was planning a further £4bn over the next five years, including "nature-based solutions" such as natural dams and tree planting.

Case study – Irrigation lakes help protect communities

Herefordshire soft fruit grower Anthony Snell has invested thousands of pounds in seven irrigation lakes to store excess water – and reduce the flood risk to local communities.

“The local River Wye has seriously affected farmers and local residents, with the biggest flood in over 100 years – up to 6m in places,” he says.

The irrigation lakes use 139,000cu m of water each season, while helping to protect local properties from flooding.

Mr Snell says his newest lake cost about £50,000 to build and about £40,000 in planning fees, because the council insisted he undertake a number of newt surveys and flood risk assessments.

“The planning application was slow and costly – it is a lot of money.”

The government and local authorities should support farmers who want to put in irrigation lakes, he adds.

“They have many advantages – preventing flooding by capturing excess winter water and reducing the need to abstract water for irrigation in the summer.”

JOURNAL : Farmers Weekly

The GB milking herd contracted by almost 50,000 head in 2019, according to British Cattle Movement Service (BCMS) figures.

At 1 January 2020, the herd stood at 1.72m head – down by 49,600 or 3% on the same date last year. Most of this fall was ***accounted*** for in the number of cows aged 2-4 years, which dropped by 42,500 head over the 12 months.

AHDB Dairy lead analyst Patty Clayton said the decline was rooted in events that took place in 2016-2018.

The removal of quotas in March 2015 caused a sudden increase in supply, she explained.

See also: Average dairy herd size drops – but milk keeps flowing

Supplies on the EU market also rose after Brussels imposed sanctions on Russia over its involvement in the Ukraine conflict.

Moscow retaliated with a tit-for-tat ban on farm produce. That meant exports worth £1.8bn – or one third of all EU cheese and a fifth of its butter – were returned to the European market.

As a result milk prices spiralled down by 25-30% to a seven-year low and dairy producers were hit hard.

A further factor in this year's decline is the switch to sexed semen which began in 2016-17.

Farmers opted to put more cows to male beef breeds while using their better milking animals to rear female replacements.

"That has seen a reduction in the number of replacements bred overall and a smaller but more efficient milking herd," Ms Clayton said.

While the lower number of calves on the ground starting in 2016 works its way up through the age brackets, other age groups have not declined to the same degree.

The number of cows aged 4-6 years was up in January 2020 by 10,500 head compared with year earlier figures.

While the number of youngstock – 0-2 years – dropped by 5,700 head on the year, animals aged 0-6 months increased by 1,800 head, slowing the overall decline in youngstock numbers.

The slowing rate of decline in youngstock numbers suggested some future stabilisation of the GB milking herd size, Ms Clayton said.

Milk production

In March the AHDB is due to publish its 2020 outlook for UK milk production which will set out how the changing herd size might affect output.

But Ms Clayton painted a relatively stable picture for production ahead.

The summer drought in 2018 saw a rise in milk yields as dairy farmers switched from forage to more potent concentrates to fuel production, she said.

The past year has seen the reverse, with a greater reliance on forage in 2019’s excellent grass growing weather which should mean yields return to a more normal level.

Globally, she said milk production was almost static with 1% growth forecast against a predicted rise in demand of 2%.

JOURNAL : Farmers Weekly

The increased risk of mildew in this year's wheat crops means growers may need to adopt a targeted treatment in the coming weeks, if they are to avoid the potential yield losses of up to 20% in susceptible varieties.

Powdery mildew is not a disease on every wheat grower’s radar when formulating fungicide programmes in a typical spring.

However, the very wet growing season has pushed drilling dates back, thus increasing the risk.

Powdery mildew in wheat is a visual disease and often its alarming appearance doesn’t always translate into significant damage.

However, there is increased concern among experts and agronomists about its potential effects this season, because many growers have a higher proportion of their wheat drilled between November and the end of February.

See also: What new phosphate fertiliser guidelines mean for growers

Niab cereal disease expert Bill Clark says that in these late-drilled wheats powdery mildew is much more of a concern, although scientifically it isn’t fully understood.

Mildew in wheat

Powdery mildew in wheat and rye is caused by Blumeria graminis f.sp. tritici. It favours mild winters and warm, humid and rain-free weather

Visual symptoms appear as white, fluffy pustules on leaves, stems and ears

Dense, stressed, late-sown or rapidly growing crops and susceptible varieties are highest risk

Excessive nitrogen application can encourage the disease

Early attacks can reduce tiller numbers

In susceptible varieties, yield losses can hit 20% and early control is key

“We think it is down to slow early growth and plant stress. As these late-drilled wheats are usually stressed, they tend to pick up more mildew, so this year it could be a bigger problem,” he explains.

Varietal resistance

Intense rainfall seen through winter and spring has been a good suppressor of mildew infection, washing spores off leaves.

Wet spores also tend to germinate poorly, reducing the risk of spread.

However, this is now being offset by mild temperatures and when drier spring weather arrives, the moderate levels of mildew reported in crops could quickly explode.

Adding to this risk is the fact that varietal resistance scores for mildew have been falling, with the average score on the 2019-20 Recommended List lower than it was five years ago.

A handful of varieties have scores between 3 and 5 (see "Winter wheat varieties with low mildew resistance (2019-20)).

Mr Clark says those growing very weak varieties such as Leeds (3) will be aware of the risk, but the mid-range varieties may lull people into a false sense of security in terms of controlling mildew.

“Late drilling changes the resistance ratings and I think you just have to treat what you see this season.

“You could have a variety with a score of 5 and it might easily be as susceptible as a 4 when drilled late,” he explains.

Risk assessment

Mr Clark highlights that the mildew threat could be compounded by growers’ attitude to disease risk this year, with potential disease pressure being talked down by some due to the later drill dates.

This is certainly the case for septoria, as later sowing is proven to be a useful cultural strategy to reduce levels of infection heading into the spring.

Lower septoria pressure, twinned with lower yield potential, may see growers tuning down or leaving out the T0 spray altogether and opting for a cheap and cheerful fungicide mix at T1.

Where applied, chlorothalonil will inevitably be growers' go-to T0 option this spring, as they have plenty of the multisite fungicide in their stores because it is its final season of use. However, Mr Clark warns that it offers no activity on mildew.

“I’ve also heard talk of just a cheap azole and chlorothalonil being used at T1 and that isn’t going to suppress mildew enough either,” he warns.

Fungicide choices

When planning a strategy for mildew, Mr Clark explains that of the fungicide options available, only prothioconazole from the azole group and all SDHI actives provide useful protection.

Therefore, using prothioconazole-based products will help keep mildew out of crops where the disease isn’t already established.

Where other azoles such as epoxiconazole are favoured, an SDHI component to mixes will be required for any level of mildew protection at T1.

“If people are using reasonable fungicide programmes early on, including prothioconazole or SDHI mixes, then it really shouldn’t take hold,” he explains.

While this might be adequate in some situations, Mr Clark sees a case for a specific mildewicide if pressure is high.

“I think these late-drilled crops will go through their growth stages very quickly this year, so holding off on a T0 and using a decent SDHI/azole mix at T1 may well be enough.

“But if it really is getting away from you, then growers will have to consider a specific mildewicide like Cyflamid or Talius at T0 or add one to the T1 spray,” he adds.

Active ingredients

Amistar Opti - chlorothalonil + azoxystrobin

Cyflamid - cyflufenamid

Talius - proquinazid

Keeping tillers

In Kent, CCC Agronomy adviser James Rimmer says about half his winter wheat acreage is in the late-drilled category this year, so he doesn’t see septoria being the major issue it can be.

Instead, his focus is on mildew and rusts and he will be aiming to keep on top of both diseases early on to protect crop biomass and prevent plants from losing tillers.

With an eye on keeping costs down in crops with less potential, he says keeping mildew out early using a preventative approach will be the most cost-effective route in the long run.

This will involve using a specific mildewicide at T0 in situations where a variety is weak against mildew and the disease is likely to develop.

“Specific mildewicides are reasonably expensive, but when used early, they stop you having to come back later and chase it. I’ve found that if you take it out early, you rarely have to come in again with a bespoke mildewicide,” notes Mr Rimmer.

Mildewicide options

There are a handful of protectant mildewicides available for 2020 that Mr Rimmer may opt for, including proquizanid, metrafenone, fenpropidin and fenpropimorph, but all will have limited knockdown effect.

If mildew is established at T0 and knockdown is required, the curative and protectant cyflufenamid is also an option, says Mr Rimmer.

“Where you miss the T0 and mildew is still active, a prothioconazole-based mix at T1 with the addition of a mildewicide may be necessary to clear it out,” he adds.

Further west, AICC agronomist David Lines covers Herefordshire and Shropshire and also sees mildew as a threat, along with yellow rust, in late-drilled or weak varieties.

Many of his clients’ wheat variety choices have good resistance to septoria and this has enabled them to cut out a T0 fungicide in recent seasons.

Targeted fungicides

This spring will be similar, with a septoria-active T0 not planned in many situations, but if mildew or rust is active in backward wheats, he will be adding disease-specific fungicides to a first plant growth regulator (PGR) at growth stage 30.

Where yellow rust is the only concern, he would lean towards Amistar Opti at a low rate, but if mildew is also present, he would use Cyflamid with the addition of tebuconazole to cover both.

“The beauty of Cyflamid is that it’s a very good eradicant product. From experience it clears mildew out and keeps it out. I’ve rarely had to use an alternative mildewicide as a follow-up spray,” says Mr Lines.

Winter wheat varieties with low mildew resistance (2019-20)

Variety

Mildew rating

Skyfall

5

Detroit

5

Firefly

5

Basset

5

Dunston

5

Myriad

5

Gravity

4

Leeds

3

Source: AHDB, \*=scale 1-9 with 9 having the highest resistance

JOURNAL : Farmers Weekly

Wheat growers are being warned to be extra vigilant for signs of yellow rust this spring, even where varieties with seemingly good disease resistance ratings are being grown.

New yellow rust races found following the testing of samples by UK Cereal Pathogen Virulance Survey (UKCPVS) sent in during 2019 appear to confirm what many already suspected and add to the complexity of existing, highly diverse rust populations.

While work continues to assess which varieties are most at risk from the 10 new strains identified, there is every reason to be wary and not rely on the resistance ratings given to popular variety choices.

See also: How to manage ramularia without chlorothalonil

That is because these ratings are an indicator of average UK performance from previous years, so they are only as up-to-date as the testing system allows.

As a result, they can be subject to change within a season if new races with the ability to overcome certain resistance genes occur.

In common with other diseases, yellow rust ratings are reported on the AHDB Recommended List for all varieties, using a simple scale from 1 (least resistant) to 9 (most resistant).

At present, 63% of current wheat varieties are highly rated for yellow rust, with either an 8 or 9.

However, a footnote on the latest Recommended List for 2020-21 stresses that these are national average figures and that all varieties should be closely monitored, as higher-than-expected levels of yellow rust were seen on varieties in some trials last year.

With the highly dynamic nature of yellow rust populations also being highlighted by the AHDB, there is no room for complacency.

Yellow rust findings

2019 saw changes in populations

New isolates identified

Investigations continue

Be vigilant

Regional variation

An added dimension for growers and agronomists to get to grips with in 2020 is regional variation, after very localised outbreaks were recorded last year including different experiences within the same county.

Of the new strains found, there was no correlation with location – meaning that researchers can’t predict where they will pop up in 2020.

As Amelia Hubbard of UKCPVS explains, new races can emerge sporadically and may not be uniformly distributed, which is what she believes was seen in 2019.

“That means we can expect them to spread in 2020. Your local rust population may be very different to those in other parts of the UK, but even local experience can’t be completely relied on.”

One pathotype of particular interest is similar, but not the same, to the Hereford race of yellow rust, which was initially seen in Sweden in 2015 at a low frequency.

The first time it has been detected in the UK, this strain has now been taken through for both seedling and adult plant resistance testing on Recommended List varieties.

That explains why there were no major changes to disease ratings on the 2020-21 Recommended List, with just three varieties slipping by one point. These include Zyatt, Bennington and Viscount.

“At UKCPVS, our first step is to identify populations changes,” she explains.

“From there, we then identify the risk associated with any changes, which means doing variety seedling and adult plant tests.”

Adult resistance

While there are only nine wheat varieties that have seedling stage resistance, there are many more which have adult plant resistance.

As the name suggests, this only operates at the adult plant stage.

“Adult plant resistance differs between varieties and seasons,” she adds.

“It’s not as well understood as seedling resistance and may also be influenced by environment and plant tissue.”

As a general guideline, she says that it is effective by growth stage 39, but stresses that the mechanism varies between varieties.

“Many growers aren’t prepared to take the risk of waiting for it to kick in.

"Given what we saw last year and what we have since learned, that seems very sensible.”

Varietal resistance

Wheat varieties with a 9 rating and no yellow rust at the seedling stage:

Costello

Crispin

Illustrious

Firefly

Jackal

Parkin

Saki

Siskin

Theodore

In the field

The later-drilled crops that many growers are dealing with this year may have a lower risk of septoria, but small plants are known to be more susceptible to yellow rust, warn agronomists.

The disease is already being found in fields, after a mild winter and plenty of green material to survive on, prompting discussion about the best way of preventing its spread.

“One of the most common questions we get from farmers is whether early-stage development yellow rust matters or not,” says Zantra’s technical director Chris Bean.

“After what they experienced with some varieties last year, that’s not easy to answer.”

Results from the company’s trials last year mean that he will be keeping a close eye on Zyatt, as well as being more cautious with Firefly, Gleam, Shabras, Spotlight and Dunston than before.

“There were differences in variety susceptibility between our trial sites, which emphasises the value of having information from local trials when it comes to managing varieties.”

For many of the late-drilled situations, the early T0 spray isn’t as relevant this year, he acknowledges, but there could be an exception when it comes to yellow rust.

“It might be important this season. We’ve previously seen good responses from a T0, even in a low disease year, where the results were driven by rust.”

Combined T0 and T1

If the T0 and T1 sprays are going to be combined, growers should consider adding a strobilurin to the azole/chlorothalonil mix.

“You may not need an SDHI, but the strobilurin will add in rust control and perform a greening function.”

Mr Bean's other point is that the lower leaf layers deliver more yield in more open crops, so looking after them becomes essential for protecting yields.

That is something that Dick Neale, technical director at Hutchinsons, agrees with, pointing out that there are crops that will only have five leaves this year.

“Small, backwards plants are going to have half the leaves that they normally would and the light will be able to get right down through the canopy.

“So you need to look after all of them as you can’t afford to lose any leaf.”

He also points out that juvenile plants get yellow rust and that adult plant resistance will arrive later in small, backwards crops.

“We’re in a situation now where we can’t rely on yellow rust ratings, especially where the variety is widely grown.

“For that reason, I am recommending a T0 spray this year, as rust is not difficult or expensive to control.”

Mr Neale advises an application of tebuconazole at growth stage 30, which he predicts will be early to mid-April.

“It’s cheap and effective. If you let yellow rust get in at the outset, you tend to be chasing it for the rest of the season.”

In-field early warning system

A suitcase-sized mobile laboratory using genomic techniques to determine what strain of yellow rust is present in the field has been developed at the John Innes Centre.

Known as Marple, it works by extracting DNA from an infected leaf and allows rapid diagnostics and surveillance of the rust pathogen, producing a result within two days.

As Diane Saunders explains, the technology is portable and can be used without electricity or the internet, with the back of the car proving suitable for its operation when trialled on farms in Ethiopia.

“Knowing what strain of yellow rust you are dealing with allows you to take the most appropriate action,” she points out.

“Previously, you had to wait two to three months for the results from any sample.”

Having real-time diagnostics is step forwards and the plan is to incorporate it into the UKCPVS work, speeding up the time taken to determine which varieties are likely to be affected by new races.

JOURNAL : Farmers Weekly

Government plans to reintroduce subsidies for onshore wind mean that farmers who had shelved plans to build a turbine should now look at reviving the idea, experts say.

This week, prime minister Boris Johnson rolled back a 2016 ban on subsidising onshore wind farms imposed by his predecessor, David Cameron, over fears about their visual impact on the landscape.

There will also be support for solar energy generation and energy storage, with payments coming in the form of fixed prices for electricity generated.

See also: Where now for renewable energy on farms?

Jonathan Scurlock, the NFU’s chief adviser on renewable energy and climate change, said the turnaround would send confidence throughout the embattled supply chain.

Many turbine manufacturers and suppliers have gone out of business in the intervening years, with new onshore wind capacity falling to its lowest level in a decade last year.

Softening in attitudes

The change, coupled with the desire in local government to contribute to solving the climate crisis, is likely to see a softening in attitudes towards new applications among planning officers, said Dr Scurlock.

Planning consent for onshore wind has long been a challenge for applicants as they require the consent of the local community as part of the application process.

“We are not going to overturn planning regulations, but I think we might see a little bit more leeway and liberal interpretation of national planning guidance,” he said.

The most profitable installations are likely to be larger turbines that generate between 25kw and 100kw and feed into the national power network, as smaller windmills have greater maintenance costs proportional to their output, he said.

These projects had been approaching break-even point in recent years without subsidy, but the high up-front cost of £100,000-£500,000 means government backing to guarantee energy prices will be very welcome.

Smaller, off-grid turbines that offset significant amounts of energy purchased at retail prices will also be attractive.

JOURNAL : Farmers Weekly

Travelling exotic and, at times, dangerous corners of the world was never something that Peter Burn imagined would be for him. He left school at 16 with the ambition of working on farms in Northumberland.

Fast-forward almost a decade and the farmer's son has explored 52 countries – the most recent being war-ravaged Syria.

He's found that his ties with farming have helped breakdown language and cultural barriers abroad, unlocking an immersive experience in foreign lands.

See also: Shropshire dairy farmer on his emotional overseas aid work

At school, Peter had a desire to carve a career in ***agriculture*** and found full-time work on a 800ha mixed farm near his family's livestock enterprise, just outside the market town of Morpeth, some 15 miles north of Newcastle upon Tyne.

It was only when he started to see fellow young farmers take off for work abroad that he began to ponder life overseas.

"I never really wanted to travel the world, but I really wanted to work out in New Zealand on a dairy farm," says the 25-year-old.

Having worked in most other farming sectors, Peter was keen to gain dairying experience and had heard about the impressive setups that some New Zealand farmers were running.

Flying solo

He boarded a one-way flight to the other side of the globe, finding work on a unit south of Christchurch on the country's southern island.

He spent the following six months milking, calving and driving tractors, all the while earning good money for a well-deserved month or two on the road exploring all the country had to offer.

After a further three-month stint working at a kiwi fruit orchard spraying and harvesting the trees, Peter's time working abroad was seemingly at an end.

"The initial plan was to work in New Zealand for a year and then come home," he says. "But I'd caught the travelling bug by then and that year just went so quick.

"Australia was just next door, so I started Googling for jobs and found there was so much work available for tractor operators."

It was well-paid work, too, with some shifts earning him the equivalent of almost £14/hour. This is where Peter's cycle of working hard, earning good money and then travelling a country to absorb its culture really got into its stride.

He landed a job at a 2,000ha beef and arable farm in the remote vastness of Western Australia, where the nearest pub was a two-hour drive away, then spent three months raking up silage for a contractor in New South Wales and even did a spell driving a 30t dumper truck.

"It's an addiction to always want to see more and more of the world," he explains. Even when he eventually decided to head back to the UK, he returned via Asia and was instantly captivated by Middle Eastern culture.

Sheep and snow leopards

Back at home, he's currently working for three farmers during the hectic lambing season and plans to visit Pakistan for a second time this June.

Having taken a 150cc motorbike for a grand tour of the mountainous northern region two years ago, he's itching to explore more of the country.

"I got this motorbike and took it up to the mountains, where there's a lot of livestock farmers with sheep and goats. I actually stayed with a farmer in his shepherd's hut and they do speak some English.

"I told him about how we had 2,000 sheep at home, and he said I must be a very rich man, because owning 100 sheep is means you're very wealthy in Pakistan."

Peter told the farmer how sheep in the UK are at risk of attack from foxes, showing him a photo because he had not heard of this creature. The farmer dismissed Peter's fox tale, explaining that his sheep are sometimes eaten by snow leopards.

"They says that music is an international language, and I think farming is too. It is a fantastic international connection," he says. "There are farmers in every country in the world and it has been fascinating to see how they work all around the world."

He encourages more farmers to travel the world, especially the younger generations, although he does accept that not everyone has the luxury of being able to leave the family farm for long periods of time.

"I'm lucky in that I'm not relied upon on the farm. I was inspired by my dad, but I was never told to do a certain thing. If you get the opportunity to travel, then you'll never regret it.

"It works really well for me and the farmers I work for because I'm around when they need an extra pair of hands and then I go travelling when they don't."

Peter is clear that this solo adventuring isn't something that he will continue past his youth, because he still dreams of running the farm. He has already laid the foundations of a return to life in rural Northumberland, founding a music festival called West Ben Fest on the farm four years ago.

"I love my home life, the farm and the countryside and I'm very much a local lad. I know there's a time coming when I will need to do more on the farm and my dream is to run an events business on the farm."

JOURNAL : Farmers Weekly

Young farmers in Cornwall are providing food deliveries and support to elderly and vulnerable people who are self-isolating over the coronavirus.

Members of the Probus Young Farmers’ Club (YFC) are offering to deliver food and essential items to vulnerable and isolated people who are opting to stay in home during the pandemic.

Sam Oatey, Probus YFC chairman, told Farmers Weekly: “Anyone who has elderly parents or grandparents knows that going 24 hours on your own is hard enough as it is. When you think that these people are going to go into isolation for the next few months, it’s absolutely hellish.

See also: Farm events rescheduled due to coronavirus

“We have seen other countries, such as Italy and Spain, have been hit hard by the coronavirus. It’s sad to think of what’s about to happen here. This is about bringing the club together and getting people involved – it’s all part of farmers’ values.

“If it costs me a couple of pounds to go to the shop and help elderly or vulnerable people, that’s fine.”

How the scheme works

Probus YFC has set up a helpline – 07722 591088 – which elderly and vulnerable people can call if they need assistance collecting and delivering urgent supplies, such as food, or other essential household items in the mid-Cornwall area.

Members of the 60-strong YFC team will then drive to the store, collect the paid-for items and deliver them to homes free of charge. All members use their YFC membership cards as proof of identity.

Mr Oatey said the club decided to act after learning that, due to panic buying, some local supermarkets were not taking orders on home deliveries any earlier than three weeks.

The club said it was looking forward to helping support the local community.

Finally, Mr Oatey urged the public to help support farmers by buying local. “British farmers are working very hard to produce enough food and drink for everybody across the country. It’s very important that we support them at this difficult financial time.”

**Load-Date:** March 20, 2020

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[***Treasurer hands down federal budget derailed by coronavirus pandemic - as it happened***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:610M-M011-JBNF-W0VT-00000-00&context=1516831)

The Guardian (London)

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**Section:** AUSTRALIA NEWS; Version:31

**Length:** 29251 words

**Byline:** Amy Remeikis (now), and Christopher Knaus and Calla Wahlquist (earlier)

**Highlight:** Labor 'inclined' to pass omnibus budget bill. This blog is now closedOne death and 15 new cases in VictoriaFollow the global coronavirus live blogFull Australian Covid stats ; Covid restrictions state by stateNSW cases map ; Vic cases mapSign up for Guardian Australia's coronavirus email

**Body**

block-time published-time 12.03pm BST

We are going to wrap up the live coverage for this evening and give you a chance to have a look at the news stories.

There is a lot more information in there - a lot more of the detail, and of course champagne analysis from Grogs and Murph.

And there will be a lot more to come tomorrow. We need to take a longer look at the budget papers ourselves - like Indigenous health spending, English language tests for partner visas and where the cashless debit card trials are going next. There are quite a few ideological measures hidden by that big headline debt figure.

And let's remember, the main take-away - no saving measures, which is understandable - but tax cuts and business write-offs are the big ticket headlines.

We have an old prescription to new and unforeseen economic ailments. And we're relying on a best case scenario to predict it won't get any worse.

This budget will pass quickly - it is all going as one omnibus bill - so everything gets wrapped up and done in one bill in the morning. Labor is "inclined" to pass it, even at this early stage and the Senate won't give the government any trouble over it.

And then?

We wait.

Once again, thank you for joining us. I'll be back tomorrow morning with more news, live. In the meantime - take care of you.

block-time updated-timeUpdated at 12.05pm BST

block-time published-time 11.56am BST

And from the Tax Institute:

The Tax Institute says that real reform is still needed.

"A good budget for the times, but there is more long-term work to be done," said Peter Godber, CTA, The Tax Institute President.

The Tax Institute Director of Tax Policy and Technical, Andrew Mills, CTA (Life), commented on various measures, including personal income tax cuts, the extension of the instant asset write-off and the increase in small business turnover threshold.

block-time published-time 11.54am BST

You know the English language test introduced for new Australians?

It will now also apply to partner visas.

enltrVery concerned to see the proposed English language requirement for partner visas in #budget2020. How is this relevant to Australian's choose to marry? Who was consulted about this change? What does it say about our multicultural society?

- Andrew Giles MP (@andrewjgiles) October 6, 2020

block-time published-time 11.49am BST

The Australian Academy of Science is not unhappy with the budget:

enltrThe Federal #Budget2020 is a significant response to the pandemic science crisis [*https://t.co/cQJ4Lfytnppic.twitter.com/mWrb88J5SU*](https://t.co/cQJ4Lfytnppic.twitter.com/mWrb88J5SU)

- Australian Academy of Science (@Science\_Academy) October 6, 2020

block-time published-time 11.40am BST

One of the most important takeaways?

That trillion dollar debt figure is if things go RIGHT.

As in - we get a vaccine, it gets picked up quickly, people get rehired, people begin to spend, trade picks up, the world starts to rebound, and we all start to feel more sunny.

A lot of things need to fall into place for all of that to work.

And if one doesn't, then, well, things get dragged out even longer.

While there is another budget in May, the longer people are out of work, the less money is in the economy, the deeper the scars and the longer it takes to get out of it all.

Just brace yourself, is all I'm saying.

block-time updated-timeUpdated at 12.06pm BST

block-time published-time 11.31am BST

Who are the budget winners? Grogs has you covered

Related: Who benefits most from the tax cuts in the 2020 Australian budget? | Greg Jericho

block-time published-time 11.29am BST

It doesn't really address the issue though, does it minister?

enltrOur commitment to the $5.2 billion Indigenous Advancement Strategy will see work continuing to reduce the rates of Indigenous incarceration, youth suicide, family and domestic violence; and to improve health, safety, wellbeing, education, employment and economic opportunities.

- Ken Wyatt MP (@KenWyattMP) October 6, 2020

block-time published-time 11.26am BST

Universities Australia has gotten around to sending their response:

Universities Australia chair Deborah Terry said:

The government has this evening added $1 billion to the nation's research effort, allowing universities to secure an important and continuing role in national recovery.

The sector's voice had been clearly heard.

You can't have an economic recovery without investing in research and development.

block-time updated-timeUpdated at 11.27am BST

block-time published-time 11.22am BST

Yeah, women haven't done too great in all of this either.

enltrA Govt so obsessed with high vis announcements that even their paltry offering for women involves enticing women to lean in to high vis, not fixing urgent structural problems in our care economy #auspol#budget2020pic.twitter.com/FtaKfLqov5

- Anika Wells MP (@AnikaWells) October 6, 2020

block-time published-time 11.21am BST

Mathias Cormann is now on Sky, where Paul Murray is pretending to understand the budget\*, where he says there is nothing wrong with people saving their money "for a rainy day".

I don't know how much harder it needs to rain. We're in the middle of a cyclone here - this is the rainy day.

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block-time updated-timeUpdated at 12.06pm BST

block-time published-time 11.19am BST

The Parenthood is also disappointed:

"The federal budget totally ignores the impact of the Covid-19 crisis on women and risks relegating a generation of Australian women into life-long economic insecurity and even poverty as a result," said executive director Georgie Dent.

"This is despite the fact women have been on the frontline of this pandemic, helping Australia navigate this crisis, as nurses, teachers, carers, cleaners and educators, and despite the fact that women have lost hours and full-time employment in far greater numbers than men, all while their unpaid work at home has soared.

"It is insulting and made worse by the fact the treasurer flagged $240 million, that is reportedly to be spent over five years, as a serious investment for women.

"The federal government cannot back up its claims of being focused on jobs while failing to design any female focused recovery efforts in this historic budget.

"If the government would genuinely like to support "job creation and entrepreneurialism" among women, as the treasurer claimed, why was childcare given just a single mention in his speech?

block-time updated-timeUpdated at 11.28am BST

block-time published-time 11.18am BST

Tim Costello from Micah Australia also has some thoughts - Australia is picking where its aid goes from the same pot:

This increased one-off support of $305 million for the Covid-19 response and recovery in the Pacific and Timor-Leste is good news for our closest neighbours whose economies and livelihoods are reeling from the pandemic.

But it comes at the cost of cuts to other programs, including aid to South and West Asia, Afghanistan, Africa and the World Food Programme.

This aid budget does not go far enough to address the greatest threat to global progress on poverty we have seen in our lifetime.

The World Bank predictions released this week suggest that by 2021 an additional 110 to 150 million people will have fallen into extreme poverty.

We've seen promising signs of Australia's generosity and leadership in the region; such as the $123 million committed for the COVAX initiative, but we are still to see an overall repair of the Aid budget.

block-time updated-timeUpdated at 12.06pm BST

block-time published-time 11.17am BST

The group that lobbies for community housing has also responded. Not surprisingly, they are disappointed. Because they get nothing:

The Community Housing Industry Association (CHIA) is disappointed that the 2020 Federal budget contains no plans to kick start the recovery through investing in social housing.

"The Master Builders construction forecasts have pointed to a 27% fall in home building, with massive implications for employment in an industry that supplies over 9% of Australia's jobs" said Wendy Hayhurst, CHIA's CEO.

"While the budget has some measures to support home builders, these are unlikely to be anywhere near sufficient to compensate for the drop in demand caused by zero migration and high rates of financial stress.

"While CHIA welcomes the $1 billion extension of the Commonwealth Government guarantee supporting the National Housing Finance and Investment Corporation's (NHFIC) lending but this on its own is insufficient to drive substantial new social and affordable housing construction.

"Our Pre Budget Submission proposal, the Social Housing Acceleration and Renovation Program (SHARP), would have delivered 30,000 high quality energy efficient homes for people in need, and secured great jobs for thousands in regions and towns across Australia."

She went on to say "Investing in social housing is the right thing to do now. There is almost infinite demand for the product; a build program can ramp up quickly - our members have already identified almost 12,000 units they could start in six months ; activity can be targeted where the economic impacts are most badly needed and it is creating additional activity - not simply bringing forward homes that will get built anyway"

block-time published-time 11.15am BST

The IPA wants the stage three tax cuts brought forward.

Those would be the ones that benefit everyone earning over $120,000.

Again, what's a six figure salary like? Asking for a friend.

block-time published-time 11.14am BST

As Paul Karp reported:

Related: Coalition MPs urge Scott Morrison to restore funding to auditor general

enltrAnd in the least surprising news of the night: the Australian National Audit Office didn't get the funds they need to function properly

- Nick Feik (@NickFeik) October 6, 2020

block-time published-time 11.13am BST

Aged and Community Services Australia has also responded:

"Measures that allow us to hire young people are good but we need more permanent measures given aged care has to triple our workforce by 2050," ACSA CEO Patricia Sparrow said.

"The home care injection is unprecedented and welcome. This is good bang for the buck, however, there will still be thousands of people waiting for the right level of support or any support at all.

"This budget also includes some other small and useful initiatives but the system needs a reboot not tinkering.

"The kind of financing and budget reform that is necessary to set up Australia for our ageing population means a total rethink - not just a series of announcements that prop up the current system.

"The Royal Commission will report in February next year and we will need to get serious reform and investment as a result if we are to make sure that older Australians can age with dignity in a rights-based service system," Ms Sparrow said.

block-time published-time 11.09am BST

That's the last of the conga line of reactions, Christopher Knaus tells me - at least physically.

Usually the stakeholders line up at what we call the boxes - where the mail is delivered in the press gallery, and one after the other, steps up to deliver the immediate reaction to the cameras.

This time round, they were at Old Parliament House and it was a bit of a mission to pass the Covid-safe requirements, so many of the usual faces have opted to just send out releases, or put videos on their social media feeds.

Not that there is a lot to say here. Tax cuts and business write-offs is basically all it is.

block-time updated-timeUpdated at 11.30am BST

block-time published-time 11.04am BST

Marc Purcell, chief executive of aid peak body the Australian Council for International Development, said the budget was mixed for Australia's foreign aid spending.

The government announced a one-off $304m increase in Pacific spending, to help the region deal with Covid-19.

That was welcomed by Purcell.

The news was not so rosy for other aspects of Australia's aid program. Little was done to improve aid spending in Asia, and spending actually declined in some areas of West Asia.

The government had also failed to increase spending to the World Health Organisation, despite the global pandemic.

"You'd expect in the biggest pandemic in a century, if we had an issue we wanted [the WHO] to address, we'd help them address it," Purcell said.

Cuts were also seen to the International Committee of the Red Cross, something Purcell described as "puzzling".

Purcell said, overall, the foreign aid program continued to decline. That reduced Australia's influence in the region, he said.

"A more unstable region is a more unstable environment for Australia to try to do business in."

block-time published-time 11.03am BST

Over on Sky, Kieran Gilbert asked Josh Frydenberg about the prediction that if a vaccine turns up six months early, it would add 1.5% to GDP gross.

So, Gilbert asks, - is the opposite true? If the vaccine is six months late, does it take 1.5% OFF GDP? ($34bn). If it is a year late, is that 3% off GDP? ($68bn)

Frydenberg does not want to say - the budget is happy to say what will happen if the vaccine happens on its predicted schedule, but not what will happen if it's all a little late.

Again, it will depend on the circumstances at the time we'll continue to update our forecasts at Myefo and the May budget.

... But right now, we have predicated, some of the assumptions in this budget on a vaccine being available across the country, by the end of next year

Two women work in a laboratory of Chinese vaccine maker Sinovac Biotech, developing an experimental coronavirus disease (COVID-19) vaccine. Photograph: Thomas Peter/Reuters

block-time updated-timeUpdated at 11.07am BST

block-time published-time 10.55am BST

Leigh Sales asked Jim Chalmers what his early thoughts on the jobmaker subsidy was:

Who can keep up with slogans, but if you are talking about incentives for hiring we do have a concern and the concern is this: There are 928 thousand Australians on unemployment benefits who are not eligible for the hiring subsidies. Too many people have been left out and left behind. Workers over 35, for example.

And when you think about the future for those workers there is no budgeted increase in the jobseeker amounts so it is back to $40 a day unless the government tells us otherwise.

Jobkeeper has been cut at the same time. So I think for those 928,000 workers they have been left out and left behind and left in the lurch and that's concerning.

Q: Josh Frydenberg just said the measurers were targeted and temporary and have to come off at some point?

Chalmers:

We made the same point, at some stage jobkeeper won't be necessary in the economy but it is too soon to cut jobkeeper. You think about the income tax cuts, an average worker will get $50 a fortnight at the same time millions of workers are losing $300 a fortnight with the cuts to jobkeeper, so we need to factor that in. Yes, at some point, jobkeeper will be tapered away, but you think about the weakness of the economy in Victoria, which you just profiled. I spent the first half of last week in Far North Queensland, which is doing it tough because of the closure of the international border, and it is too soon to bring it out of the economy especially with the government responding with a comprehensive plan.

It is being cut and it matters for the individual, and the [employer] that they work for, that $300 a fortnight is nothing to be sneezed at, hundreds of millions of dollars pulled from the economy before it is ready and it is too soon.

A generic view of an online job seeking site in Adelaide, Thursday, July 18, 2019. Photograph: David Mariuz/AAP

block-time updated-timeUpdated at 11.45am BST

block-time published-time 10.53am BST

Some more reactions

enltrCOMMENT 2/2: "The simple fact is Australia's foreign aid budget is insufficient for the strategic purposes we need it to perform at this time." @PaulDRonalds#Budget2020#AustralianAid#Auspol

- Save the Children Australia News (@SaveAusNews) October 6, 2020

block-time published-time 10.49am BST

Jim Chalmers is also asked if Labor is going to deliver some payback to the government, given the Coalition's response to the GFC spending:

Two points about that. First of all, the government has racked up a trillion dollars of debt and still we have got unemployment too high for too long. A trillion dollars in debt and no vision for the future.

Still too many people left behind and not undoing the damage of the last seven years of mismanagement.

So the point that we will be making is you would think we could get more bang for buck for the trillion dollars of debt they have racked up. The history wars will continue to be fought, of course.

The point I would make about that is we have been consistent throughout. There is a role for government when the economy is weak as it was a decade ago and as it is now for the government to step in and support jobs and people in their communities. We have been consistent on that. The government hasn't.

block-time updated-timeUpdated at 11.20am BST

block-time published-time 10.48am BST

Labor 'inclined' to support tax cuts

Jim Chalmers is next up on 7.30.

He is asked if Labor will support the tax cuts. Previously, Labor had a problem with the third stage, which is not included in this budget, which looks like it clears the way for Labor to support it:

We will support income tax cuts for low- and middle-income earners and have said for some months we will support that. We now are told by media, actually, there will be one bill with all the business tax measures in it as well.

We are inclined to support those. But we only saw them for the first time a few hours ago.

One of the measurers alone cost $27 billion. So we will go through the detail of it and make sure that's the right and responsible way to spend so much money. We are inclined to support it but I think people will understand we will also take a bit of time, whatever time we have available to us, to go through the details and make sure we are getting bang for buck for an extraordinary amount of money.

block-time published-time 10.46am BST

Jennifer Westacott, chief executive of the Business Council of Australia, has praised the government for its budget, saying it achieves it main goal: job creation.

Westacott said the budget is precisely what was needed during the current crisis, saying it would "inspire" and "build hope".She praised the budget's wage subsidy scheme, infrastructure spending, cutting of red tape, and the direct injection of money into people's pockets.

Westacott said the budget "puts the private sector back on top" and allowed it to drive job creation and economic growth.

"It had a very clear task. It is a crisis we are in," Westacott said.

"It's job was to get people back to work...the budget does that."

block-time published-time 10.45am BST

Marise Payne has also announced $55.5m for security upgrades across Australia's diplomatic network.

The foreign minister's press release said this would include "sustainment of the government's armoured vehicle fleet, security upgrades to buildings including embassies and residences, and increasing the number of security personnel".

Not mentioned in the release - but also interesting - is that the government has earmarked $25m in initial funding over two years in connection with the proposed foreign veto laws.

This is the proposed scheme allowing the foreign minister to review and potentially cancel or prevent certain international agreements including state, territory or local governments or universities if they are deemed to go against Australia's foreign policy.

Universities have used an ongoing parliamentary inquiry to argue the scheme will impose significant administrative burden for both the higher education sector and Dfat.

The budget papers say the $25m in funding will "support the review of existing and prospective arrangements between state and territory governments and foreign governments to ensure consistency with Australia's foreign policy".

block-time updated-timeUpdated at 10.49am BST

block-time published-time 10.45am BST

John Falzon, of the Per Capita think tank, said the budget, through its reliance on tax breaks and deregulation, was typical of a neoliberal "trickle down" approach to economics.

"Tonight's budget is a triumph of ideology over common sense, over the common good," he said.

Falzon was particularly critical of the lack of support for social housing and the absence of an investment in First Nations communities. He described the budget as heartless and one that will boost inequality.

block-time published-time 10.44am BST

The government says it will provide $305m over two years to help Pacific Island countries and Timor-Leste to recover from the "severe" impacts of Covid-19.

According to the budget papers, this funding will assist governments across the region to provide essential services, including public health services, while also improving food security and working to "re-establish and sustain air connectivity".

There's also $23m earmarked for the Department of Foreign Affairs and Trade "to support development of national immunisation policies in the Pacific, Timor-Leste and several Southeast Asian countries to ensure the effective delivery of Covid-19 vaccines when these become available".

The foreign affairs minister, Marise Payne, said Australia was also providing $80m to support the Global Alliance for Vaccines and Immunisation COVAX Facility Advance Market Commitment to improve vaccine access for the region.

In a statement, Payne said Covid-19 was having "a profound impact on our region".

"The growth, openness and stability of the Indo-Pacific, which has underpinned Australia's prosperity and security for decades, is challenged by these impacts."

In the defence portfolio, the budget also shows the government is set to spend $124m over 10 years on security infrastructure in the south-west Pacific. This will include construction of a border and patrol boat outpost in Solomon Islands' western provinces.

block-time updated-timeUpdated at 10.48am BST

block-time published-time 10.43am BST

Chris Richardson, of Deloitte Access economics, stuck an upbeat tone after the budget. He said the nation faced a "massive hangover" from the Covid-19 crisis. But he noted reasons for optimism.

Debt was up, but the interest payments the budget forecasts over the forward estimates remained stable, due to low interest rates. He also noted the positive economic growth the budget forecasts from late 2021 onwards.

That growth is predicated on a range of assumptions - that case numbers will be contained, a vaccine found, internal borders reopened, and international students return.

Richardson said those assumptions were reasonable.

block-time updated-timeUpdated at 10.48am BST

block-time published-time 10.43am BST

The interview ends and Josh Frydenberg heads down the hallway to the Sky studio.

At least he's getting his steps up, after that vanilla slice.

block-time published-time 10.42am BST

Leigh Sales: The Coalition's principles for years and years is a surplus is a sign of economic competence and this, your response over the crisis, which I am not arguing is incorrect, proves the validity of what Labor did during an economic crisis?

Josh Frydenberg:

The reality, is unless you are disciplined fiscal managers and you get the budget into a position of strength, you can't respond on a rainy day. And the fact is we did get the budget into a much better position than what we inherited, and that gave us the ability to respond as we have today. And our measures have already saved some 700,000 jobs and tonight's budget will see the creation of nearly a million new jobs over the future years.

Sales: Treasurer, last year in this same interview you were prematurely claiming credit for the budget being back in the black. Will you ever deliver a surplus as treasurer?

Frydenberg:

I'm not putting a date on that. The reality is we printed a series of deficits tonight and at a higher debt burden but this has been the heavy price to save lives and livelihoods, we had no other alternative but to spend as we have and it has helped make Australia a stronger nation and helped see Australia come through this crisis nearly better than any other developed economy across the world.

block-time updated-timeUpdated at 11.19am BST

block-time published-time 10.41am BST

Oh if they have set themselves some principles then everything is going to be JUST fine.

block-time published-time 10.39am BST

Josh Frydenberg is now trying to explain why it wasn't responsible for Labor to spend money to keep Australia out of recession during the GFC, but it is the right move now.

It is something.

Leigh Sales: Net debt this year is going to be $703 billion, by June 2024 it will be a trillion. In the 2008-9 global financial crisis and the years after the Coalition then attacked the then Labor government on the grounds that debt and deficit were signs of incompetence and mismanagement. Why shouldn't I apply the same argument to you?

Josh Frydenberg:

We haven't baked in spending...

Sales:

No, I'm asking about the use of fiscal policy.

Frydenberg:

I am responding to that directly. We have spent 90% of the money in the budget over two years. The second point is the GFC saw the global economy tract by 0.1%. This year the OECD is expecting the global economy to contract by 4%. You can't compare it.

Sales:

Yes, but Labor's largest deficit was $54 billion and yours is four times that?

Frydenberg:

Because of the finances we delivered the first balanced budget and we saw it go down from 5.7%.

Sales:

But treasurer, everyone will remember for years and years the Coalition went on about Labor's debt and deficit, building up debt was a sign of economic incompetence and mismanagement. Everybody remembers that and now you are doing that as a form of responsible economic management?

Frydenberg:

Again, they baked in spending and spent it on pink batts.

Sales:

But you're not addressing the principle I'm talking about. Isn't the reason I shouldn't make the argument it was always dishonest and cynical as you are proving?

Frydenberg:

I think you are being cynical today. To be honest we are dealing with a once in a century pandemic. Australia's GDP has fallen by 7% in the June quarter, a record amount. If you turn to New Zealand, it's fallen by more than 12%. If you turn to France, it is around 14%. If you turn to the United Kingdom it is by more than 20%. Our net debt to GDP, even after all the spending in this budget will peak at 44%. Less than half of other comparable...

Sales:

Treasurer, I am just trying to get the facts for the Australian public and look back historically. Can we treat the Australian public like adults, can we agree using debt deficit to cushion the fiscal...

Frydenberg:

We have always been responsible.

Sales:

It was responsible when Labor did it and responsible when you are doing it today, it is a legitimate tool?

Frydenberg:

It sits side by side with monetary policy. When it comes to monetary policy during the GFC, it was able to fall by 425 basis points, $125 billion stimulus. During this crisis, because the cash rate was already low it could only fall by 50 basis points and it fell to fiscal policy to respond. We have and have done so responsibly and have set ourselves a bunch of principles that we have been consistent with, namely that our spending has been targeted, proportionate, temporary and using existing systems.

block-time updated-timeUpdated at 11.10am BST

block-time published-time 10.34am BST

Why is the jobmaker labour payment capped at employees no older than 35?

Josh Frydenberg:

We settled on 35, because young people have been particularly impacted by this crisis, and also because of the history of previous recessions in Australia; in the 1980s and 90s, it took a while for jobs to come back.

So why take jobkeeper off so early?

Frydenberg:

There is a record amount of spending but also important supply side structural reforms. The most significant changes to insolvency in 30 years, the changes to the provision of credit will also help spur activity.

What we're doing in our manufacturing strategy, of course, energy is a vital input into job creation for so many industries and of course we're pursuing more flexible work places.

All those are helping to create a stronger economy. Jobkeeper was temporarily targeted and, at $101 billion, the most significant and successful program any Australian government has undertaken in an environment such as this.

Q:

Isn't it incredible that unemployment would be under 6% in the forward estimates of four years in the back of the worst recession in 100 years?

Frydenberg:

This is best forecast in the estimates available.

But this is for the shock and demand side. Because of health restrictions you haven't been able to go to the local restaurant or cafe or a holiday destination. People's savings ratio has gone up and it will come down over time and once we have the virus under control, and we are doing very well outside of Victoria, and in Victoria the numbers have come down recently, once you suppress the virus you can ease restrictions and it creates jobs.

block-time updated-timeUpdated at 11.13am BST

block-time published-time 10.32am BST

Leigh Sales:

On the point about economic support, given the extremely uncertain environment you acknowledge, why have you set dates to abolish jobkeeper and jobseeker, rather than waiting to see what the relevant economic ***data*** shows over the next few months. Wouldn't flexibility be more prudent?

Josh Frydenberg:

Well, the first thing to say is that jobkeeper and jobseeker are substantial programs but not the only [programs] we have put in place, we have a $30 billion cash flow boost supporting the cash flow of small businesses and tonight we have announced a whole series of other incentives.

Sales: But can you address that point about flexibility?

Frydenberg:

In context of jobseeker, we have said we will make a decision about that level of payment closer to the end of the year when we have a better sense of the labour market dynamics. With jobkeeper, we have extended it for six months. But programs like the jobmaker hiring credit will be very important in the transition away from that.

Sales:

But you are relying that people feel confident to hire somebody. Businesses might go, I don't want an extra person on staff?

Frydenberg:

These will be difficult decisions for businesses but we are making it easy for them to take that decision to hire someone. We are also investing record amounts in apprenticeships, $4 billion. but it is to keep current apprentices and to attract 100,000 new apprentices.

We have 150,000 short courses in specified areas where there are job needs and having created a $1 billion Job Trainer Fund with 340,000 training positions, so there is a whole suite of measures designed to boost the employability of Australian workers and to encourage businesses to take them on.

Sales: Wouldn't it be a case for Victoria, specifically, to have jobkeeper extended beyond the March date?

Frydenberg:

Well, again, Victorians are benefitting most from the government's decision to extend jobkeeper. Around 60% of those on jobkeeper in the December to March quarters are expected to be in Victoria. We have put out around $28 billion to Victoria through a range of measures and Victoria made their own announcements. If you are receiving JobKeeper you have retained a job, which is important to understand. What we have sought to do is create a series of incentives and make a series of investments that are designed to create more jobs. 40,000 jobs with our infrastructure rollout. 50,000 jobs with our income tax cuts. Another 50,000 jobs with the loss carry back measure and immediate expenses. Treasury believes nearly 1 million new jobs will be created by the measures in this budget and what is happening across the economy over the next few years.

block-time updated-timeUpdated at 11.17am BST

block-time published-time 10.28am BST

Besides, Josh Frydenberg says, the budget could be even more optimistic.

It could have served up a cake filled with rainbows and smiles that everyone would eat and be happy.

Frydenberg:

The Treasury papers outline a couple of other scenarios that may be better cases. So we could get access to the vaccine earlier than is laid out in the budget papers, and will lead to a $34 billion boost to the economy. So there is a great deal of uncertainty. These are projections. These are forecasts, these are made during a once in a century global pandemic. But there is a clear path back to jobs and employment for hundreds of thousands of Australians.

You see that as the unemployment numbers come down over time and you see that as a result of our economic support provided in this package of measures.

block-time updated-timeUpdated at 11.18am BST

block-time published-time 10.26am BST

Josh Frydenberg interview

The treasurer is up on 7.30 - and is asked about the "incredible fragile foundation" the budget has been built on.

Some of those assumptions, are in here

Related: Less Thatcher, more vanilla slice: Frydenberg's 2020 Australian budget packs a sugar hit | Amy Remeikis

But Josh Frydenberg thinks it is all cool beans, despite the entire budget being built on best case scenarios.

There is great uncertainty, unprecedented uncertainty in the economic environment not just here in Australia but globally right now.

As you know, the company was on a trajectory for a speedy recovery until we saw the second wave of cases in Victoria.

Victoria representing one-quarter of the national economy, has hit it hard and that hit GDP in the September quarter by up to $14 billion alone.

We have made a set of assumptions based on the evidence available to us. As you know, the states are working with the Prime Minister to lift borders by the end of the year, we have said that Western Australia's border will not open until April and as for a COVID vaccine, we are doing everything possible, both with our researchers near Australia but linking into the global supply chains to ensure that Australians have access to it next year.

block-time published-time 10.22am BST

Independent MP Zali Steggall doesn't think the budget goes far enough:

"It is time to be brave and bold and secure our economic future to aim for gold," she said.

"Instead, Australians are getting record debt and spending on 'business as usual' measures that will not put Australia on the podium."

"The government is spinning this budget as a 'big spend' when it is really a drop in revenue and no major investment," she said.

"The main beneficiaries will be large construction companies capable of tendering on large infrastructure projects."

"The biggest single measure in this budget, $26.7 billion, focused on encouraging businesses to invest freely through full asset write offs, is another positive step to get money flowing. Similarly bringing forward the personal income tax cuts will cut $17.8 billion from Government revenues, giving it back to individuals."

"These two measures represent nearly a quarter of this budget and they are based on big assumptions that businesses and individuals will spend."

"While I support the tax cuts to both businesses and individuals, as the Governor of the Reserve Bank has said, we need deeper reform. Yet this budget continues to be shackled by the Government's unwillingness to step up to the challenges that we face."

MP Zali Steggall wears a face masks as he enters the House of Representatives at Parliament House in Canberra. Photograph: Lukas Coch/AAP

block-time updated-timeUpdated at 10.34am BST

block-time published-time 10.21am BST

You can put the climate in the list of "losers" in the budget winner and losers tally though.

There is not a lot in there. There is, however, quite a bit on gas expansion.

block-time updated-timeUpdated at 10.25am BST

block-time published-time 10.20am BST

Adam Bandt has some thoughts on the budget

enltrNow - the Treasurer is talking about drought. Straight after committing to make the climate crisis worse.????? #Budget2020

- Adam Bandt (@AdamBandt) October 6, 2020

block-time published-time 10.18am BST

Ian Henschke, of National Seniors Australia, has slammed the government's budget. The budget funded only an extra 23,000 home care place over four years. Henschke said that was nowhere near what was needed to address what was a massive problem.

He said 30,000 people died waiting for a home care package last year. The aged care royal commission, he said, was set up by the Coalition to "restore faith in a broken system".

Scott Morrison had done nothing in this budget to restore that faith, he said."This will only do a little bit to help what is a massive problem," he said.

He said he could only hope the findings of the royal commission in February would be the trigger for a massive investment in aged care.

We'll be holding Scott Morrison to his promise to fix the aged care system. This particular budget does not appear to have done this."

The entrance to Florence Aged Care Facility is seen amid the second wave of the coronavirus disease (COVID-19) in Melbourne. Photograph: Sandra Sanders/Reuters

block-time updated-timeUpdated at 10.34am BST

block-time published-time 10.18am BST

For those looking for attorney-general spending (the courts)

$35.7m in additional resources and judges for the Federal Circuit Court (FCC) to ensure timely case hearings for migration and family law cases, funded by increases to FCC migration application fees.

$35.3m in increased temporary resourcing for the Fair Entitlements Guarantee program.

$7.7m for upgrades to the Launceston and Rockhampton FCC registries.

$5.1m for the Fair Work Commission to meet demand arising from COVID-19 and ensure workplace disputes are resolved as quickly as possible.

$4.8m for the Family Violence and Cross-examination of Parties Scheme.

$2.5m to allow the federal family law courts to continue to hear urgent matters through a specialist COVID-19 List.

$2.5m to transition the Family Court of Western Australia to a new case management system.

$1.8m to implement criminally enforceable federal family violence orders (FFVOs).

block-time published-time 10.15am BST

Josh Frydenberg has finished his speech.

He is on his way to the ABC studio for the traditional 7.30 interview.

We'll bring you the best of that, live

block-time published-time 10.14am BST

And then there are also things like this:

enltrCashless Debit Card moving beyond a "trial" to become "ongoing" in Ceduna, East Kimberley, Goldfields and Bundaberg/Hervey Bay region. #auspol#Budget2020

- Luke Henriques-Gomes (@lukehgomes) October 6, 2020

block-time published-time 10.13am BST

Acoss CEO Cassandra Goldie said

While the Budget provides some glimmer for hope on jobs for young people, it comes as a crushing let-down for many others without paid work.

The Federal Budget has also missed key opportunities for job creation initiatives that would have delivered public good, particularly in female-dominated sectors, instead focussing on projects that will take longer to get off the ground.

Dr Goldie said the Federal Budget had failed to deliver a permanent, adequate JobSeeker rate.

It leaves more than two million people receiving higher income support uncertain about their future beyond the end of the year, when rates will go to their pre-covid levels, which for JobSeeker is $40 a day. People on temporary visas also receive no income support in this budget.

The extra funding for aged care is welcome, including 23,000 aged care packages, but this falls far short of what is required to meet demand. There is some extra funding for community services, including mental health services, but again, it is insufficient to meet what is required."

block-time published-time 10.12am BST

Josh Frydenberg has four bottles of water in front of him.

Last time Frydenberg delivered a speech on the economy - the budget update - announcing Australia was in recession - he almost choked to death on a frog in his throat.

And then he had to leave the chamber to go take a Covid test (it was negative)

Obviously, he is taking no chances this time round, hence the equivalent of a horse trough in front of him.

The treasurer Josh Frydenberg delivers the 2020 budget in the house of representatives chamber of Parliament House in Canberra this evening. Tuesday 6th October 2020. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 10.15am BST

block-time published-time 10.08am BST

Why is this important?

enltrHere's something for Treasury/RBA watchers Treasury thinks it will take "about 5 years" for inflation to return to 2.5% & the unemployment rate to decline to 5% It thinks the NAIRU's back up to 5% (so without a genuine full employment plan it'll be a long, painful road)

- Gareth Hutchens (@grhutchens) October 6, 2020

Because it tells you when your interest rates are likely to go back up again.

And according to this, it is going to be quite some time.

block-time published-time 10.06am BST

This is only because every country we used to send our garbage too, stopped taking it - and started sending it back

Or you could believe that we just suddenly love taking responsibility for our trash.

enltrThis Budget will invest $250 million to modernise our recycling infrastructure, stop more than 600,000 tonnes of waste ending up in landfill and by doing so help to create a further 10,000 jobs.

- Liberal Party (@LiberalAus) October 6, 2020

block-time published-time 10.02am BST

Tony Maher, of the National Farmers Federation, has welcomed the budget as a "good budget for farmers, a good budget for rural and remote communities".Maher said the $7bn funding for infrastructure was welcome, as was a pledge to streamline export certification.

Maher was particularly pleased with $6,000 incentives to bring workers to the regions, which he said would help "open the door" to regional Australia and jobs in ***agriculture***.

block-time updated-timeUpdated at 10.03am BST

block-time published-time 10.01am BST

The gas and oil lobby group loves it too!

APPEA Chief Executive Andrew McConville said the 2020 Budget acknowledged investment is a central pillar to recovery and the oil and gas industry has a clear plan to support the government in driving job creation, skills development and promoting domestic spending and investment across all industries.

"The Budget, together with the government's previous announcements on energy and technology, recognises the pivotal role of Australia's oil and gas industry in providing energy security for homes and businesses and making a sustained contribution to government revenues," Mr McConville said.

Australian Treasurer Josh Frydenberg is seen inside the Budget lockup ahead of handing down the Budget 2020/21 at Parliament House, in Canberra, Australia, 06 October 2020. Photograph: Lukas Coch/EPA

block-time updated-timeUpdated at 10.10am BST

block-time published-time 9.59am BST

Let's get into some of the reactions:

In shocking news you may need to sit down for, the Business Council of Australia really loves this budget. It's amazing what letting businesses write off practically every asset they buy and backdate their losses will do.

This is the right budget at the right time,'' Business Council of Australia chief executive Jennifer Westacott said.

"This budget is about getting Australians back to work and getting businesses back on track. Decision by decision, step by step we are investing in the future and rebuilding the economy.

"The budget goes a long way to restoring hope and giving us confidence that we can come back stronger and better than before as we combat an unprecedented global downturn.

"By shifting from emergency support to targeted spending, the budget will help employers get back to business and get on with urgently creating the new jobs needed for the recovery.

Chief Executive of Business Council of Australia Jennifer Westacott. Photograph: Bianca de Marchi/AAP

block-time updated-timeUpdated at 10.02am BST

block-time published-time 9.56am BST

Josh Frydenberg is still delivering the speech.

He is using his very 'deliberate' voice. Every word weighs about as much as I do, and as my mother always said, I am a substantial girl.

But essentially, it all boils down to the Afterpay budget - we are buying debt now, to pay for it later.

As Murph reports:

The $98bn of spending and business concessions outlined in Tuesday night's budget will see the deficit reach $213.7bn this year. Net debt is also forecast to peak at a record $966bn or 44% of GDP by June 2024.

Federal budget 2020: Coalition banks on $98bn injection to jolt Australia's economy back to life

The treasurer Josh Frydenberg delivers the 2020 budget in the house of representatives chamber of Parliament House in Canberra this evening. Tuesday 6th October 2020. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 10.37am BST

block-time published-time 9.50am BST

And that is about it.

block-time published-time 9.48am BST

First home owners

The first home loan deposit scheme (where the government essentially acts as guarantor) will be extended with an additional 10,000 places allotted in 2020-2021.

A real estate poster in the Eastern Suburbs of Sydney. Photograph: Carly Earl/The Guardian

block-time updated-timeUpdated at 9.52am BST

block-time published-time 9.48am BST

Aged care

After horrendous deficiencies were highlighted in aged care during the pandemic, the government is spending $1.6bn on an additional 23,000 home care places - but given there are more than 100,000 Australians on the waiting list, the 23,000 additional packages don't seem enough. It can never be enough.

On other parts of the sector, Lisa Cox reports there will be more spent on additional staff and training:

Greg Hunt said on Tuesday there would be an extra $81m for additional staff and training, on top of $101.2m the government announced for this purpose in March.

The health budget comprises $467bn in overall spending over four years, $16.5bn of that makes up the emergency response to the pandemic.

The government says it will increase funding for hospitals by $33.6bn over the new five-year national health reform agreement and provide $5.7bn for mental health, including already announced funding to double the number if Medicare-funded psycholology sessions from 10 to 20.

Hunt said the budget would fund the government's ongoing response to the pandemic and "helps chart the road out", with aged care "a particular focus".

Total funding in aged care will be $23.9bn over the forward estimates - an increase of $2.2bn Hunt said - including the $1.6bn for home care packages.

Minister for Aged Care Richard Colbeck at a press conference at Parliament House in Canberra, Monday, August 31, 2020. Photograph: Mick Tsikas/AAP

block-time updated-timeUpdated at 9.58am BST

block-time published-time 9.47am BST

Pensioners.

Pensioners missed out on an indexation increase because, well, the nation is in recession. Scott Morrison tried to announce some good news in question time, but he was shut down - mostly because the answer had nothing to do with the question.

But now we have learned what that news was - it is a $250 cash payment for pensioners by the end of the year and then another $250 payment in March. These payments will also be available to other eligible social service beneficiaries.

The next budget, barring another disaster, or, even worse, an early election, will be back in the first week of May, so there won't be too long to wait beyond that to learn what else is coming.

block-time published-time 9.46am BST

Universities

Universities get a research boost, with $1bn injected into the research sector. The government is also going to fund an additional 50,000 online short courses to upskill workers and help the unemployed- in teaching, health, science, information technology and ***agriculture***, spending $251.8m between now and June 2022.

But wait, there's more. As Elias Visontay reports:

In addition to the $1bn for research projects, the government will also spend $5.8m between now and June on a "scoping study of potential options to accelerate the translation and commercialisation" of non-medical research, with a priority on "new partnerships between universities and industry and opportunities for investments".

This is part of an effort to "reform" the way the cost-intensive university research has traditionally been funded in Australia, away from a reliance on the higher fees paid by international students and towards commercial partnerships.

That should absolutely make up for all the cuts. Totally and absolutely.

Charles Sturt University. Dubbo, NSW. Photograph: Carly Earl/The Guardian

block-time updated-timeUpdated at 9.50am BST

block-time published-time 9.46am BST

Jobmaker hiring credit

Remember Jobmaker? It was an umbrella term to cover a bunch of existing programs designed to create jobs. Or, as Murph would say, a slogan in want of substance.

Well, now it has it's very own labour hire credit!

Businesses will be paid up to $200 a week to hire young Australians (a measure the budget costs at $4bn) in a bid to reverse an increase in youth unemployment. Turns out all those babies Peter Costello paid Australians to have are entering a pretty depressed labour market - and, along with my cohort of millenials (fist bump) are bearing the brunt of the downturn.

Afterall, it will be the younger generations who pay this stuff off, and the younger generations who will see less wage growth as they do it.

Under the program, businesses who hire a younger worker who was previously on jobseeker (formerly Newstart) will receive up to $200 a week for their wage.

The hiring credit will be paid at the rate of $200 per week for hiring people aged 16 to 29, or at $100 per week for 30- to 35-year-olds. Employees can receive this hiring credit for 12 months. The scheme begins on Wednesday, the day after the budget.

There needs to be at least 20 hours of work a week for the new hire for the business to be eligible. Oh, and the banks don't get it.

Treasury estimates that this will support around 450,000 jobs for young people.

That's on top of the previously announced government subsidy to pay half the wages of 100,000 new apprenticeships and traineeships.

But it also raises questions about what will happen to jobkeeper and the covid supplement for jobseeker. It is not confirmed by the budget papers, but it looks like it will just be replaced (jobkeeper has been extended to March, but there is nothing so far, beyond that)

block-time published-time 9.45am BST

Instant asset write off

This is an old program which has been supercharged.

Businesses will now be able to write off the full value of ANY assets they buy and use losses up until June 22 to cut down on more than $30bn in tax.

That is going to cost the government $26.7bn.

But Josh Frydenberg thinks the cost is worth it, claiming it will create 50,000 jobs over the forwards.

As Paul Karp explains:

Businesses with a turnover of less than $5bn - all but the top 1% - will be able to deduct the full cost of capital assets purchased after budget night and first used or installed by 30 June 2022.

Small and medium businesses will also be able to apply "full expensing" to second-hand assets; businesses earning $50m to $500m will be able to do so for assets of less than $150,000.

Under new provisions the government will allow companies to carry back losses from the 2019-20, 2020-21 or 2021-22 income years to offset previously taxed profits in 2018-19 or later years. This can generate a refundable tax offset that can be claimed this financial year or next.

block-time published-time 9.41am BST

Tax Cuts.

OK, this is not simple. Paul Karp has broken it down for me. Basically, the stage two income tax cuts, which were legislated to begin in 2022 will be brought forward to this financial year (as reported) and backdated to July, so households get an instant spend boost.

If you are earning $120,000 or over, first of all - congratulations - what's that like? Secondly, you'll get the biggest benefit from those stage two tax cuts because your earnings between $90,000 and $120,000 is taxed at a lower rate - 32.5%, rather than 37% - and that is permanent.

Imagine you are earning $90,000. Last year, you would have got the low and middle income tax offset - $1080. You'll get that again - but just for one more year. Then the LMITO is scrapped, because you'll then benefit from tax brackets being raised.

The government has now increased the 19% tax threshold from $37,000 to $45,000 permanently - so you are taxed less on any earnings up to $45,000 - for someone on $90k that works out to exactly $1080.

The exterior of the Australian Government Taxation Office in Sydney. Photograph: April Fonti/AAP

block-time updated-timeUpdated at 9.48am BST

block-time published-time 9.41am BST

The sweeties - what are the measures?

Ok, so what are the sweeties in the budget, which are going to bring about this amazing recovery?

Let's go through them. Bear with me - they aren't easy to distill in short blog posts - and I recommend you read the accompanying news stories, because they do a much better job of going into the detail, but if you are looking for a bit of a whoosh-whoosh to the budget stimulus measures, stand by.

block-time published-time 9.40am BST

Vaccine

The government has created this budget on the presumption a vaccine will be made by next year. Not only made, but effective, and freely and widely available. That's pretty optimistic, according to health experts who think it would be pushing it to have a vaccine created by the end of next year, let alone distributed to enough people to see the world return to some semblance of normalcy.

But the government apparently sees that vaccine vial as half full.

A "population wide" vaccine is assumed to be "fully in place" by late 2021.

As an aside, we are spending $2.3bn in Covid-19 treatments and vaccines

block-time published-time 9.40am BST

Borders

Speaking of the borders, the budget doesn't say when Australia will re-open them. But it does give a hint, by laying out what it expects in terms of international visitors. Treasury predicts international visitors are "expected to remain low through the latter part of 2021, after which a gradual recovery in international tourism is also assumed to occur".

If Treasury thinks international visitors, which dropped by 98% between April and July when compared to the same time last year, will remain low, it expects the borders to remain closed into the second half of next year.

Also on borders, all state border restrictions currently in place are expected to be lifted by the end of this year - except for WA, which is expected to remain closed until April 2021.

Motorists are seen approaching a checkpoint at Coolangatta on the Queensland- New South Wales border. Photograph: Dave Hunt/AAP

block-time updated-timeUpdated at 9.42am BST

block-time published-time 9.40am BST

Population growth

This shouldn't surprise anybody, given the borders are closed and Australia has relied on migrants to aid its population growth for quite some time now, but our population is slated to grow by its lowest rate in more than 100 years - just 0.2% this financial year.

It's mostly because the borders are closed - but it's also because people are feeling uncertain - and who wants to bring a baby into an uncertain future?

Most of us apparently - the total fertility rate is expected to drop from 1.69 babies per woman to 1.58 in 2021-22. So we are barely making one, let alone one for mum, one for dad and one for the country.

block-time published-time 9.39am BST

Inflation

It's weak, even, as Treasury says, by historical standards.

As Daniel Hurst reports:

After declining by 0.3% in 2019-20, the consumer price index is set to rise by 1.75% in 2020-21 and 1.5% the following year. CPI probably won't return to the bottom of the RBA's target band of 2% to 3% until the end of the forward estimates in the budget period.

block-time published-time 9.39am BST

Wage growth

You should be used to this by now - it's weak. If history is anything to go by, it'll be weaker than treasury is predicting though, and at 1.25% in this financial year and 1.5% in the next financial year, that's not exactly great to start with.

block-time published-time 9.37am BST

Unemployment

Treasury expects unemployment to hit 8% before the end of the year.

It's not a surprise, as Anne Ruston forewarned it would not feature, but there is nothing about the Jobseeker covid supplement extending beyond it's slated December expiry in the budget (that doesn't mean it won't happen, just that if it does, the government will have to change a few things

People queue up outside a Centrelink office in Melbourne. Photograph: William West/AFP via Getty Images

block-time updated-timeUpdated at 9.40am BST

block-time published-time 9.37am BST

GDP

Surprise! GDP is anticipated to bounce back - the budget has the economy in 2021-22 will 'rebound' at a rate of 4.75% - the fastest this century - and faster than during the mining boom - and that is after a fall this financial year of 1.5% - the worst since the 1983 recession.

block-time published-time 9.36am BST

Budget deficit

They said it would be high - here's just how high - $213.7bn in the 2020/21 financial year, the highest underlying cash deficit since the second world war. That is about 11% as a share of the economy.

Deficits are forecast for the next decade.

You won't be having another election campaign on deficit vs surplus for quite some time.

block-time published-time 9.36am BST

Debt

Net debt will increase from $491m in the last financial year to $703bn, or, as Daniel Hurst has pointed out to me, 36% of GDP. It then peaks at $966bn, which is 44% of GDP in June 2024 and hangs around 40% of the economy into at least the early 2030s. Despite the debt - interest payments are steady at $13bn a year, because interest rates are low.

Gross debt though hits just over $1.1tn, as in trillion, in 2023-24.

It's cool though, according to treasury - Australia's borrowing, at least compared to other advanced economies remains low and sustainable.

It's almost like there never was a budget emergency.

block-time updated-timeUpdated at 9.40am BST

block-time published-time 9.35am BST

The heroics.

Again, I'll let Josh Frydenberg take this one.

The global economic environment remains uncertain with the impact of this crisis to be felt for many years to come.

In Australia, the economy is forecast to fall by 3.75 per cent this calendar year and unemployment to peak at 8 per cent in the December quarter.

But then - wait for it -

Next calendar year, the economy is forecast to grow by 4.25 per cent, and unemployment to fall to 6.5 per cent by the June Quarter 2022.

Our economic and fiscal strategy sets out the path to grow the economy, stabilise debt, and then reduce it over time.

It has two phases.

First, it focuses on boosting consumer and business confidence, growing the economy and creating jobs.

Once the recovery has taken hold and the unemployment rate is on a clear path back to pre-crisis levels, comfortably below 6 per cent, we will move to the second phase where

there is a deliberate shift from providing temporary and targeted support to stabilising gross and net debt as a share of the economy.

We will then rebuild our fiscal buffers, so that we can be prepared for the next economic shock.

More people in jobs means a stronger Budget position.

The treasurer Josh Frydenberg at a covid restricted and socially distanced 2020 Budget day press conference in the main committee room of Parliament House in Canberra this afternoon. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 9.38am BST

block-time published-time 9.34am BST

The mood.

Let's go straight to the man of the hour, Josh Frydenberg for this one.

How does he open his speech?

In 2020, Australians have been tested like never before.

Flood, drought, fires, and a global pandemic.

So many Australians, through no fault of their own, are doing it tough.

Lives have been lost.

Businesses have closed.

Jobs have gone.

Our cherished way of life has been put on hold.

Our local heroes, the healthcare workers on the frontline, just as our volunteer firefighters did over summer, are showing us the way.

Their courage, commitment, and compassion reflects the very best of Australia.

Tonight, a grateful nation gives thanks.

These qualities are the invisible strength of Australia.

A resilient people, a proud nation and we will get through this together.

The Great Depression and two World Wars did not bring Australia to its knees, neither will Covid-19.

And how does he close it?

Mr Speaker, this year, Australia's circumstances have changed dramatically.

But Australians have not.

We are hard-working, resilient, resourceful, and compassionate people.

Across this country, people are digging deep, banding together, and getting on with it.

The road to recovery will be hard - but there is hope.

The Morrison government's message to Australians is that we have your back.

We have a plan to rebuild our economy and to create jobs.

Our JobMaker hiring credit will support nearly half a million young Australians in work.

Our record investment in skills and training will strengthen Australia's workforce.

Our manufacturing plan will support the recovery and build our sovereign capability.

Tax incentives will unleash a wave of investment across the country.

And tax cuts will put more money into the pockets of 11 million hard working

Australians and their families.

We are building the infrastructure we need for the future.

We are guaranteeing healthcare and the essential services Australians rely on.

We will do this by growing the economy, not increasing taxes.

Together Australia will come back.

Together we will rebuild our economy and secure Australia's future.

block-time updated-timeUpdated at 9.39am BST

block-time published-time 9.33am BST

Budget 2020 is delivered

Good evening and welcome to our 2020 budget coverage.

A very big thank you to Calla and Chris - you have Amy Remeikis with you this evening.

Josh Frydenberg is on his feet and delivering his speech, which means the embargo has officially lifted.

It has been a strange lockup - usually, the entire press gallery is ushered into committee rooms, phone and wifi-less, and given about six hours to look over the budget papers. Treasury officials stand guard, stale sandwiches line the hall (paid for by media companies) and the fluorescent lights beat down as journalists try and remember how to count. This year, Covid-safe plans in place, we were detained in our individual offices, while Treasury officials walked around checking the wifi didn't raise it's little rainbow (That's to protect the embargo - once the treasurer stands on his feet, the embargo is lifted. The embargo/no communication used to stand to ensure nothing leaked out to market, but now it is just to make our lives as difficult as possible.)

This year, we had just four hours. And let me tell you, turns out those two hours matter. Anyways.

We are usually asked for a theme for the budget, something that helps instantly sum it all up and makes it easily digestible.

2014 for example, was "WTF".

Last year was "If you say so".

But this year? This year is heroic. For example, it predicts Australia will hit 4.25% growth. That's a higher rate than the Australian economy saw during the mining boom.

What else do you need to know?

Well, after a somewhat still terrible 2021, things really turn around in 2022, which, not surprisingly, is around when the election is supposed to be held.

But you'll want some numbers. So, while the treasurer is speaking, let's look at the snapshot of what some might call the "afterpay budget" - we buy the debt now, to pay later.

block-time updated-timeUpdated at 9.43am BST

block-time published-time 9.32am BST

The treasurer is about to deliver the 2020/21 budget

The treasurer Josh Frydenberg is about to deliver his speech. Stand by.

block-time published-time 9.22am BST

Just a reminder of what we'll see in less than ten minutes time.

The budget papers will be released at 7.30pm and reporting and analysis from the Guardian's team, who have been inside lockup, will be available almost immediately.

The treasurer, Josh Frydenberg, will then deliver his budget speech. Reaction will quickly start to flow from stakeholders who have been inside their own lockups, examining the budget documents.

Stay tuned. We're not far off now.

The 2020-2021 Budget Papers are seen at a printing facility prior to being delivered to Parliament House in Canberra, Sunday, October 4, 2020. Photograph: Getty Images

block-time updated-timeUpdated at 9.33am BST

block-time published-time 9.18am BST

Homelessness and housing groups are calling for a significant investment in social housing in tonight's budget. The government's housing efforts so far have largely focussed on its HomeBuilder program, which gives $25,000 to those building a home worth up to $750,000.

We'll soon see if their approach shifts to a more direct investment in social housing.

enltrNational Shelter has called for a #SHARP investment in social housing to boost our supply and renovate existing dwellings to good standards in #Budget2020 -jobs, infrastructure, homes @JoshFrydenberg@CHIA\_News@ACOSS@HomelessnessAus

- National Shelter (@NationalShelter) October 6, 2020

block-time published-time 9.08am BST

New welfare payments revealed as budget release draws nearer

We're less than half an hour away from the delivery of the budget, one of the most important in recent memory.

Let's recap on what we know about it so far:

* The government will announce an extra $500 in cash payments to some welfare recipients. The payments will be made in two $250 instalments.

1. The second stage of the government's planned tax cuts will be brought forward, starting in July this year, instead of mid-2022.
2. A $1.2bn wage subsidy program will cover 50% of wages for about 100,000 apprenticeships. Labor and the unions have warned the wage subsidy program may not go far enough and should not be used to replace jobkeeper.
3. The government is planning to give an extra $1.5bn for manufacturing and claims it is giving $7.5bn in new money for infrastructure spending.
4. Economists are expecting a budget deficit of $200bn,
5. The government will spend $3.5bn to upgrade the national broadband network and provide $250m for tourism and regions.
6. We are also expecting to see extra funding for local film and television. The government has slated $53m for the development and production of local film and television.

Scott Morrison and Anthony Albanese in federal parliament. Photograph: Sam Mooy/Getty Images

block-time updated-timeUpdated at 9.16am BST

block-time published-time 8.59am BST

The markets closed higher today, following a late rally just hours ahead of the release of the federal budget.

AAP reports that the S&P/ASX200 benchmark index closed higher by 20.5 points, or 0.35% , to 5962.1 on Tuesday.

The All Ordinaries index finished up by 29.1 points, or 0.47%, to 6164.2.

Energy rose 2.32% and materials gained 1.11%.

block-time updated-timeUpdated at 9.02am BST

block-time published-time 8.37am BST

One hour to the budget's release, folks. Don't go anywhere.

This will be one of the most important budgets in modern Australian history.

Job creation will be central to the government's approach.

We've just heard from the Black Dog Institute director, Helen Christensen, who says that, as well as the obvious economic benefit, job creation is critical in alleviating distress and trauma.

She told the ABC:

I think that we know that unemployment and underemployment are the biggest cause of societal distress at the moment.

block-time updated-timeUpdated at 8.39am BST

block-time published-time 8.30am BST

Struggling to understand the bin fire that is American politics? Well, do I have the solution for you.

Guardian Australia has recently launched a daily US briefing for our Australian readers. It's a snapshot of all things Trump, Biden and the US, produced by Josephine Tovey.

Today's edition included Trump's stage-managed effort to cast himself as the victor in his battle against Covid-19.

Related: Trump claims victory over Covid

You can sign up here:

Related: US election briefing for Australia: sign up for our daily email newsletter

block-time updated-timeUpdated at 8.33am BST

block-time published-time 8.17am BST

Just a little more on that news that many welfare recipients will receive $500 in cash. The measure is designed to stimulate demand and help kickstart the economy. A similar approach was taken by Kevin Rudd during the global financial crisis.

Rudd, though, handed out $900, almost double the amount. That's not taking into ***account*** inflation, either.

But the measure at least gives something to lower income households, who are more likely than wealthier Australians to spend and actually stimulate the economy.

The news has already been welcomed by experts.

Rebecca Cassells, deputy director of the Bankwest Curtin Economics Centre, said the measure would have a greater impact than measures targeted at higher income Australians, such as the proposed fast-tracking of tax cuts.

Cassells told Radio National:

We know that lower income households tend to spend the money that they have... so this is a really good idea. The tax cuts, on the other hand, they're actually going to impact more on higher income households. And we know the higher income households are actually hanging on to their cash.

Some welfare recipients will receive $500 over the next five months in government stimulus, the ABC reports. Photograph: Tim Wimborne/Reuters

block-time updated-timeUpdated at 8.31am BST

block-time published-time 8.11am BST

Welfare recipients to get $500 cash - ABC

The ABC is reporting that some welfare recipients will receive $500 cash payments in the next five months, as part of the government's efforts to stimulate the economy.

The government has been considering such payments since the beginning of the pandemic.

But the ABC is reporting further details on what will be unveiled tonight.

It says that two $250 payments will be paid in December 2020 and March 2021, to people on the age pension, the carer payment, the carer allowance, the disability support pension, the double orphan pension, the family tax benefit or family tax benefit lump sum, the seniors health card, the veterans card or the pensioner concession card.

block-time updated-timeUpdated at 8.23am BST

block-time published-time 7.57am BST

The Greens have accused the government services minister, Stuart Robert, of failing to comply with a Senate resolution to hand over documents about the legal advice the government received on robodebt.

The Greens say the legal advice is critical to understanding how the program was set up and how it operated.

The minister has claimed public interest immunity over both the legal advice and an executive minute.

Greens senator Rachel Siewert said that was "not acceptable".

It is quite obviously in the public interest for the commonwealth government to be transparent about the legal advice in relation to the income compliance program.

The requested information is vital evidence for the inquiry into the Centrelink compliance program as it goes to the legal foundation of the program and how it has operated.

I do not accept this obfuscation and attempt to hide behind public interest immunity when it's clear that the public have a right to know.

block-time updated-timeUpdated at 8.03am BST

block-time published-time 7.49am BST

This year's budget is remarkable in many ways, not least of which is the way it is being released to the public.

Typically, the budget is delivered in large committee rooms filled with journalists from the press gallery, who are locked up together with the budget papers and Treasury officials hours ahead of the public release.

This year, though, Covid-19 has made that too risky.

Instead, journalists are working from their offices, cut off from internet and phones, and overseen by Treasury officials. The media have been forced to sign lengthy legal statements agreeing not to disclose any of the budget's secrets until 7.30pm, when the embargo lifts.

The budget lockup in pre-Covid times. Then-treasurer Scott Morrison is pictured here in 2018. Photograph: Lukas Coch/AAP

block-time updated-timeUpdated at 7.52am BST

block-time published-time 7.30am BST

The Victorian premier, Daniel Andrews, has announced that learner permit and licence testing will resume in Victoria. The state is opening 12 pop-up licence testing sites and will employ a total of 380 new licence testers. Online testing is also resuming.

Full details below.

block-time updated-timeUpdated at 7.42am BST

block-time published-time 7.13am BST

enltrBREAKING: The Morrison Government is voting AGAINST this @AuSenate motion calling for #strandedAussies to be brought home. There are almost 30,000 Australians stranded overseas during a deadly global pandemic and @ScottMorrisonMP is washing his hands of all responsibility. pic.twitter.com/iovpNW1DDE

- Kristina Keneally (@KKeneally) October 6, 2020

block-time published-time 7.03am BST

The Australian Academy of Science wants to see additional support for researchers made available in tonight's budget.

The academy's pre-budget submission warned that investment in R&D as a proportion of GDP has dropped from 0.67% in 2011-12 to 0.48% forecast in 2019-20.

It is recommending government develop a "a long term, stable, forward looking plan for science, economic prosperity and future jobs", set a national target for expenditure, provide tax incentives for business to invest in R&D, and implement an international science strategy recognising science as a "strategic soft power".

The academy, a collection of hundreds of Australia's leading academics, says it will be watching the budget closely.

enltrScience and our scientific capabilities have served Australia well - both in response to the pandemic and in our efforts to find a solution. Tonight, we're watching #Budget2020 for support for researchers, particularly those most vulnerable due to COVID-19. #auspol

- Australian Academy of Science (@Science\_Academy) October 6, 2020

block-time published-time 6.57am BST

For many Australians, budget night is one of the few occasions in the year when they will closely engage with federal politics.

So what are we all expecting? New polling from Essential Research maps out the engagement levels and expectations of the public.

The results make fairly grim, if not entirely unexpected, reading.

More than half think big business and the well-off will benefit from the budget. The losers are expected to be those on a lower income, young Australians, and ageing Australians.

One-quarter of respondents believe the budget will benefit them personally. That's well below the 31% of people who believe it will be either bad or very bad for them.

At least people will be watching. About 34% of respondents said they would be paying close attention and 42% said they will be paying a little attention.

You can see the full results of the research here.

block-time published-time 6.47am BST

Victorian Trades Hall secretary Luke Hilakari says tonight's budget will be the most important since the second world war.

Asked about the government's plans to subsidise the wages of new apprentices, he tells the ABC the scheme needs to go further.

Hilakari says the scheme is an "interesting idea" but questions whether it is enough to encourage employers to take apprentices on.

We need to think what an apprenticeship is, it's not just a one-year hit. My worry is if we fund employers to fund apprenticeships for half their wage, what happens for the second and third and fourth year, in which many apprentices graduate? We need to make sure funding goes with the worker all the way to completion and probably needs to be targeted around completion because completion rates are as low as 40%.

Hilakari says the subsidy scheme should not replace jobkeeper, which is scheduled to end in March.

The union leader also calls for more targeted support, including for aviation workers, migrant workers, and the university sector.

He also calls for universally free early childhood education.

You look at the pandemic, in the caring responsibilities that burden is clearly still on women and not by a small margin. To lift that burden it would be great for women's participation in the workforce and great for the education of kids. Every dollar we spend in the space we get $2 back and we get it back because the children are more prepared for primary school, and more socially adjusted, we get long-term social dividends.

That would be the number one thing I would like to see come through this budget.

block-time updated-timeUpdated at 6.49am BST

block-time published-time 6.29am BST

South Australia has made some changes to its border arrangements, AAP reports.

The state will extend its buffer zone with Victoria and ease restrictions in border communities.

AAP's report is here:

South Australia is to extend its buffer zone with Victoria, easing Covid-19 restrictions on border communities.

The zone will increase from 40km to 70km on each side of the border, allowing more people to travel into SA or return from trips into Victoria without the need to quarantine.

People travelling from states other than Victoria who transition through Mildura will also be allowed to come into the state without being forced into isolation.

Travellers will be checked at the border to ensure they are not from Victoria or Mildura locals and must not have stopped in the regional town.

The two changes were approved at Tuesday's meeting of the state's transition committee and will come into force from midnight on Wednesday.

"This is going to provide huge relief to people who come into South Australia on a very regular basis," Premier Steven Marshall said.

Police Commissioner Grant Stevens said the change would give regional communities the chance to once again access services in SA that they had used in the past.

"But it also means that South Australians who have ties or obligations within Victoria have the ability to go in and undertake their business," he said.

"It was a balanced decision that provided opportunity for those people who needed it most yet still protected South Australians from the increased risk from Covid-19."

block-time updated-timeUpdated at 6.31am BST

block-time published-time 6.23am BST

Jo Masters, the chief economist of consulting giant EY Oceania, says the budget needs to deliver stimulus at an unprecedented speed and scale. Masters is speaking to the ABC.

We've got an unprecedented crisis. So we need an unprecedented response. That's not just size. We've talked a lot about the eye-watering numbers that we're expecting. But unprecedented in terms of scope and also in terms of timeliness.

We do need to make sure enough stimulus is getting into the economy fast enough and that's particularly true of infrastructure, which we know is very impactful in terms of driving down the unemployment rate but can take time to feed into the economy.

block-time updated-timeUpdated at 6.28am BST

block-time published-time 6.18am BST

Shadow employment minister Brendan O'Connor says the government's proposed wage subsidy program - to be unveiled in tonight's budget - will only be successful if it is significant enough to replace the trimmed down j obkeeper program, which is slated for abolishment in March.

O'Connor is speaking on Sky News now.

It does depend on the detail and the amount of investment that goes into this wage subsidy. What we do know currently is that jobkeeper is going to be abolished in March and we do know that it has already been cut... so the wage subsidy plan has to be a big one to make sure that jobs are created or maintained.

block-time updated-timeUpdated at 6.20am BST

block-time published-time 6.11am BST

Away from Canberra momentarily, Qantas and Jetstar have defeated a union's challenge t o orders that aircraft engineers stop work without pay during the Covid-19 crisis.

AAP's story is here:

Qantas and Jetstar have won a federal court case launched by a union after ordering aircraft engineers to stop work without pay amid the Covid-19 crisis.

From late March and early April, the airlines stood down hundreds of maintenance staff along with about 20,000 other employees including pilots and cabin crew.

After the Covid-19 fallout both companies progressively experienced a reduction in passengers, with Qantas eventually suspending all international flights citing government restrictions on travel.

An application to the Fair Work Commission was made by the Australian Licensed Aircraft Engineers Association in March.

The union argued it was a business decision in response to "actual and projected downturn in trade", an event within the airlines' control.

"It is a stoppage arising from a voluntary change in business operations, not a matter entirely out of the airlines' hands," the court was told.

But the Qantas Group, which includes Jetstar, said it had already explored and implemented every other cost-saving measure, such as ceasing payments for rent, and these were not sufficient.

On Tuesday, justice Geoffrey Flick ruled the "stoppage of work for both Qantas and Jetstar... was one for which Qantas could not reasonably be held responsible and one which Jetstar could not reasonably prevent".

block-time published-time 6.04am BST

While we count down to the budget, Mike Bowers has a test for you all.

enltrThe masks of parliament house, can you name all 9 senators/members behind the masks? ( I know some are easy peasy) @[*AmyRemeikis@murpharoo@GuardianAus@knausc#auspolpic.twitter.com*](mailto:AmyRemeikis@murpharoo@GuardianAus@knausc#auspolpic.twitter.com)/iYjeR9APIN

- Mikearoo (@mpbowers) October 6, 2020

block-time published-time 5.59am BST

South Australia records two new Covid-19 cases

South Australia has just released its latest Covid-19 figures. It has recorded two new cases in the past 24 hours, taking it to three active cases.

All three active cases were acquired overseas.

enltrSouth Australian COVID-19 update 6/10/20. For more information go to [*https://t.co/mYnZsG7zGQ*](https://t.co/mYnZsG7zGQ) or contact the South Australian COVID-19 Information Line on 1800 253 787. pic.twitter.com/BBlSwL2buF

- SA Health (@SAHealth) October 6, 2020

block-time published-time 5.57am BST

What do we know about the budget so far?

Like most years, we already have a fair idea of what will be in tonight's budget.

My colleague Paul Karp gave us an excellent rundown of the main measures already announced in his piece this morning.

Here's what we can expect:

* The government will bring forward stage two tax cuts, legislated to start in mid-2022, to July this year. Under the proposal, the top threshold of the 19% tax bracket will rise to $45,000 and the top threshold of the 32.5% bracket will rise from $90,000 to $120,000.

1. $7.5bn of infrastructure spending, which the Coalition claims is new money
2. A forecast budget deficit of $200bn, with a further rise in government spending beyond that to stimulate the economy.
3. A $3.5bn upgrade to the national broadband network, including to take fibre deeper into neighbourhoods serviced by fibre-to-the-node (FTTN) technology.
4. An extra $1.5bn for manufacturing, including a $1.3bn fund for grants to companies that co-invest to boost production in six priority areas.
5. $1.2bn for a 50% wage subsidy to create 100,000 apprenticeships.
6. $250m for tourism and regions, consisting of: $200m for a fifth round of Building Better Regions grants, of which $100m will be for regional tourism infrastructure; and $50m to assist businesses in regions heavily reliant on international tourism.
7. $53m for the development and production of local film and television
8. Removal of the 47% fringe benefits tax on retraining provided by employers to redundant, or soon to be redundant, employees.

Treasurer Josh Frydenberg and Finance Minister Mathias Cormann pose in a photo opportunity ahead of the 2020/2021 budget. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 6.00am BST

block-time published-time 5.46am BST

Labor MP Andrew Leigh, a former professor of economics, says tonight's budget must look after the most vulnerable Australians, who have been hit hardest in the pandemic. He spoke to CNBC a little earlier this afternoon.

Teleworking is easy for lawyers, not so easy for people who clean the offices of lawyers. And that's the most vulnerable Australians who have been hurt. So we need to make sure their interests are looked after. We also need to make sure as well as prioritising jobs, that we're prioritising education. Now this has been a human capital catastrophe in terms of both the health and the education impacts, and so investing in health measures would be vital.

block-time updated-timeUpdated at 5.46am BST

block-time published-time 5.39am BST

Hi everyone - happy budget day!

Christopher Knaus here. I'll be steering our live coverage in the four hours leading up to the budget's release.

Just turning our attention to Senate question time, briefly, where the aged care minister, Richard Colbeck, was again under pressure over the federal government's response to Covid-19 in aged care.

Colbeck was speaking about the findings of the royal commission, and made the following remark:

The royal commission made no comment about what we said or did.

The royal commission, of course, was highly critical of the government.

Senator Katy Gallagher asked him how he could possibly make that statement, given the royal commission had recommended the government publish a national aged care plan for Covid-19.

Colbeck said he had been taken out of context and his comment was simply about the "withholding of PPE".

He accused Labor of "dishonesty".

I was directly answering and being directly relevant to a question that I was asked with respect to the provision of PPE.

block-time updated-timeUpdated at 5.43am BST

block-time published-time 5.29am BST

With that, I will hand over to Chris Knaus, who will take you through the afternoon until our political team is freed from the federal budget lock-up and Amy Remeikis takes over again. That will happen when Josh Frydenberg begins his budget speech at 7.30pm.

Thank you for following. Stay well, and give your pets a pat for me.

block-time updated-timeUpdated at 5.35am BST

block-time published-time 5.25am BST

Philip Lowe says the RBA will 'do what it can' to bring down unemployment

Reserve Bank governor Philip Lowe has left interest rates unchanged but says the door is open - maybe - to the central bank doing more to bring down unemployment, which he regards as "an important national priority". Readers may remember former prime minister Paul Keating recently slammed the "indolent" RBA for not doing enough, dubbing it the "Reverse Bank" and saying it should be providing "mountainous sums" to finance the government spending needed to get out of the coronavirus recession. In a statement released after the RBA board's pre-budget meeting today, Lowe acknowledged Australia's high unemployment and an inflation rate that has remained persistently below the bank's target of 2% to 3% despite record low interest rates. "The board is committed to do what it can to support jobs, incomes and businesses in Australia," he said, pointing to $200bn in funding it is providing to the banks. "The board views addressing the high rate of unemployment as an important national priority. "It will maintain highly accommodative policy settings as long as is required and will not increase the cash rate target until progress is being made towards full employment and it is confident that inflation will be sustainably within the 2-3 per cent target band. "The board continues to consider how additional monetary easing could support jobs as the economy opens up further."

Words that are unlikely to be enough to satisfy Keating - and others who think that there needs to be a lot more money spent to dig the Australian economy out of the Covid hole.

Keating, for one, wants the money printer working day and night.

block-time updated-timeUpdated at 5.29am BST

block-time published-time 5.21am BST

And that's it. Speaker Tony Smith makes a statement to the house about behaving themselves during the budget speech and the budget reply speech. He also tells MPs joining the parliament remotely to have their microphones muted unless they have the call.

Any breach of this request or any interjections will be considered to be highly disorderly and I'll deal with them at another time.

He also notes that there is no time limit for either the budget speech or the budget reply.

block-time published-time 5.19am BST

Catherine King has a question for infrastructure minister Michael McCormack. He is delighted. It is about the federal government paying $30m for land worth $3m for a Western Sydney airport. He is less delighted.

A bit of nonsense up the top, but the substantive answer is that his department has agreed to work with the recommendations made in the report by the Australian National Audit Office (Anao) and is "taking comprehensive action to address the relevant matters relating to the purchase".

The secretary of the department is also, in addition to other measures, putting in place protocols to ensure any future property acquisitions or disposals are agreed by the departments' operations committee, prior to the exercise of delegations.

Putting in place a protocol for the treatment of future Anao recommendations to internally review issues requiring independence of the reviewers such as from outside the affected work area, agreement to the review approach by the departments' operations committee and consideration of the outcomes by the secretary. As this work is ongoing it would be inappropriate for me to make any further comment at this time.

block-time updated-timeUpdated at 5.21am BST

block-time published-time 5.14am BST

A question from the government benches inviting energy minister Angus Taylor to discuss the gas led recovery.

Taylor says:

We are committed to making sure our liquefied natural gas export remains a world leader.

He continues:

We learned over the weekend that Labor's position on gas is not to have a position on gas. They are not allowed to talk about important projects. It is not that I would agree with the president of the CFMEU, but I think he summed it up perfectly when he said that the member for Hindmarsh's recent comments about coal and gas not having a future are an insult to workers. An insult to workers. Labour's failure to stand up on gas is just another example of the leader of the opposition being paralysed by indecision and division, including his failure to have a 2030 target as required by the Paris agreement. We are getting on with delivering our plan for affordable reliable energy as we bring down our emissions.

block-time updated-timeUpdated at 5.18am BST

block-time published-time 5.11am BST

In the interests of expediency, those answers which are basically reading out a press release shall be skipped over.

Catherine King, the member for Ballarat, asked:

My question is to the prime minister. This government has spent $1.7bn less on road and rail projects than it announced in last year's budget, meaning at six budgets in a row that this government has spent less than it announced on infrastructure. How can Australians trust this prime minister to deliver anything he announces in tonight's budget when he has never [matched] his infrastructure announcements?

Morrison said:

In response to the pandemic the government has announced $11.3bn for infrastructure ventures focused on shovel ready projects that will immediately bring forward work on small priority projects.

He then said:

Since coming to government, 399 projects have been completed, this includes 50 which were completed just in the last financial year and there are 153 projects under construction across Australia, including 60 which commenced construction in 2019; there are a further 481 projects in planning.

He then passed Michael McCormack who got... quite excited. I'm genuinely upset that Amy Remeikis is in the budget lockup and did not see it.

He started by talking about how infrastructure had kept moving during the pandemic (interesting given what happened to the airline industry) and said "and Australians have moved about by foot and bicycle in record numbers".

He then read from an address King made at an infrastructure conference which said that infrastructure has "kept us going throughout this crisis [and] it will play a critical role in seeing us out of it".

McCormack then asked King to ask him a question directly, rather than addressing it to the PM.

I would love to answer more from you, because it is just like a Dorothy Dixer, it's fantastic, I love questions about infrastructure.

block-time updated-timeUpdated at 5.17am BST

block-time published-time 5.02am BST

Rates remain steady at 0.25%

Reserve Bank officials have left the cash rate unchanged at a record low 0.25% following their monthly meeting, AAP reports. Some economists had suggested the RBA would cut the rate ahead of tonight's much-anticipated federal budget, to provide a united effort at helping the economy overcome the coronavirus recession. The RBA has not changed the cash rate since March, when it used quantitative easing measures as the coronavirus pandemic took hold in Australia.

block-time updated-timeUpdated at 5.04am BST

block-time published-time 5.01am BST

Another question from Anthony Albanese.

My question is to the prime minister. Before coming to office, this government announced that it would produce a surplus in its first budget and every year after that. Last year, the prime minister announced, bizarrely, that he had, quote, brought the budget back into surplus next year. Isn't that the case that this government has never delivered a surplus, never will deliver a surplus and had doubled the debt well before coronavirus hit?

Morrison replies that "this government brought the budget back into balance before the Covid recession hit".

Not in a budget, it didn't.

In fact, it is a carnival over there, Mr Speaker. It is embarrassing for the leader of the opposition, Mr Speaker, to not acknowledge that the Covid-19 global pandemic has prevented the government from achieving a surplus in the last financial year. Mr Speaker, he must be the only person on this planet who doesn't understand that the impact of the Covid-19 global pandemic on this country, on the jobs and livelihoods of this country...

A point of order from Albanese, who says the prime minister's response was not relevant because he said "he had brought the budget back to surplus next year". Speaker Tony Smith says it wasn't all relevant, but not because of that. Says Smith:

There was a lot in there. We will not waste the time of the house by me reading back your own question to you.

Morrison is back on his feet again. He says Labor left the budget in "absolute tatters by the economic irresponsibility"; that they do not acknowledge the role of the pandemic, and that his government has "cushioned that blow" on the economy.

We couldn't eliminate the blow, Mr Speaker. No country has been able to do that, but this country has done it better than almost any other developed country in the world today, with the speed of our response but also the design of our response and the capability to respond, Mr Speaker, because of the work that had been done by this government, year in and year out, to repair the budget and get it back to balance. Mr Speaker, those opposite have shown no disposition to what is necessary to try and restore a budget back to balance.

He is getting quite worked up.

block-time updated-timeUpdated at 5.07am BST

block-time published-time 4.53am BST

Speaker Tony Smith also issues a warning to shadow treasurer Jim Chalmers, who he says has interjected four or five times.

Can I say to him the week is young? Just cease interjecting. You are interjecting constantly and loudly.

block-time updated-timeUpdated at 4.56am BST

block-time published-time 4.52am BST

The member for Mayo, Rebekha Sharkie, asks deputy prime minister Michael McCormack to explain how her party, the Centre Alliance, negotiated 75% of the $20m in funding recently announced for the Harndorf Road traffic issues in her electorate.

Some jeering from the opposition benches - Sharkie also negotaiated with the government to support the controversial university reform bill.

Says McCormack:

I thank the member for Mayo for her advocacy, Mr Speaker, for her constituents. Her advocacy for easing traffic congestion and making sure that people get home sooner and safer, making sure they get where they need to be sooner and safer. That is what the Liberals and Nationals have done all the way through with a $100bn rolling infrastructure plan. Yesterday, $7.5bn in new money was added to what we are doing, Mr Speaker. $625m for South Australia.

We went through the new infrastructure funding announcements to determine what is new and what is repeat funding. The details on that are here.

Related: After initial confusion, Coalition says $7.5bn infrastructure spend in budget is 'new money'

block-time updated-timeUpdated at 4.55am BST

block-time published-time 4.49am BST

A question from deputy opposition leader Richard Marles, which is an excuse for Albanese to pull out his limited edition (and incorrect) Back In Black budget 2019 mug. He asks whose mug will be on the budget mug this year.

Speaker Tony Smith yells at Albo for using a prop.

Morrison says "I won't indulge the juvenile antics of the opposition" to the sound of jeers. He then says: "Today is a serious day for Australia".

The substance of his answer, however, is pretty much the same as it was for the last two questions on the budget. Not much in the script.

block-time updated-timeUpdated at 4.50am BST

block-time published-time 4.45am BST

Wentworth MP Dave Sharma asks the health minister, Greg Hunt, to outline the government's plan to manage the health impacts of Covid-19. This is an opportunity to talk about that article in the Medical Journal of Australia.

Hunt begins by setting out the international picture and says the reason that Australia has had lesser impacts is because it had a "clear, consistent plan".

His response does not mention aged care.

block-time updated-timeUpdated at 4.47am BST

block-time published-time 4.42am BST

Chaos, already. Question three is from oposition leader Anthony Albanese, who asks:

Won't the Morrison recession be longer and deeper because the prime minister's cuts to jobkeeper, jobseeker and wages are leaving businesses and workers behind?

Morrison says:

Mr Speaker, the leader of the opposition, in the way he has framed this question, seems to be the only Australian in this country who does not understand there is a Covid-19 pandemic going on in the world today.

He says Australia is one of the few countries to be able to steer its way through the pandemic.

The leader of the opposition may not know this, but the forecast fall in the global economy is 4.5 %. During the global financial crisis, the global economy fell by 0.1%, so what our government is facing is 45 times more severe than when those opposite thought the response was to build overpriced school halls, set fire to people's houses. And that is not how you manage a crisis, that's not how you manage a crisis. You manage a crisis with the strength and responsible economic management and the responsiveness and the certainty that our government has provided over these many past months, as we have done, and they can jeer all they like but their record of failure speaks for itself in a crisis.

Leader of the opposition Anthony Albanese during Question Time in the House of Representatives at Parliament House on October 06, 2020. Photograph: Sam Mooy/Getty Images

block-time updated-timeUpdated at 4.49am BST

block-time published-time 4.39am BST

Next question is a dixer from Fiona Martin, the member for Reid, inviting the prime minister to expound on the budget, which he is doing. At length.

Not really a lot of detail or substance so I shan't transcribe it here, but I will note that there was booing from the opposition benches when Morrison said his government was working "to ensure that we are enabling Australians to get the skills and training and education they need".

That university legislation is still going through the house.

block-time updated-timeUpdated at 4.44am BST

block-time published-time 4.36am BST

First question to Scott Morrison

Now we're into question time proper, and the first question is from Labor's shadow treasurer, Jim Chalmers.

My question is to the prime minister. The average worker will likely receive a tax cut of less than $50 each fortnight under the government's budget announcement. How will this make the millions of Australians who have just lost $300 a fortnight from the jobkeeper payments better off?

Morrison replies:

What you will hear tonight is, again, the government's plan for not just cushioning the blow, as we have done so now for these many months through the Covid-19 pandemic and the Covid-19 recession that has followed, but you will also hear again that it is a plan for the recovery of what has been lost, and it is a plan to build Australia's economy again for the future, so Australians can indeed plan for their own future with confidence.

Our plan is about growing the economy again. That's how Australians earn more. That's where Australians will find hope - Australians will find hope by finding their jobs again, and by creating those jobs and keeping as many Australian jobs as we possibly can.

Apropos of nothing, I'm going to refer to this piece by Elle Hunt here.

He continues:

And that's why we have gone to the last six months to keep people in their jobs, now we're getting people back into jobs, some 760,000 jobs since the beginning of this crisis, jobs that were either lost or jobs that have been reduced to zero hours have come back, they have come back, some 760,000 jobs, and as Treasury have said, were it not for the measures the government undertook, they would have been 700,000 more people out of work in this country. So when Australians look at what the treasurer has to say tonight, what they will hear is a hope for the future.

And then:

Had it been left to those opposite, we would have entered this crisis in weakness. And the weakness would have continued in their ill-disciplined approach, but under this government, our responses have been targeted, they have been proportionate, they have been scalable. Our government's plan has Australians in work and it will keep Australians in work and will get more Australians in work.

block-time updated-timeUpdated at 4.41am BST

block-time published-time 4.29am BST

Australia's foreign minister, Marise Payne, and US secretary of state, Mike Pompeo, were both wearing masks when they met in Tokyo today, according to this photo tweeted a short time ago:

enltrToday in Tokyo, @SecPompeo & I had our 3rd meeting this year, building on the excellent discussions at #AUSMIN ???????? in July. We spoke about our ongoing cooperation to promote peace, stability & prosperity in our region. Thanks to ???? & our friend @moteging for hosting #Quad. pic.twitter.com/kGlBKAMgWN

- Marise Payne (@MarisePayne) October 6, 2020

There's been a lot of attention on the spread of coronavirus within the Trump administration after Donald Trump 's positive diagnosis late last week. The US secretary of state said last week he was feeling well, and he pressed ahead with his planned trip to Japan, but the state department announced at the weekend that Pompeo would not proceed with visits to Mongolia and South Korea.

Payne arrived in Japan yesterday and is holding talks with Pompeo, along with Japan's foreign minister, Toshimitsu Motegi, and India's external affairs minister, Subrahmanyam Jaishankar, in a grouping known as the Quad, which has attracted criticism from China. The three visiting ministers are also due to meet with Japan's new prime minister, Yoshihide Suga.

Payne and her small group of accompanying officials are set to isolate for two weeks upon their return to Australia later this week.

block-time updated-timeUpdated at 4.33am BST

block-time published-time 4.26am BST

The opposition leader, Anthony Albanese, is also paying tribute to Ryan after earlier paying respect to Fahey. He thanked the prime minister for his words, and for agreeing to a state funeral.

Albanese said:

Susan's triumph is that her reforms have become part of who we are as a nation and what she fought against looks to younger generations like the stuff of dystopian fiction. But it was real and Susan toppled it.

block-time published-time 4.22am BST

Scott Morrison is now speaking in condolence of trailblazing Labor minister Susan Ryan.

Labor trailblazer and former Hawke health minister and age discrimination commissioner Susan Ryan. Photograph: Mick Tsikas/AAP

He said:

It has been said she was a trailblazer. True, but it is an easy word to use and not understand what that truly means. For Susan Ryan it meant being judged daily on her gender, her age, her marital status, her physical size, her clothes and how she was raising her own children at that time. In her words, the criticism was relentless, in the media, community and across this chamber and with her own party. And that is what she came to fight.

The slogan a woman's place is in the Senate was more than a slogan about one person. It was about a broader change to advantage every Australian woman, whatever their views, whatever their background, whatever their politics.

I've said this elsewhere but Morrison is at his best when giving condolence motions - he gets the tone right.

block-time updated-timeUpdated at 4.25am BST

block-time published-time 4.15am BST

James Packer faces Crown inquiry

A somewhat shiny-faced J ames Packer has just started giving evidence at the NSW inquiry into whether his Crown Resorts group is fit and proper to hold the licence for the mega-casino that's nearing completion on prime Sydney waterfront land at Barangaroo.

So far his answers have largely been confined to saying "yes" to questions about Crown's ethical policies and codes of conduct while he was a director of the group.

James Packer Photograph: Scott Barbour/Getty Images

The inquiry also heard that in a witness statement, Packer said he had been on heavy medication that made it difficult for him to remember things, including events while he was on the Crown board.

His first "I can't recall" today came about 11 minutes into his evidence, as questions swung to the Chinese high-roller business that has been the source of much of its woes.

block-time updated-timeUpdated at 4.19am BST

block-time published-time 4.08am BST

Earlier, Labor MP Linda Burney commented on a photograph shared by LNP senator Matt Canavan, which showed a ute bearing the slogan "black coal matters".

enltrRegardless of what side you're on in the energy debate, to parody a movement dedicated to ending the disproportionate incarceration of First Australians and deaths in custody is tasteless and beneath you @mattjcan

- Linda Burney MP (@LindaBurneyMP) October 6, 2020

Here's Canavan's tweet.

enltrBob's back!... And this time he is on a mission to create 500 jobs at the New Acland Mine. Go Bob!!! pic.twitter.com/hPJRVbSB3j

- Matthew Canavan (@mattjcan) October 5, 2020

block-time updated-timeUpdated at 4.20am BST

block-time published-time 4.05am BST

Question time begins

It is question time.

Prime minister Scott Morrison begins with a condolence motion for former NSW Liberal premier, John Fahey. Fahey died on 12 September.

block-time updated-timeUpdated at 4.21am BST

block-time published-time 4.01am BST

On that note, a reminder of those who most need financial support and are unlikely to get it in this budget.

Related: Budget 2020: the people most likely to be left behind

block-time published-time 3.55am BST

Goldie went on to say that the proposed direct wage subsidy for people aged under 35 is something that, "in principle, we really are pleased to see".

But she said it could be extended.

This is a policy that we have been advocating to the government as a really upon way to help, not just young people, actually.

block-time updated-timeUpdated at 4.21am BST

block-time published-time 3.53am BST

Cassandra Goldie, the chief executive of the Australian Council of Social Service, says the proposed tax cuts will not help Australians on lower incomes - it helps those on higher and middle incomes who already have jobs.

Australian Council of Social Service CEO Cassandra Goldie. Photograph: Lukas Coch/AAP

She told ABC24 that Acoss opposed both stage two (expected to be brought forward tonight) and stage three of the Coalition's proposed tax cuts.

I mean stage two is being talked about as if it is targeted to middle-income earners. I think that shows how out of touch, frankly, people are with the reality of where incomes are actually at. If you look at the overall adult population and who is filing a tax return, in fact intermediate income is $50,000 a year, when stage two - overwhelmingly most of the dollars will be benefiting people who are on six-figure salaries...

Now, as you know there is some unusualness to this particular year because of the decision by the government to bring forward stage two, but in terms of what is getting locked in permanently and ongoing, this is not a package that helps people on low- and middle-incomes. It overwhelmingly benefits people on higher incomes, people who have jobs.

Today we are saying: why are we doing this when most of the economists are very clear, dollar for dollar [we need to] give money to people who need it and who are going to guarantee to spend it. That's why we continue to say we need to fix jobseeker, and the social security transfer payment system would have been a much better way to have that high confidence, precious dollars into the hands of people who need it and, yes, it will really help the real economy, in terms of consumer demands.

block-time updated-timeUpdated at 4.02am BST

block-time published-time 3.42am BST

Victorian premier Daniel Andrews in a mask: a triptych.

Daniel Andrews adjusts his face mask during a press conference in Melbourne on Tuesday. Photograph: James Ross/AAP Daniel Andrews looks on during a press conference in Melbourne, on Tuesday. If you're not talking, the mask remains on. Photograph: James Ross/AAP See how easy it is to keep your facemask on and not, for argument's sake, remove your mask when you have Covid-19 in order to wave from the White House balcony? Photograph: James Ross/AAP

block-time published-time 3.36am BST

A survey by political lobbyists Newgate has found that 67% of respondents want state borders reopened by Christmas.

Victorian and NSW respondents were most supportive of reopening state borders, while most respondents from Western Australia - no surprise - would prefer their borders remain shut.

More than two-thirds of Australians want state borders reopened by Christmas, as confidence in the public health response to coronavirus continues to increase.

Testing numbers are lower which is worrying health authorities. Photograph: James Ross/EPA

More from AAP:

Newgate's survey continues to show a steady rise in community confidence about easing coronavirus restrictions.

There has been a significant increase in the proportion of people who agree governments are taking appropriate measures to protect people's health.

But Victorians remain least likely to agree restrictions are fair and reasonable, with discontent becoming more obvious in the past week.

Economic recovery has firmed as the number one concern of Australians, with worries about the coronavirus tracking downward to its lowest level since May, before the second wave.

A growing majority of people believe the spread of the virus will get better in coming months.

Predictions for the economy continue to improve, while concerns about job security fall.

AAP adds:

Control of community ***transmission*** is the key condition for NSW residents being able to enter Queensland from 1 November.

People in regional Victoria could be allowed to travel to the Northern Territory from 2 November if their case numbers remain low.

But while Australia continues to recorded very few new cases, low test numbers are a concern.

block-time updated-timeUpdated at 3.42am BST

block-time published-time 3.28am BST

Still at the Coalition joint party room meeting, Scott Morrison has welcomed the improved situation on the ground in Victoria.

"The light is getting a little brighter," the prime minister said. He paid tribute to the resilience of Australians, particularly in Victoria.

Morrison pointed to a paper published by the Medical Journal of Australia this week showing Australia could have had more than 16,300 additional deaths during the first wave if the outbreak had been similar to that in England and Wales.

block-time published-time 3.26am BST

Let's check back in on the US, which miraculously continues to exist.

The Guardian's world affairs editor, Julian Borger, has written that US president Donald Trump 's decision to leave hospital prematurely and "theatrically pull off his mask on the White House balcony" shows Trump's desperation and "gives some measure of how dangerous the next four weeks will be".

US president Donald Trump 'theatrically' takes off his mask after returning to the White House. Photograph: Ken Cedeno/EPA

He writes:

Many students of Trump's life and career have warned that he would be prepared to sacrifice anyone - even those closest to him - to spare himself the humiliation of a one-term presidency, but even they surely could not have anticipated how literal that sacrifice would be.

More here:

Related: Trump's desperation to leave hospital shows the dangers ahead

block-time updated-timeUpdated at 3.35am BST

block-time published-time 3.09am BST

Scott Morrison says budget will bring 'confidence, assurance and hope'

Scott Morrison has said he hopes tonight's budget gives "confidence, assurance and hope to Australians" as the country seeks to rebuild from the current economic crisis.

Speaking to his Coalition colleagues at a party room meeting this morning, the prime minister also took pot shots at the former Labor government's stimulus spending, even though the forthcoming budget is set to unveil much higher debt and deficit levels.

The government recently revamped its fiscal strategy to acknowledge the need for big spending to prop up the economy until unemployment is comfortably back below 6% - a big shift from the Coalition's previous rhetoric about debt and deficit disaster under the former Labor government.

With some Coalition backbenchers likely to be uneasy about the budget outlook, Morrison conceded the measures to be announced tonight would be "extraordinary" but he insisted the government was sticking to its principles that any fiscal support be temporary, targeted and proportionate.

Morrison said the world had never seen a recession of this scale at a time when the economy had become so globally interconnected. He told his colleagues the world faced a 4.5% decline in the economy, compared with 0.1% at time of global financial crisis - an apparent attempt to play down the challenges faced by the Rudd government in 2008. Australia avoided a recession during the GFC.

Morrison took the opportunity to reprise staples of the Coalition's criticisms of Labor-era stimulus, claiming that despite the scale of investment the current government had not seen "the type of waste" exemplified by programs such as school halls and cash for clunkers.

Morrison said he wanted to empower Australians to plan for the future. He said the cabinet's expenditure review committee had met 50 times this year, compared with 25 last year, to tackle the current challenges.

During the discussion portion of the meeting, after several Coalition backbenchers raised concern over the pressures faced by travel agents, Morrison said the recession was devastating and causing a "distressing" time for many people. He is understood to have told the meeting that the government could "cushion the blow but can't eliminate it" for all businesses.

block-time updated-timeUpdated at 3.30am BST

block-time published-time 3.06am BST

The federal education minister, Dan Tehan, has thanked the Centre Alliance for supporting the university legislation.

In a statement, he said:

The job-ready graduates legislation will provide more university places for Australian students, make it cheaper to study in areas of expected job growth and provide more funding and support to regional students and universities. I want to thank the Senate crossbench for their good faith negotiations. I look forward to continuing to work with the crossbench to secure passage of the legislation.

block-time updated-timeUpdated at 3.31am BST

block-time published-time 3.04am BST

Finally, reporters asked a number of questions about whether people who appeared to breach health directions would be fined.

The Butcher Club outbreak has been traced back to an employee who went to work when sick.

The Kilmore outbreak is linked to a person who had permission to travel to regional areas from Melbourne, but then dined in at a cafe - despite the rules being that people who travel from stage four restriction areas carry stage four restrictions with them. That means that if you can't dine-in in Melbourne, you can't travel from Melbourne and dine-in elsewhere, even if you have permission to be there.

Andrews reiterated that he did not want a fear of being fined to stand in the way of people being honest with contact tracers about their movements and when symptoms developed.

No fine could be worth as much as accurate information from anyone who has got this. That's where the real gold is. That's the fortune. That's worth so much. That gets us open.

block-time published-time 3.00am BST

Andrews was asked if he had any update to make about the possible lifting of the 5km rule - there is a push to have it lifted by the AFL grand final weekend, which is 24 October.

I don't want to put a downer on all of these things but I'll say - look at the numbers today. This is by no means over. We're very, very close. We're very close. But I can't, in any sense of certainty, I can't tell people where we're going to be on the 17th, 18th, 19th of October, let alone the 23rd.

That's why we've all got to make the right choices. I don't want to be focusing too much on any one person. But you know, we have a person who had symptoms and went to work. We don't want that to happen.

He reiterated that there are government support payments available for people who do not have sick leave, to allow them to stay at home and get tested.

It's not through a sense of blame, it's just through a sense of- these are the challenges that we face.

Andrews said the public health decisions would be made not just on the daily case numbers but on where they are coming from - if they are connected outbreaks, for example.

It is a numbers game. But it's also a qualitative thing. You've got to look at what sits behind those numbers and that's why there's such a big team of people doing that contact tracing, so we've got the most complete picture. I think that we have some graphics we'll share with you later today about how it spread from the outer south-east of Melbourne all the way up to the north-east of Victoria, which gives you a sense of what we're up against.

He then clarified that there are not actually any active cases reported in northeast Victoria, it is just that the person with the virus who travelled to Kilmore also travelled to Benella. Again, on a permit. Close contacts in Benella are now being tested.

block-time published-time 2.54am BST

Andrews said he was not considering instituting a local lockdown in Kilmore, and also suggested that it might not work because permitted workers like police and paramedics would still move around the region.

They might live there but work somewhere else. All of that permitted movement, because that the set of rules that we have, that would still happen. Unless you really were going to do a lockdown, which was no one leaves their home for any reason, or very, very limited reasons, and even then, the movement could only be within Kilmore, for instance. So that's not on the cards.

I am slightly confused about how the above could not be applied to any lockdown.

block-time updated-timeUpdated at 3.00am BST

block-time published-time 2.51am BST

Daniel Andrews said that Victoria's contact tracing team was calling 80% of positive cases within four hours - the national benchmark is 24 hours.

So I wouldn't want anyone to think that the outbreak management response at Chadstone, Kilmore and Colac, in the Latrobe Valley, in Hallam, have been anything other than first rate, because they have been. They've been absolutely first rate and I want to thank every single person involved in that.

He added:

Twenty-eight seems a lot and it is. But 28 can easily be 280 and it isn't. So the group to thank today, I think above all else, are all of those people in Kilmore who are going and getting tested. Thank you very much for doing that. And anybody in Kilmore who believes they've been anywhere near that site, or even if they don't believe that they have, better safe than sorry. It's asymptomatic testing for a reason and you can go and get tested and the results will be literally like gold for us.

block-time updated-timeUpdated at 2.53am BST

block-time published-time 2.48am BST

Sutton said anyone in Kilmore who wants to get a Covid test can get one, and anyone who has any form of symptoms, even quite mild, should get them. There is also asymptomatic testing available for all staff at Chadstone, and symptomatic testing in the carpark.

block-time updated-timeUpdated at 2.50am BST

block-time published-time 2.46am BST

Sutton has been asked a series of questions about the contact tracing methods used, and whether we should do what NSW did in outbreaks like the Crossroads Hotel, where anyone who was tangentially near the pub on specific days was told to preemptively self-isolate.

Sutton says people should keep apart from others and get a test if needed, but says it is not the a mirror case.

But it is not a Crossroads Hotel, prospectively following close contacts in the same way. If we had a Crossroads Hotel, I'm sure that weed we'd manage it in much the same way as New South Wales.

block-time updated-timeUpdated at 2.49am BST

block-time published-time 2.43am BST

Sutton 'really can't say' if Melbourne will open on 19 October

Sutton then expressed a bit more trepidation about the ability of Melbourne to get to the next stage of eased restrictions on the schedule set out 10 days ago.

I never know what tomorrow will bring, you know. We can get to a point where there are significant numbers of cases every day, and it drops off dramatically because they're all being chased up. Those other close contacts have been contained and then you suddenly see a decrease in numbers. So you know, I really can't say.

Q: Should people in Melbourne prepare for the possibility that things will not open up further on 19 October as previously indicated?

Says Sutton:

We all have to be prepared for whatever may come. And it's not easy. No question. As I say, I watch these numbers as closely as anyone in the state. And we all want to get to a point where we're satisfied that we know we'll go to the next step, but absolutely no one wants us to fail in this space. Me more than anyone. So we just have to bear that in mind, and we have to take that next step at an appropriate time when it is safe and when it's steady.

That's probably the only answer Sutton could give but it's a bit of a deflated balloon.

block-time updated-timeUpdated at 2.47am BST

block-time published-time 2.38am BST

Seven of the 15 cases reported yesterday are listed as still being under investigation, but Sutton said that's not a concern.

They come in right up until midnight and beyond. So the information that we can give in the morning are the ones that is can be investigated and linked without necessarily the phone call from 5am when the team is on to it.

In terms of linking one to an existing outbreak, that's done through your database. But then it is through today that the interviews will happen and they get resolved within the working day.

block-time updated-timeUpdated at 2.42am BST

block-time published-time 2.37am BST

Melbourne 'may still' meet its target to open up in mid-October, says Sutton

Asked if this cluster could delay the planned next step in easing restrictions in Melbourne, Sutton said Victoria "may still" meet the target of an average of five cases a day by mid-October.

We're throwing absolutely everything at it. We can get on top of the outbreaks. We've had complex outbreaks before. Every outbreak had its complexities and we do get on top of them. These may well be the very last outbreaks that Victoria sees. I hope that that is the case. And we can get on top of them. The same principles of isolation and quarantine can manage them.

And even though this has gotten to a point where it spread very widely, the recent Frankston outbreak now has control in terms of new cases not emerging. The Hallam outbreak the same. Complex, large, across multiple sites, but ultimately, completely controllable. So as these numbers drive down further and further and they're going down in aged care in terms of the staff who work there as well, then you're not getting that new seeding, you're not having to deal with another outbreak. That's a point that we'll absolutely get to five, and it may still well be mid-October.

What about the impact of mystery cases on Melbourne's ability to reach those targets? One of the requirements is no more than five mystery cases over 14 days.

We've had four days in a row with no mystery cases at various times. If we were to have the next four days with no mystery case, we would get to five over a 14-day period, essentially. So it's not impossible to get to that five over 14 days, but we watch these cases very closely.

block-time updated-timeUpdated at 2.41am BST

block-time published-time 2.31am BST

To clarify: Andrews mentioned the virus was travelling to north-east Victoria, but Sutton said there was only one new case in regional Victoria and that was the person in Kilmore.

block-time updated-timeUpdated at 2.34am BST

block-time published-time 2.30am BST

There are close contacts at Kilmore because a cafe was identified as a possible ***transmission*** site. Asked if there should be a requirement for businesses in regional areas to check licences to make sure people aren't from Melbourne, Sutton said:

I think that that is a worthy consideration. We don't want huge administrative burdens for hospitality. But it is... you know, it is an area to explore. But the obligation is absolutely on those who are coming from metropolitan Melbourne not to attend.

The person who went to the cafe in Kilmore was a close contact of someone in the Butcher Club/Chadstone cluster, Sutton says, but did not know they were a close contact when they left the city. They had a permit to travel to Kilmore.

Sutton said:

Anyone who is identified as a close contact and is aware of it, needs to quarantine. But I don't think that that was the case for this individual.

He added, under further questioning:

So that individual, as far as I know, was not aware that they were a close contact at the point of time that they were travelling. So it wasn't that they were breaking quarantine, it was that they weren't aware that they were a close contact of a positive case.

There are now two cases linked to Kilmore: a worker at a cafe, and another person. Both are close contacts of the person who travelled to Kilmore, who was a close contact of the Chadstone case.

Sutton said 96% of people tested in connection with both clusters got their test result within 24 hours, and 95% were contacted in that 24 hours.

I think with the small numbers, it's absolutely everyone, except in those circumstances where they're literally not picking up the phone.

They are sending out police and ADF to do doorknocks on the same day.

block-time updated-timeUpdated at 2.32am BST

block-time published-time 2.23am BST

On the scale of the number of contacts - Sutton says there are 150 close contacts in the Kilmore cluster alone. That is not a big cluster.

Sutton said there was no evidence that the strains of the virus in the Chadstone and Kilmore clusters was stronger than any other.

But the individual will have variable transmissibility. There are some individuals with a high viral load.

He said the contact tracing has been a "complex and large process" and that people have been "absolutely cooperative".

And people, as you can see from the responses we've got of those who weren't initially linked in the Chadstone outbreak, have been very forthcoming in coming forward for testing, identifying themselves as being symptomatic or identifying themselves as having been casual contacts. But it's still, you know, 14 suburbs across half of Victoria and dozens of cases. So a tricky exercise.

block-time published-time 2.20am BST

The Chadstone outbreak now has 28 cases - Brett Sutton

The chief health officer, Prof Brett Sutton, said the increase of 15 cases - a net increase of 13 after some ***data*** readjustment - was not welcome.

"I don't like to see a number that's in double figures and not in single figures, and no one obsesses over the daily numbers more than me or my team. They are, again, predominantly related to known cases, to outbreaks, and we have to get on top of the outbreaks to really drive these numbers down.

"The outbreak linked to the Butcher Club at Chadstone now has 28 cases. Eight staff members, 11 family and household members of existing cases, and four customers."

Victoria chief health officer Brett Sutton. Photograph: Robert Cianflone/Getty Images

He said the Kilmore case, which is linked to that outbreak, is being called a different cluster for logistical purposes.

Sutton said:

The challenge in this wave in Victoria is profoundly different to the first wave. It's profoundly different to what any other jurisdiction in Australia has followed up. I don't think any one really understands what a gargantuan task the contact tracing has been through this wave.

The average family size in Australia is about 2.5 people. We've made estimates that the average family size for the 20,000 cases in this second wave has been between 6-10 people. And so when there's a case here, you're not looking at one or two other contacts, you're looking at five or six or seven or eight or nine routinely for every household. And not looking at one other workplace where those close contacts could be. You're looking at three or four. And again, with each of those individuals who are in workplaces, they will have their own households and they will have five or six or seven or eight close contacts.

So it is... it's not twice as hard as the first wave, it is 10 times as hard as the first wave in terms of the challenges of following up these cases. Many of them come from difficult social and economic circumstances, certainly not everyone, but there are challenges with respect to that as well. But we are jumping on each and every close contact on each and every case in a very timely way.

block-time updated-timeUpdated at 2.39am BST

block-time published-time 2.15am BST

The roads minister, Ben Carroll, is speaking now. He says the Victorian government is refunding about 80,000 appointments for driver's licence tests which had to be postponed due to Covid-19 restrictions.

They are also waiving the $19 application fee until the backlog of bookings is dealt with - that could take until April, he says. The cost of that will be about $27m, including $7m to design a secure online learner's permit system to allow people to take their test (which includes no practical component) in their home.

Victorian roads minister Ben Carroll. Photograph: Wayne Taylor/AAP

Carroll said:

You will still need to go to the registration and licensing office for your photo identification and also for your eye test. We're also doubling the number of testing sites. We've already put six testing sites online and we're going to put another six online as well... We're also adding 180 additional testing staff throughout our registration and licensing offices. This will bring our total investment to about $60m to support registration and licensing through the pandemic and get Victorians back on the road safely and securely.

block-time updated-timeUpdated at 2.23am BST

block-time published-time 2.11am BST

Andrews said there would be a drive-through testing clinic in Kilmore, north of Melbourne, today to contain that Chadstone cluster. He urged anyone with even very mild symptoms to get tested.

He added:

One only has to spend a moment to imagine, if Chadstone were open at the moment just how many more cases we might well be dealing with here. If there were not restrictions in terms of movement into regional Victoria, as there are, then, who knows.

If there were not rules that apply to what happens in those regional Victorian community as well, for locals or for those who are permitted, well, I don't think that we would be talking about 28 or 30 cases, we would be talking about many, many more. The fact that you can go from Frankston to Benalla all the way up in the north-east, that just speaks as to how wildly infectious this virus is.

block-time updated-timeUpdated at 2.14am BST

block-time published-time 2.09am BST

There are 27 active cases among healthcare workers and 66 active cases in aged care.

The rolling average to 5 October, as reported earlier this morning, is 10.6 in metropolitan Melbourne and 0.3 in regional areas. There are three active cases in regional areas.

Andrews said that the Chadstone outbreak has run "to Mitchell shire and indeed, up into the north-east as well. There is one additional case in third step regional Victorian local government areas."

block-time updated-timeUpdated at 2.10am BST

block-time published-time 2.07am BST

Daniel Andrews begins speaking in Victoria

Victorian premier Daniel Andrews is speaking now in Melbourne. As reported earlier, Victoria has recorded 15 new cases and one new death. To date 807 people in Victoria have died after testing positive with Covid-19.

There are 21 people in hospital, one of whom is in intensive care. No one is on a ventilator.

Victorian Premier Daniel Andrews. Photograph: James Ross/AAP

There have been 9,286 Covid tests performed in the past 24 hours - that's about the same as yesterday and the day before, which are the weekend numbers.

That's a good strong number. Certainly better than we have achieved in recent weekends, and I take this opportunity again just to thank those almost 9,300 Victorians who went and got tested over the weekend, predominantly Sunday and Monday.

block-time updated-timeUpdated at 2.15am BST

block-time published-time 2.02am BST

Meanwhile, Queensland opposition leader Deb Frecklington is at the Gilmour Space Technologies plant in Brisbane, and has announced a $25m rocket manufacturing facility. Starting the campaign with a bang, indeed.

enltrLNP "launches" their campaign with an optically apt 1st stop at Gilmour Space Technology in the GC marginal seat of Bonney. Announcing $25 million rocket manufacturing facility. Today marks 3.5 weeks of politics, promises & press conferences before Oct 31 election @7NewsBrisbanepic.twitter.com/8YK21E5bBR

- Joel Dry (@JoelDry7) October 6, 2020

Frecklington says:

We know after four consecutive years of the highest unemployment in the nation that Queensland is lagging behind. We've got 200,000 Queenslanders out of work. And that is why the LNP has the economic plan to get Queensland working again. Now, that plan starts with manufacturing and I really want to thank Gilmore Space for having us here in this incredible Queensland-owned, Queensland-made manufacturing plant.

This is all about investing in the space race and we know that the space race is a race for jobs and I want Queensland to win that race. So that is why the LNP is going to partner with Gilmour Space, an investment into Gilmour Space so we can partner with Gilmour and build a rocket-launching facility not only in north Queensland, but make a rocket manufacturing plant right here in Queensland.

It is important because this will mean for Gilmour Space 150 highly skilled, highly motivated jobs right here for Queensland.

block-time updated-timeUpdated at 2.07am BST

block-time published-time 1.56am BST

Plibersek continues:

Now, you would really think at a time of recession when we've got so many people joining the unemployment queues, that we would make it easier, simpler, more affordable to get an education. This government is doing the exact opposite.

We should be making it easier to go to Tafe or university. This government is doing the exact opposite. Labor believes - and we have always worked - to make sure that if you're prepared to work hard, if you're prepared to study hard, you can get a place at university.

That's changed the lives of people like me, the first in in our family, the first generation in our family to get the chance to go to university, and I know many of my colleagues are in the same position, because Labor governments democratised access to university. We made it easier. We opened up university to working-class kids.

This government is slamming the door in their faces at a time when the alternative is being unemployed.

block-time updated-timeUpdated at 2.05am BST

block-time published-time 1.53am BST

Uni reform legislation 'absolutely cruel'

Labor educations spokeswoman Tanya Plibersek is talking in Canberra now about the uni reform bill, and specifically the Centre Alliance's deal to support that bill.

She says the legislation is "absolutely cruel".

Labor's education spokeswoman Tanya Plibersek. Photograph: Dean Lewins/AAP

Plibersek says young people have already had the "year from hell" with extended remote learning, "and this government is now saying to them that they will pay thousands of dollars more for a university degree.

Thousands of South Australian students will pay more than double for their university degree. That's what Centre Alliance have delivered today. They've joined One Nation in supporting the Liberals in putting up the cost of going to university. So an ordinary four-year degree will now cost around $58,000 for many disciplines.

Think about those kids. They've had the year from hell. They're now being told that in four years' time if they go to university, if they're lucky enough to get a place, they're going to be graduating with an American-sized university debt at a time when the unemployment market is the worst it's been in decades. It's absolutely cruel and it is inexplicable that Centre Alliance and One Nation would join the government in this bill which more than doubles the cost of going to university for thousands of students.

She adds:

Every student who pays more, every student who misses out on a place, every job lost in the university sector is the fault of the Liberals, the Nationals, One Nation and Centre Alliance, who have teamed up to push through this terrible legislation.

block-time updated-timeUpdated at 2.02am BST

block-time published-time 1.38am BST

Back to the most important story of the day: police in Sydney have managed to contain the two deer that were on the loose in Leichhardt.

ABC24 has reported that police have contained both deer by corralling them into a courtyard. They are now, presumably, standing there flapping their outstretched arms and saying "Woah!" occasionally until animal controllers arrive, in the great tradition of anyone who has ever tried to contain a semi-domesticated animal.

NSW police said:

It is unknown how the deer came to be found in an urban area.

More on this vital story by Naaman Zhou, here:

Related: Doe! Two deer on the loose in Sydney suburb of Leichhardt

block-time updated-timeUpdated at 1.43am BST

block-time published-time 1.33am BST

Victoria's chief health officer, Prof Brett Sutton, has released an update on the number of "mystery cases" - cases with untraced community ***transmission*** - in Victoria.

This table indicates that nine of the cases reported overnight are still under investigation.

enltrUpdate on #mysterycases for today. Note that cases from last 48 hours won't be 'resolved' until that time has passed to allow for new links to emerge or for source cases to sometimes become symptomatic. pic.twitter.com/KjlApVwPgT

- Chief Health Officer, Victoria (@VictorianCHO) October 6, 2020

block-time published-time 1.30am BST

Queensland premier Annastacia Palaszczuk was speaking in a short time ago, on the first day of the state local campaign.

She said it was important to avoid a second or third wave of Covid-19, which would cause further shutdowns and hinder economic recovery.

I don't want to see a Queensland that goes into a lockdown. I want to see a Queensland that continues to grow and prosper.

Queensland premier Annastacia Palaszczuk with deputy premier and health minister Steven Miles. Photograph: Darren England/AAP

She continued:

Queenslanders have done a great job with the health response - it allows us to open up our economy and focus 100% now on the economic recovery.

And there are tough challenges out there. You only have to look at other parts of the world where industries have been shut down. Mining have been shut down. ***Agriculture*** has been shut down. Businesses have been shut down. Countries are in second waves where they are completely closed and are not open. I don't want to see that from Queensland. Queensland, our best days are ahead of us. I know that. I know they're ahead of us and that's why we all have to work together.

So I'm asking Queenslanders to continue to show their support for the work that we have done in containing that health crisis and now that we are tackling the economic recovery. We know that there are challenges in terms of making sure that we get people back into work. It has been tough. People have lost their jobs, but I look around here today and I see an economy that is working.

block-time updated-timeUpdated at 1.34am BST

block-time published-time 1.20am BST

Daniel Andrews press conference expected at noon

Victorian premier Daniel Andrews and the public transport and roads minister, Ben Carroll, will hold a press conference at 12pm.

block-time updated-timeUpdated at 1.32am BST

block-time published-time 1.19am BST

Industry Super Australia calls for an end to early access schemes

The union-and-employer-backed industry super sector has rejected the idea of allowing people to raid their super for a third time after the minister responsible for the area, Jane Hume, made positive noises about the idea on TV on Monday night.

Assistant minister for superannuation Jane Hume. Photograph: Mick Tsikas/AAP

Speaking on ABC TV's Q+A, Hume talked up the scheme, saying: "The vast majority of correspondence I have received has have been from people who have been grateful for the ability to access some of their own savings."

She was on the show alongside Labor frontbencher Jim Chalmers, who said her "only achievement seems to have been to destroy the retirements of too many workers".

Australians have drawn more than $30bn from their retirement savings under emergency rules introduced by treasurer Josh Frydenberg.

Shadow treasurer Jim Chalmers. Photograph: Sam Mooy/Getty Images

In some pre-budget positioning this morning, Industry Super Australia said the drawdowns were hurting investment performance, because they force funds to hold more cash, and will add tens of billions to pension costs.

ISA CEO Bernie Dean said:

This emergency scheme provided funds to many at an uncertain time but has now fulfilled its purpose and must come to an end - the long-term cost is just too great.

Workers should no longer be asked to sacrifice their future to prop up the economy now. There are other levers the government can pull to stimulate spending and get funds to people who need it.

block-time updated-timeUpdated at 1.30am BST

block-time published-time 1.13am BST

NSW records 11 new cases of Covid-19, all in hotel quarantine

NSW has recorded 11 new cases of Covid-19 in hotel quarantine, but no new locally acquired cases of Covid-19, for the 11th day in a row.

It brings the total number of cases in NSW to 4,057.

There were just 5,385 tests completed in the past 24 hours. In a statement, NSW Health said:

Testing numbers have dropped recently, which is a concern. NSW Health is appealing to the community to come forward for testing right away if you have even the mildest of symptoms like a runny nose or scratchy throat, cough, fever or other symptoms that could be Covid-19.

People in the Hawkesbury and south-west Sydney are particularly being called on to come forward for testing if they have any symptoms after the state's sewage surveillance program detected fragments of the virus at the North Richmond and West Camden treatment plants.

The most recent cases in the West Camden catchment were reported in September, but no one living in the North Richmond catchment has recently tested positive.

Virus fragments in sewage can mean that there are active cases in the catchment area, but people can continue to "shed" virus genetic material for some weeks after recovery.

block-time updated-timeUpdated at 1.19am BST

block-time published-time 12.47am BST

On Sydney's Bondi beach.

enltrNo so much pic.twitter.com/Xf4siWAXLG

- Andrew Beatty (@AndrewBeatty) October 5, 2020

block-time updated-timeUpdated at 12.52am BST

block-time published-time 12.44am BST

The office of the Victorian premier, Daniel Andrews, has yet to give a time for the daily press conference. I'll let you know as soon as we know.

block-time published-time 12.39am BST

Two deer spotted walking down a Sydney street

No, really.

enltr #BREAKING : Two deer have been spotted on the loose in Leichhardt in inner west Sydney. More details to come. #9Newspic.twitter.com/4OPQZhietw

- 9News Sydney (@9NewsSyd) October 5, 2020

Do you remember the great baboon escape of February? Is this happening again?

block-time updated-timeUpdated at 12.42am BST

block-time published-time 12.35am BST

Back in the US, president Donald Trump is giving another lesson in what not to do.

enltrPres. Trump, who has tested positive for COVID-19, removes his mask as he arrives back at the White House. [*https://t.co/RtHStMpNTPpic.twitter.com/BYqcOJrFca*](https://t.co/RtHStMpNTPpic.twitter.com/BYqcOJrFca)

- Evan McMurry (@evanmcmurry) October 5, 2020

If you have tested positive for coronavirus: (a) don't spend time around other people outside of a medical setting, and (b) if you have to be out (because you are travelling to or from medical appointments, the only reason to be out) DO. NOT. REMOVE. YOUR. MASK.

block-time updated-timeUpdated at 12.36am BST

block-time published-time 12.27am BST

Centre Alliance 'selling out' uni students: Greens senator Mehreen Faruqi

Greens senator Mehreen Faruqi has accused the Centre Alliance of "selling out" university students.

Greens senator Mehreen Faruqi. Photograph: Sam Mooy/Getty Images

In a statement, she said:

The Centre Alliance has chosen to sell out students, young people and our universities.

They've bought the government spin, hook, line and sinker. They should be ashamed of condemning generations of young people to decades of debt.

This bill is a cruel and unfixable mess. It condemns students to decades of debt, universities to even less funding, and the country to a bleak, anti-intellectual future.

First-in-family, low-Ses and First Nations students will be particularly hard hit by the cruelty of the legislation.

Any concessions 'won' will not remove the cruelty and austerity that is at the heart of this legislation.

Rebekha Sharkie and senator Stirling Griff can still change their minds. They should vote to block the bill. They can still choose a bright future for students and our country over a bleak future offered by a cruel government.

block-time updated-timeUpdated at 12.34am BST

block-time published-time 12.23am BST

Victoria police has announced its daily coronavirus fine ***statistics***: 49 people were fined for breaching health directions in the past 24 hours, including nine people for failing to wear a face mask.

Among those fined were the proprietor and client of an alleged illegal nail salon in Sunshine, and a man walking through Footscray who told police he "never wears a mask".

block-time updated-timeUpdated at 12.24am BST

block-time published-time 12.06am BST

Greens leader A dam Bandt says the economic boost from the promised tax cuts would be better delivered if that money was spent raising income support payments so that people on jobseeker are no longer living in poverty.

A number of economists have agreed with this proposition: increasing jobseeker payments will mean more money circulating in the economy because people are able to afford essentials. Tax cuts to middle- and higher-income earners often go straight into savings.

enltrIn the middle of a recession, gov shouldn't give more handouts to the super-wealthy. Tax cuts mean nothing if you don't have a job. The priority shd be the million unemployed, not the millionaires. The Greens are calling on ALP & Senators to block the gov's tax cuts.

- Adam Bandt (@AdamBandt) October 5, 2020

enltrWe should instead invest in a green recovery to tackle the climate crisis, create jobs and reduce inequality. If we stop giving handouts to super-wealthy people like Clive Palmer, we can recover by building public housing, funding free childcare & getting to 100% renewables.

- Adam Bandt (@AdamBandt) October 5, 2020

enltrIf there's money to fund tax cuts for millionaires, then there's money to lift JobSeeker and keep people out of poverty.

- Adam Bandt (@AdamBandt) October 5, 2020

block-time updated-timeUpdated at 12.12am BST

block-time published-time 12.02am BST

As always, you can follow our global coronavirus updates here.

block-time published-time 11.57pm BST

Independent senator Rex Patrick slams Centre Alliance decision to support university reforms

Former Centre Alliance senator, now independent, Rex Patrick has responded to his old party's decision. He shared a tweet by Rebekha Sharkie about getting an arts degree and saying: "You don't care for future students in your electorate or state that might want the same opportunity."

enltrSo, whilst you are forever grateful for the opportunity afforded you, you don't care for future students in your electorate or state that might want the same opportunity #auspol#FundUniFairly#highered[*https://t.co/Hsz2lYMsqJ*](https://t.co/Hsz2lYMsqJ)

- Rex Patrick (@Senator\_Patrick) October 5, 2020

Sharkie's tweet is from back in June, when the reforms were first announced.

enltrI will be forever grateful to @Flinders for #MyArtsDegree. It took me ten years to complete while working and raising three children. I would not have had my career or the privilege of sitting in the #HoR without it. #auspol

- Rebekha Sharkie MP ?? (@MakeMayoMatter) June 19, 2020

block-time updated-timeUpdated at 12.00am BST

block-time published-time 11.51pm BST

Part three:

Rebekha said the reforms had an emphasis on supporting higher education opportunities for Indigenous students and students from rural and low socioeconomic backgrounds through a $500m a year support program and one-off support payments of $5,000.

"I am also confident that with special circumstance provisions in place for students, embedded in legislation, universities will be encouraged to take on more of a mentoring and counselling role with students to prevent them missing out on Commonwealth support if they fail to complete at least half their units," Rebekha said.

"Students experiencing health or personal crises will be protected."

Professor David Lloyd, vice-chancellor University of South Australia, said: "I very much welcome the efforts of the Centre Alliance team to secure a better deal for South Australia in the passage of the job-ready graduates (JRG) legislation. We will be best placed now to grow participation and attainment in higher education in our state."

Professor Colin Stirling, vice-chancellor of Flinders University said: "I welcome the commitment of Centre Alliance to ensuring that the job-ready graduates bill results in fair and equitable outcomes for South Australians, especially those from regional and rural areas. The guaranteed increase in funded places means that Flinders University will be able to continue to meet the growing demand for access to higher education as we develop the highly skilled graduates required for the future workforce."

Professor Mike Brook s, interim vice-chancellor, University of Adelaide said: "I thank Rebekha Sharkie MP and senator Stirling Griff for their ongoing advocacy for the South Australian community. Greater Adelaide and regional South Australia currently have the lowest proportion of university-qualified adults on the mainland. Under the status quo, universities face the prospect of continuous decline over the coming years. The new legislation contains some serious deficiencies, however, the amendments that Ms Sharkie and senator Griff have secured are a step in the right direction. The way in which South Australia will be classified for the purposes of growth in domestic student enrolments will contribute to addressing the gap in educational attainment and help build the workforce for the future."

block-time updated-timeUpdated at 11.56pm BST

block-time published-time 11.51pm BST

Part two:

As part of negotiations with Centre Alliance, the government has committed to providing additional commonwealth supported places for South Australian universities that will see South Australia receive the same growth rate as Tasmania and regional Australia.

"This means substantial extra funding for our three universities over four years, over above current funding allocations, and an additional 12,000 students will have access to a university education over a four-year period," said senator Stirling Griff, Centre Alliance senator for South Australia.

"This is an excellent outcome for South Australia and will address the concerns expressed by the vice-chancellors of Flinders University, UniSA and the University of Adelaide who all pointed out that the original government proposal favoured universities in regional areas and those in cities experiencing high growth.

"With a high unemployment rate, a smaller population than other states and no regional universities, using a CPI calculation for new places was just not going to work for South Australia."

In addition, Centre Alliance worked with the government on the weighting of commonwealth supported places in order to recognise the number of regional, low socioeconomic status, first-in-family and Indigenous students currently enrolled with each South Australian university, as well as defining the criteria for 'special circumstances' within the legislation for students who do not successfully complete their study units.

Centre Alliance has also negotiated funding for four study hubs across regional South Australia to provide extra support to regional students.

"We also advocated for the reinstatement of a 10% discount for upfront FEE-Help student contributions, the confirmation of a professional pathway for psychology and social work and a formal independent review of these legislative reforms after 18 months," Rebekha said.

Rebekha said the reforms would encourage universities to strengthen industry relationships and produce "job-ready graduates".

"Another positive outcome of these reforms will hopefully be a strengthened focus on domestic students, particularly domestic students from the regions who have under-represented in our universities," Rebekha said.

"Many Australian universities are on their knees suffering devastating financial losses due to the loss of international students thanks to Covid-19.

"With South Australian universities close to, or over, their cap of domestic students with some having been cross-subsidised by international students, we need to rethink the way in which we approach the domestic student market."

block-time updated-timeUpdated at 11.54pm BST

block-time published-time 11.49pm BST

The Centre Alliance has released a very lengthy statement on its decision to support the university reforms. (Background on that here.)

Given the interest in this story, I'll put the statement here in full, in a few parts. Part one:

Centre Alliance will support an amended Jobs-Ready Graduates Package that delivers funding certainty to the university sector while giving disadvantaged students and students from regional areas greater access to university education, the party's education spokesperson Rebekha Sharkie said today.

"These legislative reforms are by no means perfect but overall Centre Alliance recognises what the government is trying to achieve and what the university sector is calling for which is funding certainty following the 2017 indexation cuts," the federal member for Mayo said.

"Without change, many universities were at risk of significant job losses and campus closures going into next year.

"I believe we also need to give the government the opportunity to incentivise students to study in fields where we have serious skills shortages. It is ridiculous that year after year we churn out thousands of law graduates, many of whom will never work in law, and yet we import engineering graduates. Something has to change.

"We also appreciate that there may be increased costs for students studying the humanities but we recognise that these reforms will provide a significant increase in university places from 2021 and that universities have the discretion to set fees that reflect the delivery of some courses. Students will be able to substantially reduce their fees if they study subjects or majors in areas that government has identified as areas of need, such as studies in English or languages."

block-time updated-timeUpdated at 11.52pm BST

block-time published-time 11.45pm BST

Donald Trump has left hospital

US president Donald Trump has left the Walter Reed medical centre to return to the White House, where he plans to remain with his wife, Melania, until he has recovered from contracting Covid-19.

Trump walked down the hospital steps wearing a suit, tie, and a cloth facemask, following behind secret service officers. He pumped his fist and gave a thumbs up for watching supporters and media cameras.

Donald Trump gives the thumbs-up as he leaves Walter Reed medical centre. Photograph: Saul Loeb/AFP/Getty Images

He got in a car (again with secret services officers) and was then taken to a helicopter for the short trip to the White House.

You can follow this extraordinary story here.

Related: Donald Trump leaves hospital as Covid-19 treatment continues - live

block-time updated-timeUpdated at 12.21am BST

block-time published-time 11.39pm BST

Lidia Thorpe to be sworn in as new Greens senator

In other news, Gunnai-Gunditjmara woman Lidia Thorpe will be sworn in as the new Greens senator for Victoria today. Before the Senate proceedings, which will take place around midday, there will be a smoking ceremony at the Aboriginal tent embassy to welcome her to Ngunnawal and Ngambri Country.

She's the first Aboriginal and Torres Strait Islander person to join the Australian Greens parliamentary team.

Greens senator for Victoria, Lidia Thorpe, on the day she was nominated in Melbourne. Thorpe will be sworn in to the Senate today. Photograph: Luis Ascui/AAP

block-time updated-timeUpdated at 11.45pm BST

block-time published-time 11.30pm BST

Centre Alliance MP Rebekha Sharkie confirms she will pass university package

Centre Alliance MP Rebekha Sharkie has confirmed her party will pass the government's jobs ready graduate package.

Sharkie, whose colleague Stirling Griff holds the casting vote in the Senate, said the package is different to previous reforms that were "blunt cuts" because it improves opportunities for regional universities and students.

She said the government had identified a genuine problem: a glut of students in some disciplines, like law; and a shortage in others, like engineering.

Prime minister Scott Morrison talks to Centre Alliance MP Rebekha Sharkie. Photograph: Mike Bowers/The Guardian

Sharkie said the party had "some concerns" but has "ironed out" its differences and got to the point it can support the bill.

The two concessions Centre Alliance have extracted are:

* South Australian unis will get funding for growth in places of 3.5%, in line with regional universities

1. Students who fail more than half their subjects will be protected by legislated special circumstances that excuse the failure.

Sharkie said the party had got a "much better package for South Australia" and will now support the bill - expected to pass this week.

block-time updated-timeUpdated at 11.34pm BST

block-time published-time 11.25pm BST

enltrBreaking: @MakeMayoMatter on Sky says she will support the government's uni bill after various concessions from the government. We think we've got to a good position with government she says #auspol@callapilla

- Katharine Murphy (@murpharoo) October 5, 2020

block-time published-time 11.21pm BST

The shadow assistant minister for treasury, Andrew Leigh, was on 2SM radio in Sydney this morning and challenged the government's line that tax cuts will help with jobs.

He also noted that the economic assistance set out in tonight's federal budget will come from borrowed spending - so it has to worth the debt.

He said:

We've got debt going to a trillion dollars, we're going to remember that all this spending is borrowed spending and so it needs to do maximum good in getting the economy going. It's only stimulus when it's spent, so giving tax cuts that end up being saved isn't going to create jobs. The priorities have got to be to create jobs and to build back better through the recovery.

Tax cuts will particularly benefit higher-income earners - and those people are less likely to put that money back into the economy.

High-income earners tend to save about a quarter of their income. So about a quarter of that doesn't flow back into the economy. And the other thing is high-income workers are very rarely on the margin between moving from welfare into work. So it's difficult to imagine that if you offer a tax cut to somebody on $200,000, suddenly they'll say 'Oh, well, I'll take that $200,000 job rather than staying unemployed.' I would certainly benefit from a tax cut for people on $200,000, but that doesn't mean that that's good for the economy at a time when we're borrowing every single dollar.

block-time updated-timeUpdated at 11.26pm BST

block-time published-time 11.13pm BST

Opposition leader Anthony Albanese was speaking to reporters at Parliament House in Canberra a short time ago.

Labor leader Anthony Albanese speaks to the media on Tuesday morning. Photograph: Lukas Coch/AAP

Meanwhile, treasurer Josh Frydenberg clearly hasn't slept and has an apocryphal halo.

Treasurer Josh Frydenberg addresses media at Parliament House ahead of releasing the 2020-2021 federal budget later today. Photograph: Lukas Coch/AAP

block-time updated-timeUpdated at 11.22pm BST

block-time published-time 11.01pm BST

Victoria records 15 new cases of Covid-19 and one death

Victoria has recorded 15 new cases of Covid-19. Sadly, one more person has died.

The rolling 14-day average is 10.6 - down from yesterday - and there are 13 cases in the past 14 days with an unknown source.

enltrYesterday there were 15 new cases & the loss of 1 life reported. In Metro Melbourne, the 14 day rolling average is down from yesterday & the number of cases with unknown source is the same. Info: [*https://t.co/eTputEZdhs#COVID19VicDatapic.twitter.com/te66ISo3ba*](https://t.co/eTputEZdhs#COVID19VicDatapic.twitter.com/te66ISo3ba)

- VicGovDHHS (@VicGovDHHS) October 5, 2020

block-time updated-timeUpdated at 12.11am BST

block-time published-time 10.49pm BST

Coalition's controversial university reforms edge closer to reality

In non-budget news, South Australian Centre Alliance senator Stirling Griff is on the cusp of declaring his position on the Morrison government's controversial university funding reforms. Griff is the swing vote on the reforms, which will be the first order of business in the Senate today.

Tasmanian senator Jacqui Lambie said last week that she would not support the reforms, saying the bill "makes university life harder for poor kids and poor parents".

Senators Stirling Griff, Jacqui Lambie and Rex Patrick. Photograph: Mike Bowers/The Guardian

As AAP reports:

The Centre Alliance party is working with SA universities and others in the sector to find ways to improve the legislation.

Education minister Dan Tehan told AAP on Monday the "job-ready graduates" laws would provide provide more university places for Australian students.

He said the bill would make it cheaper to study in areas of expected job growth and provide more funding and support to regional students and universities.

"I want to thank the Senate crossbench for their good-faith negotiations. I look forward to continuing to work with the cross bench to secure passage of the legislation," Tehan said.

SA Greens senator Sarah Hanson-Young and independent Rex Patrick say Senator Griff should reject the laws.

"We believe this bill will have a negative impact on South Australia's young people, research capacity and job creation in our state," they said in a joint statement.

"The government's proposed changes will be devastating long term for SA families, at a time when we actually need more options for our state's young people to be engaged in study and training, if they are unable to work."

The University of Adelaide has argued the bill will deliver its students a 9% increase in Hecs-Help charges and reduce the university's funding by 15%.

"Any changes [the Centre Alliance] negotiate to the bill will be like putting a Band-Aid on a broken bone," Patrick said.

Labor argues the bill cuts $1bn from government university funding, makes degrees more expensive and prices people out of disciplines the Coalition does not like.

block-time updated-timeUpdated at 10.56pm BST

block-time published-time 10.30pm BST

Let's do a quick roundup of the budget stories, drops and otherwise, leading the major newspapers today.

The Australian reports that "average families" (not defined) will receive up to $5,000 in income tax relief , and that Australians aged under 35 who "have been forced on to welfare payments" will get a "lifeline" in the form of a direct wage subsidy. This is the jobmaker plan, because apparently we're stuck with that naming convention.

It also reports that the budget papers will show that Australia is facing its first negative migration rate since 1946.

The Australian Financial Review has led on the wage subsidy, with Phil Coorey reporting that the subsidy would be contingent on a young person being hired "and the job on offer containing a minimum number of hours".

The Herald Sun also led on the tax cuts, reporting that workers earning up to $200,000 will get up to $2,430 each in tax cuts, plus an extra bonus believed to be worth up to $1,000. It reports that once it passes parliament, the tax relief will be immediately built into pay packets and backdated to 1 July. The Daily Telegraph led on the same thing.

The Age and the Sydney Morning Herald also led on tax cuts for middle-income workers.

block-time updated-timeUpdated at 10.40pm BST

block-time published-time 10.16pm BST

If you are feeling slightly overwhelmed by all the news coming out of the US at the moment, Guardian Australia's associate news editor Jo Tovey is producing a daily election briefing to help non-Americans keep abreast of what's going on.

The first briefing was published today. You can sign up here:

Related: US election briefing for Australia: Covid changes everything - except Trump

block-time published-time 10.03pm BST

Frydenberg addresses reporters in Canberra

In Canberra, the treasurer Josh Frydenberg is talking to reporters ahead of the budget announcement this evening.

He begins by spruiking the support that the federal government has rolled out in the pandemic thus far, jobseeker and jobkeeper. He says that 10% of Australia's workforce either lost their job or saw their working hours reduced to zero.

In tonight's budget, I will lay out our economic recovery plan to rebuild the Australian economy and secure Australia's future. Our plan will create jobs. This is all about jobs. It's all about helping those who are out of a job get into a job. It's all about helping those that are in work, stay in work. Our plan will create opportunity. Our plan will drive investment. Our plan will grow the economy and guarantee the essential services Australians rely on. Our plan will see Australia a stronger nation.

Frydenberg was asked if the direct wage subsidy for workers aged under 35 discriminates against older workers, and also if any support will be targeted at women, who are 52% of those who lost their jobs.

He says that women and young people both were hardest hit, but that more than half of those who lost their jobs are now back at work.

And we saw 54% of the jobs being lost, being jobs lost by women. Sixty per cent of the jobs that have come back are jobs that are going to women. Young people have also seen jobs come back strongly.

In tonight's budget, we'll be releasing our second women's economic security statement, helping to boost female workforce participation, because we want to get it back to that record high, Lani (Scarr, from the West Australian), that was before this crisis began. In tonight's budget, we'll also be supporting young people, because the history of previous recessions in Australia - in the 1980s and the 1990s - is that it's taken a long time to get unemployment back to where it was. They say that unemployment goes up the elevator and comes down the stairs. In the 1980s, it took six years to get unemployment back below 6% from where it started. In the 1990s, it took 10 years. We want to move faster than that, and importantly we want to help women and young people get back to work.

Another reporter asked what happens if the government gets this wrong.

Well, this budget is our plan for Australia's economic recovery. We're already seeing encouraging signs across the economy, as people get back to work, as the virus is suppressed, as restrictions are eased. Right now we have a two-speed national economy. We have Victoria and we have the rest. But, fortunately in Victoria, the number of daily cases has been coming down, and those restrictions have started to ease. And that will see more people in Victoria get back to work just as we've seen more people around the rest of the country get back to work.

Treasurer Josh Frydenberg during a doorstop at Parliament House on Tuesday morning. Photograph: Sam Mooy/Getty Images

block-time updated-timeUpdated at 11.14pm BST

block-time published-time 9.50pm BST

The federal opposition leader, Anthony Albanese, has been speaking on Radio National and repeated earlier indications that Labor will support stage-two tax cuts - that's the 2022 tax cut - being brought forward.

He tells host Fran Kelly that Labor actually wanted those tax cuts brought forward last year when Australia already experienced two negative quarters.

He said:

The economy was really struggling before the pandemic hit. Of course we will wait to see what's in the budget but the decisions that we make will be consistent with what we said last year.

Leader of the Australian Labor party Anthony Albanese. Photograph: Dean Lewins/AAP

Asked if they will give their support for tax cuts now, before they are officially set out, Albanese says he will wait to see the actual budget papers.

This government is good at making announcements, good at leaking announcements, but sometimes when you look at the announcements the detail didn't match up.

He again says that Labor argued for more economic supports last year. Labor has repeatedly said it doesn't support the proposed stage-three tax cuts, due to come online, according to the Morrison government's plan, in 2024-2025. They say it will flatten the effective tax rate.

If you don't support that plan, what should we do with that money, asks Kelly? Albanese says you should not count those chickens just yet.

This is something that is in '24-25, this is something that is off in the distance.

He points out that last year we had no warning that the coronavirus pandemic was coming and says you cannot guess what the economy will look like then. Asked what Labor's plan is, Albanese highlights its proposed Australian centre for disease control.

You can read more detail about that proposal here.

Related: Australia would have its own centre for disease control under a Labor government

block-time updated-timeUpdated at 9.55pm BST

block-time published-time 9.19pm BST

Good morning,

It's federal budget day. This is, according to most commentators, the most significant budget in decades. Australia is in the grip of its first recession in 29 years, and the coronavirus and related shutdowns are set to deliver a deficit of $200bn.

What is the solution proposed to address this economic stagnation? You guessed it, tax cuts. According to Guardian Australia political reporter Paul Karp, the federal government has been telegraphing for a month that it will bring forward already promised tax cuts by 12 months to three years. Labor opposes the latter. Treasurer Josh Frydenberg is also expected to announce some form of tax relief to businesses - detail pending.

Many will also be watching to see if the Morrision government decides to permanently increase the rate of income support payments.

Frydenberg has been saying all week that "this budget is all about jobs". Which, fine, not particularly illuminating. The line being circulated is that it is a "record-spending budget". Despite that, a poll conducted by Essential for Guardian Australia found that only 25% of respondents think the budget will be good for them personally. Luke Henriques-Gomes has written on the people expected to be left behind, here.

You can read Paul Karp 's list of what to look out for and what has already been announced here. He advises you to keep an eye on the deficit as a measure of the federal government's commitment to economic supports, writing:

Future deficits will be a yardstick to judge how big the treasurer's conversion is from fiscal conservative to Keynesian.

Your regularly scheduled Amy Remeikis will be in the budget lock-up and will come back to the blog this evening, when we know what's going on.

In coronavirus news, people living in Melbourne will be tracking the progression of outbreaks including that linked to a Chadstone butcher, after the state's chief health officer, Prof Brett Sutton, said it will be "line ball" whether the rolling 14-day average will drop to five cases a day in time for the next stage of restrictions to be introduced on 19 October.

Meanwhile, US president Donald Trump has announced he will leave hospital on Monday evening, Washington DC time. That's in a few hours.

And finally, the Queensland parliament has been dissolved today ahead of the state election on 31 October.

Let's crack on. You can follow me on Twitter @callapilla or email me at [*calla.wahlquist@theguardian.com*](mailto:calla.wahlquist@theguardian.com)

block-time updated-timeUpdated at 9.46pm BST

**Load-Date:** October 6, 2020

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[***Protecting women from violence through legislation in Nigeria: Need to enforce anti-discrimination laws***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:61FR-GTN1-JBMY-H003-00000-00&context=1516831)

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**Body**

**ABSTRACT**

Violence against women is a commonplace and widespread phenomenon in Nigeria. It results from multifarious factors the major ones being gender discrimination/male chauvinism, despite the ratification of major international anti-discrimination laws and the enactment of national laws that prohibit violence. Preliminary investigations reveal among others, that these ratified international anti-discrimination instruments are not yet domesticated into law, while some of the national laws condone violence against women, as encouraged by the patriarchal nature of the Nigerian society which is influenced by culture and religion as enshrined within the plural Nigerian legal system. The article highlights the major Nigerian Federal legislation and their failure to adequately combat violence against women. It argues that the domestication and enforcement of CEDAW and other relevant international anti-discrimination instruments, a review of extant Nigerian laws, and the abolition of Nigerian societal practices and other obnoxious beliefs can lead to adequate protection of women from violence.

**FULL TEXT**

**Introduction**

Violence against women is the most pervasive and yet under-recognized human rights violation in the world. It is also a problem that saps women’s energy, compromises their physical and mental health, erodes their self-esteem, causes injury and increases women’s long-term risk of a number of other health problems, including chronic pain, physical disability, drug and alcohol abuse, and depression. 1 The elimination of such violence with the aid of comprehensive legislation (being a key to effective and coordinated response to violence against women) has been increasingly recognized as a priority for the international community 2 especially during the second half of the 1970s when there was a conceptual understanding that violence against women/gender based violence was not merely a matter of individual criminal behaviour but rather a gender based manifestation of patriarchal domination which has been protected variously by cultural norms and legal rights to privacy in the family 3 as it is in Nigeria. Consequently, the United Nations (UN) enacted the Convention on the Elimination of Discrimination Against Women (CEDAW) 1979. 4 Although CEDAW did not specifically mention violence against women, this shortcoming was remedied in the Convention’s General Recommendation No. 19 of 1992 which specifically described violence against women as discrimination. 5 Discrimination in this context was interpreted in General Recommendation No. 35 of 2017, 6 to mean that ‘violence against women’ is gender-based.

7 In General recommendation 35, the term ‘gender-based violence against women’ is used to explain the gendered causes and impacts of violence which further strengthens the understanding of violence as a social rather than an individual problem, requiring comprehensive responses. 8

Being a State Party to the United Nations (UN), Nigeria ratified CEDAW. Other non-legally binding instruments like the UN Declaration on the Elimination of Violence Against Women (DEVAW), 1993 9 are also applicable to Nigeria. At the African regional level is the African Charter on Human and Peoples’ Rights (ACHPR) 10 and the Protocol to the African Charter on Human and People’s Rights on the Rights of Women in Africa (Maputo Protocol) 2003 11 to which Nigeria is a party. The main challenge, among others, is that these comprehensive international laws have not been domesticated into a single comprehensive national law specifically for protecting women from violence. The implication is that such ratified treaties are not justiciable by virtue of the provision of the Nigerian constitution and therefore women cannot claim the rights protected therein. 12 One major factor against domestication and application of laws specifically for prohibiting violence against women in Nigeria is the general lack of political will by the government of Nigeria to protect the rights of women based on the long time perception that Nigeria is a patriarchal society. That is, a traditionally male dominated society which discriminates against the woman by perceiving her as vulnerable, dependent on the male partner/husband and must be subject to his discipline. 13 The only Federal law for combating violence in Nigeria is the Violence Against Persons Prohibitions Act (VAPPA), 2015 which is not women specific but a general law and it is applicable only to the Federal Capital Territory, Abuja, until adopted by another State of Nigeria that desires it. Although some States have laws protecting women from different forms of violence but their application is restricted to those States and they are poorly implemented. 14

A further challenge is that prior to the ratification of CEDAW and the enactment of VAPPA till present time, Nigeria operates a tripartite legal system that was inherited from the colonial administration. This legal system comprises of the received English law/statutory law, customary law and Islamic/Sharia law. 15 This combination of law makes it very difficult to harmonize legislation and remove discriminatory measures against women. 16 It has encouraged the simultaneous application of three systems of law with varied provisions for women’s rights in Nigeria while many of their provisions contradict current global standard which Nigeria has adopted. Some of the laws are archaic and outdated, not sufficiently comprehensive, not adequately enforced and not specifically directed to women, 17 while some also encourage and condone violence against women, reflecting Nigeria as a patriarchal society. This confirms that gaps exist in the legislation and needs to be addressed. This article highlights major provisions of relevant Federal laws and identifies their shortcomings, the perpetration of violence and discrimination against women and the prospects of how international and national laws can interact with norms in ways that can be conducive to the reduction of the risk of violence to women in Nigeria. It concludes that law does not adequately protect women from violence in Nigeria due to so many factors including the strong influence of pervasive culture and religious gender bias, gender discrimination/male chauvinism (patriarchy). Recommendations are made for effective control of violence against women in Nigeria.

**Understanding the concept and nature of violence against women**

The term ‘violence’ has been variously defined. For example, Uzuegbunam defines it as rough treatment, use of bodily force on others, especially unlawfully, to hurt or harm. 18 In relation to women, Article 1 of General Recommendation No. 19 of the CEDAW Committee on violence against women provides that ‘gender-based violence is a form of discrimination that seriously inhibits women’s ability to enjoy rights and freedoms on a basis of equality with men’. Article 6 of the Recommendation further states that The Convention in article 1 defines discrimination against women. The definition of discrimination includes gender-based violence, that is, violence that is directed against a woman because she is a woman or that affects women disproportionately. It includes acts that inflict physical, mental or sexual harm or suffering, threats of such acts, coercion and other deprivations of liberty. Gender-based violence may breach specific provisions of the Convention, regardless of whether those provisions expressly mention violence. Para. 9 of General Recommendation 35 19 confirms the above definition of discrimination by stating that ‘the concept of “violence against women,” as defined in general recommendation No. 19 and other international instruments and documents, places an emphasis on the fact that such violence is gender-based’. Para. 9 makes explicit the gendered causes and impacts of violence and asserts that this expression further strengthens the understanding of this violence as a social – rather than an individual – problem, requiring comprehensive responses, beyond specific events, individual perpetrators and victims/survivors. Para. 14 of General Recommendation 35 20 provides for the examples of the multiple forms of violence as: ‘acts or omissions intended or likely to cause or result in death or physical, sexual, psychological or economic harm or suffering to women, threats of such acts, harassment, coercion and arbitrary deprivation of liberty’. Para. 14 also identified the causes of gender based violence as cultural, economic, ideological, technological, political, religious, social and environmental factors, as evidenced, among other things, in the contexts of displacement, migration, the increased globalization of economic activities and the global supply chains.

Para. 12 identified other factors responsible for discrimination against women *inter alia as* ethnicity/race, indigenous or minority status, colour, socioeconomic status, language, religion or belief, political opinion, national origin, marital status, maternity, parental status, age, urban or rural location, health status, disability, property ownership, being lesbian, bisexual, transgender or intersex, illiteracy, seeking asylum, being a refugee, internally displaced or stateless, widowhood, heading households, living with HIV/AIDS, being deprived of liberty, and being in prostitution, as well as trafficking in women and situations of armed conflict.

By virtue of para. 16 of General Recommendation 35, 21 ‘gender-based violence against women may amount to torture, or cruel, inhuman or degrading treatment especially in cases of rape, domestic violence or harmful practices’ while ‘in certain cases, it may also constitute international crimes’. 22 Acts amounting to torture under para. 18 of General Recommendation 35 include violations of women’s sexual and reproductive health and rights, such as forced sterilization, forced abortion, forced pregnancy, criminalization of abortion, denial or delay of safe abortion and/or post-abortion care, forced continuation of pregnancy, and abuse and mistreatment of women and girls seeking sexual and reproductive health information.

Para. 7 of Recommendation 19 is to the effect that gender-based violence, which impairs or nullifies the enjoyment by women of human rights and fundamental freedoms under general international law or under human rights conventions, is discrimination within the meaning of Article 1 of the Convention. The implication of this exposition is that violence against women is gender based and it amounts to discrimination. This meaning is to be read into the definition of discrimination in Article 1 of CEDAW the context in which it is used in this paper.

While commenting on Article 2(f), 5 and 10(c) of CEDAW, para. 11 of Recommendation 19 provides that Traditional attitudes by which women are regarded as subordinate to men or as having stereotyped roles perpetuate widespread practices involving violence or coercion, such as family violence and abuse, forced marriage, dowry deaths, acid attacks and female circumcision. Such prejudices and practices may justify gender-based violence as a form of protection or control of women. The effect of such violence on the physical and mental integrity of women is to deprive them of the equal enjoyment, exercise and knowledge of human rights and fundamental freedoms…help to maintain women in subordinate roles and contribute to their low level of political participation and to their lower level of education, skills and work opportunities. Like in the provisions of para. 11 of Recommendation 19, paras 1 and 2 of the Declaration on the Elimination of Violence Against Women (DEVAW) 23 defines violence against women as: ‘any act of gender-based violence that results in, or is likely to result in, physical, sexual, or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or private life’. Examples listed in the paras are: physical, sexual and psychological violence occurring in the family, including battering, sexual abuse of female children in the household, dowry related violence, marital rape, female genital mutilation and other traditional practices harmful to women, non-spousal violence and violence related to exploitation; physical, sexual and psychological violence occurring within the general community, including rape, sexual abuse, sexual harassment and intimidation at work, in educational institutions and elsewhere, trafficking in women and forced prostitution; and physical, sexual and psychological violence perpetrated or condoned by the State, wherever it occurs. This definition indicates that violence against women and ‘gender based violence’ or gender based discrimination can be used interchangeably. 24 That is, ‘violence that is directed against a woman because she is a woman or that affects women disproportionately’. 25 It confirms that violence can be inflicted on women through the family, community and the State.

The Beijing Declaration and Platform for Action, 26 further expanded on the nature of violence against women to include: violations of the rights of women in situations of armed conflict, involving systematic rape, sexual slavery and forced pregnancy; forced sterilization, forced abortion, coerced or forced use of contraceptives; prenatal sex selection; and, female infanticide. 27

Much wider and elaborate is the perception of violence against women provided in preamble six of the Declaration on the Elimination of Discrimination Against Women (DEVAW). It recognizes that violence against women is a manifestation of historically unequal power relations between men and women, which have led to domination over and discrimination against women by men and to the prevention of the full advancement of women, and that violence against women is one of the crucial social mechanisms by which women are forced into a subordinate position compared with men. This provision establishes a clear link between patriarchy (domination and discrimination against women by men) and violence against women. As stated in preamble four, such violence is discriminatory as it serves as an obstacle to the achievement of equality between men and women, peace, development and advancement of women. 28

Preamble three of the Declaration recognizes that effective implementation of the Convention on the Elimination of All Forms of Discrimination against Women would contribute to the elimination of violence against women and that the Declaration on the Elimination of Violence Against Women, set forth in the present resolution, will strengthen and complement that process. This is the all-important reason why CEDAW needs to be domesticated and enforced in Nigeria along with other relevant international and regional instruments which Nigeria has ratified.

**The legal framework for combating violence against women in Nigeria**

The legal framework comprises of both international anti-discriminatory instruments to which Nigeria is a party and Federal laws enacted by the Nigerian National Assembly, and some States’ laws specifically for protecting women from violence.

**International anti-discriminatory instruments**

CEDAW is the UN treaty that outlines women’s basic right to equality which Nigeria has ratified. Articles 1–16 prohibits all forms of discrimination against women and imposes obligation on States’ Parties to eliminate prejudices, customary and all other practices which are based on the idea of the inferiority or the superiority of either of the sexes. 29 CEDAW focuses solely on the specific disadvantage and suffering faced by women and has been described as the ‘definitive international legal instrument requiring respect for and observance of the human rights of women’. 30 The convention was criticized by Meron who asserted that it as a ‘second class document’ for not providing for a mechanism by which individual citizens or groups in a States’ Party, may submit complaints to the CEDAW Committee. 31 Provision for this has, hoewever, been made in the Optional Protocol to CEDAW. 32

Article 1 defines discrimination as: Any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field. The provisions of the General Recommendation adopted in 1992 by the CEDAW Committee, Recommendation 19 and General Recommendation 35 on violence against women in particular, adequately fills in the gap in the CEDAW Convention by providing exhaustively for the protection of women from gender based violence. By para. 6 of Recommendation 19, CEDAW’s definition of discrimination in its Article 1 includes gender-based violence. In para. 2 of Recommendation 35, the CEDAW Committee noted that for more than 25 years, States’ Parties have endorsed the Committee’s interpretation in para. 6 of Recommendation 19 that discrimination against women, as defined in Article 1 of CEDAW, included gender-based violence, and that States’ practice suggest that the prohibition of gender-based violence against women has evolved into a principle of customary international law for which General recommendation No. 19 has been a key catalyst for that process. 33

By para. 13, Recommendation 19 States’ Parties are required under Article 6 to ‘suppress all forms of trafficking and exploitation of prostitution of women’. Para. 7 reiterates that ‘gender-based violence is discrimination within the meaning of Article 1 of the Convention’ because it denies women their freedoms which include: …the right to life; right not to be subject to torture or to cruel, inhuman or degrading treatment or punishment; right to equal protection according to humanitarian norms in time of international or internal armed conflict; right to liberty and security of person; right to equal protection under the law; right to equality in the family; right to the highest standard attainable of physical and mental health and right to just and favorable conditions of work. Para. 8 makes CEDAW applicable to violence perpetrated by public authorities which breaches the State’s obligations under general international human rights law and under other conventions, in addition to breaching this Convention. Para. 9 of Recommendation 19 clarifies that States may also ‘…be responsible for private acts if they fail to act with due diligence (further reiterated in para. 24 (b), Recommendation 35) to prevent violations of rights or to investigate and punish acts of violence, and for providing compensation’. This implies that States are responsible for inaction in preventing acts of gender-based violence and discriminatory practices against women. This due diligence standard was laid down in the famous case of *Velasquez Rodriguez v. Honduras* by the Inter-American Court of Human Rights in 1988. It requires States to ‘take reasonable steps to prevent human rights violations and to use the means at its disposal to carry out a serious investigation of violations committed within its jurisdiction, to identify those responsible, to impose the appropriate punishment and to ensure the victim receives adequate compensation’. 34

Para. 11 prohibits traditional attitudes by which women are regarded as subordinate to men such as family violence and abuse, forced marriage, dowry deaths, acid attacks and female circumcision. Para. 23 identifies family violence as one of the most insidious forms of violence against women wherein: Within family relationships in all societies, women of all ages are subjected to violence of all kinds, including battering, rape, other forms of sexual assault, mental and other forms of violence, which are perpetuated by traditional attitudes. Lack of economic independence forces many women to stay in violent relationships. The abrogation of their family responsibilities by men can be a form of violence, and coercion. These forms of violence put women’s health at risk and impair their ability to participate in family life and public life on a basis of equality. Para. 24(t) of General Recommendation 19, and para. 21 of Recommendation 35 provide that States’ Parties must ensure that legislation on gender-based violence provide adequate protection to all women and respect for their integrity and dignity. They also recommend that States’ Parties should ‘immediately’ take all appropriate legal and other measures that are necessary to provide effective protection of women against gender-based violence, including effective legal measures, penal sanctions, civil remedies and compensatory provisions to protect women against all kinds of violence.

Articles 2–9 of the Optional Protocol to CEDAW filled the gap in CEDAW by creating a mechanism by which individual citizens or groups in a States’ Party, which has ratified the Protocol, may submit complaints to the Committee on the Elimination of All Forms of Discrimination against Women (the Committee). After having received a communication, the Committee has the authority to request the States’ Party to adopt provisional measures to protect the victim of a human rights abuse from further harm.

Para. 5 of CEDAW Recommendation 35 notes that almost 600 concluding observations have been adopted by the Committee since the adoption of general recommendation No. 19, most of which contain explicit references to gender-based violence against women. Para. 6 notes further that despite those advances including the Committee’s condemnation of gender-based violence against women in all its forms under the Optional Protocol to CEDAW, gender-based violence against women remains pervasive in all countries, with high levels of impunity. Para. 7 also notes that in many States, legislation addressing gender-based violence against women is non-existent, inadequate or poorly implemented often justified in the name of tradition, culture, religion, and significant reductions in public spending. This is particularly true of Nigeria where until recently, there was no national legislation that particularly mention the protection of women from violence. 35

To make ratified international treaties applicable in Nigeria, the country operates the constitutional dualist theory which requires the legislative incorporation of every treaty into a national law. Although Nigeria ratified CEDAW since 1985 without entering any reservations, it has not been domesticated into Nigeria’s national law. This makes the Convention legally unenforceable in the Nigerian Court by virtue of the provision of section 12 of the Constitution of Nigeria which is to the effect that a treaty between Nigeria and any other country shall not have the force of law until such treaty has been enacted into law by the Nigerian National Assembly. This provision was upheld in the case of General *Sanni Abacha & Others v. Chief Gani Fawehinmi* 36 where the Nigerian Supreme Court directly invoked and applied the provisions of the African Charter on Human and Peoples’ Rights, 1981, having been domesticated into the African Charter on Human and Peoples’ Rights (Ratification and. Enforcement) Act. Cap. A9, Laws of the Federation of Nigeria 2004. In the case of *Registered Trustees of National Association of Community Health Practitioners of Nigeria and Others v. Medical and Health Workers Union of Nigeria*, 37 the Supreme Court held that so far as the International Labour Organization (ILO) Convention has not been enacted into law by the National Assembly, it has no force of law in Nigeria and it cannot possibly apply. The implication is that presently, CEDAW is not enforceable in the Nigerian Courts. There are, however, two fairly recent positive developments in this area which tend to bring changes to the assertion that a treaty cannot be enforced in court until domesticated in Nigeria.

Firstly, the Nigerian Court of Appeal relied on the provisions of Article 18 of the African Charter on Human and Peoples’ Rights 38 and Article 5 of CEDAW in its judgment in the case of *Mojekwu v. Ejikeme.* 39 In this case, Reuben Mojekwu died intestate in 1996 without any surviving children. The appellants were Reuben’s two great grandsons, and his granddaughter. The granddaughter was born to Reuben’s daughter Virginia and the great grandsons were born to Virginia’s two daughters. The appellants claimed that the Nnewi custom of *Nrachi* had been performed for Virginia and accordingly the appellants were entitled to inherit Reuben’s property. The key issue was to determine the validity of the *Nrachi* custom, which enables a man to keep one of his unmarried daughters perpetually under his roof to raise male issues to succeed him. The Court of Appeal held that the custom is inequitable and judicially unenforceable and also a female child does not need to perform *Nrachi* in order to inherit her deceased father’s estate. Justice Nki Tobi declared that: Virginia,…a victim of the Nnewi *Nrachi* ceremony, cannot be discriminated against on grounds of her female sex. By the application of the custom, Virginia was subjected to disabilities or restrictions which the provision of section 42 (1) of the constitution forbids…Virginia has protection under article 2 of the Convention on the Elimination all Forms of Discrimination Against Women (CEDAW). By the article, States Parties condemn discrimination against women in all its forms and agree to pursue a policy of eliminating discrimination against women. By article 5, States Parties are called upon to modify the social and cultural patterns of conduct of men and women, with a view to achieving the elimination of prejudices and customary and all other practices which are based on the idea of the inferiority or the superiority of either of the sexes or on stereotyped roles for men and women. In my humble view, Virginia is a victim of the prejudices anticipated in Article 5. In view of the fact that Nigeria is a party to the Convention, courts of law should give or provide teeth to its provisions…. 40 Justice Tobi stated further that the *Nrachi* ceremony of Nnewi is inconsistent with public policy, repugnant to natural justice, equity and good concience. It encourages promiscuity and prostitution which is condemned in Article 6 of CEDAW. 41 By specific reliance on CEDAW here, section 12 of the 1999 constitution was suspended and CEDAW was applied despite not having been domesticated. 42

Secondly, the Constitution of the Federal Republic of Nigeria (Third Alteration) Act 2010 ushered in a number of radical but positive innovations on the structure, powers, status and jurisdiction of the National Industrial Court (NIC). 43 This includes the provision in section 254C(2) for the exclusive jurisdiction of NIC for the interpretation and application of any international convention, treaty or protocol relating, to labour, employment, workplace, industrial relations, which Nigeria has ratified. 44 The section provides thus: Notwithstanding anything to the contrary in this Constitution, the National Industrial Court shall have the jurisdiction and power to deal with international convention, treaty or protocol which Nigeria has ratified relating to labour, employment, workplace, industrial relations or matters connected therewith. This provision is unique in that it renders impotent, as far as international labour standards, conventions or treaties are concerned, the constitutional requirement that no treaty between the Federation and any other country shall have the force of law except to the extent to which any such treaty has been enacted into law by the National Assembly. 45 Thus, the judicial authority of *Abacha v. Fawehinmi* 46 on the question of domestic application of international conventions is no longer a good law as far as international labour conventions or treaties are concerned while the case of *MHWUN v. Minister of Health & Productivity* 47 will be decided differently under this regime. The Third Alteration Act is therefore commendable in that it has successfully removed the ‘constitutional clog’ in the wheel of enforcement of international labour conventions duly ratified by Nigeria. 48 The court is now empowered to invoke and enforce the arrays of international labour conventions duly ratified by Nigeria (but not yet domesticated) and most of which have acquired the force of customary international law recognized by civilized nations of the world. 49 As rightly posited by Onomrerhinor, however, this provision relates only to international conventions or treaties relating to labour, employment, workplace or industrial relations and not to international treaties generally. 50

Other relevant international instruments to which Nigeria is a party is the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime. 51 The protocol is the first international instrument to define trafficking comprehensively. 52 Under Article 3, trafficking means; the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs. Article 3 also stipulates that the consent of the victim is irrelevant while the recruitment, transportation, transfer, harbouring or receipt of a child below 18 years for the purpose of exploitation amounts to trafficking. Article 5 obligates State Parties to adopt legislative and other measures to criminalize trafficking, attempted trafficking, participating as an accomplice, and organizing and directing trafficking. The Protocol also obligates States Parties to protect victims, 53 repatriate victims, 54 prevent trafficking in persons 55 and strengthen border controls. 56

Trafficking amounts to violence against women. 57 Nigeria ratified the Protocol in 2001 and enacted the Trafficking in persons (Prohibition) Law Enforcement and Administration Act, (Palermo Protocol) 2003 and reviewed it in 2015. Despite this, trafficking in women persists in Nigeria. It remains a critical problem. 58 One of the identified weaknesses in the Protocol is that its language is, in certain clauses, not mandatory but discretional, particularly in the provisions for the protection and assistance to trafficked persons through the use of words like ‘appropriate cases and to the extent possible…’ in Article 6(1) and ‘Each State Party shall consider taking measures…’ in Article 11(1) and (5). 59 It is suggested that the provisions in the International Protocol be made mandatory on States’ Parties for effective implementation in those States.

Article 7(h) of the Rome Statute of the International Criminal Court 60 prohibits gender persecution while Article 7(1)(g) describes acts of rape, sexual slavery, enforced prostitution, forced pregnancy, enforced sterilization, or any other form of sexual violence of comparable gravity; and other forms of sexual violence as ‘Crimes Against Humanity’. The case of *Prosecutor v. Jean Paul Akayesu* 61 has been described as one particularly noteworthy case. 62 In this case, the tribunal made a significant finding among others, that rape and other forms of sexual violence were independent crimes constituting crimes against humanity. For the first time, the law recognized that rape and sexual violence could constitute genocide. 63

Having ratified the Rome Statute in 2001, Nigeria is automatically obliged to the Court, and the Statute operates in the future and does not apply retroactively. 64 This has not been incorporated into the Nigerian law even though ratified. 65 Therefore sexual violence against women persists without limitation. Various parts of Nigeria have experienced widespread killings (including the abduction, rape and abuse of women) perpetrated mostly by suspected herdsmen and the terrorist group, Boko Haram. 66 Calls are being made on the Nigerian government to domesticate the provisions of the Rome Statute for the prosecution of these as crimes against humanity. 67

Article 2 of the Convention on the Rights of the Child (CRC) 68 protects children (below 18 years) from discrimination on the ground of sex while Articles 34–36 protects them from all forms of violence and exploitation such as sexual abuse and trafficking. This was domesticated in Nigeria into the Child’s Right Act (CRA) since 2003 but the Act has not been adopted by many States in Nigeria leading to inadequate protection of female children from violence like female genital mutilation, child trafficking and child marriage. 69

Article 3 of the UN Declaration on the Elimination of Violence Against Women (DEVAW), 1993 gives women right to the equal enjoyment and protection of all human rights and fundamental freedoms in the political, economic, social, cultural and other fields. Articles 4 of DEVAW and 9 of the Beijing Declaration and Platform for Action, 1995, oblige States’ Parties to among others, condemn violence against women without invoking any custom, tradition or religious consideration to avoid their obligations with respect to its elimination, and, in accordance with national legislation, punish acts of violence against women. Article 2 of DEVAW for the first time, defined marital rape as violence against women 70 . Marital rape is not explicitly prohibited by any Nigerian law. 71

At the African regional level, the major laws that prohibit violence against women are the African Charter on Human and Peoples’ Right 1981 72 and the Protocol to the African Charter on Human and Peoples’ Rights on the Rights of Women in Africa, 2003 (Maputo protocol). 73 The African Charter is the only comprehensive human rights treaty that has been domesticated in Nigeria 74 into the African Charter (Ratification) Act. 75 The Charter establishes a system or framework for the promotion and protection of human rights in Africa within the framework of the Organization of African Unity (now AU) 76 and has made a significant impact in the continent. 77 Article 4 of the Charter provides for every human being’s right to life and integrity of his person while Article 5 provides for every individual’s right to dignity and recognition of his legal status and prohibits all forms of exploitation and derogation from the rights of man including slavery, torture, cruel, inhuman or degrading treatment.

The African Commissions’ General Comment No. 3 78 states in para. 6, that right to life provided in Article 4 of the Charter requires the realization of all human rights recognized in the Charter, while para. 7 mandates States Parties to the Charter to develop and implement a legal and practical framework to respect, protect promote and fulfil the right to life, prevent arbitrary deprivations and derogation from the right to life is not permissible in a time of emergency, including a situation of armed conflict, or in response to threats like terrorism.

The African Commission’s General Comment No. 4 79 also provides in para. 8 that the right to redress encompasses the right to an effective remedy and to adequate, effective and comprehensive reparation with the goal of transformation. By para. 10 reparation includes restitution, compensation and rehabilitation. Despite these provisions, African women continue to face incredible economic, social, and cultural challenges, particularly regarding healthcare and education. 80 Africa reportedly leads the world in preventable childbirth and pregnancy-related death due to many factors including, lack access to contraception, safe abortions, and reproductive health care. 81

The levels of other forms of violence against women are particularly high in Africa. 82 For example in the case of *Egyptian Initiative for Personal Rights and INTERIGHTS v. Egypt*. 83 The issue considered was the violation of certain provisions of the African Charter. The complainant represented four victims (all women) involved in a protest led by the Egyptian Movement for Change. During the protest, riot police surrounded the protestors and did nothing while members of the National Democratic Party (supporters of then President Mubarak), sometimes at the instruction of State Security Intelligence (‘SSI’) officers, beat, insulted, intimidated, as well as sexually harassed and violated the victims. Upon filing complaints with the domestic authorities, the victims were threatened by SSI officers and other unidentified men, in an attempt to get the women to withdraw their statements. The complainant alleged that the actions constituted violations of the African Charter. The Commission decided that Egypt was responsible for violating the complainants’ human rights, specifically: prohibition of torture and cruel, inhuman and degrading treatment under Article 5, right to health in Article 16 and right of non-discrimination against women in Article 18(3) of the African Charter.

The Charter has however, made some positive impacts on women in Nigeria through the judicial application of its Article 18(3) which provides that ‘The State shall ensure the elimination of every discrimination against women and also ensure the protection of the rights of the woman and the child as stipulated in international declarations and conventions’. Article 1 of the Charter mandates member States to recognize the rights and duties in the Charter and adopt legislative or other measures to give effect to them. Having been domesticated in Nigeria, the Charter was applied by the Courts to nullify discriminatory practices against women in Nigeria. 84 For example in the case of *Mojekwu v. Ejikeme*, where Niki Tobi (JCA) declared the custom that denies female children from inheriting their father’s property as discriminatory and prejudicial based on Articles 5 of CEDAW and 18 of the African Charter on Human and Peoples’ right considered earlier in this paper. 85

Similarly in the case of *Women Empowerment and Legal Aid (WELA) v. Attorney-General of the Federation* 86 the Federal High Court in Ikeja, Lagos, held Regulation 124 of the Police Act to be discriminatory and unconstitutional. The Regulation provides that a woman police officer who is desirous of marrying must first apply in writing to the commissioner of police for the state command in which she is serving, requesting permission to marry and giving name, address and occupation of the person she intends to marry. Permission will be granted for the marriage if the intended husband is of good character and the woman police officer has served in the force for a period of not less than three years. Adah J. (as he then was) declared illegal and unconstitutional the said Regulation 124 on the ground that it was inconsistent with the provisions of section 42 of the Constitution of the Federal Republic of Nigeria and Article 2 of the African Charter on Human and Peoples’ Rights (Ratification and Enforcement) Act which have recognized the equality of the women and men. The Judge stated further that such discriminatory provisions of the Police Act cannot be justified since they are not applicable to male police officers. 87

Furthermore, in the case of *Dr. Priye Iyalla- Amadi v. Director-General of the Nigeria Immigration Service and Nigerian Immigration Service (NIS)* 88 the Federal High Court in Port Harcourt held that it was discriminatory and a violation of section 42(1)(a) of the 1999 Constitution and Article 18(3) of the African Charter on Human and People’s Rights for the immigration to insist on a written consent of the husband before an international passport can be issued for the wife (woman) when no similar condition is applicable to the men.

The Protocol to the African Charter on Human and Peoples’ Rights on the Rights of Women in Africa, 2003 is the main regional instrument in Africa for the protection of women and girls’ rights. 89 Preamble 5 recalls women’s rights guaranteed in international instruments including CEDAW and reaffirms the promotion of gender equality. Articles 3–6 prohibit all forms of violence against women, including sexual and verbal violence, unwanted or forced sex, child marriage, and all forms of female genital mutilation. Like DEVAW, 90 the protocol prohibits marital rape which is still not an offence in Nigeria. 91 Female genital mutilation is only specifically prohibited under VAPPA and some Nigerian States’ laws that apply only to the affected States but these laws lack adequate implementation. 92 Therefore, the practice goes on unabated. Although the Child Rights Act of Nigeria, 2003 prohibits child marriage, the Act is not yet adopted in 11 States in Northern Nigeria. 93 Child marriage persists in those States and even in some other States where the Act has been adopted due to poor implementation. Article 6 of the Protocol also gives women the right to acquire, own and freely manage their property. In the case of divorce, Article 7 of the Protocol provides the right to an equitable sharing of the joint property deriving from the marriage. Under Article 8, States’ Parties have an obligation to reform existing discriminatory laws and practices in order to promote and protect the rights of women. Under Article 20, States’ Parties are urged to take appropriate legal measures to ensure that widows are not subjected to inhuman, humiliating or degrading treatment. A widow also has the right to equitable share in the inheritance of the property of her husband and shall have the right to continue to reside in the matrimonial house.

Notable provisions of the Protocol include Article 14 which provides for the health and reproductive rights of women and the obligation of States’ Parties to ensure that this right, including sexual and reproductive health of women is respected and promoted. Article 14(1)(a) (b) and (c) provides that this right includes the right to exercise control over one’s fertility, decide one’s maternity, the number of children and the spacing of births, and choice of contraceptive methods. The General Comment No. 2 of the African Commission 94 notes: that the right to dignity enshrines the freedom to make personal decisions without interference from the State or non-State actors; the right to freedom from discrimination prohibits any deprivation concerning access to family planning/contraception services by healthcare providers; the right to dignity enshrines the freedom to make personal decisions without interference from healthcare providers. It therefore requires States’ Parties to remove impediments to the health services reserved for women, including ideology or belief-based barriers, administrative laws, policies and procedures and religious beliefs that restrict access to family planning/contraception. 95

Article 14(1)(d) and (e) of the Protocol provides for the right of women to self-protection and to be protected against sexually transmitted infections, including HIV/AIDS and the right to be informed of ones/partner’s health status. According to the General Comment No. 1 of the African Commission, 96 in para. 10, Article 14(1)(d), the States have ‘overall obligation to create an enabling, supportive, legal and social environment that empowers women to fully and freely realise their right to self-protection and to be protected’. Under para. 12, the right to sexual and reproductive health in Article 14(1)(e) include the right to be informed on one’s health status and the health status of one’s partner. Article 14(1)(d) and (e), like any other human rights provision, imposes four sets of general obligations on States Parties; to respect, protect, promote and fulfil the rights therein. 97

Article 14.2(a) and (c) of the Protocol also provides for women’s right to adequate health services in the rural areas, establish and strengthen existing pre-natal, delivery and post-natal health, the right to safe abortion in cases of sexual assault, rape, incest and when the pregnancy endangers the health of the mother or the life of the foetus. Paras 29–32 of General Comment No. 2 98 provides that the enjoyment of these rights is non-discriminatory and grants gender equality when women are well informed of products, procedures and health services that are specific to them and when they actually have access to the latter, including in the area of family planning/contraception and safe abortion. Non-discrimination also means that women must not be subjected to criminal proceedings and or incur any legal sanctions for having benefited from health services such as abortion and post-abortion care.

Despite the provisions, there is high rate of maternal mortality and morbidity on the continent which can be attributed to proximal determinants such as haemorrhage, sepsis and unsafe abortion, as well as more distal determinants related to gender inequality. 99 This includes a lack of autonomy of women to make informed decisions about whether to become pregnant in the first place or to seek medical care, a lack of access to contraception, as well as a lack of education including access to comprehensive sexuality education. 100

In the case of *Mapingure v. Minister of Home Affairs and Others* 101 the complainant was not given emergency contraception in time and was then given incorrect advice regarding how to obtain a termination of the pregnancy so that, by the time she had all the required paperwork in place, the time limit for termination had already passed. Mapingure was forced to go through with the pregnancy and to raise a child she did not want. The High Court found that the misfortune befell Mapingure as a result of her own ignorance of the correct procedures to follow, such that this was not attributable to the State. On appeal to the Supreme Court of Zimbabwe, the State was found liable for failing to provide emergency contraception but not for failing to ensure timely termination.

Although not specifically legislated in Nigeria, the rights stated in Article 14 of the Maputo Protocol may be inferred from the provisions of section 17 on right to health (although non-justiciable in section 6 of the constitution) and section 33 of the Constitution of Nigeria, 1999. 102 This constitutional provision that guarantees the right to life may be construed as guaranteeing also the right to health, which includes the provision of adequate health facilities accessible to all. 103 There was no legally binding national legislation addressing HIV/AIDS and its related matters in the country until 2014 when the HIV and AIDS (Anti-Discrimination) Act, 2014 was enacted to address issues of HIV/AIDS in the country 104 and only relates generally to the protection HIV/AIDS patients. Abortion is a criminal offence under the Nigerian law except when done to save the life of the mother as provided in sections 297 of the Criminal Code 105 and 232 of the Penal Code. 106 The case of *R v. Edgal* 107 established that an abortion which is performed to preserve the life of a mother did not constitute a violation of the Criminal Code of Southern Nigeria. The current sociocultural context in Nigeria does not support a change to the law on abortion. 108 Abortion is also criminalized under the Sharia law in Nigeria. 109

Report shows that on a recent study, women in eight sub-Saharan African countries are gaining access to, and using modern contraception at a faster rate. 110 Nigeria is reported to have over 6.5 million women using a modern method of contraception, although it is the second slowest growing country in West Africa when it comes to the uptake of modern contraception. 111 The Government of Nigeria is working with key stakeholders to address socio-cultural norms to address family planning such as: preference for large families, religious tenets, and women’s lack of decision-making power related to sexual and reproductive health. 112 It is suggested that Nigerian laws be reviewed to incorporate other factors for abortion including incest and rape as it is under the Maputo Protocol.

Article 21 of the African Charter on the Rights and Welfare of the Child (ACRWC), 1991, 113 enjoins States’ Parties to take all appropriate measures to eliminate harmful social and cultural practices affecting the welfare, dignity, normal growth and development of the child and in particular, customs and practices prejudicial to the health or life of the child, and customs and practices discriminatory to the child on the grounds of sex or other status. Most of the provisions of these laws are not being implemented for women and the girl child in Nigeria although the CRA contains to a large extent the provisions of the Charter.

**National legislation**

The modality for discussing the national laws is based on the framework adopted in Article 4(2) of the Maputo Protocol which mandates States Parties to take appropriate and effective measures to adopt other legislative, administrative, social and economic measures to ensure the prevention, punishment of all forms of violence against women and rehabilitation of victims of violence against women. This will enable the analysis of efforts of the Nigerian government and reveal the degree to which the country has complied with its obligations to address violence against women in Nigeria.

The major national laws that will be considered here are the Constitution of the Federal Republic of Nigeria, 1999, the Violence Against Persons Prohibition Act, 2015, the Child’s Rights Act 2003 and the Trafficking in Persons (Prohibition, Enforcement and Administration) Act 2015. This is followed by a highlight of some States’ domestic violence laws: the Lagos State Protection Against Domestic Violence Law, 2007, Domestic Violence and Other Related Matters Law of Jigawa State, 2006 and the Violence and Maltreatment (Prohibition) Law of Cross River State, 2004. Others are the relevant Bills before the National Assembly for approval, namely; the Sexual Offences Bill, 2013, the Gender and Equal Opportunities Bill, 2016 and the Labour Amendment Bill, 2016.

**The Constitution of the Federal Republic of Nigeria, 1999**

By the all-inclusive language of the constitution, women are entitled to all the general fundamental rights contained therein. Section 42(I)(a) (b) and (2) prohibits discrimination based on sex, places of origin, religion, ethnicity, age, or circumstances of birth. This provision is however circumscribed by the provision of section 42(3) 114 which states that section 42(1) shall not invalidate any law by reason only that the law imposes restrictions with respect to the appointment of any person to any office. It has been argued that this is capable of promoting the indirect discrimination of women under the constitution 115 and should be expunged.

Section 34(1)(a) provides that every person is entitled to respect for the dignity of his person and accordingly no person shall be subjected to torture or to inhuman or degrading treatment. Sections 33, 34, and 35 provide for the right to life, dignity of human persons and the right to liberty. The Constitution, however, makes no specific mention of women. The use of the language ‘he’ while referring to both gender in the Constitution (for example in sections 65–68) most often portrays bias against women. In practice, women are often denied the benefit of the general provisions in the Constitution and even though the constitution spells out equality and the protection of fundamental human rights, tradition, culture and some religious beliefs place women as subordinate to men. 116

On the other hand, the constitution has been applied to nullify some discriminatory practices against women in Nigeria based on the provision of section 42. For example in the case of *Yetunde Tolani v. Kwara State Judicial Service Commission & Ors*, 117 the Court of Appeal held that the appointment of a female magistrate that was terminated on the basis of her ‘single’ status was illegal and void and ordered her immediate re-instatement. In *Ukeje v. Ukeje* 118 Igbo customary law which disentitles a female from inheriting the property of the deceased father was declared void as it conflicts with section 42(1)(a) and (2) of the 1999 Constitution.

The constitution, contains no specific provision for protecting women from all forms of violence contrary to the Maputo Protocol’s mandate. It has been rightly suggested that it should be amended to reflect the protection of women’s rights and remove every ambiguity in its provisions. 119

**Violence Against Persons (Prohibition) Act (VAPPA) 2015**

This Act is the major general law that prohibits the infliction of violence on Nigerian citizens generally. The Violence Against Persons (Prohibition) Act, 2015 was signed into law on the 25th of May 2015 after over 10 years in the legislative process. 120 The provisions of the Act complies with Nigeria’s international obligations under CEDAW and the Protocol to the African Charter on Human and People’s Rights on the Rights of Women’ 121 by basing its objective on the approach contained in Article 4 of the Maputo Protocol, that is, to prevent and punish offences of violence against women, and rehabilitate victims of such violence. 122 Sections 1–26 prohibits and criminalises violent acts including rape, infliction of physical injury or wilfully placing a person in fear of physical injury, spousal battery, harmful traditional practices, attack with harmful substance, administering a substance with intent, political violence, violence by state actors, incest schedule and indecent exposure. The only few sections that specifically mention women are: section 6 which prohibits and criminalizes female circumcision or genital mutilation of the woman or girl-child; section 15(1), states that a person who subjects a widow to harmful practices commits an offence and section 20 prohibits and criminalizes any person who carries out harmful traditional practices on another including harmful widowhood practices, denial of succession or inheritance rights, forced marriage and forced isolation from family and friends.

Under section 1(1) of the VAPPA, (unlike the Criminal and Penal Codes provisions on rape), rape can now be committed by both gender. Sexual penetration remains the crux of the offence of rape but the offence is not limited to penile-vagina penetration. 123 It includes the penetration of the sexual organs or orifices (not limited to the vagina) with ‘anything else’ and establishes the offence of rape if the act was intentional. Sexual organs now include the mouth and the anus under the VAPPA. 124 The penalty for rape is life imprisonment except where the offender is less than 14 years of age when the prison term will be reduced to 14 years and in all other cases, to imprisonment of not less than 12 years without the option of fine. In the case of rape by a group of persons, the offenders are jointly liable to a term of 20 years. The court shall also award compensation to the rape victim as it deems fit and also maintain a register of sexual offenders that is accessible to the public under section 1(1) of the VAAPA. This is commendable since it can act as deterrence to would-be offenders.

Section 46 of the Act defines violence as ‘any act or attempted act, which causes or may cause any person physical, sexual, psychological, verbal, emotional or economic harm’. This shows that VAPPA recognizes different types of violence that women are subjected to including emotional, verbal, psychological, and economic abuse. 125 Section 2(1) prohibits the infliction of physical injury on others and anyone who is convicted of the offence shall be liable to a term of imprisonment not exceeding 5 years or a fine not exceeding 100,0000 or both. An attempt to commit violence provided in section 2(1) by any person is punishable on conviction to a maximum of 3 years imprisonment and a maximum of #200,000 or both. The same punishment goes for persons who assists, aids, abets or counsels others to commit such violence. Under section 2(5), the court may award compensation to the victim as it may deem fit.

Section 6 prohibits female circumcision or genital mutilation of the girl child or woman defined in section 46 of VAPPA as ‘cutting off all or part of the external sex organs of a girl or woman other than on medical ground’. Any person found guilty of committing FGM is liable on conviction to a maximum of 4 years imprisonment and a maximum of #200,000 fine or both. An attempt to commit the offence attracts 2 years imprisonment and a fine of #100,000 or both while persons who assists, aids and abets or counsels other persons to commit the offence are subject to punishment in like terms.

Whoever subjects another to harmful widowhood practices commits an offence under section 15(1) and is liable on conviction to a term of imprisonment not less than 2 years or a fine not exceeding #500,000 or both. Aiding, abetting, assisting, and counselling others to commit such offence attracts a maximum term of imprisonment of 1 year or a maximum fine of #200,000 or both. This will go a long way in deterring commission. By virtue of section 20, any person who carries out harmful traditional practices (such as denial of inheritance rights, female genital mutilation and forced marriage) 126 on another person is liable on conviction to a maximum term of 4 years imprisonment and a maximum fine of #500,000 or both. This as an express provision enabling women to exercise their inheritance and succession rights unlike the period before VAAPA, when in some communities in Nigeria, a woman is not allowed to inherit her husband’s estate, instead she may be inherited along with the estate of her husband by another male relative in the family. 127 This further adds support to the decision in *Ukeje v. Ukeje* 128 which was taken before the introduction of VAAPA based on section 42 of the 1999 constitution of Nigeria.

Section 28 of VAAPA also provides that a complainant may be granted a protection Order upon application to the High Court of the Federal Capital Territory (Abuja) and may obtain protection orders under the VAPP Act although shall be effective throughout Nigeria.

Despite the comprehensive provisions of the Act, a number of shortcomings can be associated with it. Firstly, most of the provisions are general provisions for protecting men, women and children from violence. Unlike the CEDAW, DEVAW and the Protocol to the African Charter on Human and Peoples’ Rights on the Rights of Women in Africa, VAPP Act is not dedicated to women even though the agitation for the law at the initial stage was for that purpose. 129 It only mentioned women in few sections. The implication is that the VAPP Act fails to acknowledge that violence against women is a form of discrimination, and a violation of women’s human rights 130 which is the perception of international laws examined above. This justifies the need for a women specific national law that protects them from violence.

Secondly, section 47 of VAPPA limits the application of the Act only to the Federal Capital Territory Abuja, Nigeria. The implication of this is that since Nigeria operates a Federal system of government, other States’ Houses of Assembly have to enact the Act into their States’ law before it can be enforceable in those States. Although prior to VAPPA some States of Nigeria have taken steps to enact their own laws, these laws are not being effectively implemented and so violence against women persists even in those States. The States and the laws include: Anambra State Malpractices against Widows and Widowers (Prohibition) Law No. 2005, Cross Rivers State Law to Prohibit Domestic Violence against Women and Maltreatment ofWidows, No. 10 of 2004, Ebonyi State Domestic Violence and Related Matters Law, No 003 of 2005, Edo State Female Circumcision and Genital Mutilation (Prohibition) Law No.4 of 1999, Ekiti State Gender-Based Violence (Prohibition) Law, 2011 and Lagos State Protection Against Domestic Violence Law 2007. Only 14 states including the Federal Capital Territory Abuja, have actually domesticated VAPPA namely: Kaduna, Plateau, Benue, Oyo, Osun, Ekiti, Ogun, Lagos, Edo, Anambra, Enugu, Ebonyi and Cross River State. 131

Thirdly, VAAPA does not contain any implementation mechanism apart from making the National Agency for the Prohibition of Trafficking in Persons (NAPTIP) the regulatory body. It does not adequately protect women from violence and discrimination.

**The Child Rights Act (CRA) 2003**

The Act domesticates to a large extent the provisions of the Convention on the Rights of the Child (CRC) and the African Charter on the Rights and Welfare of the Child (ACRWC). 132 It prohibits discrimination against children below 18 years. 133 Sections 21–23 expressly prohibit and criminalize child marriage and child betrothal, while sections 24–34 prohibit among others, the use of tattoos, tribal marks, exposure to use, production and trafficking of narcotic drugs, exploitative labour, buying and selling of a child for the purpose of begging and prostitution, hawking, begging for alms or prostitution, having unlawful sexual intercourse with a child or any other form of sexual abuse and exploitation, and recruitment of children into armed forces. Sections 21–24 of the CRA provides for the protection of children against harmful cultural practices but did not specifically mention female genital mutilation although VAPPA covers this. 134 The Act protects boys and girls below 18 years generally. The CRA suffers implementation challenges as only 24 states out of 36 states have enacted the Act as part of their laws. 135 Eleven States out of the 12 Sharia-implementing states have refused to adopt the CRA on the basis that most of the provisions contradict their religious beliefs. 136 This is contrary to international standard to which Nigeria subscribed.

**Trafficking in Persons (Prohibition) Enforcement and Administration Act, 2015**

The objective of the Act as stated in its section 1 is to prohibit, prevent, detect and punish human trafficking and related offences in Nigeria. 137 Under section 2, the Act creates the National Agency for the Prohibition of Trafficking in Persons (NAPTIP) which is vested with very broad powers and functions in sections 5 and 6 to, among others, enforce and administer the provisions of the Act and all other laws relating to human trafficking, adopt effective measures for the prevention and eradication of trafficking in persons, and supervise the rehabilitation and counselling of trafficked persons. Section 67 establishes the Victims of Trafficking Trust Fund for the compensation, restitution, physical and psychological damages which shall be assessed and paid out of the forfeited assets of the convicted trafficker to trafficked victims. The fund is to be managed and administered by the Victims of Trafficking Trust Fund Committee established in section 68 of the Act. For the effective conduct of the functions of the Agency, the Act establishes six special departments. 138 Section 82 of the Act defines ‘trafficking or traffic in persons’ as the recruitment, transportation, transfer, harbouring or receipt of persons by means of threat or, use of force or other forms of coercion, abduction, fraud, deception, the abuse of power of a position of vulnerability or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person or debt bondage for the purpose of placing or holding the person whether for or not in involuntary servitude (domestic, sexual or reproductive) in forced or bonded labour, or in slavery-like conditions, the removal of organs or generally for exploitative purposes. Section 13(1) prohibits all forms of human trafficking generally in Nigeria. Under section 13(2), penalty for human trafficking is 2 years imprisonment and a fine not less than #250,000. It has been observed that this offence is limited to the trafficking of persons within Nigeria 139 based on the provision of section 13(1) which makes specific reference to Nigeria. Other trafficking related offences in the Act include; importation of another person into Nigeria for prostitution or other forms of sexual exploitation under section 14(a) or exportation of another person from Nigeria for prostitution or other forms of sexual exploitation in section 14(b), 140 procurement of any person under the age of 18 years for sexual exploitation with another person, detaining or harbouring another person for prostitution or other forms of sexual exploitation with or by any person or an animal under section 15(a) and (b), 141 abuse, procurement or recruitment of person under 18 years for prostitution or other forms of sexual exploitation by himself or any other person in Nigeria or elsewhere under section 16(1), 142 to be conveyed from his usual place of abode, knowing that such a person may be subjected or induced into prostitution or other forms of sexual exploitation in any place outside Nigeria under section 16(2), 143 foreign travel which promotes prostitution or sexual exploitation under section 18 144 procurement or recruitment of persons for use in armed conflicts under section 19. 145

The provisions of section 14(a) and (b) have been rightly criticized for the use of the words ‘importation and exportation’ being derogatory and capable of reducing human beings to the level of commodities that can be imported and exported. 146 The provision in section 15 has been commended except for its narrow application which is limited to persons below 18 years. 147 Despite this legislative effort, Nigeria remains a severe source, and destination nation for trafficked people, particularly the young female who are trafficked into international prostitution. 148 The scourge of human trafficking requires adequate resources, eradicating corruption, sustained awareness, sufficient shelter and committed enforcement officers for victim, service delivery and efficient policy implementation. 149 To put policy into effective practice, these steps need to be taken.

A summary of both international and national laws shows that there is basically no national law specifically dedicated towards the protection of women from violence in Nigeria. The international laws ratified have not been domesticated, particularly CEDAW, while much reliance is placed on the general laws that lack proper implementation.

**States’ laws on domestic violence**

The Lagos State Protection Against Domestic Violence Law 150 has been described as having the most comprehensive definition of domestic violence. 151 Section 18(g) provides that domestic violence include; ‘physical abuse; sexual abuse and exploitation’ including but not limited to rape, incest and sexual assault; starvation; emotional, verbal and psychological abuse; economic abuse and exploitation; denial of basic education; intimidation; harassment; stalking; hazardous attack with offensive or poisonous substance; damage to property; entry into the complainant’s residence without consent and deprivation. Section 1 prohibits the commission of any act that amounts to domestic violence and under section 2 any complainant may apply for a protection Order. By the use of the word ‘any person’ it is clear that the law is not women specific but applicable to both genders in order to safeguard the interests of everyone who may be a victim of domestic violence. 152

In section 7, by means of a protection order, the Court can, among others, prohibit the respondent from committing any act or any further act of domestic violence. Under section 15, ‘any person who contravenes any prohibition, or order imposed in Section 7, shall be guilty of an offence and liable on conviction to a fine of N100, 000 or imprisonment for a period not exceeding 5 years or to both such fine and imprisonment’. The law has been criticized for failing to make domestic violence a criminal offence but a civil offence and would only become a criminal matter when an offender disobeys court orders as provided in section 15. 153 The effort is worthwhile and the law can still be reviewed to overcome this shortcoming.

The Domestic Violence and Other Related Matters Law, 154 is also another effort at combating domestic violence in Jigawa State. The law contains a comprehensive definition of domestic violence in section 2. 155 Like the Lagos State Law, it is gender neutral. Both Jigawa and Lagos States provide that victims can apply for protection orders. 156 They do not expressly prohibit domestic violence and offences are committed under the laws of these states only when a protection order is violated. 157 This has been criticized for defeating the whole purpose of the law which is to make it clear that the law prohibits domestic violence on pain of punishment thus, justifying a recommendation for reconsideration. 158

Despite the comprehensive definition of domestic violence, a major challenge of the law is its recourse to the provisions of the penal code and the Criminal Code. 159 An example is its use of the term ‘correctional measures over wives’ as part of its definition. 160 This means that husbands can physically ‘chastise’ their wives as a correctional measure, a replica of the provision of section 55 of the Penal Code which permits husbands to use physical means to chastise their wives as long as it does not result in grievous harm. 161 The implication is that this law, has entrenched further the right of a husband to treat a woman with indignity on the same level as a child who may be in need of correction. 162 Jigawa State has taken a giant stride in enacting this law, however, the discriminatory provisions need to be amended in order to assure violence free life for women in that State.

Unlike the Lagos State and Jigawa States’ laws on domestic violence, the Cross River State Domestic Violence and Maltreatment of Widows (Prohibition) Law 163 is women specific. Section 5 of the law defines domestic violence as ‘any abusive use of physical force or energy to cause damage or injury to a woman at home, in the house or any other place’. This is a short law with very few provisions which focusses only on two types of violence against women, that is, domestic violence and maltreatment of widows. It has been argued that domestic violence and abuse is not limited to obvious physical violence. 164 Domestic violence is a pattern of assaultive and coercive behaviour, including physical, sexual, and psychological attacks, as well as economic coercion. 165 Therefore, the definition under the Cross River States’ law is too restrictive, given the other types of harm that can result from other kinds of abuse. The law does not also provide for protection orders like Lagos and Jigawa. 166 This law needs to be reviewed to incorporate more areas of domestic violence considering the high rate of domestic violence against women in the State presently. This prompted the Cross River State government to warn perpetrators in the state to desist forthwith from the despicable act. 167

**Sexual Offences Bill, 2013 (SB:279)**

This was one of the landmark bills in the 7th Senate 168 that enjoyed the support of many legislators but was derailed by negative publicity and late passage. 169 The Bill was introduced and sponsored by Senator Anyanwu into the National Assembly. 170 It was passed by the National Assembly in June 2015 but was never assented to by the President due to misconceptions and controversies concerning some provisions of the bill 171 and the National Assembly chose not to force the Bill into law by overriding the need for the President’s assent. 172

Some of the sexual offences captured in the bill included sexual harassment; gang rape, child sex tourism, sexual harassment and prostitution of persons with mental disabilities, child pornography, incest; sexual offences related to positions of authority; administering substances with intent to stupefy and overwhelm, for example, lacing drinks with drugs; deliberate ***transmission*** of HIV, and any other life threatening STDs. It prescribes stringent penalties ranging from specific prison terms to life imprisonment. 173 Other provisions dealt with enforcement mechanisms such as supervision of dangerous offenders, disclosure of conviction of sexual offenders, vulnerable witnesses’ protection, admission of forensic evidence, and medical treatment orders for offenders. Further, the bill had mandated the storing of names of sexual offenders in a database. 174

According to the Policy and Legal Advocacy Centre (PLAC), the Bill generated controversy after its passage by the Senate in June 2015 based on the definition of a ‘child’ and an alleged insertion of a provision pegging the age of a child at below 11 years which for many people contravened existing legal definitions of a ‘child’, implying that the age of consent was 11 years and thus, creating a loophole to encourage the abuse of minors. PLAC confirmed that the legislation prescribed a life imprisonment term for anyone who defiles or has sex with a person under 18 years of age. The confusion may have come from the drafting of the bill, which provided for life imprisonment for a person who defiles a child; (1) below 11 years of age (2) between 12 and 15 years of age and (3) between 16 and 18 years of age. PLAC therefore argued that this classification was probably unnecessary and perhaps, more elegant drafting with a general clause that prohibits defilement of a person under 18 years, would have prevented the misinterpretation. 175

Ukhuegbe argued that a major drawback of the Bill is that it is a direct reproduction of the Kenyan law and has every appearance of being made in a hurry. 176 The bill has not been reintroduced or discussed thereafter. 177 This Bill needs to be revived, amended and signed into law to suit our local conditions in conformity with current international standard on women, considering the present surge in sexual abuse of women in Nigeria. 178

**Gender and Equal Opportunities Bill, 2016 (GEO Bill)(SB:301)**

The GEO Bill was sponsored by Senator Biodun Olujimi and the purpose was to give effect to (a) Chapters II and IV of the 1999 Constitution of the Federal Republic of Nigeria; (b) The International Covenants on Human Rights which affirm the principle of non-discrimination and equality, (c) certain provisions of CEDAW and the Maputo Protocol. 179 The Bill provides *inter alia* for the prohibition of discrimination against any person on the ground of gender, age or disability by any person, agency or government, and seeks to nullify any law, regulation, custom or practice, which constitutes discrimination against any person; promotion of equality, full development and advancement of all persons, adoption of temporary special measures to eliminate discrimination, modification of socio-cultural practices with a view to achieving the elimination of gender stereotyping, prejudices, and customary and all other practices which are based on the idea of the inferiority or the superiority of either of the sexes and the elimination of discrimination in political and public life. 180 It vests in the National Human Rights Commission, powers to enforce and implement the provisions of the Bill and imposes on citizens the legal obligation to give information to the Commission. 181

The Bill was first introduced in 2006 and it was rejected. 182 It also failed after its reintroduction in 2010 and was also ‘negatived’ in 2015. 183 Arguments for its rejection were that the bill conflicts with the Christian beliefs and the Sharia law which the Constitution recognizes and the bill was an unnecessary duplication of the provisions of the Constitution of the Federal Republic of Nigeria. 184 Thus, the Bill was voted out for ‘lack of merit’. 185 Consequently, Senator Olujimi re-introduced a new Bill that reflected some of these concerns on 15th June 2016. 186 The Bill scaled second reading and since then, was committed to the Senate Committee on Judiciary, Human Rights, and Legal Matters with a suggestion for further scrutiny of Clause 4 of the Bill, which deals with adoption of temporary special measures by public institutions. 187

It is recommended that the Bill be reconsidered so as to aid the implementation of the international law ratified for the elimination of violence against women in Nigeria.

**Labour Amendment Bill, 2016 (SB:229)**

The Bill was introduced on 9th March 2016 and was sponsored by Senator Oluremi Tinubu. 188 It seeks to expunge some provisions of the Labour Act 2004 189 which contains clauses described as restricting the employment opportunities for women in Nigeria. 190 They include; sections 55, 191 56, 57 and 58(2) 192 of the Labour Act. 193 Section 55(1) bans a woman from being employed on night work in a public or any ***agricultural*** undertaking except she is a nurse or is employed within the management cadre and not engaged in manual labour. Section 56(1) disallows women from engaging in any underground work in any mine. Section 57 empowers the Minister of Labour to make regulations prohibiting or restricting, subject to conditions as may be specified in the regulations, the employment of women in any particular type or types of industrial or other undertakings while section 58(2) provides that any person who employs a woman in contravention of section 55(1) or section 56(1) shall be guilty of an offence and on conviction shall be liable to a fine not exceeding N100 or to imprisonment for a term not exceeding 1 month or both.

The amendment to these sections was justified on the ground that such provisions of the Labour Act, 194 promote discriminatory practices against women in Nigeria 195 and constitute a breach of the Nigerian constitution and CEDAW. 196 Although in 2016 the bill passed through the first and second reading stages and was referred to the Committee on Employment, Labour and Productivity for consideration, the current status of the Bill is: ‘Awaiting Committee Report’. 197 This Bill will be of great benefit to women if signed into law.

**Violence and discrimination against women**

Presently in Nigeria there is high prevalence and persistence of violence against women. According to the World Health Organization (WHO), about one third of all the women in Nigeria had at one time or the other been a victim of violence in its diverse form 198 and it is still continuing. The perpetrated violent acts include rape, sexual harassment 199 women being beaten up by their husbands, verbal abuse, incest, forced marriage, denial of right to choose spouse, denial of the right of women to own a property, refusal to permit women to work or to control their own income, refusing the girl child to go to school, degrading a woman by treating her as if she were a child and refusing her any affection or sexual satisfaction. 200

Other instances of discrimination include restricting a woman’s relationship with the wide community such as friends’ colleagues or relatives, seeing women as incompetent, worthless or inferior to men, girls and women trafficking with the intention of using them as commercial sex workers, physical assaults on widows indirectly regarded as widow’s rites and who, under some customs has no right to inherit her husband’s property, 201 humiliation, confinement to the same position for as long as 1 year all in the name of mourning the husband. 202 Domestic violence, female genital mutilation and forced prostitution are still being practised among Nigerians in an alarming rate. 203 According to the United Nations Population Fund (UNFPA), Nigeria has the highest absolute number of female genital mutilation (FGM) worldwide, ***accounting*** for about one-quarter of the estimated 130 million survivors of FGM in the world. 204 The harmful practices of girl child marriage is prevalent across the country (especially in northern Nigeria) while trafficking in women and children is endemic in Nigeria, Edo State in particular. 205

The evolution of insurgency in northern Nigeria by the Boko Haram group has come with several challenges too. The group’s tactics and strategy evolved in 2014, with an upsurge of violence that included the increasing deployment of women as weapons, 206 kidnapping of women, rape, forced marriages, sexual harassment forced religious conversion, forced recruitment into the armed groups during attacks and use of women as suicide bombers, thus, making them more vulnerable to stigmatization and rejection by their families and communities. 207

Based on reports, Nigeria remains a source, transit, and destination country for women and children subjected to forced labour and sex trafficking. 208 There is a high prevalence of intimate partner violence including wife beating, emotional and economic abuse and marital rape, which many Nigerians consider to be a private issue about which the community should not intervene. 209 All these violent acts contradict and compromise international standard and obligation which Nigeria has undertaken.

**Obstacles to effective legislative control of violence against women**

These obstacles include those stated in both the Concluding observations by the CEDAW Committee on the combined seventh and eighth periodic reports of Nigeria 210 and the African Commission on the third periodic report of the Federal Government of Nigeria 211 although the documents also show that positive steps have been taken by the Nigerian government but in spite of these, the obstacles still remain.

By virtue of para. 4 of the concluding observations by the CEDAW Committee, the positive step taken since the consideration in 2008 of the State party’s sixth periodic report is in particular, the adoption of the following laws; (a)Violence Against Persons (Prohibition) Act, in 2015; (b)HIV and AIDS (Anti-Discrimination) Act, in 2014; (c) Ekiti State Gender-based Violence (Prohibition) Law, in 2011 and (d) Cross River State Law to Prohibit Girl-Child Marriages and Female Genital Circumcision or Genital Mutilation, in 2009. Paras. 5 and 6 also noted Nigeria’s efforts to improve its institutional and policy framework aimed at accelerating the elimination of discrimination against women and promoting gender equality, such as the adoption or establishment of the human rights desk in the military, in 2016, aimed at addressing complaints of human rights violations by the military, Jigawa State gender policy and action plan, in 2013, the Ekiti State gender policy in 2011 and the Strategic implementation framework and plan of action to operationalize the national gender policy, in 2008 and the ratification of the Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict, in 2012. Para. 11 of the concluding observation of the African Union recognizes that since the examination of Nigeria’s 2nd Periodic Report in 2006, at its 40th Ordinary Session, several measures have been taken to enhance the enjoyment of human rights in the country including the adoption of legislation, policy measures and judicial and institutional interventions such as the formulation of the National Gender Policy and other legal reforms to prevent discrimination against women.

Despite these efforts, both CEDAW Committee and Africa Commission expressed concerns for certain areas of women’s rights that are yet to be addressed. These issues constitute major obstacles to the full realization of women’s rights.

A major obstacle identified in para. 7 of CEDAW Committee is that Nigeria’s efforts to implement its obligations under the Convention have been significantly affected by various conflicts in Nigeria, in particular the terrorist insurgency waged by Jama’atu Ahlis Sunna Lidda’Awati Wal-Jihad (Boko Haram) since 2009 despite the efforts of the State party to rescue and rehabilitate women and girls who have been abducted and subjected to sexual slavery by Boko Haram. Para. 16 of CEDAW Committee recommends among others, that for the peace and security of women, the government of Nigeria should intensify its efforts to rescue all women and girls abducted by Boko Haram insurgents, ensure their rehabilitation and integration into society and provide them and their families with access to psychosocial and other rehabilitative services while also ensuring that counter-terrorism measures employed by the military and law enforcement authorities. Unfortunately, 6 years after the abduction of Chibok girls by Boko Haram, 112 girls are believed to remain in captivity presently. 212

Other obstacles are:

**Patriarchy/discriminatory laws and harmonization**

Patriarchy is a culture that fosters belief in men’s entitlement to service, obedience, loyalty and subservience of women partners and authorizes men’s violence towards women in service of these entitlements. 213 This finds support in the Penal Code (PC) 214 that is applicable in Northern Nigeria and the Criminal Code (CC) 215 applicable to Southern Nigeria because they contain some discriminatory provisions that condone violence against women. For example, section 55 of the PC permits husbands to use physical means to chastise their wives as long as it does not result in ‘grievous harm’. 216 Thus, the Penal Code condones domestic violence against women in Nigeria. 217 They reflect the cultural traditional belief in patriarchy. Section 6 of the Criminal Code legalizes marital rape. It defines unlawful carnal knowledge (rape) as ‘carnal connection which takes place otherwise than between husband and wife’. Similar provision can be found in section 281(1)(e) of the Penal Code. The legal implication of these sections is that, under no circumstances can a man be found guilty of raping his wife. It is his right. Section 360 of the Criminal Code makes the indecent assault of women a misdemeanour punishable with a 2-year prison term as opposed to 3 years prison term imposed for indecently assaulting a man which is a felony in section 353. These PC and CC statutory provisions are archaic and old having been enacted during the colonization of Nigeria without any review and are being applied till date.

In para. 11, the CEDAW Committee expressed particular concern that, notwithstanding the comprehensive audit of discriminatory laws conducted by the Commission and the fact that the State party ratified the Convention in 1985, various discriminatory provisions remain in effect, including: (a) section 42(3) of the Constitution, which validates any law that may impose discriminatory restrictions with respect to appointment to the police force; (b) section 118(g) of the Police Act, which prohibits the recruitment of a married woman into the police force; (c) section 55 of the Criminal Code, which permits wife battery as chastisement as long as no grievous bodily harm is inflicted. The Committee therefore, recommends that a comprehensive law reform should be undertaken, in the context of the ongoing constitutional review process, in order to harmonize conflicting provisions under statutory, customary and Islamic personal laws and ensure that they fully comply with the Convention. This constitutional provision is not yet amended and the discriminatory provisions of the Penal Code and the Criminal Code remain intact without any review in favour of women.

**The simultaneous application of the tripartite legal system/definition of discrimination and legislative framework**

Para. 11of the CEDAW observation notes the pluralistic legal system in Nigeria. This legal system contain varied provisions for women. These are Statutory, Islamic/Sharia law and customary law. In para. 9, the CCEDAW Committee affirmed that the State party’s federal structure, which establishes a three-tiered system of governance at the national, state and local levels, continues to present challenges for the incorporation of the provisions of the Convention into the national legal order. Laws that affect women’s rights, such as the Violence Against Persons (Prohibition) Act of 2015, are therefore applicable only in the Federal Capital Territory. The Committee is particularly concerned that:(a) Owing to the governance arrangements of the State party, women and girls are subject to different laws and policies that afford varying levels of protection; (b)The prohibition of discrimination in section 42 of the Constitution does not comprise a comprehensive definition of discrimination in line with Article 1 of the Convention; (c)The gender and equal opportunities bill, which is intended to incorporate the Convention into the national legal order, has been stalled and that there is no timeline for the adoption of pending bills including the disability rights bill.

In par. 10 (b), the CEDAW Committee recommends the adoption of a comprehensive definition of discrimination against women, in line with Article 1 of the CEDAW Convention and Sustainable Development Goal 5.1, to end all forms of discrimination against all women and girls, and expedite the adoption of pending laws, such as the gender and equal opportunities bill and the disability rights bill, and ensure that they fully comply with the Convention. Despite this, the situation is still the same.

Most of the provisions of the Islamic/Sharia law and customary law on women’s rights contradict statutory provisions and current international standards especially CEDAW. Under the Islamic/ Sharia law, Muslim women in northern Nigeria are faced with discrimination, marginalization, disempowerment, and at the same time oppressed and suppressed by the dictates of religion. 218 Adherence to Islamic/Sharia and customary laws reinforce practices that are unfavourable to women, including those relating to freedom of movement, marriage, and inheritance. 219 The punishment meted out by the Sharia Courts in adultery cases discriminates against women as was illustrated in the case of *Safiyah Hussaini & Another v. Commissioner of Police, Sokoto State* 220 where Safiya was sentenced to death for adultery and no co-adulterer was tried with her. The decision was finally quashed on appeal due to pressures from human rights groups.

Most customary laws in Nigeria are patriarchal in nature. For instance in Eastern Nigeria, some cultures discriminate against women by not recognizing daughter/wife inheritance of father/husband’s landed property. Land devolves on only the male lineage thereby disempowering women economically. 221 This has been the lot of women in Nigeria, especially in the South-East, until the Nigerian Court of Appeal in the case of *Mojekwu v. Ejikeme* 222 and recently the Supreme Court in *Ukeje v. Ukeje* 223 struck down this discriminatory system of inheritance, which disinherited the daughters of a deceased man from inheriting their father’s landed property in preference of their uncle. The Nigeria Court of Appeal also held that such a custom was contrary to public policy and repugnant to natural justice equity and good conscience. Many of these acts, however, still go on unreported by victims because they may not have the capacity to challenge it in court or for fear of the community.

The Supreme Court of Nigeria has, however, taken the violation of women’s right as a special project which is evidenced in the number of judgments cutting down obnoxious customary practices against women. 224 This is evident in two landmark cases that were both decided in 2014.

In the case of *Mrs Maria Nweke v. Onyibor Anekwe and Anor*. 225 the claim by the widow, Maria Nweke was for a declaration for the right of occupancy over a parcel of land where the Plaintiff lived with her husband until his death and a restraining order against her eviction by the defendants because she had only female children (six of them) for her late husband. A major issue in contention was whether the custom of the Awka people (in Anambra state) which denied a woman of her rights to her deceased husband or father’s property is repugnant to natural justice, equity and good conscience. Justice Ogunbiyi pronounced as follows: that the custom and practice of Awka people upon which the appellants have relied is hereby out rightly condemned in very strong terms…It is punitive, uncivilized and only intended to protect the selfish perpetration of male dominance which is aimed at suppressing the right of the women folk in the given society… 226 In *Lois Chituru Ukeje v. Mrs Gladys Ada Ukeje*, 227 the plaintiff/respondent instituted this suit, seeking a declaration from the court that as the daughter of the deceased she is entitled to a share of his father’s estate. The Supreme Court held that Igbo customary law which disentitles a female from inheriting the property of the deceased father is void as it conflicts with the fundamental right to freedom from discrimination set out in section 42(1)(a) and (2) of the 1999 Constitution. Justice Bode Rhodes Vivour of the Supreme Court of Nigeria declared thus: No matter the circumstances of the birth of a female child, such a child is entitled to an inheritance from her late father’s estate. Consequently, the Igbo customary law which disentitles a female child from partaking in the sharing of his deceased father’s estate is a breach of section 42(1)(2) of the Constitution of the Federal Republic of Nigeria 1999…

The decisions in *Anekwe v. Nweke* 228 *and Ukeje v. Ukeje* 229 have been described as reiterating the repugnancy doctrine in relation to the validity of customary law and underline a refreshing position on Nigeria women’s dignity and property rights 230 while the decisions have been criticized for obvious gaps. 231 For example, Diala 232 raised many fundamental issues criticizing the decision including the fact that the apex courts failed in both cases to analyse how the customary law of succession has departed from its foundational values; the Court mentioned neither the equality clause nor the right to property except in *Ukeje v. Ukeje* 233 that it deployed the Constitution against the male primogeniture custom. He argued further that in *Anekwe v. Nweke* the court failed to address the unsuitability of the primogeniture custom to women’s independent income and contribution to matrimonial property 234 and the court also failed in both cases to invite *amicus curiae* evidence from research institutes and non-governmental agencies to shed light on the challenges of applying customary law outside the social setting. 235

Notwithstanding the criticisms of the above decisions, Chinwuba argued that the decisions indicate that the judiciary has stopped condoning discriminatory customary practices against women. 236 Thus, the decisions in the aforementioned cases have ‘finally terminated the prevarication and conservative policy of the apex court and firmly turned the tide against discriminatory customary law rules of succession in favour of female children and widows, respectively’ 237 It has also been commended for surpassing the situation in other jurisdictions like Kenya where the official law permits women to own and inherit land 238 but does not particularly eliminate institutional, informational or cultural barriers which prevent women from claiming those rights. 239 It is hoped that future court decisions will fully consider these vital criticisms so as to sustain and ensure total eradication of these discriminatory practices against women.

**Absence of women specific and comprehensive national law for combating violence against women**

In para. 23, the African Commission expressed concern about the lack of concrete legislation at the national level on gender based violence, Female Genital Mutilation (FGM), and discrimination against women. 240 This is due to non-domestication of international laws ratified in Nigeria including CEDAW. Inadequate provision, application and implementation of VAPPA is also a challenge arising from patriarchy and lack of political will by the government of Nigeria. This is confirmed in the assertion that poor implementation of extant Laws is attributed mainly to interference of negative cultures and the refusal of custodians of culture to embrace modifications of the cultural system. 241 In its para. 10 (a) the CEDAW Committee 242 recommends that Nigeria should urgently incorporate the provisions of CEDAW into national legislation and strengthen its national coordination mechanisms to ensure coherent and consistent implementation throughout Nigeria. Yet, there is no single national legislation that is specifically dedicated to the protection of women in Nigeria.

**Poverty and financial insecurity for women**

Many women continue to live in situations defined by absolute poverty: and illiteracy. This is the main obstacle to the full realization of women’s equality manifesting itself in poor health, low levels of education, lack of access to potable water, food insecurity and unemployment. 243 This renders women vulnerable to trafficking in the process of search for a better life. 244 Lack of fund to effectively coordinate and operationalize policies or to build its capacity to prevent and respond to gender based violence in the country is also a challenge. 245 Paragraph 13 of CEDAW Committee notes that women’s access to justice is often impeded by insufficient budget allocations for legal aid, alleged corruption and stereotyping within the judiciary. The Committee urges Nigeria to increase the budget for legal aid and to investigate allegations of corruption within the judiciary and prosecute and punish corrupt judicial officials who obstruct justice, in order to restore women’s effective access to and trust in the judicial system. Report shows that women constitute over 60% of the poorest people in Nigeria and going by the IMF ***statistics***, 52 million women are on the clutches of extreme poverty. 246 Consequently, women’s access to justice, equality and development are negatively affected.

**Participation in political and public life**

Para. 22 of the African Commission and para. 29 of the CEDAW Committee notes Nigeria’s efforts to improve women’s participation in political life and the progress made in improving the representation of women in decision-making positions, especially within the judiciary. Nevertheless, the Committee remain concerned:(a)That women are still underrepresented in the National Assembly, in senior leadership positions in the diplomatic service and at the ministerial level. The Committee recommends among others, the introduction of temporary measures, such as quotas for political appointments and the accelerated recruitment of women to decision-making positions, in order to accelerate their full and equal participation in elected and appointed bodies. In its para. 37, the African Commission recommends that Nigeria should take positive steps to create an effective affirmative action mechanism to guarantee female participation in all spheres of government, and also enact at the Federal level, legislation prohibiting FGM, violence and discriminatory practices against women. Only VAPPA is the national law that prohibits female genital mutilation and is applicable to the Federal Capital Territory, Abuja. This law should be made applicable to the whole of Nigeria as a federal law. Reports indicate that although participation of Nigerian women in politics and governance is low, it is gradually rising but the fact remains that they are not given sufficient encouragement like equal opportunities as men in the political terrain. 247

Analysis of the national laws shows that there is still much to do to fully comply with CEDAW and African Commission’s recommendations for Nigeria.

**Lack of awareness of laws prohibiting violence**

This could be by women and even the perpetrators of violence against them. It is a major factor because the existence of a law is not the same as awareness of the law’s existence. There may be a sizeable gap, especially where the law is recent and/or runs counter to traditional norms. 248

**Recommendations**

For legislation to effectively control violence against women in Nigeria, the following recommendations are made.

First is the review of the provisions of the extant Nigerian laws especially the Penal Code and Criminal Code, the religious and customary laws, and harmonization with current international standard which Nigeria has ratified particularly CEDAW, Protocol to the African Charter on the Rights of Women and other UN instruments like DEVAW and Beijing Rules. The importance of this was rightly asserted by Klugman that when legislative prohibitions are enacted alongside religious or customary laws that promote male dominance, the potential of legislative reform is clearly muted. 249 These are structural and underlying causes and risk factors of violence against women in Nigeria. Changing Norms is a way towards harmonization of laws and customs that contradict current practice. The importance of shifting norms around violence was also stated by the CEDAW Committee in the context of India that: Laws alone or judicial activism cannot bring about enduring changes in an ancient social fabric such as India’s. The socialization process is too deep and too entrenched to be tackled through legislation alone. Very often, enforcement agencies and institutions remain steeped in gender biases. Further, the biases that restrict women’s mobility and access to resources are deep rooted in economic and social interests and unequal power relationships. Patriarchal control redefines and reassert itself cutting across barriers of caste and community, threatening the realization of the dreams of our Constitution of a gender-just society free from exploitation. It is therefore necessary to change people’s mindsets and bring about a societal re-orientation in all sectors and at all levels of oppression and subordination. 250 The situation in India is highly comparable to that of Nigeria making this process of changing norms applicable and desirable for Nigeria. Changing norms has been described as one key component in addressing the problem of violence. 251

Second is the domestication of CEDAW, DEVAW and other international instruments under discussion in this paper into a single legislation that prohibits all violent and discriminatory acts and is made applicable to all States of Nigeria with an effective implementation mechanism. This is the practice in many jurisdictions. For example, following pressure from activists, India passed the Protection of Women from Dosmestic Violence Act (PWDVA) in 2006 applicable to all women of all religion in India. 252 Nigeria should emulate this and enact a national comprehensive law specifically for protecting women from violence with effective ***data*** monitoring of developments in the implementation of policies and legislation.

Thirdly, education of communities on the grave consequences of perpetrating violent acts on women and the correction of misconceptions regarding the religious teachings and texts used to justify violence against women, promote ideas about the shared roles and responsibilities of men and women in providing for the family; and deliver the tools needed to apply these ideas through targeted group dialogue activities, which can reduce gender based violence induced by economic stress. 253

Fourthly, women’s and girl’s social empowerment is also crucial due to the long formed understanding that violence against women and girls is fundamentally about gender inequality and women’s subordination implying that women’s disempowerment (poverty) and dependence on men both make them vulnerable to experiencing violence, and less able to challenge it. 254 This will mitigate the impact of patriarchy on women’s rights generally.

Fifthly, applying multicomponent and integrated interventions from multiple sources are more effective than single ones in preventing violence against women. 255 This will include media campaigns combined with locally targeted community programs 256 and engaging men and women and the entire community 257 over a short, medium and long term (since long standing harmful social norms like traditions, customs, beliefs, values, norms and practices that are deeply embedded in culture which operate at systemic, community and individual levels can take many years to shift) in order to address social norms regarding acceptability of violence. 258

Sixthly, the Nigerian government should make adequate budgetary allocation towards eliminating violence and discriminatory practices against women in Nigeria.

**Conclusion**

The foregoing analysis shows that legislation has not been able to address violence against women in Nigeria due to social, cultural, religious and economic factors that has resulted into male dominance, gender inequality, superiority of males to females, females being seen as the weaker sex and females economic dependence on males. 259 Violence has negative impacts on women. According to a World Bank report, worldwide, it has been estimated that violence against women is as serious, a cause of death and incapacity among women of reproductive age, as cancer, and a greater cause of ill-health than traffic accidents and malaria combined. 260 Therefore it is time for the world to take action: a life free of violence is a basic human right, one that every woman, man and child deserves. 261 ‘There is one universal truth, applicable to all countries, cultures and communities: violence against women is never acceptable, never excusable, never tolerable’. 262 It is strongly believed that with the domestication of CEDAW and other international human rights instruments ratified in Nigeria, a review and harmonization of cultural, statutory and religious laws in line with international standard which Nigeria has adopted, coupled with the effective implementation of these laws along with VAAPA, violence and discrimination against women will be adequately addressed.

**Notes**

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[***Senate estimates told 3,000 dead people among those owed robodebt refunds - as it happened***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:615H-SHJ1-JBNF-W2C3-00000-00&context=1516831)

The Guardian (London)

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**Section:** AUSTRALIA NEWS; Version:25

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**Byline:** Nino Bucci (now) and Amy Remeikis (earlier)

**Highlight:** Legal battle brews over Australia Post CEO's status; MPs reject Qatar dinner invitation. This blog is now closedLegal battle brewing over Christine Holgate 'stand aside' Follow our global coronavirus live blogFull Australian Covid stats ; Covid restrictions state by stateNSW hotspots list ; Qld hotspots listSign up for Guardian Australia's weekly coronavirus email

**Body**

block-time published-time 8.39am GMT

That's it for tonight, thanks for reading. To recap:

* There's a legal battle brewing over Christine Holgate having to 'stand aside' while a review is carried out into the watches the Australia Post boss authorised for her executive team.

1. The NRL has backflipped on a decision not to play the national anthem during this year's State of Origin series after a backlash from fans and reported intervention from Prime Minister Scott Morrison.
2. Labor MP Chris Hayes collapsed in parliament and was taken to hospital, but is expected to be released tomorrow.
3. Three new Covid-19 cases were recorded in Victoria, with NSW recording four cases of community ***transmission***.

block-time published-time 8.34am GMT

Here's some more on the Supreme Court decision in Victoria today regarding the destruction of trees that are sacred to the Djab Wurrung

Related: Djab Wurrung people win injunction to halt roadworks and protect significant trees

block-time published-time 8.21am GMT

Officials won't disclose when universities were first included in coverage of the Morrison government's draft foreign veto bill, which began with a focus on state and territory agreements with overseas governments.

Department of Foreign Affairs and Trade officials said yesterday that universities were included from an early stage of the drafting process, but committed to check and give more clarity. The Dfat secretary, Frances Adamson, in an update to the estimates committee tonight said: "Drafting is an iterative process... there is no single date I can provide." Labor's Penny Wong was not impressed: "That is an answer that is designed to obfuscate... If it was in there from the beginning you'd give me the date."

block-time published-time 7.58am GMT

Kevin Rudd has taken the idea of a pandemic hobby rather far...

enltrWe just broke the record for biggest e-petition in the history of our national parliament. They hoped the people wouldn't be interested. You proved them wrong.  We have 5 days left. Let's push hard towards the half-million mark. #MurdochRoyalCommission[*https://t.co/FjfK7ij7YQpic.twitter.com/Z0ahlNmmpq*](https://t.co/FjfK7ij7YQpic.twitter.com/Z0ahlNmmpq)

- Kevin Rudd (@MrKRudd) October 29, 2020

block-time updated-timeUpdated at 8.06am GMT

block-time published-time 7.42am GMT

The New South Wales environment minister, Matt Kean, says he is disappointed his federal counterpart, Sussan Ley, approved the expansion of a rock quarry in koala habitat in Port Stephens, despite the state government previously recommending environmental approval for the project.

The Brandy Hill quarry expansion will clear 52 hectares of koala habitat after it was approved this week by Ley, despite a high-profile grassroots campaign.

Gladys and her joeys were rescued from an area where urban development is encroaching on koala habitat. Photograph: Loren Elliott/Reuters

Related: Matt Kean chides Sussan Ley over 'disappointing' destruction of Port Stephens koala habitat

block-time published-time 7.29am GMT

In Victoria, the supreme court has issued an interim injunction preventing any construction work taking place on the Western Highway, where a tree that is sacred to the local Djab Wurrung people was felled this week.

The interim injunction is granted until 4.00pm on 19 November, with a hearing regarding a longer-term interlocutory injunction to be held earlier that day.

The court action against the state government has been brought by Marjorie Thorpe, the mother of Victoria's first Indigenous senator Lidia Thorpe.

Here's some more about the dispute from earlier this week.

block-time updated-timeUpdated at 7.37am GMT

block-time published-time 7.16am GMT

Kathryn Campbell, the secretary of the Department of Social Services, has said she was aware that the administrative appeals tribunal had overturned debts while the robodebt scheme was operating.

However, Campbell, who was head of Human Services at the time, said the tribunal had also upheld debts raised using "income averaging", and in some cases directed Centrelink to use this method to calculate debts. The government has now conceded the method is not a lawful way of raising welfare debts and is facing a class action.

In a fiery exchange with Labor's Deb O'Neill, officials were asked about 76 decisions where Gordon Legal alleges the AAT had "set aside" debts raised using the method central to the robodebt scheme.

The agency never appealed these decisions to a higher tier of the tribunal, meaning they were never made public. Gordon Legal alleges it is evidence the government knew the scheme was unlawful, which the Commonwealth denies.

Campbell said:

"When I was the secretary of the Department of Human Services and we would get a decision back from the AAT... they are generally determined on the individual facts.

"I knew that some had been returned and overruled. And I knew that some had been returned and upheld.

"I wasn't aware that there was a pattern [of debts being overruled]. A pattern would indicate everything was the same."

Campbell added that there were cases that the AAT said to use income averaging.

O'Neill said: "So you had some that were more favourable to your methodology and others that were pointing out it was illegal."

block-time updated-timeUpdated at 7.27am GMT

block-time published-time 7.13am GMT

The Department of Foreign Affairs and Trade has confirmed it has abolished its standalone innovation initiative, known as "innovationXchange".

Guardian Australia reported last weekend the initiative appeared to have been given the chop, since it had been recently dumped from Dfat's organisational chart and rebranded on the website.

The innovationXchange - established in 2015 to devise new ideas to deliver an increasingly tight foreign aid budget - attracted attention that same year when it was revealed Dfat had spent more than $1,700 on three beanbags to set up a "collaborative workspace" and encourage creativity and innovation.

The secretary, Frances Adamson, said she had decided to abolish the dedicated innovationXchange after conversations with colleagues and the minister, Marise Payne. She argued the initiative had been set up with a particular remit and funding but that funding was "by and large exhausted". She said the move was designed to "mainstream innovation" across the department more generally, and the staff had been transferred to other areas. The space is currently being used by the vaccine taskforce.

This left one obvious question for Penny Wong to pursue: "What happened to the $1500 beanbags?"

A senior official, Jamie Isbister, informed the committee: "The assets from the innovationxchange are now in a range of collaborative spaces in the department for both training and planning."

An unidentified person was heard on the parliament audio feed remarking, impressed, that Isbister "said that with a straight face".

Wong noted the beanbags used by Dfat were green but her daughter had one that was white.

Adamson: "I think I recall in earlier evidence they were cheaper than a three-person couch."

Payne pushed back at suggestions from Penny Wong that the government appeared to be unwinding Julie Bishop 's legacy, given that the soft power review had also been dumped and the Aid performance framework had been rewritten.

Payne said it was good that innovation was being embedded across the department. She said it would be wrong to stand still and say nothing could ever change.

For more background on innovationXchange see our recent story:

Related: Julie Bishop's 'hipster' innovation hub out of fashion at Dfat

block-time updated-timeUpdated at 7.15am GMT

block-time published-time 6.59am GMT

The estates of 3,000 deceased people are among those owed refunds under the botched Centrelink robodebt program, Senate estimates has heard.

Services Australia officials confirmed on Thursday night that the agency had now repaid $697m of the $721m it promised to repay after backing down on the scheme, which is now the subject of a class action.

About 402,000 have now received a refund or had their debt reduced to zero.

However, officials said they had still been unable to contact about 38,000-40,000 people who were also owed refunds.

Officials confirmed there were 3,300 deceased estates that were owed refunds.

They said they were still in the process of arranging the refunds.

block-time updated-timeUpdated at 7.07am GMT

block-time published-time 6.32am GMT

Joel Fitzgibbon, Labor's ***agriculture*** and resources spokesman, has weighed in on ANZ 's new climate policies, which will see the bank move away from lending to coal-generating businesses and demand clear carbon transition plans from its biggest customers.

Fitzgibbon told ABC's Patricia Karvelas he had sought assurances that ANZ's policy would not adversely affect farmers, and called the new policies "obviously a bit of a pitch to shareholder activism".

Fitzgibbon, MP for the coal-producing Hunter electorate and whose position on coal is often at odds with more progressive elements of his party, criticised the harshness of the Nationals response to ANZ's statement, and said he had instead "given them [ANZ] the benefit of the doubt".

"I absolutely appreciate that banks have to measure and bank risk, I just hope that's what they're talking about here, and not some form of virtue signalling."

You can read more about the ANZ climate commitment here.

block-time updated-timeUpdated at 6.34am GMT

block-time published-time 6.20am GMT

Well, the parliament is starting to wind down - there are a few spillover hearings for estimates tomorrow, but that is about it.

We will be back, of course, to take you through all the events of tomorrow, including the last full day of the Queensland election campaign.

Nino Bucci will take you through the evening today. Thanks to everyone who joined today, I'll be back tomorrow. Please - take care of you.

block-time updated-timeUpdated at 6.25am GMT

block-time published-time 6.15am GMT

NSW Health has added a venue onto its Covid alert:

NSW Health is alerting the public that a confirmed case of COVID-19, who was included in today's numbers, has attended a gym in Sydney's south-west.

Anyone who attended the following venue at these times is considered a close contact and must get tested immediately and isolate for a full 14 days from exposure regardless of the result:

F45 gym, 1640 Camden Valley Way, Leppington, on these dates and times:

* Thursday 15 October, 5.15pm-6pm

1. Saturday 17 October, 8.10am-9.10am
2. Sunday 18 October, 8.55am-9.40am
3. Monday 19 October, 5.50am-6.35am
4. Tuesday 20 October, 5.50am-6.35am
5. Wednesday 21 October, 5.15pm-6pm
6. Thursday 22 October, 6.45am-7.30am
7. Friday 23 October, 9.35am-10.20am
8. Saturday 24 October, 7.10am-8.10am
9. Sunday 25 October, 8.55am-9.40am
10. Monday 26 October, 5.50am-6.35am
11. Tuesday 27 October, 6.45am-7.30am
12. Wednesday 28 October, 5.50am-6.35am

Anyone who attended a class that was scheduled to begin five minutes before or five minutes after one of the classes listed above, or a class immediately before or after the sessions, is considered a casual contact.

Additionally, anyone who attended Ali Baba Charcoal Chicken, 2 Civic Rd, Auburn on Sunday 18 October from 4-5pm is considered a casual contact.

Casual contacts must monitor for symptoms and get tested immediately if they develop. After testing, they must remain in isolation until a negative test result is received.

block-time updated-timeUpdated at 6.32am GMT

block-time published-time 6.14am GMT

The federal government has "no plans" to move to an Apple-Google developed version of a contact tracing system to replace the Australian government's Covidsafe app.

So far, 7.1m people have downloaded and registered to use the Covidsafe contact tracing app the federal government released in late April, but since then it has had limited success. It has only identified 17 contacts in New South Wales that were not previously found through manual contact tracing.

Victoria has used the app more than 1,850 times but hasn't found any additional contacts.

The Digital Transformation Agency, which developed the app, has spent close to $5.2m on the development and operation of the app in the past six months, Senate estimates heard on Thursday.

The agency's head, Randall Brugeaud, said the app "is working" but said questions on how it is working is best directed to the state health departments.

The Australian tech community has pleaded with the government to consider switching the app to the Apple/Google exposure notification framework (ENF) which would make it easier for close contacts to be identified, but Brugeaud said the government had "no plans" to change apps.

"Importantly, unlike decentralised approache,s Covidsafe allows health officials to be the central point of contact tracing with visibility of hotspots and clusters," he said.

"We're not looking for a fix from Apple or Google. We are continuing with the centralised model... In countries who have implemented the Apple and Google solution that they have no visibility from a public health perspective."

He also said there were no plans to include QR codes for venue check-ins in the app because while it would be technically simple to implement, it would be in breach of the privacy legislation controlling the app because it would record location.

NSW health minister Brad Hazzard said on Wednesday the app "has obviously not worked as well as we had hoped".

block-time updated-timeUpdated at 6.40am GMT

block-time published-time 5.54am GMT

The Department of the Prime Minister and Cabinet is spending nearly $16,000 on services provided by the National Institute of Dramatic Art, according to a contract notice published today.

The record on AusTender shows the good folks at Nida are helping PM&C with "training and development services" at a cost of $15,884 between October and December.

Given that NIDA is well known for training actors and performing artists, we asked PM&C to clarify the situation, including whether it was acting or media-management related and why it was done through a "limited tender" process. Alas, the department was very keen to point out the training was being delivered by Nida's corporate section, which runs corporate training programs.

A spokesperson for the Department of the Prime Minister and Cabinet provided us with the following statement:

NIDA Corporate, as opposed to the National Institute of Dramatic Art (NIDA), is a professional training provider that offers practical skills-based training in communication and presentation skills to PM&C staff. It is not acting or media management training in any capacity.

The training has helped around 84 participants from PM&C with practical skills for workplace communication and professional presentation. This is the only program in our learning and development schedule that focuses on these types of communication and presentation skills.NIDA Corporate has demonstrated experience in delivering high-quality training to organisations and businesses at a comparative market rate. It is used by a wide number of organisations from both the public and private sectors across Australia.

block-time updated-timeUpdated at 6.12am GMT

block-time published-time 5.53am GMT

The retail news keeps on coming.

Via AAP:

Myer's struggle through the pandemic has continued after chair Garry Hounsell retired from the role and blamed the company's two largest shareholders for a lack of support.

Mr Hounsell, who has overseen the department store chain's struggle to keep pace with online shopping, chose not to seek re-election as chair or director at the company's annual general meeting on Thursday.

He said:

It has become apparent that Myer's two largest shareholders are not supporting my re-election and I will not allow my ongoing tenure as chairman to be a distraction to the hard work of the executive team.

Those shareholders are Premier Investments, chaired by Solomon Lew, and Wilson Asset Management, chaired by Geoff Wilson.

Mr Lew has been critical of management and has said suppliers are hesitant to do business with Myer, while Mr Wilson has called for fewer directors and reduced pay.

Myer last month reported a full-year loss of $172.4m after sales fell more than 15% from store closures due to the coronavirus pandemic.

block-time updated-timeUpdated at 5.58am GMT

block-time published-time 5.52am GMT

It has just been brought to my attention that in the federation chamber this morning, Andrew Wallace gave a very impassioned and serious speech on the violation of female passengers on board a Qatar airline flight who were subjected to a forced medical exam after an abandoned newborn was discovered in the airport.

Wallace wanted people listening to the speech to close their eyes and imagine they were on the plane.

Picture yourself, you are with your family, you are on an aircraft in the Middle East. You are not told the reason for the delay, but hours have gone by and your aircraft that is due to fly to Australia hasn't left. No one is telling you why, but all of a sudden authorities come onto the aircraft and demand that your wife and your children, your female children, your daughters, leave the aircraft with them.

(Then he acknowledges the women who may be listening and says: "If you are a woman listening to this, you're required to accompany them - no one explains why, nothing is said other than you are required to come with them.")

He continues:

Women are subjected against their will... to invasive searches of their genitalia. No explanation whatsoever is given to you as to why. If you are a woman [long pause] the invasion to your privacy is unspeakable. But imagine if you are a 14- or 15-year-old girl. No explanation given, you are taken to an ambulance, told to lay down, to take down your panties.

I mean this is in 2020, in Qatar, that these unspeakable actions have been taken against 13 Australian women and another five women as I understand it, from other countries.

This reprehensible behaviour - by someone we don't know who yet, whether it was the Qatari authorities - but reprehensible behaviour, that happened on the 2nd of October, can not go unchallenged or unpunished. Australian women have been violated and we need to do more. We need to find out what happened and these women deserve apologies and so much more.

It is important and right that politicians are focused on this violation. I wish we lived in a world where we don't have to relate a trauma inflicted upon women to women in a man's life - you shouldn't have to imagine it is your wife, daughter, mother, cousin, friend, boss, teacher, aunt, grandma, serene highness to have empathy and compassion for someone subjected to a terrible act. That really needs to change.

But please, for the love of Dolly, could we also ban the word "panties" coming out of the mouth of anyone over the aged of 10. It's underwear. Women wear underwear. And if you have to ask why that is a cringe-inducing word, you have obviously never been in a situation where some gross comment is made about your underwear by someone who should know better, when you are much too young, or emotionally immature, to understand it.

-End rant-

block-time updated-timeUpdated at 6.03am GMT

block-time published-time 5.23am GMT

Legal battle brewing over Christine Holgate 'stand aside' while review carried out

Australia Post boss Christine Holgate is fighting (through her legal team) standing aside while a review into bonuses (and other issues) is carried out (it's all related to the Cartier watches).

Bryan Belling, of employment law firm Kingston Reid, said:

I act for Christine Holgate. Ms Holgate will fully support a fair investigation.

However, it is now exactly seven days since Ms Holgate was the subject of a humiliating answer during question time. In that time Ms Holgate has not had any proper notification that she has been stood down from her role, nor has she been informed as to why she should be stood down, nor has she had any communication regarding what the investigation into Australia Post from either the board or the government.

It is incumbent on the board to formally notify Ms Holgate that she has been stood down, and this notification must stipulate the grounds for this action. This is the case under general employment law, as well as the specifics of Australia Post's own employment regulations. The board has failed to do so. Legally, in my opinion there are no grounds for Ms Holgate to be stood down, and "optics" is not a legally-valid defence.

I have taken the step of releasing this statement because within the past week I have written to the board and again, separately, to the chairman of Australia Post and have not received a response in terms.

I have been left with no choice but to publish this statement in the interests of my client.

And in response - from an Australia Post spokesperson:

Australia Post has been communicating frequently with Ms Holgate regarding the current situation and ensuring appropriate support has been provided.

The chair stands by his previously made statement on Thursday 22 October that Ms Holgate will stand aside and this was agreed to by both parties in a telephone conversation.

block-time updated-timeUpdated at 6.03am GMT

block-time published-time 5.14am GMT

Mike Bowers was in the chamber for QT - here is some of what he saw:

Barnaby Joyce reacts to a Michael McCormack answer. All photos: Mike Bowers/The Guardian Photograph: Mike Bowers/The Guardian Ian Goodenough, the Liberal member for Moore, during question time Photograph: Mike Bowers/The Guardian Shadow treasurer Jim Chalmers is evicted from the chamber under standing order 94A Photograph: Mike Bowers/The Guardian Christian Porter and Scott Morrison arrive for question time Photograph: Mike Bowers/The Guardian Zali Steggall, the independent member for Warringah Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 5.24am GMT

block-time published-time 5.00am GMT

A postscript to the human rights concerns in the Philippines.

Dfat official Tom Connor has clarified that Australia was, in fact, involved in aspects of drafting the country's new anti-terrorism law.

He said Australia had provided advice aimed at including human rights safeguards in the legislation.

block-time updated-timeUpdated at 5.14am GMT

block-time published-time 4.55am GMT

Ha! If she thinks the hotels NZ and Australia are putting returned travellers in are bad, wait until she finds out how Australia treats refugees.

Or do they not count?

enltrNew Zealand sets up mandatory quarantine 'camps' for COVID patients. #IngrahamAngle || [*https://t.co/IyB7N1lfr1pic.twitter.com/0KDsTyvcik*](https://t.co/IyB7N1lfr1pic.twitter.com/0KDsTyvcik)

- Laura Ingraham (@IngrahamAngle) October 28, 2020

block-time published-time 4.51am GMT

Tomorrow Daniel Andrews will hold his 120th consecutive press conference.

Most of them have gone for at least an hour - in the height of the second wave, they could approach two hours.

Which means, that in the last 120 days, Andrews has spent the equivalent of five full 24 hour days on his feet taking questions. At least.

Rounding out the extra hours, it's probably close to a full week, in front of the media.

This is not a hero gram (politicians do not deserve cookies for doing their jobs) - just an interesting tidbit.

block-time published-time 4.46am GMT

Over in estimates, Australian officials have used the appearance to sound the alarm over the human rights situation in the Philippines.

Under questioning about the issue, Tom Connor, the acting first assistant secretary of Dfat's south-east Asia division, said:

"The government remains concerned about the state of human rights in the Philippines, including the ongoing war on drugs, the extrajudicial killings, the anti-drugs campaign. We are closely monitoring the situation. We continue to raise our concerns with the Philippine government on many occasions."

Connor noted Australia had supported a resolution at the recent session of the UN human rights council, which called on the Philippine government to ensure accountability for human rights violations and abuses. He said Australia was also "very concerned" about the country's new anti-terrorism legislation and was "paying very close attention to it".

Human rights groups have argued the laws are too broadly worded and allow suspects to be detained without charges for up to 24 days.

The foreign minister, Marise Payne, said she had raised human rights previously with her counterpart but their conversations most recently have been about Covid.

block-time updated-timeUpdated at 4.56am GMT

block-time published-time 4.44am GMT

Labor has asked the Speaker, Tony Smith, to look into whether Angus Taylor gave the wrong speech in reply to legislation being debated in the House.

The bill being debated was the Social Services and Other legislation amendment (coronavirus and other measures) bill, which is the one which will deliver the $250 payments for pensioners and carers.

The speech Taylor gave appeared to be in favour of the Social Services and Other Legislation Legislation amendment (omnibus bill) which deals with a bunch of non-Covid related measures.

Smith is reviewing the matter and will report back to the house.

block-time updated-timeUpdated at 4.56am GMT

block-time published-time 4.40am GMT

Victoria Health has issued its official release:

Victoria has recorded three new cases of coronavirus since yesterday, with the total number of cases now at 20,344.

The overall total has increased by two due to one case being reclassified.

Of today's three new cases, one is a child associated with Goodstart Early Learning in Plenty Road, Bundoora. The case is linked to the north metro outbreak and the child was in quarantine when they tested positive. The centre has been closed this week and contract tracing is under way.

One is a man who tested positive in August. An expert review panel is reviewing this case to determine whether this is a new infection or shedding of old non-infectious virus.

One is a man whose partner tested positive in August. Investigations are under way into whether this is a new infection or whether the man contracted coronavirus from his partner many weeks ago, and his positive test represents shedding of old non-infectious virus.

The new cases are in the local government areas of Boroondara, Casey and Darebin.

block-time updated-timeUpdated at 4.57am GMT

block-time published-time 4.37am GMT

I can confirm that Scott Morrison spoke to Peter V'Landys.

Responding to the backdown on the anthem, Morrison said:

This is a welcome decision by the NRL. The NRL have done the right thing by listening to their fans and acting quickly to overturn their choice not to play the national anthem at the Origin Series.

We have all faced a year of struggle and heartbreak and it has never been more important to be coming together to celebrate Australia and to be able to sing together our national anthem at the game so many of us love.

block-time updated-timeUpdated at 4.58am GMT

block-time published-time 4.35am GMT

Craig Kelly just had a pretty big tantrum in the chamber, claiming he had been misrepresented by Chris Bowen and Kristina Keneally in terms of his completely baseless assertions that hydroxychloroquine should be used as a treatment for Covid, despite it being unproven, and despite the expert medical health committee ruling it should not be used, as there are better treatments available and the Trump-endorsed treatment may actually cause more harm to people.

Kelly has no science or medical background. He worked for his family's furniture business before coming into parliament. That is not a shade - my family is one of bar staff, cleaners and police. But it is to point out that he has no expertise in this matter, beyond what he has read, finding outlier reports to back up his claims, as an ongoing confirmation bias.

He tries to table more reports. Anthony Albanese puts a stop to it and leave is denied.

block-time updated-timeUpdated at 4.58am GMT

block-time published-time 4.30am GMT

The SMH is reporting Australia Post boss Christine Holgate's legal team don't believe there are grounds for Holgate to be stood aside.

We are chasing the statement.

block-time published-time 4.27am GMT

The Nationals senate team has released a joint statement against the ANZ move to have a carbon reduction plan as part of its lending requirements.

Banks are making it harder for family farmers to get finance with the ANZ Bank the latest to announce a climate change statement that goes further than other banks.

The Nationals Senate Team have been sounding the alarm bells about the impact of blanket climate lending policies since the Australian Prudential Regulation Authority announced its intention to develop a climate risk prudential practice guide in February. Nationals Senate Leader, Bridget McKenzie said the APRA guide sent a signal to the banks who are now developing policies that make it harder for primary industries like ***agriculture*** and mining to get funding.

"This virtue signalling, while it may sound good in the board-room, is ultimately bad for Australia and will actually have a worse outcome, especially for our family farmers," Senator McKenzie said.

"The crazy thing is, this week we had APRA tell our senators that ***agriculture*** has an important role to play in a lower carbon future, but that role will never be realised if the ag-sector can't get finance."

Queensland Senator Matthew Canavan said the policy will outsource the costs of virtue signalling from banks to farmers.

"Why should farmers be blackmailed into adopting the woke policies of a bank?" he said.

" Your politics should not determine whether you get access to an overdraft\*. This policy discriminates against rural Australia and should be removed immediately" he said.

\*And here is the nub, climate change is not politics.

block-time published-time 4.23am GMT

If you saw a few photos of MPs wearing red ribbons, it is in honour of the Daniel Morcombe Foundation. Tomorrow is the Day for Daniel.

block-time updated-timeUpdated at 4.25am GMT

block-time published-time 4.23am GMT

Question time has been extended for a few more minutes (at least longer than usual) so Scott Morrison can deliver another dixer of how the "comeback" in the Australian economy has begun.

He repeats his "families come around the Christmas table" we have heard a few times this week.

And then question time, thankfully, ends.

block-time updated-timeUpdated at 4.26am GMT

block-time published-time 4.21am GMT

Most of the dixers have been about how well Australia has handled the Covid crisis, compared to the rest of the world.

You may remember Josh Frydenberg's verbal explosion at that - when he said the comparison was not with the UK, or anywhere else - but with other states in Australia.

Today though: totally cool to compare us to the rest of the world.

enltrSlightly weird. Earlier in the week, the govt rejected a comparison of infections in Victoria v the UK, but for much of this #qt it's been fine to showcase Australia's success with Covid-19 suppression v the rest of the world #auspol

- Katharine Murphy (@murpharoo) October 29, 2020

block-time updated-timeUpdated at 4.24am GMT

block-time published-time 4.17am GMT

I've just been told that Anne Aly has returned to Perth - so it can't be her who yelled out "WHAT?!" in answer to Christian Porter's "we don't answer money questions before costs have been awarded in court cases", so apologies.

But well done to the voice who managed to get that heckle out across the chamber to the microphone.

block-time updated-timeUpdated at 4.18am GMT

block-time published-time 4.15am GMT

Last year, the new assistant minister responsible for homelessness, Luke Howarth, caused quite a stir when he suggested there needed to be a "positive spin" on the issue.

Among his initial priorities, Howarth told the ABC in July last year, was the fact that there were one million vacant homes around Australia, according to the census.

enltrPressed on the need for affordable housing, Howarth says "there are 10 million houses in Australia, apparently there are a million sitting vacant." He then chuckled...? Wants to look at that as a "first priority." #auspol

- Luke Henriques-Gomes (@lukehgomes) July 8, 2019

As it turns out, Department of Social Services officials were tasked with looking into these one million homes.

They found, according to SGS Economics, of those homes:

* 453,000 were residents who were "just away from their house" on census night

1. 237,000 were holiday homes
2. 110,000 were short or long term rental
3. 55,000 were newly completed
4. 52,000 were for sale
5. 47,000 were under repair
6. 16,000 were awaiting demolition

A further 69,000 were vacant, but could not be placed in the categories above.

First priority or not, it sounded very much like the department was not overly convinced by Howarth's theory of the problem.

block-time updated-timeUpdated at 4.31am GMT

block-time published-time 4.14am GMT

Asked about the debt, the projects and programs which have not started, and some of the controversies we have seen from estimates by Anthony Albanese, Scott Morrison turns it into a "why we spent the money".

He is still cranky. Very cranky. Seemingly has been all week.

He ends with this:

If those opposite had been elected at the last election, then we would not be seeing that [recovery signs], Mr Speaker, this country would have been crippled by taxes and fiscal mismanagement before the crisis even hit.

There are many people around the country, I have no doubt, are very pleased that when the crisis hit, it was a Liberal National government that were there to support Australians.

block-time updated-timeUpdated at 4.17am GMT

block-time published-time 4.05am GMT

Scott Morrison gets annoyed at another question about a government program announced but not fully carried out, and ends his answer with:

Those opposite will come in here and they will seek to slack off against jobkeeper and jobtrainer, slack off against the support for the aviation sector, all measures they came in here and pretended to support, what the Australian people know, is that in this year 's crisis... The Australian government has stood by them while those opposite have sneered and jeered, made snarly interjections, seeking to undercut the work of the government to stand by Australians this year.

I would encourage the opposition to leave the snarls at home and get on with the job of supporting the recovery of Australians from the Covid-19 recession.

block-time updated-timeUpdated at 4.15am GMT

block-time published-time 4.03am GMT

Siiiiggghhhh

block-time published-time 4.03am GMT

Josh Burns to Paul Fletcher :

Why did the minister tell the ABC that money from the $250m arts package announced with Guy Sebastian was already flowing when senior department officials have confirmed "no cash has flowed". Has the government told Guy Sebastian why it has completely failed to deliver on its announcement?

That is related to this story:

Related: 'My heart breaks': Guy Sebastian pushes Scott Morrison for answers over delayed arts funding

Fletcher:

The facts are we have committed $250m under our jobmaker program for the arts and entertainment sector and this builds on the over $300m, $336m which has been provided to jobkeeper to people who are working in what is called the creative and performing arts subsector of the cultural and creative sector. And in fact we've announced almost $800m in additional arts and entertainment funding on top of $750m in core funding. And let me explain to the member exactly how the temporary interruption fund - a $50m component of the $250m jobmaker plan - works.

What it does is provides support for screen productions, which in the absence of the fund were not able to proceed because insurers would not provide coverage against key person risk due to Covid-19.

That meant no screen finance being released, no TV and film productions able to proceed.

That is why we committed $50m under the temporary interruption fund and that money has been deployed and there are now committed to over 20 productions and eight of those already under way, people employed and at work in film and television production.

That adds to a substantial expenditure on the location incentive program - $400m - because we are seizing the opportunity that our nation has because of our response to Covid-19, that we are seen as a place that has good protocols in place and that is why we have had extensive interest from international productions to come to Australia and start commencing filming in Australia. And we saw NBC universal announced a commitment to programs like Young Rock ... featuring Dwayne 'The Rock' Johnson, an actor I'm familiar with having an 11-year-old son and he is very popular, popular production and most importantly. Most importantly, most importantly, it would generate 1,000 jobs plus 2,000 opportunities for extras in Queensland and more opportunities around Australia. I completely reject the proposition that the funding we have committed has not already been put to work. It has and Australians are in jobs as a result.

block-time updated-timeUpdated at 4.10am GMT

block-time published-time 4.00am GMT

Josh Wilson to Scott Morrison:

Q: During the election the government announced a $100m recycling investment fund. The government recycled the announcement on world environment day in June 2019 and December 2019.

As of last week, not a single dollar has been advanced and would it be better to deliver on announcements rather than recycle old ones?

Scott Morrison:

Mr Speaker, we brought legislation into this place to stop once and for all the export of plastics waste, glass waste and paper waste and car tyres that, Mr Speaker, previously would have gone to other places, polluted waterways and other parts of this beautiful globe\* Mr Speaker.

And what we've also done is that we've come to an agreement with states and territories through Coag firstly and the national cabinet to ensure we, together with states and territories, have the responsibility for recycling on the ground through the country.

That was made possible through government because we understand how important actual projects are to make them happen in the country and that is our commitment and that is what we are actually doing and allows the minister of environment to add further to the answer.

\*We changed the rules, because the countries we were sending our waste to, stopped taking it, and in some cases, began sending it back.

Sussan Ley:

Thank you and I'm happy to add to the prime minister's remarks and underscore our important national waste agenda, with particular remarks in response to the question of the member.

The $100m is an investment fund administered by the Clean Energy Finance Corporation and the mandate was signed on December 17, 2019.

There are transactions in the forward investment pipeline and we were advised to continue to assess and screen expressions of interest received since the fund was established and are being held as commercial-in-confidence and understandably there have been many inquiries.

The timing of any commercial transaction depends on a number of factors from both project proponents and the CEFC itself. As with all CEFC investments project seeking finance through the Australian finance investment fund must be commercial and reflect our requirements that we put into the mandate must deliver a positive return for taxpayers.

What I'm saying to the member for Fremantle is that we are taking the time to get it right to make sure the investments bring the returns that every taxpayer would expect and they are being made, understood, studied and we are on track to achieve them.

Most importantly and good to mention the $100m because recently we leveraged $1bn additional investment in recycling with the modernisation fund. So $200m leverages $6m with states and generates $1bn of investment, which is more than 10,000 jobs particularly in regional Australia over the next 10 years. Genuine microeconomic reform that would transform regional and economic industries and the waste and recycling sector.

block-time updated-timeUpdated at 4.13am GMT

block-time published-time 3.55am GMT

This is from left field:

enltr #BREAKING A judge has ruled that former Pinochet agent Adriana Rivas is extraditable to Chile, where she's accused of being involved in the disappearance of seven people during the 1970s. [*https://t.co/mgHjqzDSHf*](https://t.co/mgHjqzDSHf)

- SBS News (@SBSNews) October 29, 2020

block-time updated-timeUpdated at 4.14am GMT

block-time published-time 3.48am GMT

MPs turn down Qatari ambassador dinner invitation

Members of the Australian parliament's security and intelligence committee say they have turned down an invitation to attend a formal dinner at the Qatari ambassador's residence in protest at the invasive treatment of women at Doha airport.

Andrew Hastie and Anthony Byrne issued a joint statement saying an invitation had been given to the chair and committee members to attend a dinner on 9 November.

"Due to the mistreatment of Australian women at Doha airport, we decline this invitation."

It's understood their statement is on behalf of the whole committee.

Hastie, the chair, had met with the ambassador at Parliament House on Monday 19 October (prior to the incident being publicly reported).

The invitation followed that.

block-time published-time 3.46am GMT

Michael McCormack finishes his latest non-answer with this, directed at Labor:

We are getting on with it, you just talk about it.

Can someone tell him Labor is the opposition, not in charge of government policy, and therefore, can't "get on with it".

block-time updated-timeUpdated at 3.54am GMT

block-time published-time 3.42am GMT

Terri Butler to Michael McCormack:

The government has announced and renounced the failed national water infrastructure loan facility in 50 press releases, spanning four years. In this year's budget, the facility was abolished without having written a single loan. Why is the Morrison government always about the photo op and never about the follow-up?

McCormack. Sigh.

The budget, which is a plan for the future, a blueprint, a vision for what we laid out, for the future, for Covid-19 recovery included $2bn for water infrastructure.

So it's a plan, for a plan, for a vision.

Anyways, he is for water.

And I swear to God, if I hear "we are getting on with the job" one more time out of that MP's mouth, I may actually pull off my own ears.

block-time updated-timeUpdated at 3.55am GMT

block-time published-time 3.35am GMT

Luke Gosling has a question for Keith Pitt on the No Actual Infrastructure Fund.

You know, the one that was meant to reinvigorate northern Australia and turn it into an economic powerhouse?

It hasn't.

But Pitt, who is the latest minister to pick up the reins of the Northern Australia Infrastructure Fund, does his best to defend it.

I can confirm to the member the Naif has made investment decisions of $2.4bn of the $5bn allocated, but it's not just about the Naif, this is about delivering to people of the north and providing jobs, once again those opposite don't understand business, as the member suggesting a project proponent should draw down alone at a time they don't need it, pay extra costs at a time they don't need it and interest rates.

He lists the projects which have been greenlit, including money for the North Queensland Cowboys.

block-time updated-timeUpdated at 3.37am GMT

block-time published-time 3.28am GMT

NRL backflips on Origin anthem decision after Scott Morrison reportedly intervenes

The NRL has backflipped on a decision not to play the national anthem during this year's State of Origin series after a backlash from fans, with Peter V'landys saying the initial decision "was never about politics".

The decision to scrap Advance Australia Fair ahead of next week's 2020 series opener was made by an independent commission on Wednesday following consultation with the chairmen of the NSW and Queensland rugby leagues.

But by Thursday afternoon, the Australian Rugby League Commission had made a U-turn after the prime minister, Scott Morrison, reportedly got involved.

"Our decision not to play the anthem was never about politics," said ARLC chairman V'landys.

"We have always been committed to the anthem as shown at the grand final last weekend.

"The original decision not to play the anthem at Origin was about the rivalry and tribalism associated with the Origin series.

"However, having listened to the public response and given the strong national unity in fighting the Covid pandemic together, the commission has decided it is important to ensure that unity continues.

"We have always been a commission that listens to our fans. We have heard the message and acted accordingly."

block-time updated-timeUpdated at 3.43am GMT

block-time published-time 3.26am GMT

Josh Frydenberg gets a dixer - which cheers up the Labor backbench considerably, particularly those who sit around Ed Husic.

That's because the treasurer has a fairly obvious formula to his dixer answers:

Thank the MP for the question, acknowledge their previous career, and then point out who they beat to take the seat. He then moves on to the government being the best government either, throws in a ***statistic***, adds in a personal story - about going to a cafe, speaking to a friend, reading a news article - and usually includes a quote.

It has become so obvious, you could almost hold up signs - where did they work? Who did they beat? What did they do? How much? The reality is?

But props aren't allowed, so instead, Husic and co call out the questions - and then the whole section cheers when Frydenberg inevitably answers it. Even Morrison has been known to crack a smile at the antics (depending on the day).

block-time updated-timeUpdated at 3.38am GMT

block-time published-time 3.23am GMT

Zali Steggall has asked why Australia hasn't taken up the NZ offer to resettle refugees.

Peter Dutton runs through the history - and says he hasn't ruled out accepting the offer, but it is a work in progress:

On my watch, nobody has drowned at sea and I have not sent a single person to Manus Island or Nauru. I got all the children out of detention and we have not ruled out an arrangement with New Zealand and I said that and being clear that we will work with New Zealand as we have on many, many issues.

We worked very closely with the United States. The President Trump arrangement resulted in 1,200 people potentially going from Manus Island and Nauru to the United States and that is now up to 850 to 900, which has been a remarkable outcome and will get people off as quickly as possible. But we do know that there are people who are still attempting to put syndicates together and they are very sophisticated messaging out through social media. Every word I say and the prime minister says and those opposite say. And they would take money from those innocent men, women and children tomorrow, not caring whether or not they would get to Australia.

block-time updated-timeUpdated at 3.40am GMT

block-time published-time 3.20am GMT

Madeleine King to Michael McCormack :

How much of taxpayers money did the Morrison government spend on its high court intervention in support of Clive Palmer's challenge to Western Australia's border measures?

Christian Porter:

The usual practice there is, as the member would realise from estimates, that no side of these houses has ever given over with respect to cost where it may prejudice an eventual cost.

Someone, I think Anne Aly, yells out "what!" but the questions move on.

block-time updated-timeUpdated at 3.40am GMT

block-time published-time 3.16am GMT

Michael McCormack also gets the next dixer, and thanks the member for Cowper for being a "real" member of parliament.

I am not sure who the imaginary members of parliament are, but there are doctors for that.

He goes on to say it was a well asked question, which is "about to be well answered".

I will just point out that it is an offence to mislead parliament.

block-time updated-timeUpdated at 3.41am GMT

block-time published-time 3.15am GMT

Milton Dick gets his fourth question this week!

That's big for the Queensland backbencher - he doesn't usually get tapped for this many questions - but there is an election on in Queensland, so it's the Milton Dick show this week.

It is to Michael McCormack :

I refer to the government's $715m Australian airline financial relief package. Has any taxpayer money subsidised Clive Palmer's electioneering in Queensland, including his visits to Townsville?

Christian Porter is saying it is "impossible" for the minister to know how Palmer spent his money.

Tony Smith says it is not for the speaker to say what a minister knows or not.

Tony Burke says it is about taxpayer funds.

Smith rules the question in order, and then Porter tries again, so Smith officially rules it as in order, and says McCormack can take it on notice, if he needs to.

McCormack does not take it on notice, because he is Michael McCormack and carries the reputation for being so dense, light bends around him.

McCormack:

This is a good program. It is helping operators right around the country, to have planes in the air. It means jobs on the ground.

We do not discriminate and how could I possibly know, Member for Oxley, what Clive Palmer spends his money on? And these are rebates, there are 1,360 operators, including those who are donors to the Australian Labor party, and I don't ask them to refund the money, I don't ask them to forgo any favours, nor do I ask any of the operators out of Ballarat airport to forgo the waivers or rebates. Many donors to the Labor party, one in particular, I won't ask for a refund from them, and I don't know what Mr Palmer, spends his money on.

block-time updated-timeUpdated at 3.46am GMT

block-time published-time 3.09am GMT

Question time begins

Anthony Albanese to Scott Morrison:

My question is addressed to the prime minister, in March he said the government had been working on PPE for months, last week the aged care royal commission said the shortage of PPE he was quite deplorable. Can the prime minister confirm from March and August this year his government provided 2,000 requests from aged care providers but rejected over half of them, leaving residents and frontline workers more vulnerable as a result?

Morrison sends the question to Greg Hunt:

I'm very happy to answer this on behalf of the government, the advice that I have, is that of course, the government, during the course of this year has required 500m masks, and what has been a global shortage, at a time of extreme global shortage and a spike in demand, we were able to maintain that and engage in domestic production, in particular, that has seen already, 78m masks dispatched from the National medical stockpile while according to the rules of the national medical stockpile.

With regard specifically to aged care, the national medical stockpile has provided aged care facilities with 18m masks, 5m gowns, 11m gloves, 1m goggles and face shields, 90,000 bottles of hand sanitiser, 150,000 clinical waste bags.

Between 18 February 2020 and 20 October 2020 the Department of Health received requests and responded to 1,769 requests for PPE, with dispatchers, and very significantly, all requests, all requests, from providers managing a Covid-19 outbreak were approved. In addition to that, all requests for assistance outside of outbreaks, aged care providers [that] could not find [stock] to meet an outbreak, were met.

100% of the complying requests were met.

According to the terms of the national medical stockpile, and there are no cases we are aware of where a complying request was not met and we did this on the basis of the medical advice, and we did this on the basis of the advice of the AHPCC, the medical expert panel which has guided Australia through this.

The provision of PPE has been one of the most significant and important achievements of this government. We have seen the outbreaks, we have seen the collapse across Italy and Spain, France, we have seen the shortages in New York and the United Kingdom, in relation to PPE. Against that background, these provisions have been consistent, they have been done on the basis of rules set by the medical experts, and we have met all of those requests which meet those requirements.

block-time updated-timeUpdated at 3.50am GMT

block-time published-time 3.04am GMT

Ahead of question time, Anthony Albanese makes a statement on Chris Hayes' medical emergency.

He says he is a "much loved" member of the chamber and is in "good spirits", but will remain in hospital overnight for some more tests.

Albanese:

Earlier today, the Member for Fowler and chief opposition whip, a much loved Member of this chamber, I think by all, had a sudden medical event in the Federation Chamber.

He recovered pretty quickly. I have spoken with Bernadette, who was with him in hospital, where he will stay overnight, for further testing.

Can I thank Doctor Freelander who happened to be in the chair. In the Federation Chamber at the time. Doctor Gillespie, who rushed up to the Federation Chamber to provide assistance and all those members on both sides, who acted with care and with compassion, can I thank the Prime Minister, for his call to me about Chris's health.

He is in good spirits, and we all wish him a very speedy recovery and I say to the chief opposition whip, if you want leave he should just ask for it, there are easier ways to get it then what occurred this morning but I look forward to him being back in this chamber in good health.

Scott Morrison adds his words:

I thank the Leader of the Opposition for keeping us informed, I'm sure the House won't mind indulging me and saying the health of Chris without using his member's title here in this place, we may disagree on many things in this place but we all agree Chris Hayes is a very good bloke.

And many of us know Bernadette as well, she has been a welcome person here around this place for many years and is well known to many of our partners and spouses in this place is well and has played a ... role in supporting and counselling, on so many other occasions, the spouses and partners of people in this place is well. Our prayers are with you Bernadette, Nicholas and Elizabeth and I thank the Leader of the Opposition for his update today, and I thank you Mr Speaker that the role you dealt with this very sensitively day and I'm sure that was appreciated by all.

block-time updated-timeUpdated at 3.35am GMT

block-time published-time 3.00am GMT

After the discussion about China, and the images portrayed in state media, the foreign minister, Marise Paye, said the government had observed the use of "disinformation or misinformation in the context of Covid 19 in particular".

Payne said she wanted to "emphasise" that this disinformation was "not just from China, of course, [but] from a number of sources".

"One thing we must be very clear about is that sunlight is the best antidote to disinformation, and we have applied that where we have needed to, in company with other countries."

She pointed to Australia joining with many other countries to support a Latvian-led UN resolution against pandemic-related disinformation.

Labor's Penny Wong summarised the earlier discussion: "As I understood the secretary's point: is that we need to be aware of the ways some in the Chinese system seek to portray us goes to that issue of intolerance, racial intolerance, and that is utilised against us."

Adamson: "That's correct, Senator."

Labor's Tim Ayres said it had an implication for the way we were portrayed overseas. He stressed the need for leaders to promote social cohesion and be mindful of the impact of language. That's when Abetz jumped in to ask his question about whether "all Chinese think alike".

block-time updated-timeUpdated at 3.28am GMT

block-time published-time 2.59am GMT

Frances Adamson reaffirmed that examples of bipartisanship were important, because it could project a powerful message of unity. "To be very frank, what I think Beijing is looking for is division."

She said she took note of what was said about Australia in Chinese state media every single day, and what it said was "not reflective of what I know to be the reality". On the issue of social cohesion and diaspora communities, Adamson said:

"The reality is that no matter what their nationality, China sees people of Chinese origin as ultimately being Chinese, they have certain expectations of them, which aren't necessarily shared at all or felt at all by Chinese Australians or people who live here. But we just need to be conscious about the way it's portrayed in Beijing - given the overall challenge, the challenge of our age if you like, the way in which we project ourselves."

Adamson said the Australian embassy in Beijing had a role to play in handling this challenge, but observed the space for embassies to project into China via social media or other means was "shrinking".

" The only point I'd make is the reality is it's damaging for us in China. The Chinese are increasingly resorting to project not only in their own country but potentially elsewhere images of Australia which do not, to my mind as a lifelong diplomat representing this country, represent who we are."

Eric Abetz cut in to refer to the "CCP dictatorship". Asked by Penny Wong to say what images Adamson was referring to, Adamson said "images that project us as being ideological".

Concetta Fierravanti-Wells, another Liberal party hawk on China, said the CCP state media presented "appalling" representations of Australia as "the white trash of Asia and chewing gum on the shoes".

Adamson said that wasn't what she was going to say. The Dfat chief continued:

"They project an image of Australia that is intolerant, that is divided, that discriminates against various groups within our society. That's not the way we want to be, that's not the way we want to be portrayed. And that does create some challenges. There are no easy answers... but it's just something I think that over time we possibly need to consider."

block-time updated-timeUpdated at 3.29am GMT

block-time published-time 2.56am GMT

The context for the latest Eric Abetz question ("do all Chinese think alike?") was a renewed discussion in estimates about how Australia should conduct public debate to avoid playing into stereotypes that feature in Chinese propaganda.

There was a back-and-forth yesterday regarding Abetz's recent demand at a Senate hearing for three Chinese-Australian witnesses to publicly and unconditionally condemn "the Chinese Communist party dictatorship".

Abetz yesterday said ethnicity was not his motivation, and there were other Chinese-Australians at the hearing and he didn't ask them for a pledge. Abetz said the Chinese diaspora faced interference by the Chinese Communist party and he thought it was "exceptionally patronising" to suggest Chinese Australians had a singular view.

The Dfat secretary, Frances Adamson, provided some further comments today, having reflected on the broader challenge of what Beijing might hear from the way we conduct public discussions in Australia.

It's worth quoting at length the observations from Adamson, who is a former Australian ambassador to China:

It's a very difficult issue because of the nature of our democracy and the freedoms that we value ... It's in our nature and it's something that we celebrate that we are able to say whatever we like to each other, publicly, privately - we value it.

As I see - if I may be so bold as to say it - at times robust conversation even in this committee across party lines and then the cameras move on and I see you dealing with each other very respectfully, respectful of the fact that you've all been elected by the constituents of your state. The cameras, if you like, in Beijing are never here to see that part of it, or to understand really in any depth how we do all of this, and why it matters so much for us, and why it's something we value.

Adamson said thanks to the images portrayed by state media, people in China would "form an opinion of us - Australia and Australians - that is very different I think from the way we would want ourselves to be portrayed".

"And what we can do about that - it's a very difficult question because I would never suggest as an official that we should censor ourselves, or that we should not say in public things that need to be said."

block-time updated-timeUpdated at 3.29am GMT

block-time published-time 2.53am GMT

National anthem won't be played at State of Origin

The national anthem will not be played at one of the biggest sporting events of the year after the NRL opted to scrap Advance Australia Fair from the upcoming State of Origin series.

The decision was made by an independent commission following consultation with the chairmen of the NSW and Queensland rugby leagues on Wednesday night, ahead of next week's 2020 series opener in Adelaide.

It will be the first time in 40 years the national anthem has not been played before an Origin game. It will, however, remain for the NRL grand final, international matches and the traditional Anzac Day clash.

NRL CEO Andrew Abdo told the Sydney Morning Herald the decision was made to make the game even more intense than usual by not having to break off for the anthem.

"State of Origin is about the tribalism of the two states, it's Australia's biggest sporting rivalry," he said.

The move comes after Indigenous players Cody Walker, Josh Addo-Carr and Latrell Mitchell spoke out about their refusal to sing the anthem before last year's series. Of the 34 players to take the field for Game One in June last year, 11 players appeared not to sing during the pre-match ceremony.

The issue prompted a national debate over the singing of the anthem and how Indigenous people feel about the song, particularly the lyrics declaring Australians are "young and free".

As a result, the national anthem was not played before this year's Indigenous All Stars match.

block-time updated-timeUpdated at 2.58am GMT

block-time published-time 2.51am GMT

The Nationals usual suspects are absolutely RAGING against ANZ following global trends, and the trend of the industry itself as well as the ***agricultural*** sector as a whole, by asking to see a carbon reduction plan as part of its lending requirements.

So can't wait to see that play out in question time.

Can anyone remember the last time the Nationals stood up for farmers, rather than the mining sector?

block-time updated-timeUpdated at 2.52am GMT

block-time published-time 2.45am GMT

Labor MP Chris Hayes 'in good spirits', after collapse in parliament

I am hearing Labor MP Chris Hayes will be released from hospital following some tests\* and is looking much better.

You may not have heard of him - he is one of the more quiet MPs - but as one of Labor's whips, he deals with all the offices and everyone holds him in very high regard.

We are all very glad to hear he is OK.

\*originally he was to be released today, but they have decided to keep him in overnight for more tests.

block-time updated-timeUpdated at 3.02am GMT

block-time published-time 2.38am GMT

It is the last question time of the sitting, the month and the 13th last one of the year in about 20 minutes or so.

Hold on to your loved ones.

block-time updated-timeUpdated at 2.49am GMT

block-time published-time 2.36am GMT

2020 has really brought the animal news.

Naaman Zhou reports on the latest Sydney animal escape:

A bull has escaped from an enclosure at a private all-boys school in Sydney and has been on the run for more than 24 hours.

The one-year-old steer - a castrated bull - was brought to St Ignatius College Riverview in Sydney's Lane Cove as part of the school's ***agricultural*** education program.

But the animal broke through a fence at the school on Tuesday night and escaped.

On Thursday, the school said the bull was still at large, and was concerned about it "roaming in a highly urbanised area". It was last sighted in Lane Cove, a spokeswoman said.

Related: Bull escapes Sydney private school and goes on the run on city's north shore

block-time published-time 2.35am GMT

More than a third of the National Disability Insurance Agency's senior executives are employed through labour hire, Senate Estimates has heard.

Quizzed about freedom of information documents released by the agency this month, the agency's chief, Martin Hoffman, confirmed 21 of the 56 senior executive service staff were contractors.

Hoffman said the figure had fallen in recent months, given there 34 contractors who were senior executives last year.

"I expect it will probably be less than 20 by Christmas," he said.

The FOI documents show there are 236 agency staff above an "executive level 2" who are engaged through labour hire.

The agency has previously faced scrutiny for its use of labour hire contracts.

block-time updated-timeUpdated at 2.38am GMT

block-time published-time 2.34am GMT

Just in case you were wondering whether anyone forgot the "no one credible" critique of Georgie Dent's comment on the budget not doing much for women, they haven't.

enltrOh look! Another super credible woman @AusTaxProf setting out exactly how little the Federal Budget delivered for working women. #crediblewomen[*https://t.co/hOvuud7Tsx*](https://t.co/hOvuud7Tsx)

- Georgie Dent (@georgiedent) October 29, 2020

block-time updated-timeUpdated at 2.38am GMT

block-time published-time 2.23am GMT

Just worth also reminding you of this, in the context of Eric Abetz's latest round of estimates questioning.

Related: Eric Abetz refuses to apologise for demanding Chinese-Australians denounce Communist party

block-time published-time 2.19am GMT

Liberal senator Eric Abetz asks Dfat secretary 'do all Chinese think alike'

Eric Abetz has just asked the Dfat secretary, Frances Adamson :

"Do all Chinese think alike or do they have differing views? Are they like Australians where there are a diversity of views within the population, to your knowledge?"

It was in the context of discussion about how public debate should be conducted in Australia to avoid playing into the image Chinese state media presents of Australia.

Adamson responded to Abetz:

"There is a wide diversity of views across Chinese people from a wide range of countries from which they come."

Abetz, the committee chair, said:

"Exactly."

He then handed over to another senator to ask further questions.

block-time published-time 2.17am GMT

More on the ASX from AAP:

Investors on the Australian share market have felt the fallout from US markets closing at lows previously recorded in July, as the Aussie indices plunged below 6000 points.

The S&P/ASX200 benchmark index was down 69.4 points, or 1.14 per cent, to 5988.3 at 1200 AEDT on Thursday.

The index fell as low as 5947.7 after about 90 minutes, and has recovered a little since.

The All Ordinaries was down 70.7 points, or 1.12 per cent, to 6191.1.

Information technology was hardest hit, down 2.15 per cent, while energy had a 2.09 per cent drop.

Materials, which includes the miners, lost 1.8 per cent while financials shed 0.93 per cent.

Wall Street's big slide came as coronavirus cases soared globally and investors worried about the possibility of a contested US presidential election next week.

ANZ Bank reported a 42 per cent drop in full-year cash profit after loan losses increased, triggered by the COVID-19 pandemic.

The lender also declared a final dividend of 35 cents per share, down from last year's payout of 80 cents per share.

ANZ's move to declare a lower dividend was in line with a directive by regulators.

Shares were down 1.98 per cent to $18.78.

Westpac said it had settled two class actions in the US.

One was filed in 2016 over trading activity in the Australian bank bill swap reference rate market.

The bank had already set money aside for this.

The other, filed this year, was about disclosure notices connected to the bank's financial crime obligations between 2015 and 2019.

This settlement was not material, the bank said.

Shares were lower by 1.58 per cent to $18.02.

The Commonwealth was up 0.05 per cent to $68.48 and NAB was down 0.9 per cent to $18.71.

Fortescue Metals has posted a five per cent rise in first-quarter iron ore shipments, with demand in China for the steelmaking ingredient remaining robust.

Shares were down 0.33 per cent to $16.42. BHP lost 1.84 per cent to $34.13, while Rio Tinto shed 1.44 per cent to $90.61.

Earlier in the US, rising infection rates and politicians' failure to reach a deal on new fiscal stimulus before the November 3 election drove all three stock indexes to close more than 3.0 per cent lower.

The Dow Jones Industrial Average fell 939.13 points, or 3.42 per cent, to 26,524.06, the S&P 500 lost 119.26 points, or 3.52 per cent, to 3,271.42 and the Nasdaq Composite dropped 426.48 points, or 3.73 per cent, to 11,004.87.

block-time updated-timeUpdated at 2.24am GMT

block-time published-time 2.16am GMT

The retail company behind brands such as Rivers, Noni B and Katie's has announced it will be shuttering 73 brick and mortar stores.

In a speech to the annual general meeting (conducted virtually) chair Richard Facioni said that "unrealistic rental requests" and a shift towards online had meant the change was inevitable.

block-time published-time 2.06am GMT

Labor MP collapses in chamber

Labor MP Chris Hayes has collapsed while speaking in the Federation Chamber.

He was doing a speech a few minutes past midday where he seemed to say something about his heart (it is unclear what he said, but witnesses heard something about "heart") and fell.

Dr Mike Freelander, was in the chamber and administered immediate first aid.

Hayes has been taken to hospital by an ambulance. We hope he is OK and will let you know as soon as we hear anything more.

block-time updated-timeUpdated at 2.10am GMT

block-time published-time 1.43am GMT

And then back in Victoria.

enltrBREAKING: Melbourne's trains were not cleaned properly at the height of the COVID-19 pandemic, with the cleaning contractor pocketing taxpayer's money for work that was not performed while secretly paying off a Metro Trains manager, an inquiry has heard. [*https://t.co/DQJR2knWtr*](https://t.co/DQJR2knWtr)

- Timna Jacks (@TimnaJacks) October 29, 2020

block-time updated-timeUpdated at 1.48am GMT

block-time published-time 1.42am GMT

Looking at the US for a moment, former foreign minister Bob Carr has something to say about its elections:

enltrFormer foreign minister Bob Carr suggests Australia should send officials from the AEC to help the US figure out how to run free & fair elections. "Comparable assistance by Australia was given at crucial times to South Africa, Zimbabwe and Timor-Leste." [*https://t.co/KnZHgAiRu4*](https://t.co/KnZHgAiRu4)

- Michael McGowan (@mmcgowan) October 29, 2020

block-time updated-timeUpdated at 1.48am GMT

block-time published-time 1.35am GMT

Mark Butler had the opportunity to respond to Angus Taylor's attacks on him (which Taylor carried out during a ministerial statement).

In a speech to the parliament (which allows partisan attacks, as long as they aren't in opposition to the standing orders) Butler called Taylor an "incompetent ideologue, weighed down by a seemingly endless litany of scandals, in this portfolio at a time of the biggest transformation in the global energy sector in living memory".

Shadow minister for climate change and energy, Mark Butler. Photograph: Mike Bowers/The Guardian

...But, to be fair to this minister, he never claimed to have any ambition to achieve anything positive in this sector. This minister was elected on a platform of stopping stuff, and he spent all his time as a backbencher advocating the stopping of stuff.

This minister only believes in one thing in the energy portfolio, and that is to stop the expansion of renewable energy. This minister, before he was elected and as a backbencher, was, as we all know, the poster child of Alan Jones's anti-windfarm rallies, and later on, along with Tony Abbott, the member for Hughes, the member for New England and a whole bunch of other fellow members of that clique within the coalition party room, he ambushed the then prime minister, the then treasurer - now prime minister - and the then energy minister - now treasurer - and killed off the National Energy Guarantee.

This was a policy that had been sought by this government, recommended to this government and supported by every single state government in the country, Labor and Liberal alike.

It was supported by every business group and described by the now prime minister as the policy which had the greatest level of consensus he had ever seen in his time in the parliament. It was a policy which the now prime minister and the now treasurer said would save households $550, but because it countenanced the expansion of some renewable energy it was ambushed and killed off by this minister when he was a junior.

But, like the dog that finally caught the car, this minister has had no idea what to do next. His first obligation, of course, was to report back to his mentor, Alan Jones. He did that within a couple of days of being appointed minister for energy, and he reiterated to Alan his absolute commitment to stopping more solar and wind.

block-time updated-timeUpdated at 1.47am GMT

block-time published-time 1.31am GMT

NSW Health has put out its official release:

There were 14,230 tests reported to 8pm last night, compared with 14,382 in the previous 24 hours.

Of the new cases to 8pm last night:

* One was acquired overseas and is now in hotel quarantine.

1. One was locally acquired with their source still under investigation.
2. Three were locally acquired and linked to the above known case whose source is still under investigation.

Pedestrians cross a street in Sydney's CBD. Photograph: Loren Elliott/Reuters

The first locally acquired case is from south-western Sydney, and the source of their infection is still under investigation. The other three contacts are household or close contacts of this case. One of these cases was first reported in a public health alert yesterday.

Two of these new cases were students who attend the Hoxton Park campus of the Malek Fahd Islamic School. The school will be cleaned and will be non-operational for 14 days. Contact tracing and investigations are underway.

NSW Health is treating 75 Covid-19 cases, with one patient in intensive care, who is being ventilated. Ninety-one per cent of cases being treated by NSW Health are in non-acute, out-of-hospital care.

Covid-19 virus fragments were identified in sewage at treatment plants in West Camden yesterday, prompting renewed calls for residents in this area to get tested. The virus fragments were detected through the state's ongoing sewage surveillance program.

block-time updated-timeUpdated at 1.37am GMT

block-time published-time 1.30am GMT

Dfat estimates has spent a little time on correspondence tendered as evidence to the NSW Icac, which is investigating the conduct of the former state Liberal MP for Wagga Wagga, Daryl Maguire.

It includes an email in 2016 from a Dfat official to Maguire's state electorate office, seeking to check whether he had sent an email to the PNG consul general, the Samoan consul general and the previous Solomon Islands consul general.

Evidence tendered to Icac ( PDF link ) indicates Maguire used his NSW parliamentary email address to send an email to those recipients that included the line: "I'm sure you agree this is the biggest opportunity to develop and build your countries and provide humanitarian assistance."

The secretary of the Department of Foreign Affairs and Trade Frances Adamson. Photograph: Mike Bowers/The Guardian

Dfat had not been aware of this at first, but received an enquiry from the Samoan High Commission to verify the provenance of the email.

Other evidence tendered to Icac indicates Maguire visited Shenzhen in China to discuss "the formation of the Shenzhen Asia Pacific Commercial Development Association" with Pacific countries. Evidence tendered to Icac also indicates Maguire had sought to meet someone from Dfat while he was in China.

The Dfat secretary, Frances Adamson, told the estimates committee this matter had not been brought to her attention before, but indicated she would look into it.

When asked by Labor's Tim Ayres whether it's fair to say "that there's been some engagement ... between the department and Mr Maguire over some period of time in relation to his international travel while he was a member of parliament", Adamson replied:

"I would characterise that, with respect, as drawing a rather long bow."

The foreign minister, Marise Payne, was asked whether she personally knew Maguire. She said Maguire was a member of the parliament for a state seat of the same political party, "so that is the manner in which I came to know Mr Maguire". They "would have socialised in the context of the normal associations one has with state colleagues", but Payne added:

"I've never stayed in his home, he's never stayed in mine."

Asked whether she ever had discussions with Maguire about property interests around the western Sydney airport, she said had not.

block-time updated-timeUpdated at 1.41am GMT

block-time published-time 1.19am GMT

Just rounding off Paul's post.

enltrHouse of Representatives has passed Electoral Legislation Amendment (Miscellaneous Measures) Bill 2020 without amendment #auspol

- Political Alert (@political\_alert) October 29, 2020

block-time updated-timeUpdated at 1.20am GMT

block-time published-time 1.11am GMT

Some Dfat estimates faces from Mike Bowers.

Senate Labor Leader penny Wong at the Senate Foreign Affairs, Defence and Trade Committee Photograph: Mike Bowers/The Guardian The Foreign Minister Marise Payne before the Senate Foreign Affairs, Defence and Trade Committee Photograph: Mike Bowers/The Guardian The secretary of the Department of Foreign Affairs and Trade Frances Adamson before the Senate Foreign Affairs committee Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 1.14am GMT

block-time published-time 1.07am GMT

The foreign minister, Marise Payne, has resisted spelling out whether Australia is considering committing to net zero emissions by 2050, and has also declined to mirror Boris Johnson 's language that acting on climate change is consistent with driving economic growth.Payne simply said the government would set out its long-term strategy before the next climate conference, due to be held in Glasgow late next year.

The government will make its long-term strategy public "when the government is ready to do so".In estimates earlier today, Payne declined to welcome 2050 net-zero commitments by Japan and South Korea, simply saying she acknowledged those announcements.

Shadow foreign minister Penny Wong during a Senate inquiry at Parliament House in Canberra, Thursday, 29 October 2020. Photograph: Lukas Coch/AAP

Labor's Penny Wong has returned to this topic, prompting Payne to say: "I'm very happy to acknowledge the decisions made by the governments of Japan and Korea but they're decisions for them."

Asked whether her position was the Australian government hasn't decided yet whether to outline long-term targets, Payne said: "That'll be determined by government in due course... The government will set out its plans at an appropriate time in advance of Cop26."

During estimates today, officials again confirmed that no other country (apart from Australia) had yet indicated its intention to use Kyoto carry over credits in order to meet its pledges under the Paris agreement.

Officials were also aware of the European Union's talk about carbon border adjustment mechanism - but were still seeking clarity on "what it means and how it complies with WTO principles".

Wong argued Australia was becoming increasingly isolated on climate, and she wanted to know whether Payne agreed with Johnson that acting on climate change was consistent with creating jobs?

She expressed it in the negative, saying Johnson and the Australian government agreed "that achieving emission reductions must not be at the expense of jobs anywhere, whether it's here or in the UK, and that's why we're taking the approach we take".

Pressed by Wong again whether she agreed with Johnson that acting on climate change was consistent with protecting and creating jobs, Payne said:

I'm not sure if I would put it that way. I would put it in fact how I answered you before, which is we believe our commitment here through the Paris agreement ... the work we've done on future technologies, our technology investment roadmap, are about reducing emissions, protecting Australian jobs and the Australian economy.

block-time updated-timeUpdated at 1.12am GMT

block-time published-time 1.06am GMT

There are lots of bells ringing in parliament because the Coalition's political donations bill is in the lower house and the crossbench is attempting to disrupt its passage.

The electoral legislation (miscellaneous measures) bill provides immunity from state law where donations are made for federal purposes. Despite crossbench complaints it will provide a backdoor to prohibited donations, Labor helped the government pass it in the Senate because it agrees with the principle that federal law should govern federal elections.

Today in the house, Labor unsuccessfully attempted a second reading amendment to the bill calling to lower the donation disclosure threshold to $1,000.

The crossbench MPs are trying to frustrate the bill by repeated quorum calls, requiring bells to be rung and MPs to return to the chamber.

enltrHouse shenanigans on political donations pic.twitter.com/2aEEfWk65g

- Paul Karp (@Paul\_Karp) October 29, 2020

Given Labor's support, it will pass today and come into force after the Queensland election.

block-time published-time 1.06am GMT

Just on the QR codes - the ACT has had a QR code system in place for about a month - but I have been to several venues where they are still using pen and paper.

It doesn't seem to be universal, at least not here.

block-time updated-timeUpdated at 1.14am GMT

block-time published-time 1.05am GMT

What about QR codes? Is every state adopting its own?

Daniel Andrews:

I think it is important that we get this right and there are a number of different issues here.

There is privacy, the security of the ***data*** did and also making sure that we have perfect compatibility between the front door to the system, that QR code system, and the database that we have held, the new product we have built.

That is the product that has been the subject of much hard work and some favourable commentary from Professor Finkel in recent days.

If you look at other states, they did not necessarily go to a universal QR code platform on day one of opening and it will become more and more important as numbers get and we will have more to say about this including all those issues around privacy and making sure that that ***data*** is for the per that make purposes of public health and nothing else. People have every right to be... not concerned but to be mindful of those things and to make sure that we get them right.

block-time published-time 1.02am GMT

Over in Queensland.

enltrThe Electoral Commission of Queensland has advised that polling booths will open only in St George, Thallon, and Bollon on Election Day, Saturday 31st October. Due to staff shortages, the ECQ says it cannot open polling places at Dirrranbandi and Mungindi on Saturday. pic.twitter.com/3kmIZ4cVi8

- Balonne Shire Council (@BalonneSc) October 29, 2020

block-time updated-timeUpdated at 1.05am GMT

block-time published-time 12.59am GMT

Q: [Gladys Berejiklian] has had a swipe at Victoria saying it is easy to have zero cases when there is such a big lockdown.

Daniel Andrews:

With the greatest of respect to Gladys, there is nothing easy about lockdown and what Victorians have been through. I'm not interested in having a debate with them or anybody else on this to be frank.

I'm grateful from the support of New South Wales, whether it is during bushfires or pandemics, we are always at our best when we work together.

Q: You mentioned you would be having a chat to the NSW premier on Wednesday, did you speak to our?

Andrews:

No because she said she wanted to wait and I've had a bit on. We've been asked a lot of time about border arrangements and I have been pretty consistent that the best thing we can do to get borders open is to get numbers low and keep them low.

Every Victorian has a part to play on that. Given that she has made, the perfectly logical point that she wants to see how things unfold, I haven't made calling her a priority in the last couple of days but we will probably speak in the next few days about how things are panning out.

If they don't believe they have line of sight of something they want or need. But I would have thought Alan Finkel, who is one of the most preeminent scientific leaders in our country and the chief scientist no less, who has literally been to every state and territory and has got a very detailed understanding of what is going on in every state and territory from a testing and contact tracing point of view, he has made some favourable comments.

Those improvements in apposition are hard won and he has made those favourable comments and I'm pleased about them because he's the ones who knows and understands about everything going on else.

block-time updated-timeUpdated at 1.02am GMT

block-time published-time 12.57am GMT

Has Daniel Andrews heard anything more about what NSW wants to see before it reopens the border?

Andrews:

I have seen some commentary from them. I haven't had a conversation with Gladys.

They made it abundantly clear, both Gladys and her government, that they want to see how things unfold in the next little while.

I don't think that is an unreasonable thing. I wasn't surprised to hear that. I will probably have a conversation with her over the next few days to see how we think things are going.

The other thing is, the chief scientist Alan Finkel has been moving around the country.

He has visited every single state and territory has a really close and detailed knowledge of the contact tracing and testing regimes in every state.

He has made some positive, positive comments about our testing framework and I'm pleased about that.

That should be a reassurance in a comfort to everybody and we will work through these issues.

I get along very well with Gladys and we have got a very important partnership and we will get the border open when it is safe to do so.

I can't give people a day today, and I know it is very frustrating, particularly for auto communities. I know that's dynamic pretty well having grown up not far from the border myself.

block-time updated-timeUpdated at 12.59am GMT

block-time published-time 12.55am GMT

Has Victoria Health handed over everything requested of them?

Daniel Andrews:

I'm not certain, you would need to speak to the board about that. I don't want to be a commentator or a spokesman from them. I know there was some supplementary material requested. I'm of the deadline for the production of that material has passed.

They could delivered early but but I don't think they are beyond time. But I think it's fair, I can't be a spokesperson for the board.

They might be able to speak to you about what they have asked of whom and what the timeline is but I don't think they are behind time. But it may not be until next week that they have to produce things.

block-time published-time 12.54am GMT

What are some of the documents the commission says it is still waiting on?

Daniel Andrews:

I can only speak to the request made of me. There was an affidavit for completeness sake, questions put to me where if we complied with the timeline, which was last Thursday or Friday, but we certainly delivered all of my material back when it was there.

If they need further information from me, I don't for a moment think they do, but if they do then we would comply.

I can't speak for whoever else has been asked and whether they have been asked what they have been.

The Board of inquiry might be able to do that for you but certainly from my part, we have complied and handed out all the different answers they needed to be questions they posed.

block-time published-time 12.53am GMT

Daniel Andrews says he doesn't see the delay in the commission of inquiry's report into the hotel quarantine program impacting the plan to open Victoria back up to visitors by Christmas - and that includes more flight:

I think there will already be discussions happening already or over the course of next week with Melbourne Airport and others to make sure we are ready to stand up with the new model.

This is subject to whatever the board gives us and we need to know what the recommendations are, they might be options and all sorts of things they go to.

But what they have announced and what they have requested and I've agreed to and they said this morning, shouldn't impact us having those flights back to Melbourne as soon as we possibly can.

block-time updated-timeUpdated at 12.57am GMT

block-time published-time 12.51am GMT

We move on to questions in the Daniel Andrews press conference:

Q: On returned travellers, a couple of weeks ago, national cabinet decided to expand the numbers of returned travellers it would be expecting. Given the changing circumstances from around the globe, will you be revealing that or accepting even fewer travellers?

Andrews:

I think it is one of those things that is demand driven. We made estimates as a nation, all of us made estimates of the best of advice earlier in the year, and I think it is fair to say that we ended up receiving more people coming home than we had thought.

It's a bit difficult to be absolutely certain of how many people want to come home but I think logic tells you as conditions deteriorate in literally every other country in the world, barring a handful, they met with more and more Australians who want to come home and be with their family.

That does present some significant challenges and I am more than happy to look into that issue around New South Wales but I certain they have made some comments in recent days about the [number] of Covid positive passengers.

It would be fair to assume we would potentially have more of them and they will be wanting to come home to be with their family, and also wanting to come home to be a part of the best, not just the public health response but the best personal health response from an acute care point of view as well.

block-time updated-timeUpdated at 12.59am GMT

block-time published-time 12.45am GMT

Labor has been asking the national skills commissioner, Adam Boyton, about whether he was consulted before Coalition measures in the higher education sector including 12,000 extra university places in the 2020 budget, expansion of short courses, and the jobs ready graduate package.

The answers are: no, no and no.

Boyton and skills minister, Michaelia Cash, explain that the reason is his work is more focused on vocational education and training.

Labor's Deborah O'Neill is enraged by this answer. She notes that students hoping to study courses like humanities and law will pay up to 113% more due to the jobs ready graduate package - but Boyton's didn't provide advice about whether graduates weren't needed in these disciplines.

Michele Bruniges, the employment department secretary, mops up by noting that university and vocational education overlap, so Boyton's advice to the department about likely skills shortages and surpluses was considered before the package.

block-time updated-timeUpdated at 12.49am GMT

block-time published-time 12.44am GMT

Australia does not plan to suspend its existing free trade agreement with Hong Kong, Dfat officials have told an estimates hearing.

Australia did, however, move to suspend the extradition treaty with Hong Kong after the imposition of the new national security law there, which Scott Morrison argued represented a fundamental change in circumstances.

Independent senator Rex Patrick suggested there was a "paradox or in some sense duplicity" in the different approach to the two agreements.

Dfat official Elly Lawson said Australia did not plan to suspend the free trade agreement, because it provided certainty and transparency to business "including in an even more uncertain environment".

She said they were two very different agreements with different provisions.

The free trade agreement, said Lawson, "continues to support the interests of our Australian business operating in Hong Kong; of course we have 100,000 expatriates there, we want to continue to support their interests and we believe the FTA does support their interests".

block-time published-time 12.44am GMT

On the commission of inquiry asking (and being granted) an extension to hand down its final report, Daniel Andrews says:

It's an independent board of inquiry entrusted with a very important task and there was no sense in my mind that we wouldn't agree to the request they made.

This is entirely a matter for them. They needed more time and we have given them more time and I'm confident they will use that time well to provide us with a report that sit squarely against the terms of reference we have given them.

block-time published-time 12.42am GMT

There is a new mystery case in Melbourne's numbers - Daniel Andrews says that will be explained in the chief health officer's release later today, as they are still looking at it.

block-time updated-timeUpdated at 12.46am GMT

block-time published-time 12.38am GMT

Daniel Andrews press conference

It is 119 consecutive press conferences today.

And we start with the numbers - there were just over 24,000 Covid tests yesterday. Victoria - you are doing us all proud.

Andrews:

Today's cases, one is linked to the northern Metro outbreak. They are a close contact and were already in quarantine.

The two other cases are under investigation and work is under way to determine if they are new cases or examples of persistent shadings of the virus from historic infections.

As was the case with an earlier case one was a previous positive and was likely this close contact.

Whether they were generally new cases or whether it is about shedding the virus over a prolonged period.

They will be determined by an expert review panel that is meeting to examine those issues today.

We will provide you with an update as soon as they have come to a clinical conclusion on that matter.

block-time updated-timeUpdated at 12.40am GMT

block-time published-time 12.26am GMT

To be clear, there are plenty of opportunities for partisan attacks in the parliament - question time, 90-second statements, speeches in the federal chamber - the list goes on.

What Tony Smith was referring to, was the use of a 'ministerial statement' for that purpose, not the partisan attack itself.

block-time updated-timeUpdated at 12.30am GMT

block-time published-time 12.24am GMT

Speaker rebukes Angus Taylor

This is a very interesting story from AAP (who are always watching the chamber, and for that, I and hundreds of other journalists thank them)

Angus Taylor has earned the Speaker's wrath - his Liberal colleague Tony Smith - for misusing a ministerial statement.

Via AAP :

Energy minister Angus Taylor has been taken to task for straying into partisan politics during a ministerial statement in parliament.

Minister for energy and emissions reduction Angus Taylor. Photograph: Mike Bowers/The Guardian

Taylor on Thursday delivered a statement in the lower house on "Australia's energy future".

It is standard practice when special leave is given for ministers to make such statements for them to specifically relate to government policy and not be used for political attacks.

However, Taylor used the speech to attack Labor over its climate and energy policies and singled out the opposition climate and energy spokesman Mark Butler and opposition leader Anthony Albanese for criticism.

When he completed his speech, manager of opposition business Tony Burke asked Speaker Tony Smith to explain the "expectations for ministerial statements".

Smith said he was "loathe to interrupt the minister" during the speech but needed to point out "how and why ministerial statements occur".

"There is no flexibility, tolerance or capacity to talk about anything other than that," he told parliament.

"You can't talk about the opposition or anything else. It is a ministerial statement - it is not a political statement.

"It is outlined very clearly in practice, very concisely."

Taylor was particularly scathing of Labor's approach to coal.

"Coal - derided by many of those opposite - has provided generations of Australian workers with a good income and a comfortable home," he said.

"To this day, it is the lifeblood of towns throughout rural and regional Australia. It has powered our industries, lifting millions of men, women and children out of absolute poverty."

Butler told parliament the statement confirmed "how utterly bare this government is on energy policy".

block-time updated-timeUpdated at 12.38am GMT

block-time published-time 12.20am GMT

For once, it is not the Queensland border under the spotlight.

Human Rights Watch has looked at the impact of the WA hard border closure - and interviewed 17 Australians who have had their request to enter the state denied by police - and determined there is no reason to deny people who agree to quarantine, entry.

Strict restrictions imposed by the Western Australian government since the start of the Covid-19 pandemic on people entering the state are causing undue hardship for families, Human Rights Watch said today.

The government should make more exceptions for compassionate cases, prioritise family reunions, provide greater transparency about the approval process, and provide clearer explanations to people who have been refused permission to return to their home state.

"Governments can restrict people's movement for compelling public health purposes, but any restrictions on these rights should be strictly necessary and proportionate," said Sophie McNeill, Australia researcher for Human Rights Watch.

" The process in Western Australia is opaque, confusing, and arbitrary. Western Australians who want to return home for compassionate family reasons and who are willing to abide by quarantine restrictions should not be blocked from doing so."

block-time updated-timeUpdated at 12.41am GMT

block-time published-time 12.17am GMT

The plight of stranded Australians has been a focus of much of the Dfat hearings.

Officials say Dfat has received 1,943 applications for financial assistance, of which 1,070 have been approved.

The breakdown is:

* 177 applications for subsistence, to support the cost of staying in the country while awaiting a return flight.

1. 162 were just for the costs of repatriation.
2. 731 for both subsidence and repatriation.

(A number of applications have been withdrawn or rejected, while about 600 are still pending a decision.)

Dfat official Fiona Webster says just 24 applicants were rejected - "that's very few".

Total financial assistance committed on subsistence loans: $1,072,500.

Total financial assistance committed on repatriation loans: $681,945.

Officials have promised to take a question on notice about how many of the loans have been repaid to date, but don't think it'd be many. That's because people have six months either to repay loan in full or to agree a plan for repayment.

block-time updated-timeUpdated at 12.22am GMT

block-time published-time 12.16am GMT

It is 11.30am for Daniel Andrews today.

block-time updated-timeUpdated at 12.22am GMT

block-time published-time 12.15am GMT

The foreign affairs committee has turned its focus to New Zealand, and progress on the two-way travel bubble.

There's no set timeframe for two-way travel to be in place, Dfat officials say. Officials have been working on arrangements with NZ for two-way travel since June, planning how to manage issues such as health, border, transit arrangements. Those arrangements are not yet finalised. But the recent opening of one-way travel from New Zealand to Australia has helped officials to test that planning.

Passengers arrive into Sydney's Kingsford Smith Airport from New Zealand. Photograph: James D Morgan/Getty Images

Jenny Da Rin, deputy head of the Covid coordination unit, says as at 27 October there had been 20 flights over 11 days carrying 1,895 passengers on "green flights".

"They're flights where people are able to enter quarantine-free. We're calling them green and red."

Another 10 such flights are planned between 28 October and 10 November.

The foreign minister, Marise Payne, adds that those 1,895 passengers not having to take up a quarantine place helps with the other matter of issues with returning Australians.

The South Australian senator Rex Patrick wants to know whether they're expecting flights between Adelaide and Auckland. Da Rin notes the first two jurisdictions to agree to accept people from NZ were NSW and NT, but only NSW has actually been receiving international flights from Auckland to date. Subsequent to that, she says, the ACT has expressed interest, as has South Australia.

The committee chair, Tasmanian senator Eric Abetz, intervenes to suggest, parochially: "Can you forget South Australia and push Tasmania up the list?"

The official responds with a diplomatic formulation: "That's a matter for Tasmania."

block-time updated-timeUpdated at 12.29am GMT

block-time published-time 12.14am GMT

NSW records four new mystery ***transmissions*** of Covid

NSW Health has released its figures for the day - there have been four new locally acquired cases of Covid diagnosed in the last 24 hours.

How the first person got it is still under investigation, but three people, linked as close contacts of the first person, have also been diagnosed.

enltrOf the new cases to 8pm last night: One was acquired overseas and is now in hotel quarantine. One was locally acquired with their source still under investigation. Three were locally acquired and linked to the above known case whose source is still under investigation.

- NSW Health (@NSWHealth) October 29, 2020

block-time updated-timeUpdated at 12.24am GMT

block-time published-time 11.46pm GMT

English language migrant program legislation introduced into parliament

Alan Tudge has introduced the legislation which will expand the English language program - as the government works on expanding the requirements for Australian migrants\*

Just a reminder, once again, that Australia does not have an official language.

enltrWe are overhauling the Adult Migrant English Program so more migrants can learn English and have the best possible chance to succeed in Australia. More details ?? [*https://t.co/ar8bsOHIZu*](https://t.co/ar8bsOHIZu)

- Alan Tudge (@AlanTudgeMP) October 28, 2020

\*I originally linked this to the new partner visa English requirements the government has stated it will be bringing in. This isn't that. That is coming next year, and will most likely be done as regulation changes (which means no legislation will be necessary)

block-time updated-timeUpdated at 12.02am GMT

block-time published-time 11.42pm GMT

Banks are not 'moral compass' argues Nationals deputy

Further to our earlier post on this, the response to David Littleproud's latest corporate boycott call has been...interesting.

ANZ has announced it wants to see carbon reduction targets as one of its conditions for lending. It has said that it won't bring further financial pressure on farmers - it just wants to know there is a plan. Most farmers are working on that anyway - the National Farmers' Federation has called for a net zero target by 2050 and the red meat industry is working on becoming carbon neutral by 2030. So in terms of the industry and the sector, more widely, it is not actually a huge deal - they are already headed that way, themselves, despite stalled government policy.

So Littleproud's intervention here doesn't make a lot of sense.

enltrMEDIA RELEASE: Banks are not our moral compass [*#auspol#ausag@ANZ\_AU@CommBank@Westpac@NABpic.twitter.com*](mailto:#auspol#ausag@ANZ_AU@CommBank@Westpac@NABpic.twitter.com)/TMW9ep2Ysn

- David Littleproud (@D\_LittleproudMP) October 28, 2020

block-time updated-timeUpdated at 11.47pm GMT

block-time published-time 11.37pm GMT

Net zero by 2050 'acknowledged' by Australia

Labor's Penny Wong has asked foreign minister Marise Payne whether the Australian government welcomes the fact Japan, South Korea, Canada, the UK and EU have committed to net zero emissions by 2050.

The foreign minister Marise Payne before the Senate Foreign Affairs, Defence and Trade Committee in Canberra this morning. Photograph: Mike Bowers/The Guardian

Payne replied:

The prime minister made some comments on these matters yesterday. In those, he referred to his conversation with prime minister [Boris] Johnson. He made it very clear, Australia will make our own policies, our policies will be set here.

It's not a question of whether we welcome the decisions. It's a question of what Australia's priorities are.

Wong then asked a series of follow ups: do we welcome the commitments to net zero?

Payne:

Those announcements are made by other countries, we acknowledge [them]. We're focused on meeting our Paris commitments.

What does acknowledge mean? Does it mean welcome?

Payne:

It means acknowledge, it's not for us to welcome or not welcome [the commitments]. It's a matter for those countries.

Payne then slipped up by saying Australia "indeed" welcomes the fact major partners are committed to the Paris climate agreement. Wong summarised that Australia "welcomes some targets but not others" which is "illogical". So there you have it: Paris commitments, welcomed; net zero by 2050, acknowledged.

block-time updated-timeUpdated at 11.50pm GMT

block-time published-time 11.34pm GMT

The Greens senator Jordon Steele-John has lashed the NDIS watchdog for pledging to hire only five or six new dedicated investigators with the $93m it received in the budget, including none in South Australia.

The NDIS Quality and Safeguards Commission has been under fire in recent months, particularly over the case of Adelaide NDIS participant Ann Marie Smith, who police say was found dead in horrific circumstances. Her carer has been charged with manslaughter.

NDIS sign in Dubbo, rural NSW. Photograph: Carly Earl/The Guardian

The commissioner, Graeme Head, told Senate estimates the commission would also hire about 27 complaints officers and 40 staff who would be dedicated to "reportable incidents".

"You've just told me that not one of the additional investigator positions will be based in South Australia," Steele-John said.

"That seems to be a cataclysmic oversight in the context one of the largest trust based issues you've got on your plate at the moment... which is your failure in relation to the Ann Marie Smith case."

The commission registrar, Samantha Taylor, said the commission had already "uplifted" its investigation team in South Australia.

Estimates heard earlier that the commission has 211 investigations on its books, with a median investigation period of 126 days. It currently has 21 dedicated investigators nationally.

The commission is currently facing scrutiny amid a dedicated Senate inquiry. It has issued just one fine in the two years to June 2018.

block-time updated-timeUpdated at 11.56pm GMT

block-time published-time 11.34pm GMT

We haven't heard when Daniel Andrews will hold his press conference today, yet, but it will be coming soon.

block-time published-time 11.23pm GMT

If you need to wile away some time from the real world, this from the NY Times is insanely addictive - can you guess a Trump supporter or Biden supporter from their fridges?

It's a lot harder than it seems.

You'll find it here.

block-time updated-timeUpdated at 11.25pm GMT

block-time published-time 11.13pm GMT

Department of Foreign Affairs and Trade officials have told Senate estimates they did not facilitate Tony Abbott's travel to or return from the UK, although Abbott did have morning tea with the high commissioner in London and embassy staff while there.

They've taken on notice a string of questions about whether negotiations for an Australia UK free trade agreement was discussed.

Former prime minister Tony Abbott. Photograph: Mick Tsikas/AAP

When Labor probed Abbott's appointment to the UK board of trade, Dfat secretary Frances Adamson said the job is to promote UK exports but has "no direct role" in negotiating trade deals.

Foreign minister, Marise Payne, bristled at suggestions Abbott is not acting in Australia's best interests - challenging Labor's Tim Ayres.

Are you making an assertion that he is providing advice that is contrary to Australia's interests?

She said:

The [question of the] role he's taken up is one for him. I'm confident he'll act in the best interests of Australia in everything he does, as he always does...

The board doesn't have a role in free trade agreement negotiations. It's not the case.

The minister and Dfat officials refused to field questions about whether Abbott can continue to claim a pension and his entitlement to support staff - noting those matters are overseen by the finance department.

block-time updated-timeUpdated at 11.29pm GMT

block-time published-time 10.57pm GMT

Labor's Penny Wong has asked for a formal special advisor to the ambassador to the US, Joe Hockey, to correct his job description.

After Hockey and his special advisor Alex Tureman concluded their roles in January, they founded an advisory called Bondi Partners.

On its website Tureman describes himself as Hockey's "thought partner on all ambassadorial initiatives".

enltrLabor is probing Joe Hockey hiring Alex Tureman as a senior advisor, asking what a "thought partner" is. #auspol#estimatespic.twitter.com/5el6IWoSmC

- Paul Karp (@Paul\_Karp) October 28, 2020

Department of Foreign Affairs and Trade secretary, Frances Adamson, conceded she did not know what a 'thought partner' is.

It is an "unfamiliar term" to Dfat, another official replied.

Tureman was a locally engaged staff member in a political liaison role.

Wong said if people serve Australia they should not "inaccurately" leverage a description of that role for profit.

" They can rely on their past performance, but if it's not accurate it should be corrected."

block-time updated-timeUpdated at 11.01pm GMT

block-time published-time 10.54pm GMT

Then we head back to Canberra.

enltrCan anybody explain why acting in accordance with science and heeding repeat warnings from the RBA and financial regulators about carbon risk is being a moral compass? Happy to wait ?? pic.twitter.com/u26s0TsOBn

- Katharine Murphy (@murpharoo) October 28, 2020

block-time published-time 10.53pm GMT

South Australia's Liberal deputy premier and attorney general, Vickie Chapman, and human services minister Michelle Lensink have sent a very stark reminder to a South Australian Liberal federal senator about what the Liberal party is supposed to be about.

It's about abortion (because of course it is).

The South Australian government has introduced a bill to de-criminalise abortion. It's the last Australian jurisdiction to do so.

But SA senator Alex Antic apparently has a problem with women having control over their bodies and health, which apparently is a 'radical left' position.

He wrote to the SA government members saying that the "Liberal Party which I know would reject the Bill".

Ours is the Party which stands for the proposition that the interests of all men, women and children must be protected

We are not the party of the radical left.

Chapman and Lensink were having none of it, reminding Antic that he would never need a termination and that if any woman he knows was forced into having to make one of the most difficult decisions of her life, he would offer support rather than "moralising at her, and assuming you, for whatever reason, knows best".

enltrThe letter from Chapman and Lensink is one for the ages. ???? [*https://t.co/WCGpaehIEFpic.twitter.com/b6dkFirUI1*](https://t.co/WCGpaehIEFpic.twitter.com/b6dkFirUI1)

- Conrad Liveris (@ConradLiveris) October 28, 2020

The MPs wrote:

You state that we are not a party of the radical left. Nor are we a party of the extreme right that is beholden to sectional interests.

In Menzies' words, we march down the middle of the road.

... Finally, [we] congratulate you on receiving press attention. I concede it must be difficult as a junior member of the federal team. Next time, just for something different, perhaps it can be for something other than baselessly attacking Liberal party women in the state parliament.

block-time updated-timeUpdated at 11.00pm GMT

block-time published-time 10.34pm GMT

Full Victorian hotel quarantine inquiry report delayed

The commission looking into the failures of the Victorian hotel quarantine program has announced it will have to delay its final report after requiring more information earlier this month. It will now hand down an interim report - with a final report coming just before Christmas.

Jennifer Coate AO during the Covid hotel quarantine inquiry on 20 July 2020 in Melbourne. Photograph: Getty Images

From its statement:

The Board of Inquiry will deliver an interim report on Friday 6 November 2020, containing recommendations for a proposed quarantine program, based on evidence and information currently available to the Board.

The Board will deliver a final report containing the examination and findings on the decisions and actions of, and communications between, relevant agencies in establishing the initial Hotel Quarantine Program in Victoria, and any further recommendations, by Monday 21 December 2020.

This unfortunate delay is due to the provision of additional material which occurred after the conclusion of closing submissions on 28 September 2020, as detailed at the extraordinary sitting on 20 October 2020.

As a result of this additional material, the Board has issued several further notices to produce and requests for affidavits. Several documents and affidavits are presently outstanding and may lead to further enquiries.

Inquiry Chair the Hon. Jennifer Coate AO wrote to Premier Daniel Andrews on 28 October 2020 to advise that the Board would not be able to deliver a final report by 6 November 2020, and to propose this alternative way forward.

The Premier responded on 29 October 2020 advising that he agreed that the Board's final reporting date should be extended.

block-time updated-timeUpdated at 10.44pm GMT

block-time published-time 10.24pm GMT

David Littleproud urges regional Australians to boycott ANZ

David Littleproud is making quite the name for himself when it comes to calling for boycotts.

He called for a boycott of Coles and Aldi over their $1 milk (and later defended owning a small amount of shares in Woolworths, and having office staff who had previously worked for the supermarket chain) and then earlier this year, slammed Woolworths for what he called a "tokenistic" gesture to the dairy industry, when it imposed a 10c "retail levy" on its milk.

Australian ***agriculture*** minister David Littleproud. Photograph: Lukas Coch/EPA

Then he called for a boycott of Target after it announced a restructure which included the closure of 75 stores, many in regional Australia.

Now Littleproud is calling for a boycott of banks like ANZ for having carbon targets as a condition of lending.

From his statement:

While ANZ has confirmed with me this morning that this will not impact family farms this policy is disgraceful.

Banks are not and should not try to become society's moral compass and arbiter - the Australian people decide that by who they elect.

We can't let unelected, profit-driven financiers from Pitt Street dictate to society how to produce food and fibre or how we run our economy.

Banks have been given a privileged position in our society and our economy and they shouldn't interfere in markets but simply facilitate them with capital. That is their role and they should stick to it.

When so much of our nation's wealth is generated in the regions, penalising these industries and destroying livelihoods just to get the warm and fuzzies is pure insanity.

It shows just how out of touch ANZ is about how our regional communities live and work.

The Nationals will review every policy lever at the federal government's disposal - including the availability of deposit guarantees - to protect Australian farmers from these sorts of arbitrary boardroom ideological agendas.

It's almost as though he doesn't actually believe in a free market, or that corporations can make their decisions independent of government policy - and that people can choose themselves whether they support that corporate decision or not. \*thinking face emoji\*

block-time updated-timeUpdated at 11.39pm GMT

block-time published-time 10.14pm GMT

The top US health adviser, Dr Anthony Fauci, was the guest of a University of Melbourne-hosted conversation, Conversations on Covid-19: The Global View.

On the posted conversation, Fauci speaks about the Australian response, saying Australia had done "quite well" in dealing with the pandemic and that he would like to be able to say that about the US, but "the numbers speak for themselves".

There have been predictions that America's death toll is headed to 500,000.

Fauci said part of the issue for the States has been not everyone being on the same page:

Although there's many positives of independent states, when you're dealing with a pandemic and you say, 'We need everyone to be doing A, B and C,' and all of a sudden state 43 does this and state 27 does that - it becomes very difficult.

But he also had praise for how Australians, and in this instance, he was speaking particularly about Victorians in dealing with the second wave, handled wearing masks -in that for the most part we accepted them as a necessary part of the health response:

I really wish that we could transplant that kind of mentality here, because masks in the United States have almost become a political statement.

US secretary of state Mike Pompeo sports his stars and stripes face mask. Photograph: Aris Messinis/AP

block-time updated-timeUpdated at 10.22pm GMT

block-time published-time 9.44pm GMT

The social services minister, Anne Ruston, would not commit last night to release an evaluation of the cashless debit card before parliament votes on a bill to make it permanent.

The government has introduced legislation that would make the card permanent in the current trial sites and move about 25,000 people in the NT on to the program. Those people are now on the Basics Card.

Ruston said she was yet to read the evaluation report by University of Adelaide but a final draft has been handed to the department, which is checking the paper for errors and typos.

The Greens senator Rachel Siewert urged Ruston to release the report before the legislation was debated in parliament in December.

But Ruston claimed the program's continuation did not hinge on the results of the evaluation.

Siewert replied:

You are joking. This is absolutely flabbergasting. This is a recasting of history.

Labor's Malarndirri McCarthy accused the government of ignoring the new Closing the Gap agreement. She noted that the Coalition of Peaks was opposed to the card.

block-time updated-timeUpdated at 10.10pm GMT

block-time published-time 9.43pm GMT

Labor is continuing to pursue why it has taken the government so long to speak to counterparts in Qatar after Australian women were among those taken off a plane and forced to have a medical examination, following the discovery of an abandoned newborn at the Doha airport.

This happened on 2 October. It was only after a Seven News reporter, Jen Bechwati, broke the story on Sunday that it was addressed.

Since then, we have heard that Australia has registered its displeasure but that any action needs to wait until local authorities complete a report.

Penny Wong was on ABC radio this morning, saying the issue needed leadership:

To rely on bureaucrats, to rely on officials, as efficient as they may be, really demonstrates an absence of leadership from both the foreign minister and the prime minister. I think these women deserve the people to be held ***accountable***, they deserve transparency, but they also deserve a government that's going to go into bat for them. I don't believe that minister Payne has spoken to the foreign minister, unless she's done it overnight.

The prime minister hasn't spoken to his counterpart. That should happen.

And expectations should be set about not just the report but what will occur as a consequence of the report.

block-time updated-timeUpdated at 10.10pm GMT

block-time published-time 9.30pm GMT

At Senate estimates last night, Department of Social Services officials revealed there have 10 reportable privacy breaches within the national redress scheme.

Under questioning from the Labor senator Malarndirri McCarthy, officials said the 10 breaches included:

* Redress applications being sent to other applicants by mail

1. Acceptance letters and applications being "lost" by Services Australia
2. Applicant's impact statements being shared with institution without consent

Officials stressed that the 10 breaches among thousands of applications but they also conceded that this was not good enough. They have apologised to the applicants affected.

All 10 breaches were all caused by human error.

The department has offered additional training and changed some processes in response.

Senator Malarndirri McCarthy. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 10.25pm GMT

block-time published-time 9.25pm GMT

We don't know the numbers for NSW as yet but a student at the Hoxton Park campus of Malek Fahd Islamic school, in Sydney's west, has tested positive for the virus.

The school has been closed for deep cleaning, and staff and students have been told to self-isolate.

block-time updated-timeUpdated at 10.07pm GMT

block-time published-time 9.21pm GMT

And there it is.

enltrYesterday there were 3 new cases reported and no lives lost. The 14 day rolling average is down in Melbourne and remains zero in regional Vic. There are 4 cases with unknown source. More info: [*https://t.co/pcll7ySEgz#COVID19VicDatapic.twitter.com/bngvpPCCsU*](https://t.co/pcll7ySEgz#COVID19VicDatapic.twitter.com/bngvpPCCsU)

- VicGovDHHS (@VicGovDHHS) October 28, 2020

block-time updated-timeUpdated at 10.07pm GMT

block-time published-time 9.21pm GMT

Victoria reports three new confirmed Covid cases

The DHHS website lists three confirmed cases for Victoria in the last 24 hours.

We are just waiting on the tweet.

block-time updated-timeUpdated at 10.06pm GMT

block-time published-time 9.18pm GMT

There are plenty of predictions about the Queensland election result but, as I have said before, the only safe prediction is that it is unpredictable.

Labor isn't feeling confident. Nor is the LNP. Both parties will tell you that their tracking is all over the place.

The three Townsville seats are in play, as are Keppel and Cook. South Brisbane (Labor) looks like going Green. McConnell in inner Brisbane, also held by Labor, is also in danger of going Green. The LNP thinks it will lose Pumicestone to Labor.

Queensland has been open long enough for normal business that Covid isn't such a big deal. Labor's campaign has mostly centred around the Covid response, which isn't penetrating. The LNP have focused on cost of living, which is getting some traction.

Votes for One Nation have absolutely tanked, which has given the LNP a boost - those voters are heading to Deb Frecklington 's party. Clive Palmer has spent almost $5m campaigning against Labor, making up a death tax. But Annastacia Palaszczuk remains the more popular leader - by quite some margin.

And early voters turned out in droves, skewing the polls and making it hard to gauge what the mood is. If Labor gets enough seats to make a minority government, I would expect they would turn to the Katter's Australian party and independents before the Greens.

There is a lot of talk about how, in Queensland, a Labor-Greens coalition would be "unworkable". For the south-east, it would make sense, but for central and north Queensland, it would be a complete mess. "Tasmania on steroids" is how one Labor strategist described it to me.

There are also the federal implications - a Queensland Labor-Greens government is considered electoral poison for Anthony Albanese.

I am not saying this is my opinion - it's just what people are telling me. The LNP needs to win nine seats (net) to win government, but there is a chance it could a) pull it off (let's not forget Labor went from holding seven seats to winning minority government in just three years) or b) strike a minority government deal itself.

Labor now has a six-seat majority. You would think it would have the bigger chance, if it loses seats, of putting together a minority government but, again, it depends on with who.

All in all, no one has a handle on what is going on.

Ahhhhh, Queensland. I miss it.

block-time updated-timeUpdated at 10.03pm GMT

block-time published-time 9.06pm GMT

The Courier-Mail and Sky News People's debate was held late yesterday afternoon for the Queensland election.

At the conclusion, the audience, which was made up of undecided voters, gave the debate to Annastacia Palaszczuk, with 53% saying they believed she was the winner. The LNP leader, Deb Frecklington, scored 30% of the vote, while 17% of the audience remained undecided.

But of course there was a small bit of controversy - one of the "undecided voters" who was allowed to ask a question was a LNP women's executive member, Marilyn Wilson. After she was identified by people watching, she was disqualified from voting on the winner.

Annastacia Palaszczuk and Deb Frecklington at the debate. Photograph: Dan Peled/AAP

block-time updated-timeUpdated at 9.52pm GMT

block-time published-time 8.58pm GMT

NSW police are yet to say if they'll investigate Gladys Berejiklian 's office over the shredding of documents relating to a controversial grants program.

The Labor opposition has asked the police and the Information and Privacy Commission NSW to investigate the destruction of documents in the premier's office detailing $252m in grants allocated to councils before the 2019 state election. A police spokesperson told Guardian Australia on Wednesday night: "The commissioner has not yet received the letter. When it is received, it will be assessed appropriately."

Sarah Lau, a senior policy adviser to Berejiklian, last week told a NSW parliamentary committee she had shredded records suggesting the premier had "approved" $141.8m of the council grant funding. Lau also deleted electronic copies, saying it was "normal record management practice".

The opposition leader, Jodi McKay, referred the matter to the police commissioner for a potential breach of the State Records Act and the information commissioner for a potential breach of the Government Information (Public Access) Act.

The former NSW auditor general Tony Harris has told Nine newspapers he believes the premier's office breached the State Records Act.

Berejiklian has rejected Labor's claims, saying she had no involvement in the shredding.

block-time updated-timeUpdated at 9.08pm GMT

block-time published-time 8.56pm GMT

(Continued from last post)

US election: Adamson sidestepped being drawn into commentary on the Donald Trump/Joe Biden showdown next week but said: "We are ready for any eventuality." Hekmatullah: The former Afghan soldier convicted of murdering three Australian soldiers in 2012 was transferred from Afghanistan to Qatar on 10 September and remains in detention. "That was a compromise organised by the US government with the government of Qatar to enable the commencement of the Afghanistan peace negotiations," said a Dfat official, Ian Biggs. He said since Hekmatullah's transfer there had been "a continuing series of interventions" by Scott Morrison, Marise Payne, Linda Reynolds and officials to the governments of Qatar, the US and Afghanistan to ensure they understood the strength of feeling in Australia that Hekmatullah should never be released.

Syrian camps: Payne did not give any indication the Australian government would attempt to extract more than 67 Australian women and children - the family of Isis fighters - from Syrian camps. She said the issue had been raised with her in the US in July but the government did not want to put Australian officials at risk to extract or effect the repatriation of people, and also "the protection of Australia and the Australians community". Human rights groups have previously called on the government to repatriate the Australian citizens for rehabilitation and reintegration, with Human Rights Watch saying: "Children who lived under Isis and any women trafficked by Isis should be treated first and foremost as victims."

block-time updated-timeUpdated at 9.06pm GMT

block-time published-time 8.56pm GMT

A few takeouts from the evidence given by Department of Foreign Affairs and Trade officials in estimates hearings overnight: Kylie Moore-Gilbert: The detained British-Australian academic was "well" when she was last visited by the Australian ambassador to Iran on 19 October, officials said. But they did not provide any further details - following reports she has been moved from Iran's Qarchak prison, which her supporters hope is a good sign - saying the best hope of securing her release is through diplomatic channels (ie, quietly). Soft power review junked: The secretary, Frances Adamson, said Dfat had decided to discontinue work on the soft power review launched more than two years ago, when Julie Bishop said it was needed "to ensure Australia remains a persuasive voice in our region". The review took submissions in 2018 and a draft report was sent to the minister's office. But Adamson said it had been prepared in a pre-Covid time, with a lot of emphasis on tourism and international education - but then "the world changed around us very drastically".

Foreign veto laws: Dfat first learned on 10 June of the government's intention to prepare laws to review international agreements struck by states and territories, and the Attorney General's Department first issued drafting instructions on 19 June. Officials couldn't say precisely when universities were added to the bill but insisted it was "at an early stage". At the estimates hearing, Marise Payne explained away the lack of consultation with universities before the plan was announced in late August by saying "the government determined this was our preferred way of putting together this bill" and it believed it was "relatively unremarkable that public universities should provide the commonwealth visibility where they enter into foreign arrangements". Labor has signalled it's likely to seek amendments.

block-time updated-timeUpdated at 9.04pm GMT

block-time published-time 8.55pm GMT

Sydney Covid alert issued

NSW Health has issued a new alert after someone who had Covid-19 visited a number of venues across Sydney.

Among them is Jasmins Lebanese Restaurant in Liverpool in the south-west (on Sunday), the Flip Out Prestons Indoor Trampoline Park in Sydney's west (on Sunday), the Westfield at Bondi Junction (on Saturday) and Eatsup Brothers kebab shop in Condell Park (on Saturday).

They also went to Ali Baba Charcoal Chicken in Auburn on Monday and Carnes Hill Marketplace on Tuesday.

But it's the trampoline venue and the Lebanese resturant which are the main concern -anyone who attended those venues for at least one hour on Sunday is being asked to self-isolate and get tested.

block-time updated-timeUpdated at 9.09pm GMT

block-time published-time 8.34pm GMT

Good morning

Happy Thursday!

The worst day of the week is also the last day of parliament for a couple of weeks, and the last (full) day of estimates hearings, so it will most likely get a little feisty today, with a lovely dollop of fatigue just to keep it interesting.

For the first time in a while, it's news from outside Australia capturing attention. As AAP reports:

US financier and sex offender Jeffrey Epstein donated $US650,000 ($A920,500) to the Internat­ional Peace Institute between 2011 to 2019, a revelation the think-tank's chair Kevin Rudd says is "deeply disturbing".

The former Australian prime minister, who became vice-chair of the UN-affiliated organisation in 2014 and chair in 2018, has convened an extraordinary board meeting after reports IPI president Terje Rod-Larsen borrowed $US130,000 from convicted pedophile Epstein in 2013.

"I first learned of contributions from Epstein's foundations to the IPI in November 2019 through reporting by the Norwegian press. I was blindsided by this," Rudd said in a statement to Norwegian business newspaper DN on Wednesday.

"These revelations were deeply disturbing to me and to other members of the board. IPI's work includes combating human trafficking and sexual violence"

Rudd has asked for a report to be given to the board He said he has no recollection of meeting Epstein, but was on a conference call that Epstein was also on, in 2014.

Expect to hear more on that today.

We'll also bring you parliament, a bit of the last hours of the Queensland election campaign and of course, the Covid situation across Australia.

You have Amy Remeikis with you.

Ready? Let's get into it.

block-time updated-timeUpdated at 8.52pm GMT

19268 2020-10-29T06:30:00Z true 2020-10-28T20:35:39Z

false false 2020-10-29T08:57:56Z false AUS theguardian.com [*https://gu.com/p/f9tjd*](https://gu.com/p/f9tjd) false true [*https://media.guim.co.uk/c90a35859a9d1b2d0c27d9f1d4b455151f0ccd3e/317\_0\_3078\_1847/500.jpg*](https://media.guim.co.uk/c90a35859a9d1b2d0c27d9f1d4b455151f0ccd3e/317_0_3078_1847/500.jpg) false en true That's it for tonight, thanks for reading. To recap: There's a legal battle brewing over Christine Holgate having to 'stand aside' while a review is carried out into the watches the Australia Post boss authorised for her executive team. The NRL has backflipped on a decision not to play the national anthem during this year's State of Origin series after a backlash from fans and reported intervention from Prime Minister Scott Morrison. Labor MP Chris Hayes collapsed in parliament and was taken to hospital, but is expected to be released tomorrow. Three new Covid-19 cases were recorded in Victoria, with NSW recording four cases of community ***transmission***. Here's some more on the Supreme Court decision in Victoria today regarding the destruction of trees that are sacred to the Djab Wurrung Officials won't disclose when universities were first included in coverage of the Morrison government's draft foreign veto bill, which began with a focus on state and territory agreements with overseas governments. Department of Foreign Affairs and Trade officials said yesterday that universities were included from an early stage of the drafting process, but committed to check and give more clarity. The Dfat secretary, Frances Adamson, in an update to the estimates committee tonight said: "Drafting is an iterative process... there is no single date I can provide." Labor's Penny Wong was not impressed: "That is an answer that is designed to obfuscate... If it was in there from the beginning you'd give me the date." Kevin Rudd has taken the idea of a pandemic hobby rather far... The New South Wales environment minister, Matt Kean, says he is disappointed his federal counterpart, Sussan Ley, approved the expansion of a rock quarry in koala habitat in Port Stephens, despite the state government previously recommending environmental approval for the project. The Brandy Hill quarry expansion will clear 52 hectares of koala habitat after it was approved this week by Ley, despite a high-profile grassroots campaign. In Victoria, the supreme court has issued an interim injunction preventing any construction work taking place on the Western Highway, where a tree that is sacred to the local Djab Wurrung people was felled this week. The interim injunction is granted until 4.00pm on 19 November, with a hearing regarding a longer-term interlocutory injunction to be held earlier that day. The court action against the state government has been brought by Marjorie Thorpe, the mother of Victoria's first Indigenous senator Lidia Thorpe. Here's some more about the dispute from earlier this week. Kathryn Campbell, the secretary of the Department of Social Services, has said she was aware that the administrative appeals tribunal had overturned debts while the robodebt scheme was operating. However, Campbell, who was head of Human Services at the time, said the tribunal had also upheld debts raised using "income averaging", and in some cases directed Centrelink to use this method to calculate debts. The government has now conceded the method is not a lawful way of raising welfare debts and is facing a class action. In a fiery exchange with Labor's Deb O'Neill, officials were asked about 76 decisions where Gordon Legal alleges the AAT had "set aside" debts raised using the method central to the robodebt scheme. The agency never appealed these decisions to a higher tier of the tribunal, meaning they were never made public. Gordon Legal alleges it is evidence the government knew the scheme was unlawful, which the Commonwealth denies. Campbell said: "When I was the secretary of the Department of Human Services and we would get a decision back from the AAT... they are generally determined on the individual facts. "I knew that some had been returned and overruled. And I knew that some had been returned and upheld. "I wasn't aware that there was a pattern [of debts being overruled]. A pattern would indicate everything was the same." Campbell added that there were cases that the AAT said to use income averaging. O'Neill said: "So you had some that were more favourable to your methodology and others that were pointing out it was illegal." The Department of Foreign Affairs and Trade has confirmed it has abolished its standalone innovation initiative, known as "innovationXchange". Guardian Australia reported last weekend the initiative appeared to have been given the chop, since it had been recently dumped from Dfat's organisational chart and rebranded on the website. The innovationXchange - established in 2015 to devise new ideas to deliver an increasingly tight foreign aid budget - attracted attention that same year when it was revealed Dfat had spent more than $1,700 on three beanbags to set up a "collaborative workspace" and encourage creativity and innovation. The secretary, Frances Adamson, said she had decided to abolish the dedicated innovationXchange after conversations with colleagues and the minister, Marise Payne. She argued the initiative had been set up with a particular remit and funding but that funding was "by and large exhausted". She said the move was designed to "mainstream innovation" across the department more generally, and the staff had been transferred to other areas. The space is currently being used by the vaccine taskforce. This left one obvious question for Penny Wong to pursue: "What happened to the $1500 beanbags?" A senior official, Jamie Isbister, informed the committee: "The assets from the innovationxchange are now in a range of collaborative spaces in the department for both training and planning." An unidentified person was heard on the parliament audio feed remarking, impressed, that Isbister "said that with a straight face". Wong noted the beanbags used by Dfat were green but her daughter had one that was white. Adamson: "I think I recall in earlier evidence they were cheaper than a three-person couch." Payne pushed back at suggestions from Penny Wong that the government appeared to be unwinding Julie Bishop's legacy, given that the soft power review had also been dumped and the Aid performance framework had been rewritten. Payne said it was good that innovation was being embedded across the department. She said it would be wrong to stand still and say nothing could ever change. For more background on innovationXchange see our recent story: The estates of 3,000 deceased people are among those owed refunds under the botched Centrelink robodebt program, Senate estimates has heard. Services Australia officials confirmed on Thursday night that the agency had now repaid $697m of the $721m it promised to repay after backing down on the scheme, which is now the subject of a class action. About 402,000 have now received a refund or had their debt reduced to zero. However, officials said they had still been unable to contact about 38,000-40,000 people who were also owed refunds. Officials confirmed there were 3,300 deceased estates that were owed refunds. They said they were still in the process of arranging the refunds. Joel Fitzgibbon, Labor's ***agriculture*** and resources spokesman, has weighed in on ANZ's new climate policies, which will see the bank move away from lending to coal-generating businesses and demand clear carbon transition plans from its biggest customers. Fitzgibbon told ABC's Patricia Karvelas he had sought assurances that ANZ's policy would not adversely affect farmers, and called the new policies "obviously a bit of a pitch to shareholder activism". Fitzgibbon, MP for the coal-producing Hunter electorate and whose position on coal is often at odds with more progressive elements of his party, criticised the harshness of the Nationals response to ANZ's statement, and said he had instead "given them [ANZ] the benefit of the doubt". "I absolutely appreciate that banks have to measure and bank risk, I just hope that's what they're talking about here, and not some form of virtue signalling." You can read more about the ANZ climate commitment here. Well, the parliament is starting to wind down - there are a few spillover hearings for estimates tomorrow, but that is about it. We will be back, of course, to take you through all the events of tomorrow, including the last full day of the Queensland election campaign. Nino Bucci will take you through the evening today. Thanks to everyone who joined today, I'll be back tomorrow. Please - take care of you. NSW Health has added a venue onto its Covid alert: NSW Health is alerting the public that a confirmed case of COVID-19, who was included in today's numbers, has attended a gym in Sydney's south-west. Anyone who attended the following venue at these times is considered a close contact and must get tested immediately and isolate for a full 14 days from exposure regardless of the result: F45 gym, 1640 Camden Valley Way, Leppington, on these dates and times: Thursday 15 October, 5.15pm-6pm Saturday 17 October, 8.10am-9.10am Sunday 18 October, 8.55am-9.40am Monday 19 October, 5.50am-6.35am Tuesday 20 October, 5.50am-6.35am Wednesday 21 October, 5.15pm-6pm Thursday 22 October, 6.45am-7.30am Friday 23 October, 9.35am-10.20am Saturday 24 October, 7.10am-8.10am Sunday 25 October, 8.55am-9.40am Monday 26 October, 5.50am-6.35am Tuesday 27 October, 6.45am-7.30am Wednesday 28 October, 5.50am-6.35am Anyone who attended a class that was scheduled to begin five minutes before or five minutes after one of the classes listed above, or a class immediately before or after the sessions, is considered a casual contact. Additionally, anyone who attended Ali Baba Charcoal Chicken, 2 Civic Rd, Auburn on Sunday 18 October from 4-5pm is considered a casual contact. Casual contacts must monitor for symptoms and get tested immediately if they develop. After testing, they must remain in isolation until a negative test result is received. The federal government has "no plans" to move to an Apple-Google developed version of a contact tracing system to replace the Australian government's Covidsafe app. So far, 7.1m people have downloaded and registered to use the Covidsafe contact tracing app the federal government released in late April, but since then it has had limited success. It has only identified 17 contacts in New South Wales that were not previously found through manual contact tracing. Victoria has used the app more than 1,850 times but hasn't found any additional contacts. The Digital Transformation Agency, which developed the app, has spent close to $5.2m on the development and operation of the app in the past six months, Senate estimates heard on Thursday. The agency's head, Randall Brugeaud, said the app "is working" but said questions on how it is working is best directed to the state health departments. The Australian tech community has pleaded with the government to consider switching the app to the Apple/Google exposure notification framework (ENF) which would make it easier for close contacts to be identified, but Brugeaud said the government had "no plans" to change apps. "Importantly, unlike decentralised approache,s Covidsafe allows health officials to be the central point of contact tracing with visibility of hotspots and clusters," he said. "We're not looking for a fix from Apple or Google. We are continuing with the centralised model... In countries who have implemented the Apple and Google solution that they have no visibility from a public health perspective." He also said there were no plans to include QR codes for venue check-ins in the app because while it would be technically simple to implement, it would be in breach of the privacy legislation controlling the app because it would record location. NSW health minister Brad Hazzard said on Wednesday the app "has obviously not worked as well as we had hoped". The Department of the Prime Minister and Cabinet is spending nearly $16,000 on services provided by the National Institute of Dramatic Art, according to a contract notice published today. The record on AusTender shows the good folks at Nida are helping PM&C with "training and development services" at a cost of $15,884 between October and December. Given that NIDA is well known for training actors and performing artists, we asked PM&C to clarify the situation, including whether it was acting or media-management related and why it was done through a "limited tender" process. Alas, the department was very keen to point out the training was being delivered by Nida's corporate section, which runs corporate training programs. A spokesperson for the Department of the Prime Minister and Cabinet provided us with the following statement: NIDA Corporate, as opposed to the National Institute of Dramatic Art (NIDA), is a professional training provider that offers practical skills-based training in communication and presentation skills to PM&C staff. It is not acting or media management training in any capacity. The training has helped around 84 participants from PM&C with practical skills for workplace communication and professional presentation. This is the only program in our learning and development schedule that focuses on these types of communication and presentation skills. NIDA Corporate has demonstrated experience in delivering high-quality training to organisations and businesses at a comparative market rate. It is used by a wide number of organisations from both the public and private sectors across Australia. The retail news keeps on coming. Via AAP: Myer's struggle through the pandemic has continued after chair Garry Hounsell retired from the role and blamed the company's two largest shareholders for a lack of support. Mr Hounsell, who has overseen the department store chain's struggle to keep pace with online shopping, chose not to seek re-election as chair or director at the company's annual general meeting on Thursday. He said: It has become apparent that Myer's two largest shareholders are not supporting my re-election and I will not allow my ongoing tenure as chairman to be a distraction to the hard work of the executive team. Those shareholders are Premier Investments, chaired by Solomon Lew, and Wilson Asset Management, chaired by Geoff Wilson. Mr Lew has been critical of management and has said suppliers are hesitant to do business with Myer, while Mr Wilson has called for fewer directors and reduced pay. Myer last month reported a full-year loss of $172.4m after sales fell more than 15% from store closures due to the coronavirus pandemic. It has just been brought to my attention that in the federation chamber this morning, Andrew Wallace gave a very impassioned and serious speech on the violation of female passengers on board a Qatar airline flight who were subjected to a forced medical exam after an abandoned newborn was discovered in the airport. Wallace wanted people listening to the speech to close their eyes and imagine they were on the plane. Picture yourself, you are with your family, you are on an aircraft in the Middle East. You are not told the reason for the delay, but hours have gone by and your aircraft that is due to fly to Australia hasn't left. No one is telling you why, but all of a sudden authorities come onto the aircraft and demand that your wife and your children, your female children, your daughters, leave the aircraft with them. (Then he acknowledges the women who may be listening and says: "If you are a woman listening to this, you're required to accompany them - no one explains why, nothing is said other than you are required to come with them.") He continues: Women are subjected against their will... to invasive searches of their genitalia. No explanation whatsoever is given to you as to why. If you are a woman [long pause] the invasion to your privacy is unspeakable. But imagine if you are a 14- or 15-year-old girl. No explanation given, you are taken to an ambulance, told to lay down, to take down your panties. I mean this is in 2020, in Qatar, that these unspeakable actions have been taken against 13 Australian women and another five women as I understand it, from other countries. This reprehensible behaviour - by someone we don't know who yet, whether it was the Qatari authorities - but reprehensible behaviour, that happened on the 2nd of October, can not go unchallenged or unpunished. Australian women have been violated and we need to do more. We need to find out what happened and these women deserve apologies and so much more. It is important and right that politicians are focused on this violation. I wish we lived in a world where we don't have to relate a trauma inflicted upon women to women in a man's life - you shouldn't have to imagine it is your wife, daughter, mother, cousin, friend, boss, teacher, aunt, grandma, serene highness to have empathy and compassion for someone subjected to a terrible act. That really needs to change. But please, for the love of Dolly, could we also ban the word "panties" coming out of the mouth of anyone over the aged of 10. It's underwear. Women wear underwear. And if you have to ask why that is a cringe-inducing word, you have obviously never been in a situation where some gross comment is made about your underwear by someone who should know better, when you are much too young, or emotionally immature, to understand it. -End rant- Australia Post boss Christine Holgate is fighting (through her legal team) standing aside while a review into bonuses (and other issues) is carried out (it's all related to the Cartier watches). Bryan Belling, of employment law firm Kingston Reid, said: I act for Christine Holgate. Ms Holgate will fully support a fair investigation. However, it is now exactly seven days since Ms Holgate was the subject of a humiliating answer during question time. In that time Ms Holgate has not had any proper notification that she has been stood down from her role, nor has she been informed as to why she should be stood down, nor has she had any communication regarding what the investigation into Australia Post from either the board or the government. It is incumbent on the board to formally notify Ms Holgate that she has been stood down, and this notification must stipulate the grounds for this action. This is the case under general employment law, as well as the specifics of Australia Post's own employment regulations. The board has failed to do so. Legally, in my opinion there are no grounds for Ms Holgate to be stood down, and "optics" is not a legally-valid defence. I have taken the step of releasing this statement because within the past week I have written to the board and again, separately, to the chairman of Australia Post and have not received a response in terms. I have been left with no choice but to publish this statement in the interests of my client. And in response - from an Australia Post spokesperson: Australia Post has been communicating frequently with Ms Holgate regarding the current situation and ensuring appropriate support has been provided. The chair stands by his previously made statement on Thursday 22 October that Ms Holgate will stand aside and this was agreed to by both parties in a telephone conversation. Mike Bowers was in the chamber for QT - here is some of what he saw: A postscript to the human rights concerns in the Philippines. Dfat official Tom Connor has clarified that Australia was, in fact, involved in aspects of drafting the country's new anti-terrorism law. He said Australia had provided advice aimed at including human rights safeguards in the legislation. Ha! If she thinks the hotels NZ and Australia are putting returned travellers in are bad, wait until she finds out how Australia treats refugees. Or do they not count? Tomorrow Daniel Andrews will hold his 120th consecutive press conference. Most of them have gone for at least an hour - in the height of the second wave, they could approach two hours. Which means, that in the last 120 days, Andrews has spent the equivalent of five full 24 hour days on his feet taking questions. At least. Rounding out the extra hours, it's probably close to a full week, in front of the media. This is not a hero gram (politicians do not deserve cookies for doing their jobs) - just an interesting tidbit. Over in estimates, Australian officials have used the appearance to sound the alarm over the human rights situation in the Philippines. Under questioning about the issue, Tom Connor, the acting first assistant secretary of Dfat's south-east Asia division, said: "The government remains concerned about the state of human rights in the Philippines, including the ongoing war on drugs, the extrajudicial killings, the anti-drugs campaign. We are closely monitoring the situation. We continue to raise our concerns with the Philippine government on many occasions." Connor noted Australia had supported a resolution at the recent session of the UN human rights council, which called on the Philippine government to ensure accountability for human rights violations and abuses. He said Australia was also "very concerned" about the country's new anti-terrorism legislation and was "paying very close attention to it". Human rights groups have argued the laws are too broadly worded and allow suspects to be detained without charges for up to 24 days. The foreign minister, Marise Payne, said she had raised human rights previously with her counterpart but their conversations most recently have been about Covid. Labor has asked the Speaker, Tony Smith, to look into whether Angus Taylor gave the wrong speech in reply to legislation being debated in the House. The bill being debated was the Social Services and Other legislation amendment (coronavirus and other measures) bill, which is the one which will deliver the $250 payments for pensioners and carers. The speech Taylor gave appeared to be in favour of the Social Services and Other Legislation Legislation amendment (omnibus bill) which deals with a bunch of non-Covid related measures. Smith is reviewing the matter and will report back to the house. Victoria Health has issued its official release: Victoria has recorded three new cases of coronavirus since yesterday, with the total number of cases now at 20,344. The overall total has increased by two due to one case being reclassified. Of today's three new cases, one is a child associated with Goodstart Early Learning in Plenty Road, Bundoora. The case is linked to the north metro outbreak and the child was in quarantine when they tested positive. The centre has been closed this week and contract tracing is under way. One is a man who tested positive in August. An expert review panel is reviewing this case to determine whether this is a new infection or shedding of old non-infectious virus. One is a man whose partner tested positive in August. Investigations are under way into whether this is a new infection or whether the man contracted coronavirus from his partner many weeks ago, and his positive test represents shedding of old non-infectious virus. The new cases are in the local government areas of Boroondara, Casey and Darebin. I can confirm that Scott Morrison spoke to Peter V'Landys. Responding to the backdown on the anthem, Morrison said: This is a welcome decision by the NRL. The NRL have done the right thing by listening to their fans and acting quickly to overturn their choice not to play the national anthem at the Origin Series. We have all faced a year of struggle and heartbreak and it has never been more important to be coming together to celebrate Australia and to be able to sing together our national anthem at the game so many of us love. Craig Kelly just had a pretty big tantrum in the chamber, claiming he had been misrepresented by Chris Bowen and Kristina Keneally in terms of his completely baseless assertions that hydroxychloroquine should be used as a treatment for Covid, despite it being unproven, and despite the expert medical health committee ruling it should not be used, as there are better treatments available and the Trump-endorsed treatment may actually cause more harm to people. Kelly has no science or medical background. He worked for his family's furniture business before coming into parliament. That is not a shade - my family is one of bar staff, cleaners and police. But it is to point out that he has no expertise in this matter, beyond what he has read, finding outlier reports to back up his claims, as an ongoing confirmation bias. He tries to table more reports. Anthony Albanese puts a stop to it and leave is denied. The SMH is reporting Australia Post boss Christine Holgate's legal team don't believe there are grounds for Holgate to be stood aside. We are chasing the statement. The Nationals senate team has released a joint statement against the ANZ move to have a carbon reduction plan as part of its lending requirements. Banks are making it harder for family farmers to get finance with the ANZ Bank the latest to announce a climate change statement that goes further than other banks. The Nationals Senate Team have been sounding the alarm bells about the impact of blanket climate lending policies since the Australian Prudential Regulation Authority announced its intention to develop a climate risk prudential practice guide in February. Nationals Senate Leader, Bridget McKenzie said the APRA guide sent a signal to the banks who are now developing policies that make it harder for primary industries like ***agriculture*** and mining to get funding. "This virtue signalling, while it may sound good in the board-room, is ultimately bad for Australia and will actually have a worse outcome, especially for our family farmers," Senator McKenzie said. "The crazy thing is, this week we had APRA tell our senators that ***agriculture*** has an important role to play in a lower carbon future, but that role will never be realised if the ag-sector can't get finance." Queensland Senator Matthew Canavan said the policy will outsource the costs of virtue signalling from banks to farmers. "Why should farmers be blackmailed into adopting the woke policies of a bank?" he said. "Your politics should not determine whether you get access to an overdraft\*. This policy discriminates against rural Australia and should be removed immediately" he said. \*And here is the nub, climate change is not politics. If you saw a few photos of MPs wearing red ribbons, it is in honour of the Daniel Morcombe Foundation. Tomorrow is the Day for Daniel. Question time has been extended for a few more minutes (at least longer than usual) so Scott Morrison can deliver another dixer of how the "comeback" in the Australian economy has begun. He repeats his "families come around the Christmas table" we have heard a few times this week. And then question time, thankfully, ends. Most of the dixers have been about how well Australia has handled the Covid crisis, compared to the rest of the world. You may remember Josh Frydenberg's verbal explosion at that - when he said the comparison was not with the UK, or anywhere else - but with other states in Australia. Today though: totally cool to compare us to the rest of the world. I've just been told that Anne Aly has returned to Perth - so it can't be her who yelled out "WHAT?!" in answer to Christian Porter's "we don't answer money questions before costs have been awarded in court cases", so apologies. But well done to the voice who managed to get that heckle out across the chamber to the microphone. Last year, the new assistant minister responsible for homelessness, Luke Howarth, caused quite a stir when he suggested there needed to be a "positive spin" on the issue. Among his initial priorities, Howarth told the ABC in July last year, was the fact that there were one million vacant homes around Australia, according to the census. As it turns out, Department of Social Services officials were tasked with looking into these one million homes. They found, according to SGS Economics, of those homes: 453,000 were residents who were "just away from their house" on census night 237,000 were holiday homes 110,000 were short or long term rental 55,000 were newly completed 52,000 were for sale 47,000 were under repair 16,000 were awaiting demolition A further 69,000 were vacant, but could not be placed in the categories above. First priority or not, it sounded very much like the department was not overly convinced by Howarth's theory of the problem. Asked about the debt, the projects and programs which have not started, and some of the controversies we have seen from estimates by Anthony Albanese, Scott Morrison turns it into a "why we spent the money". He is still cranky. Very cranky. Seemingly has been all week. He ends with this: If those opposite had been elected at the last election, then we would not be seeing that [recovery signs], Mr Speaker, this country would have been crippled by taxes and fiscal mismanagement before the crisis even hit. There are many people around the country, I have no doubt, are very pleased that when the crisis hit, it was a Liberal National government that were there to support Australians. Scott Morrison gets annoyed at another question about a government program announced but not fully carried out, and ends his answer with: Those opposite will come in here and they will seek to slack off against jobkeeper and jobtrainer, slack off against the support for the aviation sector, all measures they came in here and pretended to support, what the Australian people know, is that in this year 's crisis... The Australian government has stood by them while those opposite have sneered and jeered, made snarly interjections, seeking to undercut the work of the government to stand by Australians this year. I would encourage the opposition to leave the snarls at home and get on with the job of supporting the recovery of Australians from the Covid-19 recession. Siiiiggghhhh Josh Burns to Paul Fletcher: Why did the minister tell the ABC that money from the $250m arts package announced with Guy Sebastian was already flowing when senior department officials have confirmed "no cash has flowed". Has the government told Guy Sebastian why it has completely failed to deliver on its announcement? That is related to this story: Fletcher: The facts are we have committed $250m under our jobmaker program for the arts and entertainment sector and this builds on the over $300m, $336m which has been provided to jobkeeper to people who are working in what is called the creative and performing arts subsector of the cultural and creative sector. And in fact we've announced almost $800m in additional arts and entertainment funding on top of $750m in core funding. And let me explain to the member exactly how the temporary interruption fund - a $50m component of the $250m jobmaker plan - works. What it does is provides support for screen productions, which in the absence of the fund were not able to proceed because insurers would not provide coverage against key person risk due to Covid-19. That meant no screen finance being released, no TV and film productions able to proceed. That is why we committed $50m under the temporary interruption fund and that money has been deployed and there are now committed to over 20 productions and eight of those already under way, people employed and at work in film and television production. That adds to a substantial expenditure on the location incentive program - $400m - because we are seizing the opportunity that our nation has because of our response to Covid-19, that we are seen as a place that has good protocols in place and that is why we have had extensive interest from international productions to come to Australia and start commencing filming in Australia. And we saw NBC universal announced a commitment to programs like Young Rock ... featuring Dwayne 'The Rock' Johnson, an actor I'm familiar with having an 11-year-old son and he is very popular, popular production and most importantly. Most importantly, most importantly, it would generate 1,000 jobs plus 2,000 opportunities for extras in Queensland and more opportunities around Australia. I completely reject the proposition that the funding we have committed has not already been put to work. It has and Australians are in jobs as a result. Josh Wilson to Scott Morrison: Q: During the election the government announced a $100m recycling investment fund. The government recycled the announcement on world environment day in June 2019 and December 2019. As of last week, not a single dollar has been advanced and would it be better to deliver on announcements rather than recycle old ones? Scott Morrison: Mr Speaker, we brought legislation into this place to stop once and for all the export of plastics waste, glass waste and paper waste and car tyres that, Mr Speaker, previously would have gone to other places, polluted waterways and other parts of this beautiful globe\* Mr Speaker. And what we've also done is that we've come to an agreement with states and territories through Coag firstly and the national cabinet to ensure we, together with states and territories, have the responsibility for recycling on the ground through the country. That was made possible through government because we understand how important actual projects are to make them happen in the country and that is our commitment and that is what we are actually doing and allows the minister of environment to add further to the answer. \*We changed the rules, because the countries we were sending our waste to, stopped taking it, and in some cases, began sending it back. Sussan Ley: Thank you and I'm happy to add to the prime minister's remarks and underscore our important national waste agenda, with particular remarks in response to the question of the member. The $100m is an investment fund administered by the Clean Energy Finance Corporation and the mandate was signed on December 17, 2019. There are transactions in the forward investment pipeline and we were advised to continue to assess and screen expressions of interest received since the fund was established and are being held as commercial-in-confidence and understandably there have been many inquiries. The timing of any commercial transaction depends on a number of factors from both project proponents and the CEFC itself. As with all CEFC investments project seeking finance through the Australian finance investment fund must be commercial and reflect our requirements that we put into the mandate must deliver a positive return for taxpayers. What I'm saying to the member for Fremantle is that we are taking the time to get it right to make sure the investments bring the returns that every taxpayer would expect and they are being made, understood, studied and we are on track to achieve them. Most importantly and good to mention the $100m because recently we leveraged $1bn additional investment in recycling with the modernisation fund. So $200m leverages $6m with states and generates $1bn of investment, which is more than 10,000 jobs particularly in regional Australia over the next 10 years. Genuine microeconomic reform that would transform regional and economic industries and the waste and recycling sector. This is from left field: Members of the Australian parliament's security and intelligence committee say they have turned down an invitation to attend a formal dinner at the Qatari ambassador's residence in protest at the invasive treatment of women at Doha airport. Andrew Hastie and Anthony Byrne issued a joint statement saying an invitation had been given to the chair and committee members to attend a dinner on 9 November. "Due to the mistreatment of Australian women at Doha airport, we decline this invitation." It's understood their statement is on behalf of the whole committee. Hastie, the chair, had met with the ambassador at Parliament House on Monday 19 October (prior to the incident being publicly reported). The invitation followed that. Michael McCormack finishes his latest non-answer with this, directed at Labor: We are getting on with it, you just talk about it. Can someone tell him Labor is the opposition, not in charge of government policy, and therefore, can't "get on with it". Terri Butler to Michael McCormack: The government has announced and renounced the failed national water infrastructure loan facility in 50 press releases, spanning four years. In this year's budget, the facility was abolished without having written a single loan. Why is the Morrison government always about the photo op and never about the follow-up? McCormack. Sigh. The budget, which is a plan for the future, a blueprint, a vision for what we laid out, for the future, for Covid-19 recovery included $2bn for water infrastructure. So it's a plan, for a plan, for a vision. Anyways, he is for water. And I swear to God, if I hear "we are getting on with the job" one more time out of that MP's mouth, I may actually pull off my own ears. Luke Gosling has a question for Keith Pitt on the No Actual Infrastructure Fund. You know, the one that was meant to reinvigorate northern Australia and turn it into an economic powerhouse? It hasn't. But Pitt, who is the latest minister to pick up the reins of the Northern Australia Infrastructure Fund, does his best to defend it. I can confirm to the member the Naif has made investment decisions of $2.4bn of the $5bn allocated, but it's not just about the Naif, this is about delivering to people of the north and providing jobs, once again those opposite don't understand business, as the member suggesting a project proponent should draw down alone at a time they don't need it, pay extra costs at a time they don't need it and interest rates. He lists the projects which have been greenlit, including money for the North Queensland Cowboys. The NRL has backflipped on a decision not to play the national anthem during this year's State of Origin series after a backlash from fans, with Peter V'landys saying the initial decision "was never about politics". The decision to scrap Advance Australia Fair ahead of next week's 2020 series opener was made by an independent commission on Wednesday following consultation with the chairmen of the NSW and Queensland rugby leagues. But by Thursday afternoon, the Australian Rugby League Commission had made a U-turn after the prime minister, Scott Morrison, reportedly got involved. "Our decision not to play the anthem was never about politics," said ARLC chairman V'landys. "We have always been committed to the anthem as shown at the grand final last weekend. "The original decision not to play the anthem at Origin was about the rivalry and tribalism associated with the Origin series. "However, having listened to the public response and given the strong national unity in fighting the Covid pandemic together, the commission has decided it is important to ensure that unity continues. "We have always been a commission that listens to our fans. We have heard the message and acted accordingly." Josh Frydenberg gets a dixer - which cheers up the Labor backbench considerably, particularly those who sit around Ed Husic. That's because the treasurer has a fairly obvious formula to his dixer answers: Thank the MP for the question, acknowledge their previous career, and then point out who they beat to take the seat. He then moves on to the government being the best government either, throws in a ***statistic***, adds in a personal story - about going to a cafe, speaking to a friend, reading a news article - and usually includes a quote. It has become so obvious, you could almost hold up signs - where did they work? Who did they beat? What did they do? How much? The reality is? But props aren't allowed, so instead, Husic and co call out the questions - and then the whole section cheers when Frydenberg inevitably answers it. Even Morrison has been known to crack a smile at the antics (depending on the day). Zali Steggall has asked why Australia hasn't taken up the NZ offer to resettle refugees. Peter Dutton runs through the history - and says he hasn't ruled out accepting the offer, but it is a work in progress: On my watch, nobody has drowned at sea and I have not sent a single person to Manus Island or Nauru. I got all the children out of detention and we have not ruled out an arrangement with New Zealand and I said that and being clear that we will work with New Zealand as we have on many, many issues. We worked very closely with the United States. The President Trump arrangement resulted in 1,200 people potentially going from Manus Island and Nauru to the United States and that is now up to 850 to 900, which has been a remarkable outcome and will get people off as quickly as possible. But we do know that there are people who are still attempting to put syndicates together and they are very sophisticated messaging out through social media. Every word I say and the prime minister says and those opposite say. And they would take money from those innocent men, women and children tomorrow, not caring whether or not they would get to Australia. Madeleine King to Michael McCormack: How much of taxpayers money did the Morrison government spend on its high court intervention in support of Clive Palmer's challenge to Western Australia's border measures? Christian Porter: The usual practice there is, as the member would realise from estimates, that no side of these houses has ever given over with respect to cost where it may prejudice an eventual cost. Someone, I think Anne Aly, yells out "what!" but the questions move on. Michael McCormack also gets the next dixer, and thanks the member for Cowper for being a "real" member of parliament. I am not sure who the imaginary members of parliament are, but there are doctors for that. He goes on to say it was a well asked question, which is "about to be well answered". I will just point out that it is an offence to mislead parliament. Milton Dick gets his fourth question this week! That's big for the Queensland backbencher - he doesn't usually get tapped for this many questions - but there is an election on in Queensland, so it's the Milton Dick show this week. It is to Michael McCormack: I refer to the government's $715m Australian airline financial relief package. Has any taxpayer money subsidised Clive Palmer's electioneering in Queensland, including his visits to Townsville? Christian Porter is saying it is "impossible" for the minister to know how Palmer spent his money. Tony Smith says it is not for the speaker to say what a minister knows or not. Tony Burke says it is about taxpayer funds. Smith rules the question in order, and then Porter tries again, so Smith officially rules it as in order, and says McCormack can take it on notice, if he needs to. McCormack does not take it on notice, because he is Michael McCormack and carries the reputation for being so dense, light bends around him. McCormack: This is a good program. It is helping operators right around the country, to have planes in the air. It means jobs on the ground. We do not discriminate and how could I possibly know, Member for Oxley, what Clive Palmer spends his money on? And these are rebates, there are 1,360 operators, including those who are donors to the Australian Labor party, and I don't ask them to refund the money, I don't ask them to forgo any favours, nor do I ask any of the operators out of Ballarat airport to forgo the waivers or rebates. Many donors to the Labor party, one in particular, I won't ask for a refund from them, and I don't know what Mr Palmer, spends his money on. Anthony Albanese to Scott Morrison: My question is addressed to the prime minister, in March he said the government had been working on PPE for months, last week the aged care royal commission said the shortage of PPE he was quite deplorable. Can the prime minister confirm from March and August this year his government provided 2,000 requests from aged care providers but rejected over half of them, leaving residents and frontline workers more vulnerable as a result? Morrison sends the question to Greg Hunt: I'm very happy to answer this on behalf of the government, the advice that I have, is that of course, the government, during the course of this year has required 500m masks, and what has been a global shortage, at a time of extreme global shortage and a spike in demand, we were able to maintain that and engage in domestic production, in particular, that has seen already, 78m masks dispatched from the National medical stockpile while according to the rules of the national medical stockpile. With regard specifically to aged care, the national medical stockpile has provided aged care facilities with 18m masks, 5m gowns, 11m gloves, 1m goggles and face shields, 90,000 bottles of hand sanitiser, 150,000 clinical waste bags. Between 18 February 2020 and 20 October 2020 the Department of Health received requests and responded to 1,769 requests for PPE, with dispatchers, and very significantly, all requests, all requests, from providers managing a Covid-19 outbreak were approved. In addition to that, all requests for assistance outside of outbreaks, aged care providers [that] could not find [stock] to meet an outbreak, were met. 100% of the complying requests were met. According to the terms of the national medical stockpile, and there are no cases we are aware of where a complying request was not met and we did this on the basis of the medical advice, and we did this on the basis of the advice of the AHPCC, the medical expert panel which has guided Australia through this. The provision of PPE has been one of the most significant and important achievements of this government. We have seen the outbreaks, we have seen the collapse across Italy and Spain, France, we have seen the shortages in New York and the United Kingdom, in relation to PPE. Against that background, these provisions have been consistent, they have been done on the basis of rules set by the medical experts, and we have met all of those requests which meet those requirements. Ahead of question time, Anthony Albanese makes a statement on Chris Hayes' medical emergency. He says he is a "much loved" member of the chamber and is in "good spirits", but will remain in hospital overnight for some more tests. Albanese: Earlier today, the Member for Fowler and chief opposition whip, a much loved Member of this chamber, I think by all, had a sudden medical event in the Federation Chamber. He recovered pretty quickly. I have spoken with Bernadette, who was with him in hospital, where he will stay overnight, for further testing. Can I thank Doctor Freelander who happened to be in the chair. In the Federation Chamber at the time. Doctor Gillespie, who rushed up to the Federation Chamber to provide assistance and all those members on both sides, who acted with care and with compassion, can I thank the Prime Minister, for his call to me about Chris's health. He is in good spirits, and we all wish him a very speedy recovery and I say to the chief opposition whip, if you want leave he should just ask for it, there are easier ways to get it then what occurred this morning but I look forward to him being back in this chamber in good health. Scott Morrison adds his words: I thank the Leader of the Opposition for keeping us informed, I'm sure the House won't mind indulging me and saying the health of Chris without using his member's title here in this place, we may disagree on many things in this place but we all agree Chris Hayes is a very good bloke. And many of us know Bernadette as well, she has been a welcome person here around this place for many years and is well known to many of our partners and spouses in this place is well and has played a ... role in supporting and counselling, on so many other occasions, the spouses and partners of people in this place is well. Our prayers are with you Bernadette, Nicholas and Elizabeth and I thank the Leader of the Opposition for his update today, and I thank you Mr Speaker that the role you dealt with this very sensitively day and I'm sure that was appreciated by all. After the discussion about China, and the images portrayed in state media, the foreign minister, Marise Paye, said the government had observed the use of "disinformation or misinformation in the context of Covid 19 in particular". Payne said she wanted to "emphasise" that this disinformation was "not just from China, of course, [but] from a number of sources". "One thing we must be very clear about is that sunlight is the best antidote to disinformation, and we have applied that where we have needed to, in company with other countries." She pointed to Australia joining with many other countries to support a Latvian-led UN resolution against pandemic-related disinformation. Labor's Penny Wong summarised the earlier discussion: "As I understood the secretary's point: is that we need to be aware of the ways some in the Chinese system seek to portray us goes to that issue of intolerance, racial intolerance, and that is utilised against us." Adamson: "That's correct, Senator." Labor's Tim Ayres said it had an implication for the way we were portrayed overseas. He stressed the need for leaders to promote social cohesion and be mindful of the impact of language. That's when Abetz jumped in to ask his question about whether "all Chinese think alike". Frances Adamson reaffirmed that examples of bipartisanship were important, because it could project a powerful message of unity. "To be very frank, what I think Beijing is looking for is division." She said she took note of what was said about Australia in Chinese state media every single day, and what it said was "not reflective of what I know to be the reality". On the issue of social cohesion and diaspora communities, Adamson said: "The reality is that no matter what their nationality, China sees people of Chinese origin as ultimately being Chinese, they have certain expectations of them, which aren't necessarily shared at all or felt at all by Chinese Australians or people who live here. But we just need to be conscious about the way it's portrayed in Beijing - given the overall challenge, the challenge of our age if you like, the way in which we project ourselves." Adamson said the Australian embassy in Beijing had a role to play in handling this challenge, but observed the space for embassies to project into China via social media or other means was "shrinking". "The only point I'd make is the reality is it's damaging for us in China. The Chinese are increasingly resorting to project not only in their own country but potentially elsewhere images of Australia which do not, to my mind as a lifelong diplomat representing this country, represent who we are." Eric Abetz cut in to refer to the "CCP dictatorship". Asked by Penny Wong to say what images Adamson was referring to, Adamson said "images that project us as being ideological". Concetta Fierravanti-Wells, another Liberal party hawk on China, said the CCP state media presented "appalling" representations of Australia as "the white trash of Asia and chewing gum on the shoes". Adamson said that wasn't what she was going to say. The Dfat chief continued: "They project an image of Australia that is intolerant, that is divided, that discriminates against various groups within our society. That's not the way we want to be, that's not the way we want to be portrayed. And that does create some challenges. There are no easy answers... but it's just something I think that over time we possibly need to consider." The context for the latest Eric Abetz question ("do all Chinese think alike?") was a renewed discussion in estimates about how Australia should conduct public debate to avoid playing into stereotypes that feature in Chinese propaganda. There was a back-and-forth yesterday regarding Abetz's recent demand at a Senate hearing for three Chinese-Australian witnesses to publicly and unconditionally condemn "the Chinese Communist party dictatorship". Abetz yesterday said ethnicity was not his motivation, and there were other Chinese-Australians at the hearing and he didn't ask them for a pledge. Abetz said the Chinese diaspora faced interference by the Chinese Communist party and he thought it was "exceptionally patronising" to suggest Chinese Australians had a singular view. The Dfat secretary, Frances Adamson, provided some further comments today, having reflected on the broader challenge of what Beijing might hear from the way we conduct public discussions in Australia. It's worth quoting at length the observations from Adamson, who is a former Australian ambassador to China: It's a very difficult issue because of the nature of our democracy and the freedoms that we value ... It's in our nature and it's something that we celebrate that we are able to say whatever we like to each other, publicly, privately - we value it. As I see - if I may be so bold as to say it - at times robust conversation even in this committee across party lines and then the cameras move on and I see you dealing with each other very respectfully, respectful of the fact that you've all been elected by the constituents of your state. The cameras, if you like, in Beijing are never here to see that part of it, or to understand really in any depth how we do all of this, and why it matters so much for us, and why it's something we value. Adamson said thanks to the images portrayed by state media, people in China would "form an opinion of us - Australia and Australians - that is very different I think from the way we would want ourselves to be portrayed". "And what we can do about that - it's a very difficult question because I would never suggest as an official that we should censor ourselves, or that we should not say in public things that need to be said." The national anthem will not be played at one of the biggest sporting events of the year after the NRL opted to scrap Advance Australia Fair from the upcoming State of Origin series. The decision was made by an independent commission following consultation with the chairmen of the NSW and Queensland rugby leagues on Wednesday night, ahead of next week's 2020 series opener in Adelaide. It will be the first time in 40 years the national anthem has not been played before an Origin game. It will, however, remain for the NRL grand final, international matches and the traditional Anzac Day clash. NRL CEO Andrew Abdo told the Sydney Morning Herald the decision was made to make the game even more intense than usual by not having to break off for the anthem. "State of Origin is about the tribalism of the two states, it's Australia's biggest sporting rivalry," he said. The move comes after Indigenous players Cody Walker, Josh Addo-Carr and Latrell Mitchell spoke out about their refusal to sing the anthem before last year's series. Of the 34 players to take the field for Game One in June last year, 11 players appeared not to sing during the pre-match ceremony. The issue prompted a national debate over the singing of the anthem and how Indigenous people feel about the song, particularly the lyrics declaring Australians are "young and free". As a result, the national anthem was not played before this year's Indigenous All Stars match. The Nationals usual suspects are absolutely RAGING against ANZ following global trends, and the trend of the industry itself as well as the ***agricultural*** sector as a whole, by asking to see a carbon reduction plan as part of its lending requirements. So can't wait to see that play out in question time. Can anyone remember the last time the Nationals stood up for farmers, rather than the mining sector? I am hearing Labor MP Chris Hayes will be released from hospital following some tests\* and is looking much better. You may not have heard of him - he is one of the more quiet MPs - but as one of Labor's whips, he deals with all the offices and everyone holds him in very high regard. We are all very glad to hear he is OK. \*originally he was to be released today, but they have decided to keep him in overnight for more tests. It is the last question time of the sitting, the month and the 13th last one of the year in about 20 minutes or so. Hold on to your loved ones. 2020 has really brought the animal news. Naaman Zhou reports on the latest Sydney animal escape: A bull has escaped from an enclosure at a private all-boys school in Sydney and has been on the run for more than 24 hours. The one-year-old steer - a castrated bull - was brought to St Ignatius College Riverview in Sydney's Lane Cove as part of the school's ***agricultural*** education program. But the animal broke through a fence at the school on Tuesday night and escaped. On Thursday, the school said the bull was still at large, and was concerned about it "roaming in a highly urbanised area". It was last sighted in Lane Cove, a spokeswoman said. More than a third of the National Disability Insurance Agency's senior executives are employed through labour hire, Senate Estimates has heard. Quizzed about freedom of information documents released by the agency this month, the agency's chief, Martin Hoffman, confirmed 21 of the 56 senior executive service staff were contractors. Hoffman said the figure had fallen in recent months, given there 34 contractors who were senior executives last year. "I expect it will probably be less than 20 by Christmas," he said. The FOI documents show there are 236 agency staff above an "executive level 2" who are engaged through labour hire. The agency has previously faced scrutiny for its use of labour hire contracts. Just in case you were wondering whether anyone forgot the "no one credible" critique of Georgie Dent's comment on the budget not doing much for women, they haven't. Just worth also reminding you of this, in the context of Eric Abetz's latest round of estimates questioning. Eric Abetz has just asked the Dfat secretary, Frances Adamson: "Do all Chinese think alike or do they have differing views? Are they like Australians where there are a diversity of views within the population, to your knowledge?" It was in the context of discussion about how public debate should be conducted in Australia to avoid playing into the image Chinese state media presents of Australia. Adamson responded to Abetz: "There is a wide diversity of views across Chinese people from a wide range of countries from which they come." Abetz, the committee chair, said: "Exactly." He then handed over to another senator to ask further questions. More on the ASX from AAP: Investors on the Australian share market have felt the fallout from US markets closing at lows previously recorded in July, as the Aussie indices plunged below 6000 points. The S&P/ASX200 benchmark index was down 69.4 points, or 1.14 per cent, to 5988.3 at 1200 AEDT on Thursday. The index fell as low as 5947.7 after about 90 minutes, and has recovered a little since. The All Ordinaries was down 70.7 points, or 1.12 per cent, to 6191.1. Information technology was hardest hit, down 2.15 per cent, while energy had a 2.09 per cent drop. Materials, which includes the miners, lost 1.8 per cent while financials shed 0.93 per cent. Wall Street's big slide came as coronavirus cases soared globally and investors worried about the possibility of a contested US presidential election next week. ANZ Bank reported a 42 per cent drop in full-year cash profit after loan losses increased, triggered by the COVID-19 pandemic. The lender also declared a final dividend of 35 cents per share, down from last year's payout of 80 cents per share. ANZ's move to declare a lower dividend was in line with a directive by regulators. Shares were down 1.98 per cent to $18.78. Westpac said it had settled two class actions in the US. One was filed in 2016 over trading activity in the Australian bank bill swap reference rate market. The bank had already set money aside for this. The other, filed this year, was about disclosure notices connected to the bank's financial crime obligations between 2015 and 2019. This settlement was not material, the bank said. Shares were lower by 1.58 per cent to $18.02. The Commonwealth was up 0.05 per cent to $68.48 and NAB was down 0.9 per cent to $18.71. Fortescue Metals has posted a five per cent rise in first-quarter iron ore shipments, with demand in China for the steelmaking ingredient remaining robust. Shares were down 0.33 per cent to $16.42. BHP lost 1.84 per cent to $34.13, while Rio Tinto shed 1.44 per cent to $90.61. Earlier in the US, rising infection rates and politicians' failure to reach a deal on new fiscal stimulus before the November 3 election drove all three stock indexes to close more than 3.0 per cent lower. The Dow Jones Industrial Average fell 939.13 points, or 3.42 per cent, to 26,524.06, the S&P 500 lost 119.26 points, or 3.52 per cent, to 3,271.42 and the Nasdaq Composite dropped 426.48 points, or 3.73 per cent, to 11,004.87. The retail company behind brands such as Rivers, Noni B and Katie's has announced it will be shuttering 73 brick and mortar stores. In a speech to the annual general meeting (conducted virtually) chair Richard Facioni said that "unrealistic rental requests" and a shift towards online had meant the change was inevitable. Labor MP Chris Hayes has collapsed while speaking in the Federation Chamber. He was doing a speech a few minutes past midday where he seemed to say something about his heart (it is unclear what he said, but witnesses heard something about "heart") and fell. Dr Mike Freelander, was in the chamber and administered immediate first aid. Hayes has been taken to hospital by an ambulance. We hope he is OK and will let you know as soon as we hear anything more. And then back in Victoria. Looking at the US for a moment, former foreign minister Bob Carr has something to say about its elections: Mark Butler had the opportunity to respond to Angus Taylor's attacks on him (which Taylor carried out during a ministerial statement). In a speech to the parliament (which allows partisan attacks, as long as they aren't in opposition to the standing orders) Butler called Taylor an "incompetent ideologue, weighed down by a seemingly endless litany of scandals, in this portfolio at a time of the biggest transformation in the global energy sector in living memory"....But, to be fair to this minister, he never claimed to have any ambition to achieve anything positive in this sector. This minister was elected on a platform of stopping stuff, and he spent all his time as a backbencher advocating the stopping of stuff. This minister only believes in one thing in the energy portfolio, and that is to stop the expansion of renewable energy. This minister, before he was elected and as a backbencher, was, as we all know, the poster child of Alan Jones's anti-windfarm rallies, and later on, along with Tony Abbott, the member for Hughes, the member for New England and a whole bunch of other fellow members of that clique within the coalition party room, he ambushed the then prime minister, the then treasurer - now prime minister - and the then energy minister - now treasurer - and killed off the National Energy Guarantee. This was a policy that had been sought by this government, recommended to this government and supported by every single state government in the country, Labor and Liberal alike. It was supported by every business group and described by the now prime minister as the policy which had the greatest level of consensus he had ever seen in his time in the parliament. It was a policy which the now prime minister and the now treasurer said would save households $550, but because it countenanced the expansion of some renewable energy it was ambushed and killed off by this minister when he was a junior. But, like the dog that finally caught the car, this minister has had no idea what to do next. His first obligation, of course, was to report back to his mentor, Alan Jones. He did that within a couple of days of being appointed minister for energy, and he reiterated to Alan his absolute commitment to stopping more solar and wind. NSW Health has put out its official release: There were 14,230 tests reported to 8pm last night, compared with 14,382 in the previous 24 hours. Of the new cases to 8pm last night: One was acquired overseas and is now in hotel quarantine. One was locally acquired with their source still under investigation. Three were locally acquired and linked to the above known case whose source is still under investigation. The first locally acquired case is from south-western Sydney, and the source of their infection is still under investigation. The other three contacts are household or close contacts of this case. One of these cases was first reported in a public health alert yesterday. Two of these new cases were students who attend the Hoxton Park campus of the Malek Fahd Islamic School. The school will be cleaned and will be non-operational for 14 days. Contact tracing and investigations are underway. NSW Health is treating 75 Covid-19 cases, with one patient in intensive care, who is being ventilated. Ninety-one per cent of cases being treated by NSW Health are in non-acute, out-of-hospital care. Covid-19 virus fragments were identified in sewage at treatment plants in West Camden yesterday, prompting renewed calls for residents in this area to get tested. The virus fragments were detected through the state's ongoing sewage surveillance program. Dfat estimates has spent a little time on correspondence tendered as evidence to the NSW Icac, which is investigating the conduct of the former state Liberal MP for Wagga Wagga, Daryl Maguire. It includes an email in 2016 from a Dfat official to Maguire's state electorate office, seeking to check whether he had sent an email to the PNG consul general, the Samoan consul general and the previous Solomon Islands consul general. Evidence tendered to Icac (PDF link) indicates Maguire used his NSW parliamentary email address to send an email to those recipients that included the line: "I'm sure you agree this is the biggest opportunity to develop and build your countries and provide humanitarian assistance." Dfat had not been aware of this at first, but received an enquiry from the Samoan High Commission to verify the provenance of the email. Other evidence tendered to Icac indicates Maguire visited Shenzhen in China to discuss "the formation of the Shenzhen Asia Pacific Commercial Development Association" with Pacific countries. Evidence tendered to Icac also indicates Maguire had sought to meet someone from Dfat while he was in China. The Dfat secretary, Frances Adamson, told the estimates committee this matter had not been brought to her attention before, but indicated she would look into it. When asked by Labor's Tim Ayres whether it's fair to say "that there's been some engagement ... between the department and Mr Maguire over some period of time in relation to his international travel while he was a member of parliament", Adamson replied: "I would characterise that, with respect, as drawing a rather long bow." The foreign minister, Marise Payne, was asked whether she personally knew Maguire. She said Maguire was a member of the parliament for a state seat of the same political party, "so that is the manner in which I came to know Mr Maguire". They "would have socialised in the context of the normal associations one has with state colleagues", but Payne added: "I've never stayed in his home, he's never stayed in mine." Asked whether she ever had discussions with Maguire about property interests around the western Sydney airport, she said had not. Just rounding off Paul's post. Some Dfat estimates faces from Mike Bowers. The foreign minister, Marise Payne, has resisted spelling out whether Australia is considering committing to net zero emissions by 2050, and has also declined to mirror Boris Johnson's language that acting on climate change is consistent with driving economic growth.Payne simply said the government would set out its long-term strategy before the next climate conference, due to be held in Glasgow late next year. The government will make its long-term strategy public "when the government is ready to do so".In estimates earlier today, Payne declined to welcome 2050 net-zero commitments by Japan and South Korea, simply saying she acknowledged those announcements. Labor's Penny Wong has returned to this topic, prompting Payne to say: "I'm very happy to acknowledge the decisions made by the governments of Japan and Korea but they're decisions for them." Asked whether her position was the Australian government hasn't decided yet whether to outline long-term targets, Payne said: "That'll be determined by government in due course... The government will set out its plans at an appropriate time in advance of Cop26." During estimates today, officials again confirmed that no other country (apart from Australia) had yet indicated its intention to use Kyoto carry over credits in order to meet its pledges under the Paris agreement. Officials were also aware of the European Union's talk about carbon border adjustment mechanism - but were still seeking clarity on "what it means and how it complies with WTO principles". Wong argued Australia was becoming increasingly isolated on climate, and she wanted to know whether Payne agreed with Johnson that acting on climate change was consistent with creating jobs? She expressed it in the negative, saying Johnson and the Australian government agreed "that achieving emission reductions must not be at the expense of jobs anywhere, whether it's here or in the UK, and that's why we're taking the approach we take". Pressed by Wong again whether she agreed with Johnson that acting on climate change was consistent with protecting and creating jobs, Payne said: I'm not sure if I would put it that way. I would put it in fact how I answered you before, which is we believe our commitment here through the Paris agreement ... the work we've done on future technologies, our technology investment roadmap, are about reducing emissions, protecting Australian jobs and the Australian economy. There are lots of bells ringing in parliament because the Coalition's political donations bill is in the lower house and the crossbench is attempting to disrupt its passage. The electoral legislation (miscellaneous measures) bill provides immunity from state law where donations are made for federal purposes. Despite crossbench complaints it will provide a backdoor to prohibited donations, Labor helped the government pass it in the Senate because it agrees with the principle that federal law should govern federal elections. Today in the house, Labor unsuccessfully attempted a second reading amendment to the bill calling to lower the donation disclosure threshold to $1,000. The crossbench MPs are trying to frustrate the bill by repeated quorum calls, requiring bells to be rung and MPs to return to the chamber. Given Labor's support, it will pass today and come into force after the Queensland election. Just on the QR codes - the ACT has had a QR code system in place for about a month - but I have been to several venues where they are still using pen and paper. It doesn't seem to be universal, at least not here. What about QR codes? Is every state adopting its own? Daniel Andrews: I think it is important that we get this right and there are a number of different issues here. There is privacy, the security of the ***data*** did and also making sure that we have perfect compatibility between the front door to the system, that QR code system, and the database that we have held, the new product we have built. That is the product that has been the subject of much hard work and some favourable commentary from Professor Finkel in recent days. If you look at other states, they did not necessarily go to a universal QR code platform on day one of opening and it will become more and more important as numbers get and we will have more to say about this including all those issues around privacy and making sure that that ***data*** is for the per that make purposes of public health and nothing else. People have every right to be... not concerned but to be mindful of those things and to make sure that we get them right. Over in Queensland. Q: [Gladys Berejiklian] has had a swipe at Victoria saying it is easy to have zero cases when there is such a big lockdown. Daniel Andrews: With the greatest of respect to Gladys, there is nothing easy about lockdown and what Victorians have been through. I'm not interested in having a debate with them or anybody else on this to be frank. I'm grateful from the support of New South Wales, whether it is during bushfires or pandemics, we are always at our best when we work together. Q: You mentioned you would be having a chat to the NSW premier on Wednesday, did you speak to our? Andrews: No because she said she wanted to wait and I've had a bit on. We've been asked a lot of time about border arrangements and I have been pretty consistent that the best thing we can do to get borders open is to get numbers low and keep them low. Every Victorian has a part to play on that. Given that she has made, the perfectly logical point that she wants to see how things unfold, I haven't made calling her a priority in the last couple of days but we will probably speak in the next few days about how things are panning out. If they don't believe they have line of sight of something they want or need. But I would have thought Alan Finkel, who is one of the most preeminent scientific leaders in our country and the chief scientist no less, who has literally been to every state and territory and has got a very detailed understanding of what is going on in every state and territory from a testing and contact tracing point of view, he has made some favourable comments. Those improvements in apposition are hard won and he has made those favourable comments and I'm pleased about them because he's the ones who knows and understands about everything going on else. Has Daniel Andrews heard anything more about what NSW wants to see before it reopens the border? Andrews: I have seen some commentary from them. I haven't had a conversation with Gladys. They made it abundantly clear, both Gladys and her government, that they want to see how things unfold in the next little while. I don't think that is an unreasonable thing. I wasn't surprised to hear that. I will probably have a conversation with her over the next few days to see how we think things are going. The other thing is, the chief scientist Alan Finkel has been moving around the country. He has visited every single state and territory has a really close and detailed knowledge of the contact tracing and testing regimes in every state. He has made some positive, positive comments about our testing framework and I'm pleased about that. That should be a reassurance in a comfort to everybody and we will work through these issues. I get along very well with Gladys and we have got a very important partnership and we will get the border open when it is safe to do so. I can't give people a day today, and I know it is very frustrating, particularly for auto communities. I know that's dynamic pretty well having grown up not far from the border myself. Has Victoria Health handed over everything requested of them? Daniel Andrews: I'm not certain, you would need to speak to the board about that. I don't want to be a commentator or a spokesman from them. I know there was some supplementary material requested. I'm of the deadline for the production of that material has passed. They could delivered early but but I don't think they are beyond time. But I think it's fair, I can't be a spokesperson for the board. They might be able to speak to you about what they have asked of whom and what the timeline is but I don't think they are behind time. But it may not be until next week that they have to produce things. What are some of the documents the commission says it is still waiting on? Daniel Andrews: I can only speak to the request made of me. There was an affidavit for completeness sake, questions put to me where if we complied with the timeline, which was last Thursday or Friday, but we certainly delivered all of my material back when it was there. If they need further information from me, I don't for a moment think they do, but if they do then we would comply. I can't speak for whoever else has been asked and whether they have been asked what they have been. The Board of inquiry might be able to do that for you but certainly from my part, we have complied and handed out all the different answers they needed to be questions they posed. Daniel Andrews says he doesn't see the delay in the commission of inquiry's report into the hotel quarantine program impacting the plan to open Victoria back up to visitors by Christmas - and that includes more flight: I think there will already be discussions happening already or over the course of next week with Melbourne Airport and others to make sure we are ready to stand up with the new model. This is subject to whatever the board gives us and we need to know what the recommendations are, they might be options and all sorts of things they go to. But what they have announced and what they have requested and I've agreed to and they said this morning, shouldn't impact us having those flights back to Melbourne as soon as we possibly can. We move on to questions in the Daniel Andrews press conference: Q: On returned travellers, a couple of weeks ago, national cabinet decided to expand the numbers of returned travellers it would be expecting. Given the changing circumstances from around the globe, will you be revealing that or accepting even fewer travellers? Andrews: I think it is one of those things that is demand driven. We made estimates as a nation, all of us made estimates of the best of advice earlier in the year, and I think it is fair to say that we ended up receiving more people coming home than we had thought. It's a bit difficult to be absolutely certain of how many people want to come home but I think logic tells you as conditions deteriorate in literally every other country in the world, barring a handful, they met with more and more Australians who want to come home and be with their family. That does present some significant challenges and I am more than happy to look into that issue around New South Wales but I certain they have made some comments in recent days about the [number] of Covid positive passengers. It would be fair to assume we would potentially have more of them and they will be wanting to come home to be with their family, and also wanting to come home to be a part of the best, not just the public health response but the best personal health response from an acute care point of view as well. Labor has been asking the national skills commissioner, Adam Boyton, about whether he was consulted before Coalition measures in the higher education sector including 12,000 extra university places in the 2020 budget, expansion of short courses, and the jobs ready graduate package. The answers are: no, no and no. Boyton and skills minister, Michaelia Cash, explain that the reason is his work is more focused on vocational education and training. Labor's Deborah O'Neill is enraged by this answer. She notes that students hoping to study courses like humanities and law will pay up to 113% more due to the jobs ready graduate package - but Boyton's didn't provide advice about whether graduates weren't needed in these disciplines. Michele Bruniges, the employment department secretary, mops up by noting that university and vocational education overlap, so Boyton's advice to the department about likely skills shortages and surpluses was considered before the package. Australia does not plan to suspend its existing free trade agreement with Hong Kong, Dfat officials have told an estimates hearing. Australia did, however, move to suspend the extradition treaty with Hong Kong after the imposition of the new national security law there, which Scott Morrison argued represented a fundamental change in circumstances. Independent senator Rex Patrick suggested there was a "paradox or in some sense duplicity" in the different approach to the two agreements. Dfat official Elly Lawson said Australia did not plan to suspend the free trade agreement, because it provided certainty and transparency to business "including in an even more uncertain environment". She said they were two very different agreements with different provisions. The free trade agreement, said Lawson, "continues to support the interests of our Australian business operating in Hong Kong; of course we have 100,000 expatriates there, we want to continue to support their interests and we believe the FTA does support their interests". On the commission of inquiry asking (and being granted) an extension to hand down its final report, Daniel Andrews says: It's an independent board of inquiry entrusted with a very important task and there was no sense in my mind that we wouldn't agree to the request they made. This is entirely a matter for them. They needed more time and we have given them more time and I'm confident they will use that time well to provide us with a report that sit squarely against the terms of reference we have given them. There is a new mystery case in Melbourne's numbers - Daniel Andrews says that will be explained in the chief health officer's release later today, as they are still looking at it. It is 119 consecutive press conferences today. And we start with the numbers - there were just over 24,000 Covid tests yesterday. Victoria - you are doing us all proud. Andrews: Today's cases, one is linked to the northern Metro outbreak. They are a close contact and were already in quarantine. The two other cases are under investigation and work is under way to determine if they are new cases or examples of persistent shadings of the virus from historic infections. As was the case with an earlier case one was a previous positive and was likely this close contact. Whether they were generally new cases or whether it is about shedding the virus over a prolonged period. They will be determined by an expert review panel that is meeting to examine those issues today. We will provide you with an update as soon as they have come to a clinical conclusion on that matter. To be clear, there are plenty of opportunities for partisan attacks in the parliament - question time, 90-second statements, speeches in the federal chamber - the list goes on. What Tony Smith was referring to, was the use of a 'ministerial statement' for that purpose, not the partisan attack itself. This is a very interesting story from AAP (who are always watching the chamber, and for that, I and hundreds of other journalists thank them) Angus Taylor has earned the Speaker's wrath - his Liberal colleague Tony Smith - for misusing a ministerial statement. Via AAP: Energy minister Angus Taylor has been taken to task for straying into partisan politics during a ministerial statement in parliament. Taylor on Thursday delivered a statement in the lower house on "Australia's energy future". It is standard practice when special leave is given for ministers to make such statements for them to specifically relate to government policy and not be used for political attacks. However, Taylor used the speech to attack Labor over its climate and energy policies and singled out the opposition climate and energy spokesman Mark Butler and opposition leader Anthony Albanese for criticism. When he completed his speech, manager of opposition business Tony Burke asked Speaker Tony Smith to explain the "expectations for ministerial statements". Smith said he was "loathe to interrupt the minister" during the speech but needed to point out "how and why ministerial statements occur". "There is no flexibility, tolerance or capacity to talk about anything other than that," he told parliament. "You can't talk about the opposition or anything else. It is a ministerial statement - it is not a political statement. "It is outlined very clearly in practice, very concisely." Taylor was particularly scathing of Labor's approach to coal. "Coal - derided by many of those opposite - has provided generations of Australian workers with a good income and a comfortable home," he said. "To this day, it is the lifeblood of towns throughout rural and regional Australia. It has powered our industries, lifting millions of men, women and children out of absolute poverty." Butler told parliament the statement confirmed "how utterly bare this government is on energy policy". For once, it is not the Queensland border under the spotlight. Human Rights Watch has looked at the impact of the WA hard border closure - and interviewed 17 Australians who have had their request to enter the state denied by police - and determined there is no reason to deny people who agree to quarantine, entry. Strict restrictions imposed by the Western Australian government since the start of the Covid-19 pandemic on people entering the state are causing undue hardship for families, Human Rights Watch said today. The government should make more exceptions for compassionate cases, prioritise family reunions, provide greater transparency about the approval process, and provide clearer explanations to people who have been refused permission to return to their home state. "Governments can restrict people's movement for compelling public health purposes, but any restrictions on these rights should be strictly necessary and proportionate," said Sophie McNeill, Australia researcher for Human Rights Watch. "The process in Western Australia is opaque, confusing, and arbitrary. Western Australians who want to return home for compassionate family reasons and who are willing to abide by quarantine restrictions should not be blocked from doing so." The plight of stranded Australians has been a focus of much of the Dfat hearings. Officials say Dfat has received 1,943 applications for financial assistance, of which 1,070 have been approved. The breakdown is: 177 applications for subsistence, to support the cost of staying in the country while awaiting a return flight. 162 were just for the costs of repatriation. 731 for both subsidence and repatriation. (A number of applications have been withdrawn or rejected, while about 600 are still pending a decision.) Dfat official Fiona Webster says just 24 applicants were rejected - "that's very few". Total financial assistance committed on subsistence loans: $1,072,500. Total financial assistance committed on repatriation loans: $681,945. Officials have promised to take a question on notice about how many of the loans have been repaid to date, but don't think it'd be many. That's because people have six months either to repay loan in full or to agree a plan for repayment. It is 11.30am for Daniel Andrews today. The foreign affairs committee has turned its focus to New Zealand, and progress on the two-way travel bubble. There's no set timeframe for two-way travel to be in place, Dfat officials say. Officials have been working on arrangements with NZ for two-way travel since June, planning how to manage issues such as health, border, transit arrangements. Those arrangements are not yet finalised. But the recent opening of one-way travel from New Zealand to Australia has helped officials to test that planning. Jenny Da Rin, deputy head of the Covid coordination unit, says as at 27 October there had been 20 flights over 11 days carrying 1,895 passengers on "green flights". "They're flights where people are able to enter quarantine-free. We're calling them green and red." Another 10 such flights are planned between 28 October and 10 November. The foreign minister, Marise Payne, adds that those 1,895 passengers not having to take up a quarantine place helps with the other matter of issues with returning Australians. The South Australian senator Rex Patrick wants to know whether they're expecting flights between Adelaide and Auckland. Da Rin notes the first two jurisdictions to agree to accept people from NZ were NSW and NT, but only NSW has actually been receiving international flights from Auckland to date. Subsequent to that, she says, the ACT has expressed interest, as has South Australia. The committee chair, Tasmanian senator Eric Abetz, intervenes to suggest, parochially: "Can you forget South Australia and push Tasmania up the list?" The official responds with a diplomatic formulation: "That's a matter for Tasmania." NSW Health has released its figures for the day - there have been four new locally acquired cases of Covid diagnosed in the last 24 hours. How the first person got it is still under investigation, but three people, linked as close contacts of the first person, have also been diagnosed. Alan Tudge has introduced the legislation which will expand the English language program - as the government works on expanding the requirements for Australian migrants\* Just a reminder, once again, that Australia does not have an official language. \*I originally linked this to the new partner visa English requirements the government has stated it will be bringing in. This isn't that. That is coming next year, and will most likely be done as regulation changes (which means no legislation will be necessary) Further to our earlier post on this, the response to David Littleproud's latest corporate boycott call has been...interesting. ANZ has announced it wants to see carbon reduction targets as one of its conditions for lending. It has said that it won't bring further financial pressure on farmers - it just wants to know there is a plan. Most farmers are working on that anyway - the National Farmers' Federation has called for a net zero target by 2050 and the red meat industry is working on becoming carbon neutral by 2030. So in terms of the industry and the sector, more widely, it is not actually a huge deal - they are already headed that way, themselves, despite stalled government policy. So Littleproud's intervention here doesn't make a lot of sense. Labor's Penny Wong has asked foreign minister Marise Payne whether the Australian government welcomes the fact Japan, South Korea, Canada, the UK and EU have committed to net zero emissions by 2050. Payne replied: The prime minister made some comments on these matters yesterday. In those, he referred to his conversation with prime minister [Boris] Johnson. He made it very clear, Australia will make our own policies, our policies will be set here. It's not a question of whether we welcome the decisions. It's a question of what Australia's priorities are. Wong then asked a series of follow ups: do we welcome the commitments to net zero? Payne: Those announcements are made by other countries, we acknowledge [them]. We're focused on meeting our Paris commitments. What does acknowledge mean? Does it mean welcome? Payne: It means acknowledge, it's not for us to welcome or not welcome [the commitments]. It's a matter for those countries. Payne then slipped up by saying Australia "indeed" welcomes the fact major partners are committed to the Paris climate agreement. Wong summarised that Australia "welcomes some targets but not others" which is "illogical". So there you have it: Paris commitments, welcomed; net zero by 2050, acknowledged. The Greens senator Jordon Steele-John has lashed the NDIS watchdog for pledging to hire only five or six new dedicated investigators with the $93m it received in the budget, including none in South Australia. The NDIS Quality and Safeguards Commission has been under fire in recent months, particularly over the case of Adelaide NDIS participant Ann Marie Smith, who police say was found dead in horrific circumstances. Her carer has been charged with manslaughter. The commissioner, Graeme Head, told Senate estimates the commission would also hire about 27 complaints officers and 40 staff who would be dedicated to "reportable incidents". "You've just told me that not one of the additional investigator positions will be based in South Australia," Steele-John said. "That seems to be a cataclysmic oversight in the context one of the largest trust based issues you've got on your plate at the moment... which is your failure in relation to the Ann Marie Smith case." The commission registrar, Samantha Taylor, said the commission had already "uplifted" its investigation team in South Australia. Estimates heard earlier that the commission has 211 investigations on its books, with a median investigation period of 126 days. It currently has 21 dedicated investigators nationally. The commission is currently facing scrutiny amid a dedicated Senate inquiry. It has issued just one fine in the two years to June 2018. We haven't heard when Daniel Andrews will hold his press conference today, yet, but it will be coming soon. If you need to wile away some time from the real world, this from the NY Times is insanely addictive - can you guess a Trump supporter or Biden supporter from their fridges? It's a lot harder than it seems. You'll find it here. Department of Foreign Affairs and Trade officials have told Senate estimates they did not facilitate Tony Abbott's travel to or return from the UK, although Abbott did have morning tea with the high commissioner in London and embassy staff while there. They've taken on notice a string of questions about whether negotiations for an Australia UK free trade agreement was discussed. When Labor probed Abbott's appointment to the UK board of trade, Dfat secretary Frances Adamson said the job is to promote UK exports but has "no direct role" in negotiating trade deals. Foreign minister, Marise Payne, bristled at suggestions Abbott is not acting in Australia's best interests - challenging Labor's Tim Ayres. Are you making an assertion that he is providing advice that is contrary to Australia's interests? She said: The [question of the] role he's taken up is one for him. I'm confident he'll act in the best interests of Australia in everything he does, as he always does... The board doesn't have a role in free trade agreement negotiations. It's not the case. The minister and Dfat officials refused to field questions about whether Abbott can continue to claim a pension and his entitlement to support staff - noting those matters are overseen by the finance department. Labor's Penny Wong has asked for a formal special advisor to the ambassador to the US, Joe Hockey, to correct his job description. After Hockey and his special advisor Alex Tureman concluded their roles in January, they founded an advisory called Bondi Partners. On its website Tureman describes himself as Hockey's "thought partner on all ambassadorial initiatives". Department of Foreign Affairs and Trade secretary, Frances Adamson, conceded she did not know what a 'thought partner' is. It is an "unfamiliar term" to Dfat, another official replied. Tureman was a locally engaged staff member in a political liaison role. Wong said if people serve Australia they should not "inaccurately" leverage a description of that role for profit. "They can rely on their past performance, but if it's not accurate it should be corrected." Then we head back to Canberra. South Australia's Liberal deputy premier and attorney general, Vickie Chapman, and human services minister Michelle Lensink have sent a very stark reminder to a South Australian Liberal federal senator about what the Liberal party is supposed to be about. It's about abortion (because of course it is). The South Australian government has introduced a bill to de-criminalise abortion. It's the last Australian jurisdiction to do so. But SA senator Alex Antic apparently has a problem with women having control over their bodies and health, which apparently is a 'radical left' position. He wrote to the SA government members saying that the "Liberal Party which I know would reject the Bill". Ours is the Party which stands for the proposition that the interests of all men, women and children must be protected We are not the party of the radical left. Chapman and Lensink were having none of it, reminding Antic that he would never need a termination and that if any woman he knows was forced into having to make one of the most difficult decisions of her life, he would offer support rather than "moralising at her, and assuming you, for whatever reason, knows best". The MPs wrote: You state that we are not a party of the radical left. Nor are we a party of the extreme right that is beholden to sectional interests. In Menzies' words, we march down the middle of the road....Finally, [we] congratulate you on receiving press attention. I concede it must be difficult as a junior member of the federal team. Next time, just for something different, perhaps it can be for something other than baselessly attacking Liberal party women in the state parliament. The commission looking into the failures of the Victorian hotel quarantine program has announced it will have to delay its final report after requiring more information earlier this month. It will now hand down an interim report - with a final report coming just before Christmas. From its statement: The Board of Inquiry will deliver an interim report on Friday 6 November 2020, containing recommendations for a proposed quarantine program, based on evidence and information currently available to the Board. The Board will deliver a final report containing the examination and findings on the decisions and actions of, and communications between, relevant agencies in establishing the initial Hotel Quarantine Program in Victoria, and any further recommendations, by Monday 21 December 2020. This unfortunate delay is due to the provision of additional material which occurred after the conclusion of closing submissions on 28 September 2020, as detailed at the extraordinary sitting on 20 October 2020. As a result of this additional material, the Board has issued several further notices to produce and requests for affidavits. Several documents and affidavits are presently outstanding and may lead to further enquiries. Inquiry Chair the Hon. Jennifer Coate AO wrote to Premier Daniel Andrews on 28 October 2020 to advise that the Board would not be able to deliver a final report by 6 November 2020, and to propose this alternative way forward. The Premier responded on 29 October 2020 advising that he agreed that the Board's final reporting date should be extended. David Littleproud is making quite the name for himself when it comes to calling for boycotts. He called for a boycott of Coles and Aldi over their $1 milk (and later defended owning a small amount of shares in Woolworths, and having office staff who had previously worked for the supermarket chain) and then earlier this year, slammed Woolworths for what he called a "tokenistic" gesture to the dairy industry, when it imposed a 10c "retail levy" on its milk. Then he called for a boycott of Target after it announced a restructure which included the closure of 75 stores, many in regional Australia. Now Littleproud is calling for a boycott of banks like ANZ for having carbon targets as a condition of lending. From his statement: While ANZ has confirmed with me this morning that this will not impact family farms this policy is disgraceful. Banks are not and should not try to become society's moral compass and arbiter - the Australian people decide that by who they elect. We can't let unelected, profit-driven financiers from Pitt Street dictate to society how to produce food and fibre or how we run our economy. Banks have been given a privileged position in our society and our economy and they shouldn't interfere in markets but simply facilitate them with capital. That is their role and they should stick to it. When so much of our nation's wealth is generated in the regions, penalising these industries and destroying livelihoods just to get the warm and fuzzies is pure insanity. It shows just how out of touch ANZ is about how our regional communities live and work. The Nationals will review every policy lever at the federal government's disposal - including the availability of deposit guarantees - to protect Australian farmers from these sorts of arbitrary boardroom ideological agendas. It's almost as though he doesn't actually believe in a free market, or that corporations can make their decisions independent of government policy - and that people can choose themselves whether they support that corporate decision or not. \*thinking face emoji\* The top US health adviser, Dr Anthony Fauci, was the guest of a University of Melbourne-hosted conversation, Conversations on Covid-19: The Global View. On the posted conversation, Fauci speaks about the Australian response, saying Australia had done "quite well" in dealing with the pandemic and that he would like to be able to say that about the US, but "the numbers speak for themselves". There have been predictions that America's death toll is headed to 500,000. Fauci said part of the issue for the States has been not everyone being on the same page: Although there's many positives of independent states, when you're dealing with a pandemic and you say, 'We need everyone to be doing A, B and C,' and all of a sudden state 43 does this and state 27 does that - it becomes very difficult. But he also had praise for how Australians, and in this instance, he was speaking particularly about Victorians in dealing with the second wave, handled wearing masks -in that for the most part we accepted them as a necessary part of the health response: I really wish that we could transplant that kind of mentality here, because masks in the United States have almost become a political statement. The social services minister, Anne Ruston, would not commit last night to release an evaluation of the cashless debit card before parliament votes on a bill to make it permanent. The government has introduced legislation that would make the card permanent in the current trial sites and move about 25,000 people in the NT on to the program. Those people are now on the Basics Card. Ruston said she was yet to read the evaluation report by University of Adelaide but a final draft has been handed to the department, which is checking the paper for errors and typos. The Greens senator Rachel Siewert urged Ruston to release the report before the legislation was debated in parliament in December. But Ruston claimed the program's continuation did not hinge on the results of the evaluation. Siewert replied: You are joking. This is absolutely flabbergasting. This is a recasting of history. Labor's Malarndirri McCarthy accused the government of ignoring the new Closing the Gap agreement. She noted that the Coalition of Peaks was opposed to the card. Labor is continuing to pursue why it has taken the government so long to speak to counterparts in Qatar after Australian women were among those taken off a plane and forced to have a medical examination, following the discovery of an abandoned newborn at the Doha airport. This happened on 2 October. It was only after a Seven News reporter, Jen Bechwati, broke the story on Sunday that it was addressed. Since then, we have heard that Australia has registered its displeasure but that any action needs to wait until local authorities complete a report. Penny Wong was on ABC radio this morning, saying the issue needed leadership: To rely on bureaucrats, to rely on officials, as efficient as they may be, really demonstrates an absence of leadership from both the foreign minister and the prime minister. I think these women deserve the people to be held ***accountable***, they deserve transparency, but they also deserve a government that's going to go into bat for them. I don't believe that minister Payne has spoken to the foreign minister, unless she's done it overnight. The prime minister hasn't spoken to his counterpart. That should happen. And expectations should be set about not just the report but what will occur as a consequence of the report. At Senate estimates last night, Department of Social Services officials revealed there have 10 reportable privacy breaches within the national redress scheme. Under questioning from the Labor senator Malarndirri McCarthy, officials said the 10 breaches included: Redress applications being sent to other applicants by mail Acceptance letters and applications being "lost" by Services Australia Applicant's impact statements being shared with institution without consent Officials stressed that the 10 breaches among thousands of applications but they also conceded that this was not good enough. They have apologised to the applicants affected. All 10 breaches were all caused by human error. The department has offered additional training and changed some processes in response. We don't know the numbers for NSW as yet but a student at the Hoxton Park campus of Malek Fahd Islamic school, in Sydney's west, has tested positive for the virus. The school has been closed for deep cleaning, and staff and students have been told to self-isolate. And there it is. The DHHS website lists three confirmed cases for Victoria in the last 24 hours. We are just waiting on the tweet. There are plenty of predictions about the Queensland election result but, as I have said before, the only safe prediction is that it is unpredictable. Labor isn't feeling confident. Nor is the LNP. Both parties will tell you that their tracking is all over the place. The three Townsville seats are in play, as are Keppel and Cook. South Brisbane (Labor) looks like going Green. McConnell in inner Brisbane, also held by Labor, is also in danger of going Green. The LNP thinks it will lose Pumicestone to Labor. Queensland has been open long enough for normal business that Covid isn't such a big deal. Labor's campaign has mostly centred around the Covid response, which isn't penetrating. The LNP have focused on cost of living, which is getting some traction. Votes for One Nation have absolutely tanked, which has given the LNP a boost - those voters are heading to Deb Frecklington's party. Clive Palmer has spent almost $5m campaigning against Labor, making up a death tax. But Annastacia Palaszczuk remains the more popular leader - by quite some margin. And early voters turned out in droves, skewing the polls and making it hard to gauge what the mood is. If Labor gets enough seats to make a minority government, I would expect they would turn to the Katter's Australian party and independents before the Greens. There is a lot of talk about how, in Queensland, a Labor-Greens coalition would be "unworkable". For the south-east, it would make sense, but for central and north Queensland, it would be a complete mess. "Tasmania on steroids" is how one Labor strategist described it to me. There are also the federal implications - a Queensland Labor-Greens government is considered electoral poison for Anthony Albanese. I am not saying this is my opinion - it's just what people are telling me. The LNP needs to win nine seats (net) to win government, but there is a chance it could a) pull it off (let's not forget Labor went from holding seven seats to winning minority government in just three years) or b) strike a minority government deal itself. Labor now has a six-seat majority. You would think it would have the bigger chance, if it loses seats, of putting together a minority government but, again, it depends on with who. All in all, no one has a handle on what is going on. Ahhhhh, Queensland. I miss it. The Courier-Mail and Sky News People's debate was held late yesterday afternoon for the Queensland election. At the conclusion, the audience, which was made up of undecided voters, gave the debate to Annastacia Palaszczuk, with 53% saying they believed she was the winner. The LNP leader, Deb Frecklington, scored 30% of the vote, while 17% of the audience remained undecided. But of course there was a small bit of controversy - one of the "undecided voters" who was allowed to ask a question was a LNP women's executive member, Marilyn Wilson. After she was identified by people watching, she was disqualified from voting on the winner. NSW police are yet to say if they'll investigate Gladys Berejiklian's office over the shredding of documents relating to a controversial grants program. The Labor opposition has asked the police and the Information and Privacy Commission NSW to investigate the destruction of documents in the premier's office detailing $252m in grants allocated to councils before the 2019 state election. A police spokesperson told Guardian Australia on Wednesday night: "The commissioner has not yet received the letter. When it is received, it will be assessed appropriately." Sarah Lau, a senior policy adviser to Berejiklian, last week told a NSW parliamentary committee she had shredded records suggesting the premier had "approved" $141.8m of the council grant funding. Lau also deleted electronic copies, saying it was "normal record management practice". The opposition leader, Jodi McKay, referred the matter to the police commissioner for a potential breach of the State Records Act and the information commissioner for a potential breach of the Government Information (Public Access) Act. The former NSW auditor general Tony Harris has told Nine newspapers he believes the premier's office breached the State Records Act. Berejiklian has rejected Labor's claims, saying she had no involvement in the shredding. (Continued from last post) US election: Adamson sidestepped being drawn into commentary on the Donald Trump/Joe Biden showdown next week but said: "We are ready for any eventuality." Hekmatullah: The former Afghan soldier convicted of murdering three Australian soldiers in 2012 was transferred from Afghanistan to Qatar on 10 September and remains in detention. "That was a compromise organised by the US government with the government of Qatar to enable the commencement of the Afghanistan peace negotiations," said a Dfat official, Ian Biggs. He said since Hekmatullah's transfer there had been "a continuing series of interventions" by Scott Morrison, Marise Payne, Linda Reynolds and officials to the governments of Qatar, the US and Afghanistan to ensure they understood the strength of feeling in Australia that Hekmatullah should never be released. Syrian camps: Payne did not give any indication the Australian government would attempt to extract more than 67 Australian women and children - the family of Isis fighters - from Syrian camps. She said the issue had been raised with her in the US in July but the government did not want to put Australian officials at risk to extract or effect the repatriation of people, and also "the protection of Australia and the Australians community". Human rights groups have previously called on the government to repatriate the Australian citizens for rehabilitation and reintegration, with Human Rights Watch saying: "Children who lived under Isis and any women trafficked by Isis should be treated first and foremost as victims." A few takeouts from the evidence given by Department of Foreign Affairs and Trade officials in estimates hearings overnight: Kylie Moore-Gilbert: The detained British-Australian academic was "well" when she was last visited by the Australian ambassador to Iran on 19 October, officials said. But they did not provide any further details - following reports she has been moved from Iran's Qarchak prison, which her supporters hope is a good sign - saying the best hope of securing her release is through diplomatic channels (ie, quietly). Soft power review junked: The secretary, Frances Adamson, said Dfat had decided to discontinue work on the soft power review launched more than two years ago, when Julie Bishop said it was needed "to ensure Australia remains a persuasive voice in our region". The review took submissions in 2018 and a draft report was sent to the minister's office. But Adamson said it had been prepared in a pre-Covid time, with a lot of emphasis on tourism and international education - but then "the world changed around us very drastically". Foreign veto laws: Dfat first learned on 10 June of the government's intention to prepare laws to review international agreements struck by states and territories, and the Attorney General's Department first issued drafting instructions on 19 June. Officials couldn't say precisely when universities were added to the bill but insisted it was "at an early stage". At the estimates hearing, Marise Payne explained away the lack of consultation with universities before the plan was announced in late August by saying "the government determined this was our preferred way of putting together this bill" and it believed it was "relatively unremarkable that public universities should provide the commonwealth visibility where they enter into foreign arrangements". Labor has signalled it's likely to seek amendments. NSW Health has issued a new alert after someone who had Covid-19 visited a number of venues across Sydney. Among them is Jasmins Lebanese Restaurant in Liverpool in the south-west (on Sunday), the Flip Out Prestons Indoor Trampoline Park in Sydney's west (on Sunday), the Westfield at Bondi Junction (on Saturday) and Eatsup Brothers kebab shop in Condell Park (on Saturday). They also went to Ali Baba Charcoal Chicken in Auburn on Monday and Carnes Hill Marketplace on Tuesday. But it's the trampoline venue and the Lebanese resturant which are the main concern -anyone who attended those venues for at least one hour on Sunday is being asked to self-isolate and get tested. Happy Thursday! The worst day of the week is also the last day of parliament for a couple of weeks, and the last (full) day of estimates hearings, so it will most likely get a little feisty today, with a lovely dollop of fatigue just to keep it interesting. For the first time in a while, it's news from outside Australia capturing attention. As AAP reports: US financier and sex offender Jeffrey Epstein donated $US650,000 ($A920,500) to the International Peace Institute between 2011 to 2019, a revelation the think-tank's chair Kevin Rudd says is "deeply disturbing". The former Australian prime minister, who became vice-chair of the UN-affiliated organisation in 2014 and chair in 2018, has convened an extraordinary board meeting after reports IPI president Terje Rod-Larsen borrowed $US130,000 from convicted pedophile Epstein in 2013. "I first learned of contributions from Epstein's foundations to the IPI in November 2019 through reporting by the Norwegian press. I was blindsided by this," Rudd said in a statement to Norwegian business newspaper DN on Wednesday. "These revelations were deeply disturbing to me and to other members of the board. IPI's work includes combating human trafficking and sexual violence" Rudd has asked for a report to be given to the board He said he has no recollection of meeting Epstein, but was on a conference call that Epstein was also on, in 2014. Expect to hear more on that today. We'll also bring you parliament, a bit of the last hours of the Queensland election campaign and of course, the Covid situation across Australia. You have Amy Remeikis with you. Ready? Let's get into it. 115429 false false Nino Bucci (now) and Amy Remeikis (earlier) Gladys and her joeys were rescued from an area where urban development is encroaching on koala habitat. Barnaby Joyce reacts to a Michael McCormack answer. All photos: Mike Bowers/The Guardian Ian Goodenough, the Liberal member for Moore, during question time Shadow treasurer Jim Chalmers is evicted from the chamber under standing order 94A Christian Porter and Scott Morrison arrive for question time Zali Steggall, the independent member for Warringah Shadow minister for climate change and energy, Mark Butler. Pedestrians cross a street in Sydney's CBD. The secretary of the Department of Foreign Affairs and Trade Frances Adamson. Senate Labor Leader penny Wong at the Senate Foreign Affairs, Defence and Trade Committee The Foreign Minister Marise Payne before the Senate Foreign Affairs, Defence and Trade Committee The secretary of the Department of Foreign Affairs and Trade Frances Adamson before the Senate Foreign Affairs committee Shadow foreign minister Penny Wong during a Senate inquiry at Parliament House in Canberra, Thursday, 29 October 2020. Minister for energy and emissions reduction Angus Taylor. Passengers arrive into Sydney's Kingsford Smith Airport from New Zealand. The foreign minister Marise Payne before the Senate Foreign Affairs, Defence and Trade Committee in Canberra this morning. NDIS sign in Dubbo, rural NSW. Former prime minister Tony Abbott. Jennifer Coate AO during the Covid hotel quarantine inquiry on 20 July 2020 in Melbourne. Australian ***agriculture*** minister David Littleproud. US secretary of state Mike Pompeo sports his stars and stripes face mask. Senator Malarndirri McCarthy. Annastacia Palaszczuk and Deb Frecklington at the debate.

**Load-Date:** October 29, 2020

**End of Document**



[***Worksafe to investigate cluster at Cedar Meats abattoir - as it happened; Queensland government to bid for Virgin airline; national death toll rises to 98; Josh Frydenberg tests negative to coronavirus. This blog is now closedSign up for Guardian Australia's daily coronavirus emailDownload the free Guardian app to get the most important news notificationsCoronavirus Australia maps and cases: live numbers and statistics***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YWG-X461-JCJY-G0VS-00000-00&context=1516831)

The Guardian (London)

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**Body**

block-time published-time 11.51am BST

Summary

And with that, we'll be closing the blog tonight. Thanks for reading and stay safe. We will be back covering all the developments tomorrow.

Here is what happened today:

* Some NSW pubs with restaurants and sit-down dining tables will be allowed to reopen on Friday. Only 10 people will be allowed in the premises, and tables will still have be 1.5 metres apart.

1. The Queensland government announced it will bid for Virgin Australia, and that could include a "direct equity stake" in the airline.
2. Worksafe in Victoria will investigate the coronavirus cluster at the Cedar Meats abattoir.
3. The govenment's Covid-19 coordination adviser, former Fortescue Metals chief executive Nev Power, is being paid $267,345 for six months' work. The Department of Prime Minister and Cabinet had to correct its own evidence, after it told a senate inquiry Power was being paid $500,000. The money is an allowance for travel costs, not a salary.
4. The Therapeutic Goods Administration has fined an Australian chapter of the Genesis II Church of Health and Healing more than $150,000 for selling and promoting a solution containing industrial bleach as an alleged cure for coronavirus.
5. Coronavirus tests brought to Australia by the mining billionaire Andrew "Twiggy" Forrest at a cost of $200m to the Australian taxpayer are not being used by most state and territory governments and have instead been sent to the national medical stockpile.
6. Treasurer Josh Frydenberg tested negative for Covid-19 after a scare prompted by a coughing fit.
7. The federal government appointed its first deputy chief ­medical officer for mental health, Assoc Prof Ruth Vine.
8. Australia's Covid-19 toll rose to 98 after an 81-year-old woman, who was a passenger on the Ruby Princess, died in NSW overnight.
9. Australia recorded 13 new cases of Covid-19 on Wednesday - seven in Victoria and six in NSW.

block-time updated-timeUpdated at 12.04pm BST

block-time published-time 11.14am BST

Some NSW pubs to reopen on Friday

Pubs with restaurants and sit-down dining tables will be allowed to reopen on Friday, as part of the NSW government's already announced easing of restrictions.

Cafes and restaurants were already slated to reopen - and the NSW treasurer, Dominic Perrottet, has clarified this includes the dining portions of some pubs.

But only 10 people will be allowed in the premises at one time. And tables will still have be 1.5m apart.

The rules are still unclear, and are a matter for the public health order, but a spokesperson for the Treasury told Guardian Australia that pubs would, most likely, not need an entirely separate restaurant section to be able to open.

Pubs in which they served food at sit-down tables near a bar area would likely be allowed to open and operate as a restaurant, the spokesperson said.

Alcohol could be served with a meal, but the bar itself would still be closed.

block-time updated-timeUpdated at 11.32am BST

block-time published-time 10.31am BST

enltrJane Hume just told me it wasn't such a bad idea.... [*#auspol*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*https://t.co/mkvjPOrtSu*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- PatriciaKarvelas (@PatsKarvelas) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 10.02am BST

And from earlier, here is Paul Karp's full story on Scott Morrison' s explanation today on the sports rorts saga.

Related: [*Sports rorts: Morrison says he sought authority on grant announcements, not funding decisions*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 9.48am BST

Worksafe to investigate Cedar Meats outbreak

From our reporter Matilda Boseley, Worksafe in Victoria will investigate the coronavirus cluster at the Cedar Meats abattoir.

enltrBreaking- WorkSafe has confirmed they are investigating the Covid-19 outbreak at [*#CedarMeats*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078). A spokesperson for GM Tony Kairouz says "Cedar Meats has been advised by WorkSafe of its investigation and we welcome it. We will cooperate fully with WorkSafe."

- Matilda Boseley (@MatildaBoseley) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 10.48am BST

block-time published-time 9.46am BST

And on the news of Queensland's bid for Virgin Australia, home affairs minister Peter Dutton has said the pitch is "laughable".

enltrPremier Palaszczuk has almost bankrupted Queensland, and now in the middle of a crisis they want to buy an airline. It is laughable. She "leads" a government which is corrupt and chaotic.

- Peter Dutton (@PeterDutton\_MP) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 9.38am BST

One Nation leader Pauline Hanson has called Labor's shadow immigration minister, Kristina Keneally, a "closet One Nation supporter" after her recent comments and [*opinion article in the Sydney Morning Herald about reducing immigration*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

In a speech in the Senate 30 minutes ago, Hanson said Keneally had proven that One Nation's arguments were "so powerful" that "even a staunch opponent" would adopt them.

Hanson said:

Reading through some of the recent comments made by senator Keneally, I can only assume she has spent much of her time in quarantine reading through my speeches from 1996.

Perhaps senator Keneally might want to make an admission today that she is a closet One Nation supporter... I know it took Mark Latham a couple of decades to come out of the One Nation closet.

I want to say thank you... because I know she will not be getting much support from her Labor colleagues.

Greens senator Mehreen Faruqi tweeted that Labor had "normalised" anti-migrant politics.

enltrOne Nation is heaping praise on Senator Keneally in the Senate right now & thanking her for her recent opinion piece on immigration. Shameful stuff from Labor allowing this normalisation of anti-migrant populism & far-right politics

- Mehreen Faruqi (@MehreenFaruqi) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 9.45am BST

block-time published-time 9.33am BST

Covid coordinator paid $267,000, not $500,000

The full statement on the remuneration of Nev Power, the Covid-19 coordination adviser, is now in.

The Department of Prime Minister and Cabinet has clarified that his true contract is worth $267,345 - [*almost half what the department told the Senate earlier*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) today.

Earlier, Stephanie Foster, an associate secretary of the department, said Power had a six-month contract with "around $500,000" in allowances (not salary).

But in a fuller statement, the department said:

Mr Power's flights, accommodation and other incidental travel costs are being covered in his role as NCCC chair - however he is not receiving a salary.

The PM&C estimated travel to and from Canberra valued at approximately $6,000 per return trip each week, $350 per night for accommodation and incidentals such as food and taxis, and additional extra expenses set to be incurred from other travel once internal border restrictions ease.

It is expected that Mr Power will perform his duties as chair of the NCCC for a period of approximately six months. This equates to $267,345 (plus GST).

block-time updated-timeUpdated at 9.43am BST

block-time published-time 9.09am BST

Earlier today, officials from the Department of Prime Minister and Cabinet told the Senate committee examining the government's Covid-19 response that the chair of the coordination commission, the former Fortescue Metals chief, Nev Power, was being [*paid $500,000 for his advisory role*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078), which was expected to run for six months.

The prime minister's office has told me that figure is wrong, and the department will be issuing a statement clarifying the evidence. We'll bring you an update when we have it.

block-time updated-timeUpdated at 9.18am BST

block-time published-time 8.58am BST

In his statement, Cameron Dick also said that two airlines were "critical to Australia's economy".

The Queensland treasurer said:

We have the opportunity to retain not only head office and crew staff in Queensland, but also to grow jobs in the repairs, maintenance and overhaul sector and support both direct and indirect jobs in our tourism sector.

We saw the punishing increase to the cost of flights after the Ansett collapse, and this government will not stand by and let that happen again.

Queensland Investment Corporation, led by CEO Damien Frawley, will advise government on all aspects of the bid, including the optimal partner group, the quantum and structure of the state's contribution, as well as probity and governance.

block-time updated-timeUpdated at 9.10am BST

block-time published-time 8.44am BST

Queensland government to bid for Virgin Australia

The Queensland state government will bid for Virgin Australia, the new treasurer, Cameron Dick, has announced.

[*In a statement*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078), the treasurer said he has appointed Queensland Investment Corporation, a government-owned investment company, to pursue a bid that could include a "direct equity stake" in the airline.

"The government's investment could take the form of a direct equity stake, a loan, guarantee or other financial incentives," Dick said.

block-time updated-timeUpdated at 8.56am BST

block-time published-time 8.29am BST

Senate votes down bid to make jobseeker rate permanent

The Senate has voted down a motion to make the new jobseeker rate permanent.

The unemployment benefit, which was formerly called Newstart, was at $40 a day until it was doubled at the start of the coronavirus pandemic.

The motion from the Greens senator Rachel Siewert called for the increase, to about $1,115 a fortnight, to be made permanent. The rate has not been raised above inflation since 1994.

Siewert said:

I can't see how anybody can think that it is OK to return the jobseeker payment to the old rate of $40 a day.

We can and should choose to support people who are not in work, particularly when we know very well that we are in an economic downturn and it will be difficult for many people to find work.

block-time updated-timeUpdated at 8.55am BST

block-time published-time 8.13am BST

Travel agent boss resigns over 'uppercut' comments

Hi everyone, it's Naaman Zhou here. Thanks to Amy Remeikis and Matilda Boseley for their incredible dual coronavirus and parliament blogging.

In some breaking news from media correspondent Amanda Meade, the head of Australia's peak body for travel agents has resigned after he said the A Current Affair host Tracy Grimshaw should be "given a firm uppercut or a slap across the face".

Jayson Westbury made the comments in an industry webinar in which he criticised the show's coverage of the travel industry.

Related: [*Travel industry boss resigns after saying Tracy Grimshaw needed 'a firm upper cut or a slap'*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 8.29am BST

block-time published-time 7.57am BST

On that note, I am going to hand you over to Naaman Zhou.

Your Canberra Guardian crew will be back with you from early tomorrow morning. As will whatever is left of me. Take care of you.

block-time updated-timeUpdated at 8.00am BST

block-time published-time 7.49am BST

That feeling when it is the day after your birthday:

Bill Shorten and Amanda Rishworth during question time. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 7.54am BST

block-time published-time 7.46am BST

Triggered.

Still not using his elbow.

Treasurer Josh Frydenberg. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 7.54am BST

block-time published-time 7.42am BST

That feeling when no one wishes you a happy birthday:

Prime minister Scott Morrison during question time. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 7.54am BST

block-time published-time 7.36am BST

The president of the Australian Law Council, Pauline Wright, says the organisation has concerns about Peter Dutton's latest security bill:

The proposal to reduce the age of minors who may be subject to questioning from 16 to 14 years and the conferral of powers on police to apprehend and detain persons for the purpose of bringing them in for compulsory questioning also requires detailed scrutiny by the Law Council, amongst the many other amendments.

The Law Council is concerned that the government is now rushing the Bill, despite having had over two years to develop the re-designed questioning legislation since the PJCIS tabled its report in May 2018.

Now there is a sense of urgency given that ASIO's current questioning powers are due to sunset in 7 September, and the amendments are set to commence by or before that date.

This is not a Bill to be hurried through.

The Law Council will need to carefully scrutinise the Bill and we look forward to providing a comprehensive submission to the inquiry.

block-time published-time 7.27am BST

In a Sky News interview broadcast just now, the foreign minister, Marise Payne, has stuck to the government's lines about taking a constructive and considered approach to the China relationship, while backbenchers speaking out are simply exercising free speech.

Interestingly, Payne said she had "never had a problem" trying to connect with her counterpart.

The signs are that the trade minister, Simon Bimingham, hasn't had such luck, at least at this early stage.

Birmingham said during Senate question time today he was yet to secure a conversation with his Chinese counterpart, but hoped this could be arranged soon.

On the barley and red meat issues, Birminham told the Senate that China had made clear publicly and privately that these were "technical matters".

block-time updated-timeUpdated at 7.46am BST

block-time published-time 7.25am BST

So Christian Porter is talking on why the inquiry is necessary and Mark Dreyfus will respond on why it's terrible and then we will go to a vote, which Labor will lose.

block-time published-time 7.24am BST

There is a division in the house as Labor tries to stop Christian Porter setting up an inquiry into class actions and litigation funding.

Here is Mark Dreyfus on why Labor doesn't want the inquiry:

Litigation funding and class actions provide a vital path to justice for ordinary Australians trying to uphold their rights against wealthy defendants with vastly greater resources.

Just last November the federal court ruled in favour of the three lead applicants in a class action of more than 1,350 women who sued Johnson & Johnson and two subsidiaries for negligence in relation to pelvic mesh implants.

It's no coincidence this inquiry was first proposed in March just days after 10,000 victims of the Morrison government's cruel robodebt scheme signed up to a class action to defend their legal rights.

Contrary to government claims, research by commercial law firm Allens found the total number of class action filings was actually down 20% in 2019.

Shareholder actions were actually down 63% and so far this year there are just three new shareholder cases - none of which relate to Covid-19 matters.

Significantly, the biggest cause of new cases in 2019 came from consumer actions arising from the banking royal commission that the government voted 26 times to prevent.

block-time updated-timeUpdated at 7.49am BST

block-time published-time 7.11am BST

Daniel Hurst is watching Marise Payne talk with Kieran Gilbert over on Sky on this same issue, so we'll bring you that when the interview finishes airing.

block-time published-time 7.10am BST

Patricia Karvelas asks Simon Birmingham how he can say the relationship between China and Australia hasn't soured, given China's reaction:

I've simply highlighted what the Chinese government has said publicly and privately in relation to these matters - they are technical issues in relation to trade practices and processes, that they relate to matters that have been ongoing or under investigation for periods relating to 12 to 18 months.

They have said that.

We have to respond as best as we can in good faith in putting forward the arguments that address those technical issues. If we're being told they are the reasons why these permits have been cancelled, or in relation to the barley dispute, here is the process it is being assessed under, well, the first port of response rightly for the Australian government is to engage in good faith, comprehensively, using evidence to refute any of the arguments put within those processes.

block-time updated-timeUpdated at 7.50am BST

block-time published-time 7.09am BST

The NRL player Nathan Cleary has been fined $1,000 by New South Wales police for breaking social distancing rules following the TikTok drama that has earned him a two-game ban and $30,000 fine for misleading the league's integrity unit.

block-time updated-timeUpdated at 7.56am BST

block-time published-time 7.08am BST

He is asked whether there is any timing on that chat.

Simon Birmingham:

Well, look, the ball is very much in their court of the Chinese government.

We have made very clear that I am available and keen to have a discussion where we can discuss and canvas some of these trade-related matters.

There are other global issues in relation to WTO operation and the like that no doubt we will canvas as well during the conversation, but this is not the sole pathway for the Australian government to make representations to the Chinese government.

That is why we have a very active embassy in Beijing, with strong connections and engagement into other avenues and parts of the Chinese government, and of course it's why we support industry in their direct engagement in response to the particular technical requests of what China has raised with us.

block-time updated-timeUpdated at 7.52am BST

block-time published-time 7.06am BST

Simon Birmingham is on the ABC's Afternoon Briefing.

Patricia Karvelas asks if he has heard back from his Chinese counterpart yet, about when is a good time to have a phone chat about the latest 'issues' that have flared up over trade:

We don't have one scheduled as yet.

I hope China will be willing to engage in those discussions, but they're not the only pathway we are pursuing to try to resolve these issues in relation to the beef sector and the barley industry and we'll make sure we pursue every avenue available to us, starting very much with using the technical administrative pathways that are available because of the nature of the type of issues that China has initiated investigations or actions around.

block-time updated-timeUpdated at 7.53am BST

block-time published-time 6.42am BST

Alternatively, before and after iso:

enltrBill Shorten and Chris Bowen-Start of [*#qt*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) VS end of   [*#qt*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*@AmyRemeikis*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*@GuardianAus*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*#politicslive*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*https://t.co/of5JUHNeyX*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*pic.twitter.com/0gHDLwWTbU*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Mikearoo (@mpbowers) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 6.45am BST

block-time published-time 6.40am BST

Labor clashes with government over bipartisan Covid meetings

Rewatching the end of question time, Tony Burke had a 'personal explanation' to make and spills some tea about the weekly meetings the opposition leadership has been having with the government leadership (which was the compromise offered after Anthony Albanese was denied a seat on the national cabinet, and the parliament wasn't sitting). After this, I am not sure if those weekly catch-ups will be ongoing.

Asked if he had claimed to have been misrepresented (the standard reason for a personal explanation), Burke says he does:

Yesterday during debate on an amendment I had moved, which would have demanded the government produce the new sitting calendar, the leader of the House (Christian Porter) said statements I had personally made were inaccurate, by claiming that in private meetings, which I had personally attended, the government had, and I quote the leader of the House, 'clearly explained there will be additional sitting weeks', end quote.

This statement is false.

While I would normally not disclose the conduct of private meetings, given the leader of the House has made this false statement about me to the House, I wish to confirm the following four points.

One, in the meeting with the leadership of the government, on 7 May 2020, the government did not state that it would provide additional sitting weeks, but merely that it might.

Two, this was to be based on an assessment, that was to be taken, and I quote, 'a couple of days', end quote, after parliament had risen, based on whether there had been an outbreak of Covid-19 as a result of these sittings.

Three, given the virus has an incubation period of weeks not days, this position was always absurd.

Four, the minister's misrepresentation of these statements also presumes the government has been forthcoming with accurate information at these meetings, which is challenged by the fact that on issues as straightforward as whether there would be changes to jobkeeper, the government has provided information at these meetings which was proven to be false the very next day.

block-time updated-timeUpdated at 6.47am BST

block-time published-time 6.23am BST

Kristina Keneally has given Labor's first response to Peter Dutton's latest bill:

Labor is committed to the safety and security of all Australians and will always take the advice of our national security agencies.

The powers in this legislation are ongoing matters which have been extensively considered since they were first created by John Howard.

We would expect the legislation introduced today - including any new measures - to be considered by the Parliamentary Committee on Intelligence and Security, as is normal practice.

When the Government asks Australians to trust them - just like they have with the response to Covid-19 - it's only reasonable for their actions to be properly scrutinised.

block-time updated-timeUpdated at 6.24am BST

block-time published-time 6.19am BST

While question time was happening, you may have missed these stories:

Related: [*Coronavirus tests brought to Australia by Andrew Forrest at $200m cost to taxpayers not being used*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

Related: [*Murray-Darling systems not assessed for endangered listing after officials warned Coalition would not support it*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 6.14am BST

enltrJust a reminder: for months there have been questions about whether these sports grants were made with proper legal authority. No answers. Then obvious contradictions between the ANAO and the government about the exercise of authority. No answers. Anyone care? I do [*#qt*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*#auspol*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Katharine Murphy (@murpharoo) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 6.12am BST

The NRL player Nathan Cleary could yet be fined by New South Wales police for breaching social distancing guidelines, despite having initially avoided any police sanctions, AAP reports.

The Penrith Panthers star is to be interviewed again today after it was alleged he left his home during the day in question in contravention of the Covid-19 measures.

"We are looking at it," detective inspector Jason Pietruszka told AAP. "We're reviewing his original information and we'll be speaking with him later on today. And if that information is found to be false, then he'll be issued with a ticket as per the health order. We'll treat it for what it is and he'll be given a ticket."

Cleary was originally cleared by police of breaking coronavirus restrictions when he was photographed with friends at his house. Five women received $1,000 police fines for flouting government protocols. However, after video emerged of Cleary in TikTok videos with the same group, the NRL handed him a two-game ban and $30,000 fine for being "untruthful" in dealings with the integrity unit.

Cleary originally received a $10,000 fine, 60% suspended, as well as a suspended one-match ban after initial league investigations.

block-time updated-timeUpdated at 6.16am BST

block-time published-time 6.12am BST

As I typed that, I had to reload the page three times in order for it to post.

block-time published-time 6.11am BST

For some reason, every single MP who asks a dixer is getting a herogram lately, about just how crucial a cog they are to Australia's democracy.

Bert van Manen gets his for his "longstanding interest" in the NBN.

I also have a longstanding interest in the NBN. In that I would like it to work.

block-time updated-timeUpdated at 6.17am BST

block-time published-time 6.09am BST

Government to 'refine' childcare package

After the second question on failures within the Covid childcare package, Dan Tehan admits there is a need for "refinements" (which is just a word for fixes):

What we have put in place was a significant, significant package, to enable the sector to get through the pandemic, and it included free childcare.

It had three priority areas that we wanted to achieve through this, including making sure parents stayed engaged with their childcare centre, so when we came out of this pandemic they would be able to go back to that centre as they went back into employment.

When we announced this, we said we would have a four-week review process.

And that four-week review process has taken place.

We are now looking at that review and we will have further refinements to make.

As you know, when you make a significant change like we did, we paused the existing system, and in the space of days, put in place a new system. And we knew, at that time, there would be certain unintended consequences that we would have to work through, and that's why we put a four-week review process into play.

block-time updated-timeUpdated at 6.12am BST

block-time published-time 6.03am BST

Labor's deputy leader, Richard Marles, has asked about [*evidence from the audit office that on*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*26 March 2019*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) "the prime minister's office had advised the minister's office that it was expected that the minister would write to the prime minister to seek 'authority' on the approved projects and inform the prime minister of the 'roll out plan'".

In response, Scott Morrison doubled down on his statement to parliament that "no authorisation" was provided by him and Bridget McKenzie was the decision-maker on sports grants.

" The only authority sought was in relation to announcements," he said.

So Morrison has produced a distinction between authority to give sports grants to recipient clubs and authority to announce the decisions. That is not a distinction made by the Australian National Audit Office in its evidence - which was that the PMO asked McKenzie to seek "'authority' on the approved projects", not authority on the announcements.

Let's also remember that McKenzie said she signed the final brief on 4 April 2019, and yet [*a flurry of late changes were made*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078), including on 11 April, the day the election was called, even after the government went into caretaker mode.

The question also got a try in the Senate, where Mathias Cormann employed the same defence that Morrison was responsible for "announcement arrangements" but the projects "had been approved by the minister".

block-time updated-timeUpdated at 6.14am BST

block-time published-time 6.00am BST

That's it. One question on an issue which saw the government spend $100m in a way no one can explain whether they had the legal authority to do so.

block-time published-time 5.57am BST

In Senate question time, the Greens senator Sarah Hanson-Young raises concerns about the conflict of interest arrangements for members of the Covid commission.

Hanson-Young tells the Senate the government "has stacked their Covid commission full of mining executives and developers who are hellbent on cutting green tape". She asks what the government will do to "ensure their mates aren't feathering their own nests".

The leader of the government in the Senate, Mathias Cormann, rejects the arguments in the questions, arguing the membership is "a broad cross-section".

He says individuals are required to declare their own interests.

Let me just say that the people who are serving on the National Covid Coordination Commission are distinguished Australians who are providing great service to our country at a difficult time.

block-time updated-timeUpdated at 6.09am BST

block-time published-time 5.57am BST

Oh thank Beyonce. We get to sports rorts.

Richard Marles to Scott Morison :

Why did the prime minister tell the house on February 27 that in relation to sports rorts and I quote, authority for these decisions was the minister for sport, when in fact the audit officers told the parliament that the prime minister's office told the minister for sports and I quote, it was expected that the minister would write to the prime minister to seek authority on the approved projects.

Morrison:

I refer the member to my many statements on this. The authority for making the decisions in relation to that program was the minister for sport. That is the fact, Mr Speaker.

It may be inconvenient for the opposition that that is the fact, that that is the fact, Mr Speaker. The only authority sought from the prime minister's office and for myself was in relation to announcements.

Scott Morrison at the dispatch box during question time today. Photograph: Sam Mooy/Getty Images

The questions move on to a dixer, giving Stuart Robert a chance to act like a minister.

block-time updated-timeUpdated at 6.20am BST

block-time published-time 5.54am BST

"When the chips are down with Australians, all Australians chip in," says Alan Tudge, sending me looking for chips to fill my existential despair at political discourse in this country.

block-time published-time 5.53am BST

Jim Chalmers to Josh Frydenberg:

Figures released today show annual wages growth slowed to a two-year low in the first quarter of this year before the worst of the coronavirus outbreak. Is this the kind of economy the government wants to snap back to?

Frydenberg:

As I said in the House yesterday, the impact on household consumption and household savings, there will be an impact on wages and there will be a significant, a significant impact across the economy.

But I do want to point out to the member for Rankin that under this government, the minimum wage has gone up every year, Mr Speaker. Every year, Mr Speaker. And the reality is...

Chalmers: It didn't go up under you!

Frydenberg:

The member for Rankin is getting angry because he is irrelevant to the debate. He has been talking down the economy before the crisis and he is now talking down the economy through the crisis and he will be talking down the economy after the crisis. The Australian people understand and trust the Coalition to manage the economy better than Labor ever will.

I mean, it is not talking down to point out what was actually happening. But ugh.

Meanwhile, not covered off, sports rorts or the Angus Taylor grassland questions, because it is much better to dress up political points as questions, then try to get the government on the record. Apparently.

block-time updated-timeUpdated at 6.06am BST

block-time published-time 5.46am BST

Jason Clare to Michael Sukkar:

Will the government develop a housing construction industry stimulus plan to keep Australia's almost 1 million bricklayers, carpenters, electricians and lots of other workers in the housing construction industry in a job?

Look. There are a lot of words Sukkar says in response here, but none of them are in the form of an actual answer and we only have one life to live.

Andrew Laming has now brought Christian Porter to the dispatch box, and he's decided to use David Littleproud's template of a loudly striped tie in lieu of a personality today, so I am going to go get a cup of tea.

block-time updated-timeUpdated at 6.04am BST

block-time published-time 5.40am BST

And I thank the very fine member for Wentworth for that question," says Karen Andrews to Dave Sharma.

block-time updated-timeUpdated at 5.41am BST

block-time published-time 5.39am BST

Tony Burke to Josh Frydenberg:

Can the treasurer explain why an 18-year-old living at home and has been working a shift a week at a McDonald's franchise is receiving the full $1,500 jobkeeper wage subsidy but a full-time Australian worker at Dnata providing catering services to Qantas with a mortgage to repay is not eligible?

Frydenberg:

Firstly, let me say we very much understand the difficult circumstances that businesses and workers right across the country are facing with this coronavirus pandemic. As the honourable member said himself in this House yesterday, this is a health crisis that has created an economic crisis.

Now, Mr Speaker, we responded with $130bn jobkeeper program, we set out very clearly what were the criteria for eligibility under that program including for full-time workers, for part-time workers, for long-term casuals based on a definition in the Fair Work Act as well we doubled the jobseeker payment effectively, the old Newstart, Mr Speaker, which is $1,100 a fortnight, Mr Speaker.

We have taken unprecedented economic steps. Some people will be eligible for the jobseeker program, others for the jobkeeper program. More than a million Australians are on the jobseeker program, and when it comes to jobkeeper program, over 800,000 businesses are formally enrolled, representing 5.5 million Australian workers.

block-time updated-timeUpdated at 5.43am BST

block-time published-time 5.36am BST

Tanya Plibersek to Josh Frydenberg:

My question is to the treasurer: Can the treasurer explain why a university student working one shift per week receives the full $1,500 jobkeeper wage subsidy but their full-time university tutor with three kids to support is not eligible?

Frydenberg:

Well, Mr Speaker, we set out very clearly that with respect to universities that they would be subject to the threshold tests of 30% and 50%, depending on their turnover, but we also made the decision as a government to provide the commonwealth grants to the universities to ensure that they are receiving money equivalent to what their enrolments would have been pre-Covid.

Mr Speaker, that's some $18bn. We will see government support for the university sector over this year, that's very substantial indeed.

Sidenote - Frydenberg is showing as much enthusiasm to sit in the chamber today as I do to engage with Rick and Morty.

block-time updated-timeUpdated at 5.40am BST

block-time published-time 5.34am BST

Nick McKim is one of the first out of the block to criticise the latest bill to expand the powers of Australia's security agencies (the Dutton bill we have been reporting on in the blog today):

Yet again, Peter Dutton is trying to increase powers of security agencies without even trying to explain his reasons.

Nor has he tried to give any possible justification for the need to interrogate children as young as 14.

To use the pandemic as cover for the increased scope of the surveillance state is dangerous and cynical.

The National Terrorism Threat in Australia hasn't increased for more than five years, and yet we have been confronted with wave after wave of legislation.

There have been more than 200 pieces of 'counter terror' legislation passed in Australia since 2001 and very few have been relaxed or withdrawn.

Australia desperately needs a Charter of Rights to protect our basic freedoms.

block-time updated-timeUpdated at 6.03am BST

block-time published-time 5.30am BST

Every single dixer being asked just reminds me how many frustrated would-be school captains sit on the government backbenches.

block-time published-time 5.29am BST

Anthony Albanese to Scott Morrison:

How can the Australian people trust the prime minister with Covid-19 recovery when he was complacent in the lead up to the bushfires despite a clear warning from experts and months after the bushfires debris is still there but, more importantly, survivors are still living in caravans and showering in community halls.

Morrison:

This government, Mr Speaker, this government put in place the national bushfire recovery fund in January this year, Mr Speaker - $2bn was set aside to support the work of the national bushfire recovery agency, Mr Speaker.

That fund was intended to acquit some $500m by June 30 of this year. We estimate that that figure will exceed over $1bn by June 30 this year.

Small business support grants of some $10,000 have now been provided to over 170,000 small businesses affected across the bushfire-affected areas.

In total, small business support has been over $200m to support those small businesses that were so devastated. Mr Speaker, there has also been 1.5m approvals for small businesses on the grants up to $50m, $50,000 I should say, for small businesses seeking their support.

Primary producer grants have been provided to the tune of some $127m to primary producers who are affected by these arrangements.

The work is being done to clear debris and that estimated cost is over half $1bn, Mr Speaker, over $500m.

And as was reported earlier this week, South Australia will have largely completed that task very shortly. New South Wales, who are managing that work, will have completed that task by the end of June as indicated earlier this year. And in Victoria, we understand that that task will be completed by August of this year.

As the leader of the opposition knows, the matters of accommodation for those are affected and they are matters handled by the states and territories and we have not received, to the best of my knowledge, that any request outstanding from the commonwealth to provide support for accommodation in these communities, and I look to the minister for management and he indicates that is the case. Mr Speaker, we will deal with crises every time they impact on this country and we will do it methodically and steadily and Australians are seeing that in action. If the leader of the opposition wants to these things, that is a matter for him.

block-time updated-timeUpdated at 5.38am BST

block-time published-time 5.22am BST

Bob Katter has the crossbench question today, and he uses the word 'can' to start his sentence, so you would assume it is a question, but it is actually just another Katter word-soup that leaves everyone looking like Bob Katter usually looks whenever someone asks him his name.

North Queensland is shovel ready and Covid-19 free. The rail line, the gasification. Not absorbing money but making money projects and back in black, highway to hell. Treasurer, cough up the money. Make money.

Josh Frydenberg barely even cracks a smile. He says the government is moving forward with north Queensland projects, before giving the nod to Angus Taylor, who, from the backbench, encourages Katter to keep talking to the Clean Energy Corporation.

block-time updated-timeUpdated at 5.27am BST

block-time published-time 5.18am BST

Joel Fitzgibbon to Scott Morrison:

What is the government doing to assist red meat growers and producers affected by recent trade restrictions announced by China and to protect the thousands of jobs currently at risk including abattoir workers in southern Queensland and northern New South Wales?

Morrison:

We hold concerns for the way this issue is being progressed at this point in time. This is a matter that the government has been raising now for a considerable period of time.

In fact I have done so on several occasions in my direct meetings with the premier, most recently late last year.

So this is an issue that has been running for some time in relation to dumping. We reject any suggestion of those matters being relevant to Australia's exports, particularly of barley.

Australian ***agriculture*** is not one supported by subsidy, it is one supported by the ingenuity and good management of the Australian ***agricultural*** sector. And so any suggestion that Australia's ***agricultural*** exports are the subject of government subsidisation is rejected.

And these are the points that we make directly as part of a comprehensive and strategic partnership that was concluded many years ago and we are continuing to use the channels of that relationship and that partnership to be able to progress those matters as well as directly with the relevant authorities in China regarding their anti-dumping review in relation to barley.

Similarly, relations in matter to abattoirs are important to progress. They relate to what is claimed to be paperwork and administration issues in relation to Australian meat exports and we will continue to advocate and set out the Australian case clearly.

Let me be clear about one thing. Australia stands firmly behind our ***agricultural*** producers and we stand firmly about where we see the role of the Australian economy in the broader world. We have great confidence in our outlook as a trading nation and we engage with all partners in good faith with the purpose of ensuring the increasing global trade.

That is the basis for our relationship the Chinese government when it comes to a comprehensive strategic partnership. It works across many different areas and has been a highly successful agreement. From time to time there will be differences in views and we will progress them constructively in the national interest, always in the national interest.

block-time updated-timeUpdated at 5.23am BST

block-time published-time 5.16am BST

Michael McCormack is at the dispatch box, talking about fibre and whatnot, but is only serving to remind me that his speeches are a pretty wonderful substitute for All-Bran.

block-time updated-timeUpdated at 5.25am BST

block-time published-time 5.14am BST

And as you can see, we are back to the non-answers, non-acknowledgement, and the old 'deflect and attack' lines. Cool, cool, cool.

block-time updated-timeUpdated at 5.15am BST

block-time published-time 5.13am BST

Anthony Albanese to Scott Morrison:

My question is addressed to the prime minister: Does the prime minister stand by his claim businesses, the economy and his budget will snap back?

Morrison:

I have every confidence in Australian businesses, Mr Speaker, and it's more than confidence in Australian businesses to rebuild on the other side of this crisis.

I have confidence of businesses being at the centre of our economy and the regrowth that we will see in our economy that will support the incomes and livelihoods of Australians, not just now, but in the decades into the future because as Liberal and Nationals, we have never believed that government should be at the centre of the economy, that Australians should see a future for themselves, only being dependent on the support of other taxpayers, but seeing their own livelihoods being supported by businesses investing and creating jobs, Mr Speaker.

Some 1.5 million jobs created over these last six and a half years and those jobs have been decimated, Mr Speaker, by this terrible Covid crisis that has hit the world. But in the same way when we came to government and we rebuilt the nation's finances and we rebuilt the strength of the economy, Mr Speaker, and, Mr Speaker, that led to 1.5 million Australians getting into jobs.

Australians can have confidence on the other side of this crisis the government, Mr Speaker, can apply the same discipline, the same faith and the same confidence in Australians' spirits and the innovative nature that we have seen as businesses have adapted in the, in this crisis.

Now the leader of the opposition, Mr Speaker, may want to engage in the semantics of this, but I can tell you what I'm engaged in, Mr Speaker - and that is, that is, Mr Speaker - the fortitude and the strength of the Australian people and the strength of the Australian economy, which even still in the midst of this crisis, even still, with the delivery of the single largest income support package this country has ever seen.

Rating agencies around the world know we've got this covered and it's true as we sought to raise the finances necessary to pay for that economic lifeline to Australians, then the subscription of our bonds, Mr Speaker, has been subscribed over and over and over again and the... reason for that, Mr Speaker, is because people have confidence in this country.

I have confidence in... this country and I believe this country will bounce back and bounce strongly under the leadership of this government.

block-time updated-timeUpdated at 5.20am BST

block-time published-time 5.07am BST

Question time begins

Chris Bowen gets today's first question:

The Australian Psychological Society, Headspace and other experts say many Australians will need more than 10 mental health consultations to cope with the flow-on effects of Covid-19. To the government's credit, it adopted Labor's suggestion to increase the cap on Medicare mental health services in response to this summer's bushfires. Will it do the same in relation to Covid-19?

Greg Hunt:

One of the things we have done is invest very strongly in mental health.

There have been a range of inputs and I thank the opposition for their input and I thank all of those who have contributed. In relation to mental health and the coronavirus epidemic in Australia, in particular we have invested $669m in telehealth of which I'm advised 47.7% of all consultations in the previous week with regards to standard mental health items were conducted over the phone.

In addition to that, what we have also seen is that general telehealth items have very significantly been for mental health.

So it doesn't have to be confined to the particular mechanism which the member outlines.

What we have opened up with telehealth is a much broader ability to access services in conjunction with the services provided through telehealth, we have also made sure that there were psychological and psychiatric items that were also made available. On top of that, there was a $74m investment focusing on support services for people, mostly online or through telehealth, through organisations such as the Black Dog Institute for healthcare workers, Origin for young people, Lifeline, Kids Line, so many other different support groups. And in particular, Beyond Blue has led the coronavirus activity.

So with to other proposals, the government will always consider them. What we have done already is on the advice of the mental health officers, the chief medical officer, in particular the chair - or CEO - of the National Mental Health Commission and the prime minister's suicide prevention adviser, Christine Morgan, establish the arrangements which are in place. These have been critical to help save lives and protect lives during what is a difficult period and where there are proposals we'd always review them.

What we have done so far, I would say, is potentially world leading and in particular the national cabinet will be considering the national mental health pandemic plan this week and we are making very good process with the states and I want to thank the prime minister for his support and his leadership in drawing that into the national cabinet.

Scott Morrison arrives for question time in the House of Representatives this afternoon. Photograph: Mike Bowers/The Guardian

block-time updated-timeUpdated at 5.29am BST

block-time published-time 4.53am BST

Bob Katter is currently on ABC TV looking like he just heard audio of one of his speeches.

block-time updated-timeUpdated at 4.54am BST

block-time published-time 4.50am BST

We are on the downhill run to question time.

Given it is no longer economy day, expect to hear about some of the other issues which have not been given the attention they deserve.

block-time updated-timeUpdated at 4.52am BST

block-time published-time 4.39am BST

AAP has the deets on the new deputy chief medical officer for mental health:

Australia has a new mental health official to help prevent a spike in suicides related to the coronavirus.

Former chief psychiatrist of Victoria, Ruth Vine, has been appointed as the country's first deputy chief medical officer for mental health.

Vine will listen to community concerns and provide advice to the federal government, with a focus on anxiety linked to social distancing and economic stress.

Health minister Greg Hunt announced the appointment on Wednesday, saying the Covid-19 pandemic, bushfires and drought had affected Australians' mental health.

"These impacts will be felt by people of all ages and across all our communities," he told parliament.

Hunt said the government was monitoring the use of mental health services so it can respond to demand.

Australia's political leaders will discuss a national mental health pandemic response plan on Friday.

The minister also intends to make expanded access to telehealth services a permanent fixture.

Government modelling has forecast a 50% increase in suicide cases directly related to the economic shutdown and the associated distress.

The modelling also points to the possibility of suicides outstripping direct deaths from coronavirus.

"One of the things we are aware of is that whilst we're practising physical distancing we should also be engaging in the social contact over the phone, in whatever way we can, to tell people that we're there, we understand," Hunt said.

"They may be isolated but they're not alone."

Professor Vine will sit alongside chief medical officer Brendan Murphy, who recommended mental health be treated as a priority.

Suicide Prevention Australia and the National Mental Health Commission both welcomed her appointment, saying it recognised the importance of mental health.

Lifeline 13 11 14

beyondblue 1300 22 4636

block-time updated-timeUpdated at 4.41am BST

block-time published-time 4.16am BST

'We need more democracy': Greens ramp up calls for parliament to return as usual

The Greens are getting louder in the calls to have parliament return as usual ahead of August. It was adjourned until August at the last emergency sitting, but given that the government is attempting to reopen the economy, it kinda has to reopen parliament too. So that's why we are here in this sitting, which Scott Morrison called a "trial", but is actually just parliament (trials are not a thing with parliament. It either sits or it doesn't and the parliament decides how it makes that happen.)

Yesterday Christian Porter said a revised sitting calendar was being worked on to bring back parliament ahead of the August scheduled sitting, but there has been no word on when that will be made public.

Larissa Waters says parliament needs to be recalled after this sitting as soon as possible.

The Covid crisis response and the plan for recovery demand more transparency in government decision-making. The Senate Covid committee plays a critical role, but is no substitute for full parliamentary oversight.

We need more democracy during this time, not less. We need to ensure that Australia's recovery is fair, effective, and guided by expert advice. We need parliament to return.

The Greens are calling for both houses to sit in June to fix gaps in the jobkeeper scheme, introduce rights to pandemic leave, consider banking royal commission legislation, and debate the merits of the government's proposed gas-led recovery.

We must ensure we don't come out the other side having brought this coronovirus under control but finding ourselves with our democracy eroded and hard-fought for rights lost."

block-time updated-timeUpdated at 4.20am BST

block-time published-time 4.12am BST

The Community and Public Sector Union - which represents non-academic staff at unis - is pretty annoyed about a deal between the NTEU and management allowing pay cuts.

Troy Wright, the CPSU NSW assistant general secretary, said the deal was "cooked up behind closed doors between academics and universities" and will cut pay, particularly for the lowest paid staff.

He said:

A 15% wage cut may only be a haircut for high-paid academics, but for the professional staff of universities it is a life-altering cut to their pay packet.

There are a range of smarter cost saving measures universities could take before an indiscriminate slash to wages. But, it would seem the NTEU's leather-elbow-patched-brigade would rather librarians, student services and admin staff on less than $70,000 take a 15% cut to their pay, than see their travel allowances reduced.

There is a better way to find savings and secure jobs. We're going to each NSW university under pressure and asking them to open their books and demonstrate they've exhausted all their borrowings. We're also calling on them to cease capital works, terminate contingent labour and have a through review of executive salaries before they begin slashing the take home pay of all employees.

This framework isn't binding - it's an entirely theoretical exercise that universities may or may not sign up to. Rather than going on a case-by-case basis to find savings and compromises, this is a knee-jerk response which leaves workers worse off."

block-time updated-timeUpdated at 4.14am BST

block-time published-time 4.08am BST

ACT reports no new Covid-19 cases

The ACT remains active (and known) Covid-19 case free, with no one diagnosed with the virus in the last 24 hours.

block-time updated-timeUpdated at 4.11am BST

block-time published-time 4.07am BST

Victorian police change lockdown fine procedure

Police in Victoria now need approval from their supervisor before issuing a fine for breaching lockdown laws.

The change means that only two people were fined for breaching lockdown laws in the past 24-hours - and remember the relaxed restrictions only came into force at midnight last night.

Requiring supervisor approval is a significant change, when you consider how many people have been hit with $1,600 on-the-spot fines in the seven weeks since the first stay at home directions were issued. It also pretty much removes the "on-the-spot" element - police said it's likely there will now be delays "in a breach being detected and a fine being issued".

In a statement, Victoria police said the new process was due to the updated directions from the chief health officer, [*announced on Monday*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

You can read those new directions [*here*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

Police said:

"Victoria police recognises there may be some genuine ambiguity from the community and police members alike regarding the interpretation of the new directions.

"This new process will assist in providing a fair and balanced approach to all breaches and ensure accuracy in offence determination.

"It also ensures a heightened level of discretion."

As we've previously reported, there was a fair bit of confusion in the public about what the previous orders meant and how they were enforced as well and [*accusations of "aggressive" policing.*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

The timing of the rule change by police, coming the day after police were criticised for not issuing more on-the-spot fines at an anti-lockdown protest, is probably going to ruffle a few feathers.

block-time updated-timeUpdated at 4.12am BST

block-time published-time 4.00am BST

Over in the Senate, Kim Carr is absolutely teeing off against the Daily Telegraph stories [*on the "Wuhan lab" stories*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

The Sydney Morning Herald and the Age's Eryk Bagshaw and Anthony Galloway did [*an excellent deep dive into the origins of those stories, here*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

block-time updated-timeUpdated at 4.02am BST

block-time published-time 3.48am BST

Payne rejects suggestions government not setting right tone with China

The foreign affairs minister, Marise Payne, has pushed back at suggestions the government is not setting the right tone in its dealings with China.

Earlier today the Labor leader, Anthony Albanese, called on Payne and the government to "take control of this and exercise a little bit of discipline in their ranks" to avoid inflaming tensions.

"It would be pretty handy if we heard more from the foreign minister and less from people like George Christensen," Albanese told reporters in Murrumbateman.

During an interview with Kieran Gilbert on Sky News - which will go to air later today - Payne said she did not want to be drawn into an argument with the opposition, but was focused on managing Australia's "complex international relationships".

She said the government was handling the issues in a considered way in the Australian interest.

I think the tone is being very carefully set by the prime minister and by me in my capacity and other ministers who are engaged on these issues," Payne said.

block-time updated-timeUpdated at 3.57am BST

block-time published-time 3.47am BST

Peter Dutton reports the anti-fraud taskforce it established in relation to the bushfire and Covid-19 payments, "Taskforce Iris" has made its first arrest - a 34-year-old western Sydney man:

It is alleged that since January 2020, the man had assumed up to 11 identities as well as 53 fictitious identities to submit a number of claims for government benefits. These include:

* 65 fraudulent claims for the Australian Government Disaster Recovery Payment in the context of the summer 2019-20 bushfires;1 fraudulent claim for Newstart allowance;2 fraudulent claims for jobseeker payments, which includes the coronavirus supplement that is intended to support the rate of jobseeker payment due to the impact of the coronavirus.

The value of fraudulent payments the man allegedly tried to claim is approximately $70,550 in total.

The man has been charged with a number of commonwealth offences, including obtaining a financial advantage by deception. Some of these offences carry penalties of up to a maximum of 10 years in prison.

block-time updated-timeUpdated at 3.50am BST

block-time published-time 3.45am BST

OK, we have a little more information on what the Covid commissioners are being paid, following questioning from Katy Gallagher to Stephanie Foster from the Department of Prime Minister and Cabinet.

Here's who is on it:

* Neville Power. Chairman, National Covid -19 Coordination Commission (NCCC)

1. David Thodey AO, deputy chairman
2. The Hon Greg Combet AM
3. Jane Halton AO PSM FAICD FIPPA
4. Paul Little AO
5. Catherine Tanna
6. Peter Harris AO chief executive officer
7. Andrew N Liveris

[*You can find out more about who is on the commission, here*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

Foster says there are five commissioners supporting the chair.

One has asked not to be paid, four are working for a day rate of $2,000, with three working around two days a week and one working one day a week.

Katy Gallagher a sks what Nev Power is receiving as chair and is told that, as a full-time roll (for six months) he is receiving $500,000, which is also meant to cover his travel and accomodation costs.

block-time updated-timeUpdated at 3.47am BST

block-time published-time 3.30am BST

Labor also believes the government's sudden interest in medical cannabis exports is related to One Nation's position on the consultation period for enterprise agreements, Paul Karp tells me.

One Nation's position on that was to push back by suggesting it will allow the shorter consultation (one day) but limit the effect of cuts to 12 months.

block-time updated-timeUpdated at 3.34am BST

block-time published-time 3.28am BST

Nev Power paid $500,000 to head Covid commission for six months

Nev Power's salary has just been made public in the Covid committee. He will be paid $500,000 for six months work.

He is heading up the business link in the Covid Commission. Most of the other commissioners are being paid $2,000 a day. At the moment they are working about two days a week.

block-time updated-timeUpdated at 3.57am BST

block-time published-time 3.25am BST

So yes, that one will be sent to the parliamentary security and intelligence committee, I would suspect, but keep in mind it has been entered into the parliament with very little fanfare during a pandemic.

Given that it allows for 14-year-olds to be questioned by security agencies, increases surveillance, adds in "acts of foreign interference" and "politically motivated violence" into reasons for a questioning warrant, which are some pretty broad definitions, and makes it easier (streamlining is just another word for easier) for tracking devices to be used, including oral authorisations for a questioning warrant, there needs to be a lot more attention paid to this one.

block-time updated-timeUpdated at 3.35am BST

block-time published-time 3.19am BST

Peter Dutton bill allows for Asio questioning of 14-year-olds

In fact, the latest Peter Dutton bill does quite a bit:

1. The bill amends the compulsory questioning framework in the Asio Act by:

enabling Asio's continued use of questioning warrants, but removing its ability to use questioning and detention warrants;

replacing the existing detention framework with a more limited apprehension framework to ensure attendance during questioning and to prevent contact with others or the destruction of information;

enabling the use of questioning warrants in relation to espionage, politically motivated violence (including terrorism) and acts of foreign interference, as defined in section 4 of the Asio Act, rather than only in relation to terrorism offences;

streamlining the process for requesting and issuing a questioning warrant by enabling the attorney general to issue questioning warrants directly, removing the role of the issuing authority;

enabling Asio to request, and the attorney general to issue, questioning warrants orally in an emergency;

amending the eligibility requirements for appointment of prescribed authorities, to enable a broader pool of qualified persons to be appointed to this role;

providing the power for a police officer to conduct a search of a person who is apprehended in connection with a questioning warrant, and the ability to seize dangerous items and items that could be used to communicate the existence of the warrant or escape from custody, with an additional ability to seize items of intelligence relevant to the questioning matter, when authorised by the attorney general;

introducing screening measures and person searches for people attending questioning, either as the subject of the questioning warrant or others involved in the questioning process such as parents, and the ability of a police officer to retain any dangerous items and communications devices found in order to ensure the safety of those involved in questioning, and the integrity of the questioning;

subject to a number of safeguards - permitting Asio to seek a questioning warrant in relation to minors aged 14 to 18 years old, but only where the minor is themselves the target of an Asio investigation in relation to politically motivated violence;

strengthening the right to legal representation during questioning while retaining the ability to prevent contact with specific lawyers due to security concerns, and to remove a lawyer who is unduly disruptive during questioning;

introducing the ability of the independent prescribed authority to appoint a lawyer for the subject of a questioning warrant in certain circumstances; and

enabling a questioning warrant to be executed following the laying of charges against the person who is the subject of a questioning warrant, or where charges against that person are likely, and allow for the questioning to cover matters that are the subject of those charges with appropriate protections in relation to the person's fair trial.

block-time updated-timeUpdated at 3.56am BST

block-time published-time 3.17am BST

That new security bill Peter Dutton introduced into the parliament this morning includes a lot of amendments to "tracking devices" and internal authorisations within security agencies, for them to be used.

Which means security agencies could approve the use of tracking devices internally. They wouldn't need a warrant.

From the explanatory notes:

The Bill also amends the surveillance device framework in the ASIO Act to promote increased operational agility, mitigate the risk to ASIO surveillance operatives engaging in physical surveillance and to help resolve the current disadvantage faced by ASIO when engaging in joint operations with law enforcement. The Bill amends the ASIO Act in this regard by:

enabling ASIO to use tracking devices with internal authorisation in certain circumstances, rather than requiring a warrant;

clarifying that the surveillance device framework is permissive and does not require ASIO to obtain a warrant where conduct would not otherwise be unlawful; and

updating the definition of 'tracking device' and effectively modernising ASIO's capabilities.

You can find [*the whole bill here*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

block-time updated-timeUpdated at 3.35am BST

block-time published-time 3.07am BST

So that is a yes - Pauline Hanson is in the box seat for those disallowance motions Paul has been reporting about.

And on the same day, the government is just coincidently trying to rush through a piece of legislation on medical cannabis she has wanted, that it only just introduced to the parliament today.

block-time updated-timeUpdated at 3.36am BST

block-time published-time 3.05am BST

Centre Alliance's Rex Patrick has confirmed that his party will support the Labor/Greens disallowance to help universities access jobkeeper, and the Labor motion to extend the wage subsidy to foreign government-owned companies with local workers.

He said:

The jobkeeper money is directed at Australian workers - not the companies.

That was the same argument the Liberal MP Craig Kelly [*made in the Coalition party room yesterday*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) when sticking up for workers at the airline catering company Dnata.

The Transport Workers' Union and Australian Council of Trade Unions are both lobbying senators to pass the disallowances.

No word on Pauline Hanson's One Nation but, given that Lambie and Centre Alliance are on board, they are the swing votes.

block-time updated-timeUpdated at 3.37am BST

block-time published-time 3.02am BST

I am still making my way through reading this legislation, but yes, this is in there.

enltrUnder cover of a pandemic Dutton quietly tables legislation to allow kids as young as 14 to be detained by ASIO. Australia is becoming even more of a police state and we desperately need a Charter of Rights. [*pic.twitter.com/pqE1wf84Sn*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Nick McKim (@NickMcKim)

[*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 3.37am BST

block-time published-time 2.55am BST

The Liberal senator James Paterson gave an interesting adjournment speech in the Senate last night, blasting universities for over-reliance on China.

Paterson said:

One thing [Covid-19 has] made clear already is the overreliance of our higher education institutions on the international student market, and the Chinese student market in particular. Over the last few decades, our universities have bet big on the international student dollar. Their institutions have boomed from what has been a very lucrative business. But they have become badly overexposed...

Universities argue that they've pursued this market by necessity. They argue insufficient government funding pushed them down this path. It's a convenient story that attempts to absolve universities from responsibility for decisions they have made, and it's a false one.

Paterson noted that increasing international enrolments coincided with uncapping of university places, growing domestic student places and government funding.

He reveals that he's been sent details of the University of Queensland's remuneration structure. He claims one of the vice-chancellor's performance indicators is to "continue to work towards a sound and strategic positioning in China".

UQ is also supposed to cultivate students from south-east Asia and India, but Paterson says it has had less success doing so.

Paterson argued that over-reliance on China particularly puts rights including "free speech, or the principle of free and open academic inquiry, or the right to protest for students" at risk, given the stance of the Chinese Communist party. He argued against direct funding of courses by the Chinese government and alleged inadequate protection of academic freedom at the Confucius Institute.

Paterson said:

Given that we now know that the vice-chancellor was financially incentivised to deliver closer relations with the CCP, it is no wonder that the University of Queensland has found itself in such a predicament.

It begs the question: is he the only VC in Australia to receive a bonus for exposing his university to financial and reputational risk by actively seeking dependence on the Chinese student market?"

block-time updated-timeUpdated at 3.39am BST

block-time published-time 2.53am BST

Western Australia reports no new Covid-19 cases

Western Australia has no new cases of Covid to report in the last 24 hours.

There are only six active cases in the state, although there is still one person in the ICU.

block-time updated-timeUpdated at 3.44am BST

block-time published-time 2.30am BST

I've confirmed that Senator Jacqui Lambie will be voting with Labor and the Greens to restore the consultation period for pay cuts back to one week (up from 24 hours under new government rules).

Lambie has discussed with Labor the disallowance to extend jobkeeper to more universities and foreign government-owned businesses, such as the airline catering company, Dnata.

She has concerns about job losses but hasn't arrived at a final position.

A vote is expected at 6pm, although Centre Alliance and One Nation are the critical votes on that.

The Transport Workers' Union national secretary, Michael Kaine, is urging a vote for the disallowance:

Dnata workers are ringing their federal MPs and senators urging them to support this motion because their families depend on it. We have workers who are struggling to pay bills, struggling to get medical supplies for their kids, eating whatever tinned food they have in their house to avoid buying groceries. They have been weeks without pay now and many fear they won't even qualify for jobseeker. They are Australian workers who pay their taxes and feel very let down.

block-time updated-timeUpdated at 2.48am BST

block-time published-time 2.29am BST

enltrIn the Covid Senate Committee, I asked the head of Prime Minister & Cabinet- the PM's right hand man in the Public Service- does the Cabinet of the Federal Government have to endorse the decisions of National Cabinet? Simple question... long pause... not so simple answer ?? [*pic.twitter.com/Pcksj6Wa5H*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Kristina Keneally (@KKeneally)

[*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 2.10am BST

The National Tertiary Education Union has announced a deal with university management that would allow pay cuts of up to 15% in return for saving jobs in the Covid-19 contraction.

It believes the emergency move could save 12,000 jobs.

In a statement the NTEU explained it had done so because:

Universities are looking at a sector-wide revenue loss of up to $5 billion during 2020 and more in subsequent years, due to a collapse in international and domestic enrolments. University employees are also excluded from the jobkeeper program.

Under the deal:

* No university employee will be involuntarily stood down without pay.

1. On a temporary basis of one year, some staff at deeply affected universities will receive 85 per cent of their salary. The vast majority of affected staff will receive between 90 and 95 per cent of their former salary. People on lower wages will not be affected.
2. Temporary salary reductions will only happen after non-staff costs and management salaries have been reduced.
3. Non-wage conditions such as superannuation and leave continue to accrue at the standard rate.
4. Displaced casual and fixed-term staff will be prioritised for new work.
5. Redundancies will only happen in cases where a university can explicitly prove there is no work.

NTEU president, Alison Barnes, said: "There are no perfect options in a crisis. In the absence of a properly funded federal crisis package our Union has intervened to put income security and fairness at the centre of a national response.

"Without this agreement, we faced mass sackings which would have seen careers derailed and livelihoods destroyed."

The deal will still have to be voted on by workers, [*and the NTEU dealing with management is very controversial in the sector*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

block-time updated-timeUpdated at 2.50am BST

block-time published-time 2.10am BST

A couple more bills to keep an eye on.

This one from Peter Dutton.

enltrMinister for Home Affairs [*@PeterDutton\_MP*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) introduced Australian Security Intelligence Organisation Amendment Bill 2020   [*https://t.co/4QthlvA3cX*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*#auspol*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Political Alert (@political\_alert) [*May 13, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

And the [*payment reporting time bill from Karen Andrews*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078), which is designed to:

The Payment Times Reporting Bill (the Bill) introduces a new Payment Times Reporting Scheme (the Scheme) which requires large businesses and large government enterprises with an annual total income of over $100 million to publicly report on their payment terms and practices for their small business suppliers. In identifying small business suppliers, the Scheme will draw on a taxation legislation definition of small business as those entities with an annual turnover of less than $10 million.

The objective of the Scheme is to improve payment outcomes for small businesses by creating transparency around the payment practices of large business entities. By providing access to information on large business payment performance, small businesses will be able to make a more informed decision about their potential customers. Greater transparency on payment practices and performance will also create pressure for cultural change to improve payment times.

block-time updated-timeUpdated at 2.50am BST

block-time published-time 2.05am BST

A federal court judge says he will make orders allowing Virgin Australia to start giving "conditional credits" for cancelled flights.

But at a hearing this morning John Middleton stopped short of allowing administrators of the largely grounded airline to avoid large swathes of the liabilities they're running up while in charge of the company after the attorney general and the Taxation Office asked for more time to consider the issue.

[*As Guardian Australia reported,*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) Virgin Australia's administrators stopped giving refunds and flight credits for cancelled trips after they took control of the airline.

The administrators, partners at ***accounting*** firm Deloitte, did this because otherwise they faced being personally liable for the money.

But they've [*told the court the move put them at a competitive disadvantage*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

The proposal Middleton said he would approve will allow the administrators to offer flight credits but not cash refunds.

Meanwhile, the Attorney General's Department and the ATO have been given until Friday to decide if they object to other orders proposed by the administrators.

The AG's department wanted the time to think about the administrators' desire to disclaim personal responsibility for jobkeeper payments, while the issue for the ATO appears to relate to inter-company loans.

block-time updated-timeUpdated at 2.52am BST

block-time published-time 1.50am BST

An [*editorial in China's state-backed English-language paper, Global Times*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078), has sounded a warning to Australia, saying import suspensions and potential tariffs are not necessarily punishment but should serve as a "wake-up call".

The editorial says Australia's support for an inquiry into the source and origin of the virus has worsened a relationship already damaged by Australia's "unfriendly actions" towards China, including the blocking of Huawei from the 5G network.

And if Australia is feeling worried about Chinese retaliation?

Well, it should.

"The latest meat import suspension and the possible imposition of major tariffs on Australia's barley exports don't necessarily represent China's economic punishment for Australia, though they may serve as a wake-up call for Australia to reflect on its economic links with China," it says.

"While China is the only choice for Australia's massive commodity exports, Australia is not necessarily the only option for China."

It also notes, just out of interest, that China could replace Australian meat imports with supplies from the US, the very country Australia has sided with.

"Of course, China's willingness to maintain a cooperative relationship with Australia hasn't changed, and it is now up to Australia to decide what to do next."

block-time updated-timeUpdated at 2.54am BST

block-time published-time 1.48am BST

Paul Karp tells me the disallowance motion, which Labor, supported by the Greens, are putting forward to extend jobkeeper, is expected to be put to the Senate about 6pm.

Pauline Hanson's two votes are enough to block it, if she is not on board. And suddenly, the government has a bill which she has been hankering for rushing through the parliament.

block-time updated-timeUpdated at 2.54am BST

block-time published-time 1.41am BST

What else have we learned in the Covid hearing this morning?

The secretary of PM&C, Phil Gaetjens, doesn't have a lot of answers over how national cabinet works in association with the usual cabinet.

So he couldn't answer whether or not the cabinet cabinet has to endorse the decisions by the national cabinet. He also couldn't answer whether or not there was a handbook to guide national cabinet proceedings (a standard in the public service), and referred to the cabinet handbook, which wouldn't mention the national cabinet, because as we keep hearing, we haven't seen this level of cooperation in the federation before.

He told the committee to look at the PM&C website. Which also doesn't seem to have the answers.

Obviously, this is, using the word of 2020, "unprecedented" - but it is not as though Gaetjens didn't know he was appearing in front of this committee today.

block-time updated-timeUpdated at 2.55am BST

block-time published-time 1.30am BST

Brendan Murphy also just told the committee that he would be surprised if "the true international caseload isn't closer to the 20m mark".

block-time updated-timeUpdated at 2.55am BST

block-time published-time 1.24am BST

This is a little bit strange.

David Littleproud just introduced this bill into the House - Export Control Legislation Amendment (Certification of Narcotic Exports) Bill 2020 - which would make it easier for Australian companies to export medical cannabis.

That would be particularly good news for Queensland, which is building up quite the industry in that sector.

So normal so far.

It gets weird with the timing - despite introducing it today, Littleproud wants the parliament to be dealt with today. So the government wants it rushed through the parliament on the same day it is introduced, which is usually only reserved for emergency bills, or fixing messes.

This is not that.

But it is something that Pauline Hanson has been chasing for quite some time. And the government needs Hanson to vote to against extending jobkeeper to universities, extending jobkeeper to foreign government-owned companies with local workers and restoring the one-week consultation period for pay cuts.

Deidre Chambers!

block-time updated-timeUpdated at 2.57am BST

block-time published-time 1.19am BST

Chief medical officer warns border restrictions will be in place for some time

Victorians may be enjoying a few more freedoms today, and other states and territories have seen a slight relaxation of the restriction rules - but don't expect travel to return to normal any time soon.

Australia's chief medical officer, Brendan Murphy, was asked about the border closures in the Senate select committee hearing this morning and replied:

I cannot see border measures materially changing for some time and that presents a huge problem for the nation.

Australia is still seeing new cases of Covid-19 diagnosed each week from returned travellers, who are still being sent into forced quarantine.

block-time updated-timeUpdated at 2.58am BST

block-time published-time 1.04am BST

The Greens have advised me that they support Labor's attempt to extend jobkeeper to foreign government-owned companies with local workers, like the airline catering company Dnata.

Labor and the Greens need four out of five crossbench votes for that motion and a bid to improve universities' ability to access the $130bn jobkeeper wage subsidy. They're lobbying the crossbench this morning.

There is further movement on [*the consultation period for employers seeking cuts to conditions*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) in workplace pay deals.

Centre Alliance's Stirling Griff told Guardian Australia that 24 hours is "not enough" but the party is "supportive of something closer to the three-day mark".

That's a new compromise, the rules now say 24 hours and Labor and the Greens are trying to restore a period of one week.

Griff also said there was "some merit" in One Nation's proposal that emergency cuts should only last for 12 months.

block-time updated-timeUpdated at 2.59am BST

block-time published-time 12.59am BST

The backbench has found its groove.

enltrNationals MP George Christensen accuses China of bullying and coercion. "I'm very worried about what China is doing at the moment, they're harming our primary industries, it's all a bullying and coercive exercise and it shouldn't go on" [*@SBSNews*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*#auspol*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) ????????   [*pic.twitter.com/Y2jenN7Asv*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Pablo Viñales (@pablovinales)

[*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 2.59am BST

block-time published-time 12.58am BST

Insert jokes here.

enltrPremier announcing 3 thousand litres of free beer going to the outback pubs and clubs. It's XXXX Gold [*@7NewsBrisbane*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*pic.twitter.com/GrFtsQAJGI*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Marlina Whop (@MarlinaWhop) [*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 3.00am BST

block-time published-time 12.54am BST

The Queensland premier, Annastacia Palaszczuk, is at the XXXX brewery because it is law that the Queensland premier stand in front of the XXXX sign wearing hi-vis at least once a year.

The state has no new cases in the last 24 hours, but an old case has been added to its total of 1,052 Covid cases. There are 18 active cases in Queensland.

block-time updated-timeUpdated at 3.01am BST

block-time published-time 12.49am BST

Anthony Albanese is campaigning in Eden-Monaro - he lays out what Labor's main byelection line will be:

I was say this to the people of Eden-Monaro. If you think the government has been perfect, then you will make that decision. If you think the government needs improvement, if you think they could have better prepared for the bushfires, if you think they could have dealt with the crisis while the bushfires were going better, if you think the recovery should have been better, then send them a message, send the Coalition government a message, because they, quite frankly, are taking the people of Eden-Monaro for granted. That's why they're engaging in all this self-indulgent behaviour.

block-time updated-timeUpdated at 3.01am BST

block-time published-time 12.48am BST

Victoria has recorded seven new cases in the last 24 hours. None have been come from Cedar Meats although three previous tests have been linked back to the meat-processing plants, so that cluster is now responsible for 88 infections.

block-time updated-timeUpdated at 3.01am BST

block-time published-time 12.43am BST

Still in the Covid committee, and Rex Patrick is asking about the denial of his FoI request - this is how he described it two weeks ago:

In anticipation of the Senate COVID-19 Committee inquiry, Senator Patrick lodged a Freedom of Information request for the early briefings provided to Prime Minister Morrison on the beginning of the coronavirus outbreak.

"I was hopeful that the Department would release some useful information that would shed light on the Government's early assessments and responses in January. A high level of transparency is essential if we are to learn all the lessons we can from the experience of this terrible pandemic."

However the Department of Prime Minister & Cabinet has refused access to all of the requested briefings given to the Prime Minister at the beginning of the crisis.

Patrick asks Phil Gaetjens if he can see the "hypocrisy" of denying the request while demanding China's ruling party be transparent. Gaetjens says he does not see the hypocrisy.

block-time updated-timeUpdated at 12.51am BST

block-time published-time 12.40am BST

Peter Whish-Wilson is trying to find out what documents from the national cabinet will be made "cabinet in confidence" - he is talking specifically of any advice from the manufacturing taskforce in relation to gas regulation, it seems.

The committee chair, Katy Gallagher, says he has run out of time.

Whish-Wilson is not happy.

Gallagher thanks him for the feedback: "It's always welcome."

Whish-Wilson is appearing via video link so he is at a disadvantage.

block-time updated-timeUpdated at 12.50am BST

block-time published-time 12.33am BST

Fun fact, Michael Pezzullo, who heads up Home Affairs, also does not sit in on national cabinet.

Even though he heas up the National Coordination Mechanism.

Brendan Murphy seems to be the only first medical officer in the room - none of the other state or territory leaders take in their chief medical officers.

enltrThe PM&C Secretary Phil Gaetjens and the CMO Professor Brendan Murphy give evidence to the COVID-19 Senate committee. [*@mpbowers*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*@AmyRemeikis*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*@murpharoo*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*pic.twitter.com/5zFTebC5Oo*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Lyndal Curtis (@lyndalcurtis)

[*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 12.31am BST

The Liberal senator James Paterson (who has used his lockdown time to grow an iso-beard) asks the chief medical officer, Prof Brendan Murphy, about Kawasaki disease - a rare, potentially fatal, disease in children, which has been linked to a small number of children diagnosed with Covid-19 internationally.

Murphy says there have been no cases linked to Covid in Australia but it is something they are watching, although he says the association between Covid and Kawasaki is not clear at this stage.

When you have millions of the population infected, there are obviously more children and there does seem to be an association between an increased incidence of this condition and potentially covered positive children, it's probably a reflection of probably in New York City, for example, they're likely to be several thousand children infected because you're dealing with potentially hundreds of thousands of people.

So it's it's a very really rare association where it's not clear. Kawasaki disease can be set off by other viral infections ...

We think that it's it's one of those rare things that is emerged because of this the huge burden of the infected load. In those countries, it may appear in other countries with large, very large volumes of infected people, but because it's so rare, it's unlikely to be seen in Australia. But we'll obviously, we've got alerts on us and we're clearly watching it.

block-time updated-timeUpdated at 12.47am BST

block-time published-time 12.19am BST

It's Kopika's fifth birthday.

It's the third birthday she has spent in detention, along with her family, after they were taken from Biolela. She is now with her family [*in the Christmas Island detention centre*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078).

block-time updated-timeUpdated at 12.28am BST

block-time published-time 12.16am BST

So far, questioning of PM&C head Phil Gaetjens is around who attends national cabinet, in terms of public servants. Greg Hunt does not sit on the national cabinet (which we knew, given he has held press conferences, while national cabinet was being held)

block-time updated-timeUpdated at 12.20am BST

block-time published-time 12.14am BST

Labor's Katy Gallagher and Centre Alliance's Rex Patrick will ask the Senate today to schedule Senate estimates in the week from 15 to 19 June. The Greens also support the motion.

If the motion is successful, Senate estimates committees will hear:

* On 15 June and 16 June from the environment and communications, finance and public administration, legal and constitutional affairs, and rural and regional affairs and transport portfolios

1. On 17 and 18 June from the community affairs, economics, education and employment, and foreign affairs, defence and trade portfolios
2. On 19 June from the Indigenous matters and on Murray-Darling basin plan portfolios

block-time updated-timeUpdated at 1.42am BST

block-time published-time 12.06am BST

The Senate select committee on Covid-19 hearing has begun - the Department of Prime Minister and Cabinet secretary, Phil Gaetjens, is up first.

He is reading his opening statement, which is a recap of what has been done so far.

"This crisis will be a marathon not a sprint," Gaetjens said of his message to Australia's public servants.

block-time updated-timeUpdated at 12.12am BST

block-time published-time 11.54pm BST

Australia's biggest bank, the Commonwealth Bank, has set aside an additional $1.5bn for loans that go bad due to the coronavirus crisis.

In a quarterly trading update out this morning, its chief executive, Matt Comyn, said despite the pandemic the bank had performed well in the three months to the end of March, making a profit of $1.3bn.

The bank is the last of the big-four banks to report on the impact of the virus on its business, and its provisions bring to a total of $5.8bn the amount the group - CBA, Westpac, NAB and ANZ - expects to suffer in bad loans due to the crisis.

Comyn said:

Today's announcement of an additional credit provision of $1.5bn for the potential longer-term impacts of Covid-19 further reinforces our already strong provisioning and balance sheet settings.

The strength and resilience of the bank remained evident through the March quarter. Our people have continued to serve our customers diligently and professionally under challenging circumstances.

block-time updated-timeUpdated at 12.09am BST

block-time published-time 11.53pm BST

The Global Times newspaper tends to be the more shouty and hawkish of the Communist party of China-run state media.

So when it has an editorial slamming a particular country or action, it's essentially treated as an angry diplomatic cable.

It turned that attention to Australia in its latest editorial, warning of economic consequences if relations continue to deteriorate:

Australian media outlets have shown great concern over the likelihood that China may soon impose major tariffs on barley exports from Australia, as the move could become the symbolic start to a series of retaliatory measures against the country.

Some Australian media have deliberately politicized the issue, describing it as China's retaliation to Australia's attempt to blame China for the pandemic by calling for an inquiry into the origins of the coronavirus outbreak. However, the fact is that the decision on Chinese tariffs will be based on an anti-dumping investigation into Australia's exported barley that has been ongoing for almost 18 months.

If anything, Australia's worries over potential tariffs underline the anxiety surrounding deteriorating China-Australia relations. Since China-US relations hit their lowest point in decades amid the Covid-19 crisis, relations between China and Australia have been heading in the same direction. Australian politicians have made no secret of their desire to follow the US, joining in on the China blame game. If China-US ties continue to deteriorate, the uncertainty surrounding China-Australia relations will also increase.

Such uncertainty will inevitably lead to economic repercussions. In this sense, it now seems necessary to advise Chinese people and companies to watch out for potential risks when it comes to doing business with or studying in Australia.

Fundamentally speaking, it is not in the interests of people in China and Australia if the latter's politicians continue to take unfriendly actions and launch political attacks on the former. China-US relations are now in trouble, and if Australia chooses to follow, that would not only negatively impact its relations with China but would also come at the cost of its own economy and trade.

In fact, the importance of China to Australia's economy may be far greater than some Australian politicians estimate. China is Australia's largest export destination, with exports to China ***accounting*** for about one third of its total exports. China is the main buyer of Australia's commodities, farm products and education services.

There is a need for Australia to reposition its role in regional geopolitics rather than becoming the lapdog of the US. It needs to rethink its relationships with the US and China at this juncture. Given its economic ties with Asian countries are closer than those it has with western nations, it may be more in its interests to focus on how to further integrate into the Asian industrial chain.

block-time updated-timeUpdated at 12.11am BST

block-time published-time 11.44pm BST

Amid all this, the Eden-Monaro byelection is still to be scheduled.

Labor isn't messing around - Anthony Albanese will be out there this morning, with the party's candidate, Kristy McBain, and Catherine King for a doorstop at Murrumbateman.

But then Labor can do that - it has a candidate. The Coalition is still trying to work out what to do, [*given the whole John Barilaro/Andrew Constance/Michael McCormack mess.*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 12.33am BST

block-time published-time 11.36pm BST

Soon, we shall all hear the bells.

enltrThe House will sit today. Daily Program: Wednesday, 13 May 2020 [*https://t.co/9tVCARL0PG*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Australian House of Representatives (@AboutTheHouse)

[*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 12.33am BST

block-time published-time 11.28pm BST

The government is still attempting to navigate increasingly delicate trading issues with China, most recently how to work through the delisting of four major Australian abattoirs.

On this issue though, Senator Concetta Fierravanti-Wells has never been backwards in coming forwards.

enltr [*@Gallo\_Ways*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) Another air-head comment from the 'couch'. We had 6 years of 'instagram diplomacy' that ignored   [*#CCP*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078) skulduggery and 'debt trap diplomacy'!   [*#auspol*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Concetta Fierravanti-Wells (@Senator\_CFW)

[*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 12.34am BST

block-time published-time 11.21pm BST

The select Senate committee looking at the Covid-19 response will hold a hearing this morning from 9am, with the Department of Prime Minister and Cabinet secretary, Phil Gaetjens, slated to appear.

It is pretty rare for the head of PM&C to appear in front of these committees.

The chief medical officer, Prof Brendan Murphy, will also appear. That's less rare.

block-time updated-timeUpdated at 12.34am BST

block-time published-time 11.17pm BST

Australia's Covid-19 death toll rises to 98 after 22nd fatality linked to Ruby Princess

The NSW chief medical officer, Dr Kerry Chant, reported that an 81-year-old woman, who had tested positive for Covid-19, died overnight.

She had been a passenger on the Ruby Princess cruise ship and disembarked on 19 March.

It's the 22nd death linked to that cruise ship and the 98th for the nation.

block-time updated-timeUpdated at 12.35am BST

block-time published-time 11.10pm BST

And a reminder that for a lot of other countries, life is very, very far from anything approaching normal.

enltrThe crew of the Australian-owned cruise ship Greg Mortimer have started disembarking in Montevideo after being in virus lockdown off Uruguay for more than a month. [*#Coronavirus*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*#7NEWS*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*https://t.co/PYeWYEeDrB*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- 7NEWS Melbourne (@7NewsMelbourne) [*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 11.13pm BST

block-time published-time 11.08pm BST

Gladys Berejiklian:

Our success won't be measured by the number of cases we get every day, our success will be measured equally by how many people keep their jobs and don't experience the stress and diminishing quality of life that so many people have in the past couple of weeks and we want to focus on people having job security and have the good quality of life.

Of the six new cases of Covid-19 diagnosed overnight, three are still having their origins tested. That's the number to watch - the community ***transmissions***.

block-time updated-timeUpdated at 12.36am BST

block-time published-time 11.07pm BST

But the NSW premier says she expects the number of new Covid-19 cases will increase as restrictions are relaxed.

The number of patients in intensive care is very low with Covid but we know once we ease restrictions it won't be the case.

But if you look around the world, many communities who are easing restrictions aren't in the position NSW is in.

Many communities around the world easing restrictions still have the case numbers in the hundreds every day, which would be untenable for us, which means thousands of people would have been in ICUs and an untenable situation.

We should feel very fortunate we are in a position as we ease restrictions, to have the case numbers, it gives us options but it also means we have to maintain our vigilance and get tested if we have the mildest symptoms and stay home if we worry we have been in contact with somebody.

I can't stress enough, when you are with people you know very well, even outdoors, you tend to forget to socially distance.

We can't let it happen. Inside a household it is fine, but outside, with the people you live with, even if they are members of your extended family or very close friends, don't think you can't pass the virus to each other. Please be careful.

block-time updated-timeUpdated at 12.37am BST

block-time published-time 11.05pm BST

NSW reports six new Covid-19 cases

Gladys Berejiklian, right on Gladys Berejiklian time, is delivering the latest NSW update (it's how I know it is time for my second coffee).

Six people in NSW tested positive for Covid-19 overnight.

That's from 8,100 tests.

I was very pleased to have brought to my attention a number of international reports that says NSW has the highest rate of testing in the world. It is something we are incredibly proud of, something we need to maintain. I always say to our experts and my team here in NSW, there is no way we can't lead the world in the way we deal with the pandemic moving forward, and give good advice to our citizens to keep us safe and look at parts of our community, parts of business in particular that we can activate without having any adverse impacts on health.

We know from Friday we will analyse the ***data*** closely because we appreciate once you ease any restriction, there is more activities and a chance of people getting the virus or passing it on to others.

block-time updated-timeUpdated at 12.38am BST

block-time published-time 11.00pm BST

Parliament is also ticking over, although there is still no word on what the revised sitting schedule will look like.

Budget estimates was scheduled from 25 May but it is a little hard to have budget estimates without a budget. Still though, there are quite a few MPs who would like the opportunity to scrutinise government spending and decisions.

You have Amy Remeikis and Mike Bowers to guide you through the parliamentary day, plus Katharine Murphy, Paul Karp and Daniel Hurst.

Thank you for joining us.

block-time updated-timeUpdated at 12.39am BST

block-time published-time 10.51pm BST

Today is also the first day of lockdown laws being eased in Victoria. Many have gotten up early to enjoy their newfound freedom in the dreary Melbourne weather.

enltrRelieved fishermen are back on Kerferd Road Pier in Middle Park. ?? [*pic.twitter.com/wlHpiuvBOq*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- Paul Dowsley (@pauldowsley7) [*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 10.54pm BST

block-time published-time 10.45pm BST

Here are Hunt's full remarks on a disease that has been popping up in small numbers in the US.

enltrPrime Minister Scott Morrison has asked for more information on a mysterious illness suspected to have killed three chilren in the US. The Chief Medical Officer is examining whether it's linked to COVID-19 and will report to national cabinet this week, says [*@GregHuntMP*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)   [*pic.twitter.com/kTN1MaqT0b*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

- News Breakfast (@BreakfastNews)

[*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time published-time 10.42pm BST

I mentioned tensions between Australia and China just before. If you want to get up to date with that branch of the Covid-19 tree, I can recommend this report by Daniel Hurst.

Related: [*Australia-China trade tensions raise fears over future of* ***agricultural*** *exports*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 10.48pm BST

block-time published-time 10.36pm BST

The Australian Council of Trade Unions president, Michele O'Neil, has spoken to the ABC this morning. She has criticised the government actions that have lead to increased tensions with China:

I think it's really important that in a time of crisis that we don't create new crises. It's really important that we manage to continue to have good, strong relationships with where our goods are exported to, and our services.

Our views that the focus of the government the moment, the focus of everyone, should be on getting us through this pandemic, rebuilding the economy, supporting the creation of new jobs, and not putting at risk any of the trade arrangements we currently have in place.

block-time updated-timeUpdated at 12.45am BST

block-time published-time 10.30pm BST

Hunt has been asked about a disease potentially linked to Covid-19, which has reportedly been associated with the deaths of three children in the US.

Prof Brendan Murphy, the chief medical officer, has requested advice from paediatric experts around Australia.

He and Paul Kelly, the deputy chief medical officer, are also seeking advice from overseas. They're providing a briefing to the national cabinet this week. At this stage, there has been no signs of that condition in Australia.

What they're determining is the relationship between it and Covid-19, whether it's in some way triggered or caused by Covid-19 or whether with the mass testing that has been done a condition which is otherwise there has been shown up.

But I'll leave that to experts. We've taken it very seriously.

block-time updated-timeUpdated at 12.44am BST

block-time published-time 10.25pm BST

The federal health minister, Greg Hunt, is speaking on ABC News Breakfast now.

Hunt confirmed Assoc Prof Ruth Vine has been appointing as deputy chief medical officer for mental health:

We do know whenever there is an economic downturn there is strong evidence that mental health challenges rise.

As part of that, we're preparing now on two fronts: one is to particularly focus on the mental health concerns during and potentially flowing from the pandemic. And they could be anxiety about health, anxiety or depression relating to the lockdowns, but they're progressively lifting, and also economic anxiety which is what is so important to get people back to work.

At the same time what we're doing is providing support through Beyond Blue, Lifeline, KidsHelp Line and Head Space and we're making a permanent change which is the establishment of a deputy chief medical officer for health, which Prof Brendan Murphy has strongly supported.

block-time updated-timeUpdated at 12.43am BST

block-time published-time 10.21pm BST

The independent MP Zali Steggall says she is increasingly concerned about the Morrison government's influential [*National Covid Coordination Commission*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078), because there is "no transparency about its governance or processes".

Guardian Australia's political editor, Katharine Murphy, has the full report below:

Related: [*Zali Steggall increasingly concerned about Morrison government's Covid Commission*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

block-time updated-timeUpdated at 12.42am BST

block-time published-time 10.18pm BST

Government to appoint first deputy chief ­medical officer for mental health

The federal government is expected to appoint Assoc Prof Ruth Vine to plan the mental health response to the coronavirus pandemic, reports the AAP.

The health minister, Greg Hunt, is expected to make a statement on mental health today while Vine, the former chief psychiatrist for Victoria, has been selected for the role, the Australian newspaper reports.

Government modelling forecasts a 50% increase in suicides directly related to the economic shutdown and the associated distress, with the possibility they could outstrip direct deaths from coronavirus.

"A priority on the road out of the pandemic is supporting the mental health and wellbeing of all Australians," Hunt will say, according to the newspaper.

"Supporting the mental health of Australians is a deep personal passion of mine and a priority of this government."

Vine will sit alongside the chief medical officer, Brendan Murphy, who recommended mental health be treated as a priority.

block-time updated-timeUpdated at 12.41am BST

block-time published-time 9.59pm BST

Good morning and welcome to our coverage of the coronavirus crisis in Australia.

This morning the treasurer, Josh Frydenberg, has revealed he has tested negative to Covid-19, after suffering a coughing fit in parliament yesterday.

enltrYesterday I was tested for COVID-19 out of an abundance of caution on the advice of the Deputy Chief Medical Officer. This morning I received the result of the test which was negative.

- Josh Frydenberg (@JoshFrydenberg) [*May 12, 2020*](https://www.theguardian.com/world/live/2020/may/13/australia-coronavirus-live-updates-nsw-victoria-qld-testing-latest-news-update?page=with:block-5ebbc6b78f08a55ecde59078#block-5ebbc6b78f08a55ecde59078)

If you missed the coughing fit that prompted the test, you can watch it here:

Here are yesterday's major developments you might have missed:

* China has suspended imports from four big Australian abattoirs, but the trade minister, Simon Birmingham, said it was a "technical" issue.

1. The foreign affairs minister, Marise Payne, said she was not consulted before George Christensen announced he wanted to summon the Chinese ambassador to face questions before a parliamentary committee.
2. The federal government's budget update showed GDP is forecast to fall by more than 10% in the June quarter, the largest on record, and unemployment will reach about 10%, or 1.4 million people.
3. Eight new cases have been diagnosed linked to the Cedar Meats abattoir, taking the total to 85.

block-time updated-timeUpdated at 12.40am BST

14604 2020-05-13T07:00:00Z true 2020-05-12T20:59:32Z false false 2020-05-13T20:51:30Z false AUS theguardian.com [*https://gu.com/p/dp3k7*](https://gu.com/p/dp3k7) false true   [*https://media.guim.co.uk/0744724cc978d8705e11022a7a7c54a0a305276e/0\_0\_5174\_3103/500.jpg*](https://media.guim.co.uk/0744724cc978d8705e11022a7a7c54a0a305276e/0_0_5174_3103/500.jpg) false en true And with that, we'll be closing the blog tonight. Thanks for reading and stay safe. We will be back covering all the developments tomorrow. Here is what happened today: Some NSW pubs with restaurants and sit-down dining tables will be allowed to reopen on Friday. Only 10 people will be allowed in the premises, and tables will still have be 1.5 metres apart. The Queensland government announced it will bid for Virgin Australia, and that could include a "direct equity stake" in the airline. Worksafe in Victoria will investigate the coronavirus cluster at the Cedar Meats abattoir. The govenment's Covid-19 coordination adviser, former Fortescue Metals chief executive Nev Power, is being paid $267,345 for six months' work. The Department of Prime Minister and Cabinet had to correct its own evidence, after it told a senate inquiry Power was being paid $500,000. The money is an allowance for travel costs, not a salary. The Therapeutic Goods Administration has fined an Australian chapter of the Genesis II Church of Health and Healing more than $150,000 for selling and promoting a solution containing industrial bleach as an alleged cure for coronavirus. Coronavirus tests brought to Australia by the mining billionaire Andrew "Twiggy" Forrest at a cost of $200m to the Australian taxpayer are not being used by most state and territory governments and have instead been sent to the national medical stockpile. Treasurer Josh Frydenberg tested negative for Covid-19 after a scare prompted by a coughing fit. The federal government appointed its first deputy chief medical officer for mental health, Assoc Prof Ruth Vine. Australia's Covid-19 toll rose to 98 after an 81-year-old woman, who was a passenger on the Ruby Princess, died in NSW overnight. Australia recorded 13 new cases of Covid-19 on Wednesday - seven in Victoria and six in NSW. Pubs with restaurants and sit-down dining tables will be allowed to reopen on Friday, as part of the NSW government's already announced easing of restrictions. Cafes and restaurants were already slated to reopen - and the NSW treasurer, Dominic Perrottet, has clarified this includes the dining portions of some pubs. But only 10 people will be allowed in the premises at one time. And tables will still have be 1.5m apart. The rules are still unclear, and are a matter for the public health order, but a spokesperson for the Treasury told Guardian Australia that pubs would, most likely, not need an entirely separate restaurant section to be able to open. Pubs in which they served food at sit-down tables near a bar area would likely be allowed to open and operate as a restaurant, the spokesperson said. Alcohol could be served with a meal, but the bar itself would still be closed. And from earlier, here is Paul Karp's full story on Scott Morrison's explanation today on the sports rorts saga. From our reporter Matilda Boseley, Worksafe in Victoria will investigate the coronavirus cluster at the Cedar Meats abattoir. And on the news of Queensland's bid for Virgin Australia, home affairs minister Peter Dutton has said the pitch is "laughable". One Nation leader Pauline Hanson has called Labor's shadow immigration minister, Kristina Keneally, a "closet One Nation supporter" after her recent comments and opinion article in the Sydney Morning Herald about reducing immigration. In a speech in the Senate 30 minutes ago, Hanson said Keneally had proven that One Nation's arguments were "so powerful" that "even a staunch opponent" would adopt them. Hanson said: Reading through some of the recent comments made by senator Keneally, I can only assume she has spent much of her time in quarantine reading through my speeches from 1996. Perhaps senator Keneally might want to make an admission today that she is a closet One Nation supporter... I know it took Mark Latham a couple of decades to come out of the One Nation closet. I want to say thank you... because I know she will not be getting much support from her Labor colleagues. Greens senator Mehreen Faruqi tweeted that Labor had "normalised" anti-migrant politics. The full statement on the remuneration of Nev Power, the Covid-19 coordination adviser, is now in. The Department of Prime Minister and Cabinet has clarified that his true contract is worth $267,345 - almost half what the department told the Senate earlier today. Earlier, Stephanie Foster, an associate secretary of the department, said Power had a six-month contract with "around $500,000" in allowances (not salary). But in a fuller statement, the department said: Mr Power's flights, accommodation and other incidental travel costs are being covered in his role as NCCC chair - however he is not receiving a salary. The PM&C estimated travel to and from Canberra valued at approximately $6,000 per return trip each week, $350 per night for accommodation and incidentals such as food and taxis, and additional extra expenses set to be incurred from other travel once internal border restrictions ease. It is expected that Mr Power will perform his duties as chair of the NCCC for a period of approximately six months. This equates to $267,345 (plus GST). Earlier today, officials from the Department of Prime Minister and Cabinet told the Senate committee examining the government's Covid-19 response that the chair of the coordination commission, the former Fortescue Metals chief, Nev Power, was being paid $500,000 for his advisory role, which was expected to run for six months. The prime minister's office has told me that figure is wrong, and the department will be issuing a statement clarifying the evidence. We'll bring you an update when we have it. In his statement, Cameron Dick also said that two airlines were "critical to Australia's economy". The Queensland treasurer said: We have the opportunity to retain not only head office and crew staff in Queensland, but also to grow jobs in the repairs, maintenance and overhaul sector and support both direct and indirect jobs in our tourism sector. We saw the punishing increase to the cost of flights after the Ansett collapse, and this government will not stand by and let that happen again. Queensland Investment Corporation, led by CEO Damien Frawley, will advise government on all aspects of the bid, including the optimal partner group, the quantum and structure of the state's contribution, as well as probity and governance. The Queensland state government will bid for Virgin Australia, the new treasurer, Cameron Dick, has announced. In a statement, the treasurer said he has appointed Queensland Investment Corporation, a government-owned investment company, to pursue a bid that could include a "direct equity stake" in the airline. "The government's investment could take the form of a direct equity stake, a loan, guarantee or other financial incentives," Dick said. The Senate has voted down a motion to make the new jobseeker rate permanent. The unemployment benefit, which was formerly called Newstart, was at $40 a day until it was doubled at the start of the coronavirus pandemic. The motion from the Greens senator Rachel Siewert called for the increase, to about $1,115 a fortnight, to be made permanent. The rate has not been raised above inflation since 1994. Siewert said: I can't see how anybody can think that it is OK to return the jobseeker payment to the old rate of $40 a day. We can and should choose to support people who are not in work, particularly when we know very well that we are in an economic downturn and it will be difficult for many people to find work. Hi everyone, it's Naaman Zhou here. Thanks to Amy Remeikis and Matilda Boseley for their incredible dual coronavirus and parliament blogging. In some breaking news from media correspondent Amanda Meade, the head of Australia's peak body for travel agents has resigned after he said the A Current Affair host Tracy Grimshaw should be "given a firm uppercut or a slap across the face". Jayson Westbury made the comments in an industry webinar in which he criticised the show's coverage of the travel industry. On that note, I am going to hand you over to Naaman Zhou. Your Canberra Guardian crew will be back with you from early tomorrow morning. As will whatever is left of me. Take care of you. That feeling when it is the day after your birthday: Triggered. Still not using his elbow. That feeling when no one wishes you a happy birthday: The president of the Australian Law Council, Pauline Wright, says the organisation has concerns about Peter Dutton's latest security bill: The proposal to reduce the age of minors who may be subject to questioning from 16 to 14 years and the conferral of powers on police to apprehend and detain persons for the purpose of bringing them in for compulsory questioning also requires detailed scrutiny by the Law Council, amongst the many other amendments. The Law Council is concerned that the government is now rushing the Bill, despite having had over two years to develop the re-designed questioning legislation since the PJCIS tabled its report in May 2018. Now there is a sense of urgency given that ASIO's current questioning powers are due to sunset in 7 September, and the amendments are set to commence by or before that date. This is not a Bill to be hurried through. The Law Council will need to carefully scrutinise the Bill and we look forward to providing a comprehensive submission to the inquiry. In a Sky News interview broadcast just now, the foreign minister, Marise Payne, has stuck to the government's lines about taking a constructive and considered approach to the China relationship, while backbenchers speaking out are simply exercising free speech. Interestingly, Payne said she had "never had a problem" trying to connect with her counterpart. The signs are that the trade minister, Simon Bimingham, hasn't had such luck, at least at this early stage. Birmingham said during Senate question time today he was yet to secure a conversation with his Chinese counterpart, but hoped this could be arranged soon. On the barley and red meat issues, Birminham told the Senate that China had made clear publicly and privately that these were "technical matters". So Christian Porter is talking on why the inquiry is necessary and Mark Dreyfus will respond on why it's terrible and then we will go to a vote, which Labor will lose. There is a division in the house as Labor tries to stop Christian Porter setting up an inquiry into class actions and litigation funding. Here is Mark Dreyfus on why Labor doesn't want the inquiry: Litigation funding and class actions provide a vital path to justice for ordinary Australians trying to uphold their rights against wealthy defendants with vastly greater resources. Just last November the federal court ruled in favour of the three lead applicants in a class action of more than 1,350 women who sued Johnson & Johnson and two subsidiaries for negligence in relation to pelvic mesh implants. It's no coincidence this inquiry was first proposed in March just days after 10,000 victims of the Morrison government's cruel robodebt scheme signed up to a class action to defend their legal rights. Contrary to government claims, research by commercial law firm Allens found the total number of class action filings was actually down 20% in 2019. Shareholder actions were actually down 63% and so far this year there are just three new shareholder cases - none of which relate to Covid-19 matters. Significantly, the biggest cause of new cases in 2019 came from consumer actions arising from the banking royal commission that the government voted 26 times to prevent. Daniel Hurst is watching Marise Payne talk with Kieran Gilbert over on Sky on this same issue, so we'll bring you that when the interview finishes airing. Patricia Karvelas asks Simon Birmingham how he can say the relationship between China and Australia hasn't soured, given China's reaction: I've simply highlighted what the Chinese government has said publicly and privately in relation to these matters - they are technical issues in relation to trade practices and processes, that they relate to matters that have been ongoing or under investigation for periods relating to 12 to 18 months. They have said that. We have to respond as best as we can in good faith in putting forward the arguments that address those technical issues. If we're being told they are the reasons why these permits have been cancelled, or in relation to the barley dispute, here is the process it is being assessed under, well, the first port of response rightly for the Australian government is to engage in good faith, comprehensively, using evidence to refute any of the arguments put within those processes. The NRL player Nathan Cleary has been fined $1,000 by New South Wales police for breaking social distancing rules following the TikTok drama that has earned him a two-game ban and $30,000 fine for misleading the league's integrity unit. He is asked whether there is any timing on that chat. Simon Birmingham: Well, look, the ball is very much in their court of the Chinese government. We have made very clear that I am available and keen to have a discussion where we can discuss and canvas some of these trade-related matters. There are other global issues in relation to WTO operation and the like that no doubt we will canvas as well during the conversation, but this is not the sole pathway for the Australian government to make representations to the Chinese government. That is why we have a very active embassy in Beijing, with strong connections and engagement into other avenues and parts of the Chinese government, and of course it's why we support industry in their direct engagement in response to the particular technical requests of what China has raised with us. Simon Birmingham is on the ABC's Afternoon Briefing. Patricia Karvelas asks if he has heard back from his Chinese counterpart yet, about when is a good time to have a phone chat about the latest 'issues' that have flared up over trade: We don't have one scheduled as yet. I hope China will be willing to engage in those discussions, but they're not the only pathway we are pursuing to try to resolve these issues in relation to the beef sector and the barley industry and we'll make sure we pursue every avenue available to us, starting very much with using the technical administrative pathways that are available because of the nature of the type of issues that China has initiated investigations or actions around. Alternatively, before and after iso: Rewatching the end of question time, Tony Burke had a 'personal explanation' to make and spills some tea about the weekly meetings the opposition leadership has been having with the government leadership (which was the compromise offered after Anthony Albanese was denied a seat on the national cabinet, and the parliament wasn't sitting). After this, I am not sure if those weekly catch-ups will be ongoing. Asked if he had claimed to have been misrepresented (the standard reason for a personal explanation), Burke says he does: Yesterday during debate on an amendment I had moved, which would have demanded the government produce the new sitting calendar, the leader of the House (Christian Porter) said statements I had personally made were inaccurate, by claiming that in private meetings, which I had personally attended, the government had, and I quote the leader of the House, 'clearly explained there will be additional sitting weeks', end quote. This statement is false. While I would normally not disclose the conduct of private meetings, given the leader of the House has made this false statement about me to the House, I wish to confirm the following four points. One, in the meeting with the leadership of the government, on 7 May 2020, the government did not state that it would provide additional sitting weeks, but merely that it might. Two, this was to be based on an assessment, that was to be taken, and I quote, 'a couple of days', end quote, after parliament had risen, based on whether there had been an outbreak of Covid-19 as a result of these sittings. Three, given the virus has an incubation period of weeks not days, this position was always absurd. Four, the minister's misrepresentation of these statements also presumes the government has been forthcoming with accurate information at these meetings, which is challenged by the fact that on issues as straightforward as whether there would be changes to jobkeeper, the government has provided information at these meetings which was proven to be false the very next day. Kristina Keneally has given Labor's first response to Peter Dutton's latest bill: Labor is committed to the safety and security of all Australians and will always take the advice of our national security agencies. The powers in this legislation are ongoing matters which have been extensively considered since they were first created by John Howard. We would expect the legislation introduced today - including any new measures - to be considered by the Parliamentary Committee on Intelligence and Security, as is normal practice. When the Government asks Australians to trust them - just like they have with the response to Covid-19 - it's only reasonable for their actions to be properly scrutinised. While question time was happening, you may have missed these stories: The NRL player Nathan Cleary could yet be fined by New South Wales police for breaching social distancing guidelines, despite having initially avoided any police sanctions, AAP reports. The Penrith Panthers star is to be interviewed again today after it was alleged he left his home during the day in question in contravention of the Covid-19 measures. "We are looking at it," detective inspector Jason Pietruszka told AAP. "We're reviewing his original information and we'll be speaking with him later on today. And if that information is found to be false, then he'll be issued with a ticket as per the health order. We'll treat it for what it is and he'll be given a ticket." Cleary was originally cleared by police of breaking coronavirus restrictions when he was photographed with friends at his house. Five women received $1,000 police fines for flouting government protocols. However, after video emerged of Cleary in TikTok videos with the same group, the NRL handed him a two-game ban and $30,000 fine for being "untruthful" in dealings with the integrity unit. Cleary originally received a $10,000 fine, 60% suspended, as well as a suspended one-match ban after initial league investigations. As I typed that, I had to reload the page three times in order for it to post. For some reason, every single MP who asks a dixer is getting a herogram lately, about just how crucial a cog they are to Australia's democracy. Bert van Manen gets his for his "longstanding interest" in the NBN. I also have a longstanding interest in the NBN. In that I would like it to work. After the second question on failures within the Covid childcare package, Dan Tehan admits there is a need for "refinements" (which is just a word for fixes): What we have put in place was a significant, significant package, to enable the sector to get through the pandemic, and it included free childcare. It had three priority areas that we wanted to achieve through this, including making sure parents stayed engaged with their childcare centre, so when we came out of this pandemic they would be able to go back to that centre as they went back into employment. When we announced this, we said we would have a four-week review process. And that four-week review process has taken place. We are now looking at that review and we will have further refinements to make. As you know, when you make a significant change like we did, we paused the existing system, and in the space of days, put in place a new system. And we knew, at that time, there would be certain unintended consequences that we would have to work through, and that's why we put a four-week review process into play. Labor's deputy leader, Richard Marles, has asked about evidence from the audit office that on 26 March 2019 "the prime minister's office had advised the minister's office that it was expected that the minister would write to the prime minister to seek 'authority' on the approved projects and inform the prime minister of the 'roll out plan'". In response, Scott Morrison doubled down on his statement to parliament that "no authorisation" was provided by him and Bridget McKenzie was the decision-maker on sports grants. "The only authority sought was in relation to announcements," he said. So Morrison has produced a distinction between authority to give sports grants to recipient clubs and authority to announce the decisions. That is not a distinction made by the Australian National Audit Office in its evidence - which was that the PMO asked McKenzie to seek "'authority' on the approved projects", not authority on the announcements. Let's also remember that McKenzie said she signed the final brief on 4 April 2019, and yet a flurry of late changes were made, including on 11 April, the day the election was called, even after the government went into caretaker mode. The question also got a try in the Senate, where Mathias Cormann employed the same defence that Morrison was responsible for "announcement arrangements" but the projects "had been approved by the minister". That's it. One question on an issue which saw the government spend $100m in a way no one can explain whether they had the legal authority to do so. In Senate question time, the Greens senator Sarah Hanson-Young raises concerns about the conflict of interest arrangements for members of the Covid commission. Hanson-Young tells the Senate the government "has stacked their Covid commission full of mining executives and developers who are hellbent on cutting green tape". She asks what the government will do to "ensure their mates aren't feathering their own nests". The leader of the government in the Senate, Mathias Cormann, rejects the arguments in the questions, arguing the membership is "a broad cross-section". He says individuals are required to declare their own interests. Let me just say that the people who are serving on the National Covid Coordination Commission are distinguished Australians who are providing great service to our country at a difficult time. Oh thank Beyonce. We get to sports rorts. Richard Marles to Scott Morison: Why did the prime minister tell the house on February 27 that in relation to sports rorts and I quote, authority for these decisions was the minister for sport, when in fact the audit officers told the parliament that the prime minister's office told the minister for sports and I quote, it was expected that the minister would write to the prime minister to seek authority on the approved projects. Morrison: I refer the member to my many statements on this. The authority for making the decisions in relation to that program was the minister for sport. That is the fact, Mr Speaker. It may be inconvenient for the opposition that that is the fact, that that is the fact, Mr Speaker. The only authority sought from the prime minister's office and for myself was in relation to announcements. The questions move on to a dixer, giving Stuart Robert a chance to act like a minister. "When the chips are down with Australians, all Australians chip in," says Alan Tudge, sending me looking for chips to fill my existential despair at political discourse in this country. Jim Chalmers to Josh Frydenberg: Figures released today show annual wages growth slowed to a two-year low in the first quarter of this year before the worst of the coronavirus outbreak. Is this the kind of economy the government wants to snap back to? Frydenberg: As I said in the House yesterday, the impact on household consumption and household savings, there will be an impact on wages and there will be a significant, a significant impact across the economy. But I do want to point out to the member for Rankin that under this government, the minimum wage has gone up every year, Mr Speaker. Every year, Mr Speaker. And the reality is... Chalmers: It didn't go up under you! Frydenberg: The member for Rankin is getting angry because he is irrelevant to the debate. He has been talking down the economy before the crisis and he is now talking down the economy through the crisis and he will be talking down the economy after the crisis. The Australian people understand and trust the Coalition to manage the economy better than Labor ever will. I mean, it is not talking down to point out what was actually happening. But ugh. Meanwhile, not covered off, sports rorts or the Angus Taylor grassland questions, because it is much better to dress up political points as questions, then try to get the government on the record. Apparently. Jason Clare to Michael Sukkar: Will the government develop a housing construction industry stimulus plan to keep Australia's almost 1 million bricklayers, carpenters, electricians and lots of other workers in the housing construction industry in a job? Look. There are a lot of words Sukkar says in response here, but none of them are in the form of an actual answer and we only have one life to live. Andrew Laming has now brought Christian Porter to the dispatch box, and he's decided to use David Littleproud's template of a loudly striped tie in lieu of a personality today, so I am going to go get a cup of tea. And I thank the very fine member for Wentworth for that question," says Karen Andrews to Dave Sharma. Tony Burke to Josh Frydenberg: Can the treasurer explain why an 18-year-old living at home and has been working a shift a week at a McDonald's franchise is receiving the full $1,500 jobkeeper wage subsidy but a full-time Australian worker at Dnata providing catering services to Qantas with a mortgage to repay is not eligible? Frydenberg: Firstly, let me say we very much understand the difficult circumstances that businesses and workers right across the country are facing with this coronavirus pandemic. As the honourable member said himself in this House yesterday, this is a health crisis that has created an economic crisis. Now, Mr Speaker, we responded with $130bn jobkeeper program, we set out very clearly what were the criteria for eligibility under that program including for full-time workers, for part-time workers, for long-term casuals based on a definition in the Fair Work Act as well we doubled the jobseeker payment effectively, the old Newstart, Mr Speaker, which is $1,100 a fortnight, Mr Speaker. We have taken unprecedented economic steps. Some people will be eligible for the jobseeker program, others for the jobkeeper program. More than a million Australians are on the jobseeker program, and when it comes to jobkeeper program, over 800,000 businesses are formally enrolled, representing 5.5 million Australian workers. Tanya Plibersek to Josh Frydenberg: My question is to the treasurer: Can the treasurer explain why a university student working one shift per week receives the full $1,500 jobkeeper wage subsidy but their full-time university tutor with three kids to support is not eligible? Frydenberg: Well, Mr Speaker, we set out very clearly that with respect to universities that they would be subject to the threshold tests of 30% and 50%, depending on their turnover, but we also made the decision as a government to provide the commonwealth grants to the universities to ensure that they are receiving money equivalent to what their enrolments would have been pre-Covid. Mr Speaker, that's some $18bn. We will see government support for the university sector over this year, that's very substantial indeed. Sidenote - Frydenberg is showing as much enthusiasm to sit in the chamber today as I do to engage with Rick and Morty. Nick McKim is one of the first out of the block to criticise the latest bill to expand the powers of Australia's security agencies (the Dutton bill we have been reporting on in the blog today): Yet again, Peter Dutton is trying to increase powers of security agencies without even trying to explain his reasons. Nor has he tried to give any possible justification for the need to interrogate children as young as 14. To use the pandemic as cover for the increased scope of the surveillance state is dangerous and cynical. The National Terrorism Threat in Australia hasn't increased for more than five years, and yet we have been confronted with wave after wave of legislation. There have been more than 200 pieces of 'counter terror' legislation passed in Australia since 2001 and very few have been relaxed or withdrawn. Australia desperately needs a Charter of Rights to protect our basic freedoms. Every single dixer being asked just reminds me how many frustrated would-be school captains sit on the government backbenches. Anthony Albanese to Scott Morrison: How can the Australian people trust the prime minister with Covid-19 recovery when he was complacent in the lead up to the bushfires despite a clear warning from experts and months after the bushfires debris is still there but, more importantly, survivors are still living in caravans and showering in community halls. Morrison: This government, Mr Speaker, this government put in place the national bushfire recovery fund in January this year, Mr Speaker - $2bn was set aside to support the work of the national bushfire recovery agency, Mr Speaker. That fund was intended to acquit some $500m by June 30 of this year. We estimate that that figure will exceed over $1bn by June 30 this year. Small business support grants of some $10,000 have now been provided to over 170,000 small businesses affected across the bushfire-affected areas. In total, small business support has been over $200m to support those small businesses that were so devastated. Mr Speaker, there has also been 1.5m approvals for small businesses on the grants up to $50m, $50,000 I should say, for small businesses seeking their support. Primary producer grants have been provided to the tune of some $127m to primary producers who are affected by these arrangements. The work is being done to clear debris and that estimated cost is over half $1bn, Mr Speaker, over $500m. And as was reported earlier this week, South Australia will have largely completed that task very shortly. New South Wales, who are managing that work, will have completed that task by the end of June as indicated earlier this year. And in Victoria, we understand that that task will be completed by August of this year. As the leader of the opposition knows, the matters of accommodation for those are affected and they are matters handled by the states and territories and we have not received, to the best of my knowledge, that any request outstanding from the commonwealth to provide support for accommodation in these communities, and I look to the minister for management and he indicates that is the case. Mr Speaker, we will deal with crises every time they impact on this country and we will do it methodically and steadily and Australians are seeing that in action. If the leader of the opposition wants to these things, that is a matter for him. Bob Katter has the crossbench question today, and he uses the word 'can' to start his sentence, so you would assume it is a question, but it is actually just another Katter word-soup that leaves everyone looking like Bob Katter usually looks whenever someone asks him his name. North Queensland is shovel ready and Covid-19 free. The rail line, the gasification. Not absorbing money but making money projects and back in black, highway to hell. Treasurer, cough up the money. Make money. Josh Frydenberg barely even cracks a smile. He says the government is moving forward with north Queensland projects, before giving the nod to Angus Taylor, who, from the backbench, encourages Katter to keep talking to the Clean Energy Corporation. Joel Fitzgibbon to Scott Morrison: What is the government doing to assist red meat growers and producers affected by recent trade restrictions announced by China and to protect the thousands of jobs currently at risk including abattoir workers in southern Queensland and northern New South Wales? Morrison: We hold concerns for the way this issue is being progressed at this point in time. This is a matter that the government has been raising now for a considerable period of time. In fact I have done so on several occasions in my direct meetings with the premier, most recently late last year. So this is an issue that has been running for some time in relation to dumping. We reject any suggestion of those matters being relevant to Australia's exports, particularly of barley. Australian ***agriculture*** is not one supported by subsidy, it is one supported by the ingenuity and good management of the Australian ***agricultural*** sector. And so any suggestion that Australia's ***agricultural*** exports are the subject of government subsidisation is rejected. And these are the points that we make directly as part of a comprehensive and strategic partnership that was concluded many years ago and we are continuing to use the channels of that relationship and that partnership to be able to progress those matters as well as directly with the relevant authorities in China regarding their anti-dumping review in relation to barley. Similarly, relations in matter to abattoirs are important to progress. They relate to what is claimed to be paperwork and administration issues in relation to Australian meat exports and we will continue to advocate and set out the Australian case clearly. Let me be clear about one thing. Australia stands firmly behind our ***agricultural*** producers and we stand firmly about where we see the role of the Australian economy in the broader world. We have great confidence in our outlook as a trading nation and we engage with all partners in good faith with the purpose of ensuring the increasing global trade. That is the basis for our relationship the Chinese government when it comes to a comprehensive strategic partnership. It works across many different areas and has been a highly successful agreement. From time to time there will be differences in views and we will progress them constructively in the national interest, always in the national interest. Michael McCormack is at the dispatch box, talking about fibre and whatnot, but is only serving to remind me that his speeches are a pretty wonderful substitute for All-Bran. And as you can see, we are back to the non-answers, non-acknowledgement, and the old 'deflect and attack' lines. Cool, cool, cool. Anthony Albanese to Scott Morrison: My question is addressed to the prime minister: Does the prime minister stand by his claim businesses, the economy and his budget will snap back? Morrison: I have every confidence in Australian businesses, Mr Speaker, and it's more than confidence in Australian businesses to rebuild on the other side of this crisis. I have confidence of businesses being at the centre of our economy and the regrowth that we will see in our economy that will support the incomes and livelihoods of Australians, not just now, but in the decades into the future because as Liberal and Nationals, we have never believed that government should be at the centre of the economy, that Australians should see a future for themselves, only being dependent on the support of other taxpayers, but seeing their own livelihoods being supported by businesses investing and creating jobs, Mr Speaker. Some 1.5 million jobs created over these last six and a half years and those jobs have been decimated, Mr Speaker, by this terrible Covid crisis that has hit the world. But in the same way when we came to government and we rebuilt the nation's finances and we rebuilt the strength of the economy, Mr Speaker, and, Mr Speaker, that led to 1.5 million Australians getting into jobs. Australians can have confidence on the other side of this crisis the government, Mr Speaker, can apply the same discipline, the same faith and the same confidence in Australians' spirits and the innovative nature that we have seen as businesses have adapted in the, in this crisis. Now the leader of the opposition, Mr Speaker, may want to engage in the semantics of this, but I can tell you what I'm engaged in, Mr Speaker - and that is, that is, Mr Speaker - the fortitude and the strength of the Australian people and the strength of the Australian economy, which even still in the midst of this crisis, even still, with the delivery of the single largest income support package this country has ever seen. Rating agencies around the world know we've got this covered and it's true as we sought to raise the finances necessary to pay for that economic lifeline to Australians, then the subscription of our bonds, Mr Speaker, has been subscribed over and over and over again and the... reason for that, Mr Speaker, is because people have confidence in this country. I have confidence in... this country and I believe this country will bounce back and bounce strongly under the leadership of this government. Chris Bowen gets today's first question: The Australian Psychological Society, Headspace and other experts say many Australians will need more than 10 mental health consultations to cope with the flow-on effects of Covid-19. To the government's credit, it adopted Labor's suggestion to increase the cap on Medicare mental health services in response to this summer's bushfires. Will it do the same in relation to Covid-19? Greg Hunt: One of the things we have done is invest very strongly in mental health. There have been a range of inputs and I thank the opposition for their input and I thank all of those who have contributed. In relation to mental health and the coronavirus epidemic in Australia, in particular we have invested $669m in telehealth of which I'm advised 47.7% of all consultations in the previous week with regards to standard mental health items were conducted over the phone. In addition to that, what we have also seen is that general telehealth items have very significantly been for mental health. So it doesn't have to be confined to the particular mechanism which the member outlines. What we have opened up with telehealth is a much broader ability to access services in conjunction with the services provided through telehealth, we have also made sure that there were psychological and psychiatric items that were also made available. On top of that, there was a $74m investment focusing on support services for people, mostly online or through telehealth, through organisations such as the Black Dog Institute for healthcare workers, Origin for young people, Lifeline, Kids Line, so many other different support groups. And in particular, Beyond Blue has led the coronavirus activity. So with to other proposals, the government will always consider them. What we have done already is on the advice of the mental health officers, the chief medical officer, in particular the chair - or CEO - of the National Mental Health Commission and the prime minister's suicide prevention adviser, Christine Morgan, establish the arrangements which are in place. These have been critical to help save lives and protect lives during what is a difficult period and where there are proposals we'd always review them. What we have done so far, I would say, is potentially world leading and in particular the national cabinet will be considering the national mental health pandemic plan this week and we are making very good process with the states and I want to thank the prime minister for his support and his leadership in drawing that into the national cabinet. Bob Katter is currently on ABC TV looking like he just heard audio of one of his speeches. We are on the downhill run to question time. Given it is no longer economy day, expect to hear about some of the other issues which have not been given the attention they deserve. AAP has the deets on the new deputy chief medical officer for mental health: Australia has a new mental health official to help prevent a spike in suicides related to the coronavirus. Former chief psychiatrist of Victoria, Ruth Vine, has been appointed as the country's first deputy chief medical officer for mental health. Vine will listen to community concerns and provide advice to the federal government, with a focus on anxiety linked to social distancing and economic stress. Health minister Greg Hunt announced the appointment on Wednesday, saying the Covid-19 pandemic, bushfires and drought had affected Australians' mental health. "These impacts will be felt by people of all ages and across all our communities," he told parliament. Hunt said the government was monitoring the use of mental health services so it can respond to demand. Australia's political leaders will discuss a national mental health pandemic response plan on Friday. The minister also intends to make expanded access to telehealth services a permanent fixture. Government modelling has forecast a 50% increase in suicide cases directly related to the economic shutdown and the associated distress. The modelling also points to the possibility of suicides outstripping direct deaths from coronavirus. "One of the things we are aware of is that whilst we're practising physical distancing we should also be engaging in the social contact over the phone, in whatever way we can, to tell people that we're there, we understand," Hunt said. "They may be isolated but they're not alone." Professor Vine will sit alongside chief medical officer Brendan Murphy, who recommended mental health be treated as a priority. Suicide Prevention Australia and the National Mental Health Commission both welcomed her appointment, saying it recognised the importance of mental health. Lifeline 13 11 14 beyondblue 1300 22 4636 The Greens are getting louder in the calls to have parliament return as usual ahead of August. It was adjourned until August at the last emergency sitting, but given that the government is attempting to reopen the economy, it kinda has to reopen parliament too. So that's why we are here in this sitting, which Scott Morrison called a "trial", but is actually just parliament (trials are not a thing with parliament. It either sits or it doesn't and the parliament decides how it makes that happen.) Yesterday Christian Porter said a revised sitting calendar was being worked on to bring back parliament ahead of the August scheduled sitting, but there has been no word on when that will be made public. Larissa Waters says parliament needs to be recalled after this sitting as soon as possible. The Covid crisis response and the plan for recovery demand more transparency in government decision-making. The Senate Covid committee plays a critical role, but is no substitute for full parliamentary oversight. We need more democracy during this time, not less. We need to ensure that Australia's recovery is fair, effective, and guided by expert advice. We need parliament to return. The Greens are calling for both houses to sit in June to fix gaps in the jobkeeper scheme, introduce rights to pandemic leave, consider banking royal commission legislation, and debate the merits of the government's proposed gas-led recovery. We must ensure we don't come out the other side having brought this coronovirus under control but finding ourselves with our democracy eroded and hard-fought for rights lost." The Community and Public Sector Union - which represents non-academic staff at unis - is pretty annoyed about a deal between the NTEU and management allowing pay cuts. Troy Wright, the CPSU NSW assistant general secretary, said the deal was "cooked up behind closed doors between academics and universities" and will cut pay, particularly for the lowest paid staff. He said: A 15% wage cut may only be a haircut for high-paid academics, but for the professional staff of universities it is a life-altering cut to their pay packet. There are a range of smarter cost saving measures universities could take before an indiscriminate slash to wages. But, it would seem the NTEU's leather-elbow-patched-brigade would rather librarians, student services and admin staff on less than $70,000 take a 15% cut to their pay, than see their travel allowances reduced. There is a better way to find savings and secure jobs. We're going to each NSW university under pressure and asking them to open their books and demonstrate they've exhausted all their borrowings. We're also calling on them to cease capital works, terminate contingent labour and have a through review of executive salaries before they begin slashing the take home pay of all employees. This framework isn't binding - it's an entirely theoretical exercise that universities may or may not sign up to. Rather than going on a case-by-case basis to find savings and compromises, this is a knee-jerk response which leaves workers worse off." The ACT remains active (and known) Covid-19 case free, with no one diagnosed with the virus in the last 24 hours. Police in Victoria now need approval from their supervisor before issuing a fine for breaching lockdown laws. The change means that only two people were fined for breaching lockdown laws in the past 24-hours - and remember the relaxed restrictions only came into force at midnight last night. Requiring supervisor approval is a significant change, when you consider how many people have been hit with $1,600 on-the-spot fines in the seven weeks since the first stay at home directions were issued. It also pretty much removes the "on-the-spot" element - police said it's likely there will now be delays "in a breach being detected and a fine being issued". In a statement, Victoria police said the new process was due to the updated directions from the chief health officer, announced on Monday. You can read those new directions here. Police said: "Victoria police recognises there may be some genuine ambiguity from the community and police members alike regarding the interpretation of the new directions. "This new process will assist in providing a fair and balanced approach to all breaches and ensure accuracy in offence determination. "It also ensures a heightened level of discretion." As we've previously reported, there was a fair bit of confusion in the public about what the previous orders meant and how they were enforced as well and accusations of "aggressive" policing. The timing of the rule change by police, coming the day after police were criticised for not issuing more on-the-spot fines at an anti-lockdown protest, is probably going to ruffle a few feathers. Over in the Senate, Kim Carr is absolutely teeing off against the Daily Telegraph stories on the "Wuhan lab" stories. The Sydney Morning Herald and the Age's Eryk Bagshaw and Anthony Galloway did an excellent deep dive into the origins of those stories, here. The foreign affairs minister, Marise Payne, has pushed back at suggestions the government is not setting the right tone in its dealings with China. Earlier today the Labor leader, Anthony Albanese, called on Payne and the government to "take control of this and exercise a little bit of discipline in their ranks" to avoid inflaming tensions. "It would be pretty handy if we heard more from the foreign minister and less from people like George Christensen," Albanese told reporters in Murrumbateman. During an interview with Kieran Gilbert on Sky News - which will go to air later today - Payne said she did not want to be drawn into an argument with the opposition, but was focused on managing Australia's "complex international relationships". She said the government was handling the issues in a considered way in the Australian interest. I think the tone is being very carefully set by the prime minister and by me in my capacity and other ministers who are engaged on these issues," Payne said. Peter Dutton reports the anti-fraud taskforce it established in relation to the bushfire and Covid-19 payments, "Taskforce Iris" has made its first arrest - a 34-year-old western Sydney man: It is alleged that since January 2020, the man had assumed up to 11 identities as well as 53 fictitious identities to submit a number of claims for government benefits. These include: 65 fraudulent claims for the Australian Government Disaster Recovery Payment in the context of the summer 2019-20 bushfires; 1 fraudulent claim for Newstart allowance; 2 fraudulent claims for jobseeker payments, which includes the coronavirus supplement that is intended to support the rate of jobseeker payment due to the impact of the coronavirus. The value of fraudulent payments the man allegedly tried to claim is approximately $70,550 in total. The man has been charged with a number of commonwealth offences, including obtaining a financial advantage by deception. Some of these offences carry penalties of up to a maximum of 10 years in prison. OK, we have a little more information on what the Covid commissioners are being paid, following questioning from Katy Gallagher to Stephanie Foster from the Department of Prime Minister and Cabinet. Here's who is on it: Neville Power. Chairman, National Covid-19 Coordination Commission (NCCC) David Thodey AO, deputy chairman The Hon Greg Combet AM Jane Halton AO PSM FAICD FIPPA Paul Little AO Catherine Tanna Peter Harris AO chief executive officer Andrew N Liveris You can find out more about who is on the commission, here. Foster says there are five commissioners supporting the chair. One has asked not to be paid, four are working for a day rate of $2,000, with three working around two days a week and one working one day a week. Katy Gallagher asks what Nev Power is receiving as chair and is told that, as a full-time roll (for six months) he is receiving $500,000, which is also meant to cover his travel and accomodation costs. Labor also believes the government's sudden interest in medical cannabis exports is related to One Nation's position on the consultation period for enterprise agreements, Paul Karp tells me. One Nation's position on that was to push back by suggesting it will allow the shorter consultation (one day) but limit the effect of cuts to 12 months. Nev Power's salary has just been made public in the Covid committee. He will be paid $500,000 for six months work. He is heading up the business link in the Covid Commission. Most of the other commissioners are being paid $2,000 a day. At the moment they are working about two days a week. So yes, that one will be sent to the parliamentary security and intelligence committee, I would suspect, but keep in mind it has been entered into the parliament with very little fanfare during a pandemic. Given that it allows for 14-year-olds to be questioned by security agencies, increases surveillance, adds in "acts of foreign interference" and "politically motivated violence" into reasons for a questioning warrant, which are some pretty broad definitions, and makes it easier (streamlining is just another word for easier) for tracking devices to be used, including oral authorisations for a questioning warrant, there needs to be a lot more attention paid to this one. In fact, the latest Peter Dutton bill does quite a bit: 1. The bill amends the compulsory questioning framework in the Asio Act by: enabling Asio's continued use of questioning warrants, but removing its ability to use questioning and detention warrants; replacing the existing detention framework with a more limited apprehension framework to ensure attendance during questioning and to prevent contact with others or the destruction of information; enabling the use of questioning warrants in relation to espionage, politically motivated violence (including terrorism) and acts of foreign interference, as defined in section 4 of the Asio Act, rather than only in relation to terrorism offences; streamlining the process for requesting and issuing a questioning warrant by enabling the attorney general to issue questioning warrants directly, removing the role of the issuing authority; enabling Asio to request, and the attorney general to issue, questioning warrants orally in an emergency; amending the eligibility requirements for appointment of prescribed authorities, to enable a broader pool of qualified persons to be appointed to this role; providing the power for a police officer to conduct a search of a person who is apprehended in connection with a questioning warrant, and the ability to seize dangerous items and items that could be used to communicate the existence of the warrant or escape from custody, with an additional ability to seize items of intelligence relevant to the questioning matter, when authorised by the attorney general; introducing screening measures and person searches for people attending questioning, either as the subject of the questioning warrant or others involved in the questioning process such as parents, and the ability of a police officer to retain any dangerous items and communications devices found in order to ensure the safety of those involved in questioning, and the integrity of the questioning; subject to a number of safeguards - permitting Asio to seek a questioning warrant in relation to minors aged 14 to 18 years old, but only where the minor is themselves the target of an Asio investigation in relation to politically motivated violence; strengthening the right to legal representation during questioning while retaining the ability to prevent contact with specific lawyers due to security concerns, and to remove a lawyer who is unduly disruptive during questioning; introducing the ability of the independent prescribed authority to appoint a lawyer for the subject of a questioning warrant in certain circumstances; and enabling a questioning warrant to be executed following the laying of charges against the person who is the subject of a questioning warrant, or where charges against that person are likely, and allow for the questioning to cover matters that are the subject of those charges with appropriate protections in relation to the person's fair trial. That new security bill Peter Dutton introduced into the parliament this morning includes a lot of amendments to "tracking devices" and internal authorisations within security agencies, for them to be used. Which means security agencies could approve the use of tracking devices internally. They wouldn't need a warrant. From the explanatory notes: The Bill also amends the surveillance device framework in the ASIO Act to promote increased operational agility, mitigate the risk to ASIO surveillance operatives engaging in physical surveillance and to help resolve the current disadvantage faced by ASIO when engaging in joint operations with law enforcement. The Bill amends the ASIO Act in this regard by: enabling ASIO to use tracking devices with internal authorisation in certain circumstances, rather than requiring a warrant; clarifying that the surveillance device framework is permissive and does not require ASIO to obtain a warrant where conduct would not otherwise be unlawful; and updating the definition of 'tracking device' and effectively modernising ASIO's capabilities. You can find the whole bill here. So that is a yes - Pauline Hanson is in the box seat for those disallowance motions Paul has been reporting about. And on the same day, the government is just coincidently trying to rush through a piece of legislation on medical cannabis she has wanted, that it only just introduced to the parliament today. Centre Alliance's Rex Patrick has confirmed that his party will support the Labor/Greens disallowance to help universities access jobkeeper, and the Labor motion to extend the wage subsidy to foreign government-owned companies with local workers. He said: The jobkeeper money is directed at Australian workers - not the companies. That was the same argument the Liberal MP Craig Kelly made in the Coalition party room yesterday when sticking up for workers at the airline catering company Dnata. The Transport Workers' Union and Australian Council of Trade Unions are both lobbying senators to pass the disallowances. No word on Pauline Hanson's One Nation but, given that Lambie and Centre Alliance are on board, they are the swing votes. I am still making my way through reading this legislation, but yes, this is in there. The Liberal senator James Paterson gave an interesting adjournment speech in the Senate last night, blasting universities for over-reliance on China. Paterson said: One thing [Covid-19 has] made clear already is the overreliance of our higher education institutions on the international student market, and the Chinese student market in particular. Over the last few decades, our universities have bet big on the international student dollar. Their institutions have boomed from what has been a very lucrative business. But they have become badly overexposed... Universities argue that they've pursued this market by necessity. They argue insufficient government funding pushed them down this path. It's a convenient story that attempts to absolve universities from responsibility for decisions they have made, and it's a false one. Paterson noted that increasing international enrolments coincided with uncapping of university places, growing domestic student places and government funding. He reveals that he's been sent details of the University of Queensland's remuneration structure. He claims one of the vice-chancellor's performance indicators is to "continue to work towards a sound and strategic positioning in China". UQ is also supposed to cultivate students from south-east Asia and India, but Paterson says it has had less success doing so. Paterson argued that over-reliance on China particularly puts rights including "free speech, or the principle of free and open academic inquiry, or the right to protest for students" at risk, given the stance of the Chinese Communist party. He argued against direct funding of courses by the Chinese government and alleged inadequate protection of academic freedom at the Confucius Institute. Paterson said: Given that we now know that the vice-chancellor was financially incentivised to deliver closer relations with the CCP, it is no wonder that the University of Queensland has found itself in such a predicament. It begs the question: is he the only VC in Australia to receive a bonus for exposing his university to financial and reputational risk by actively seeking dependence on the Chinese student market?" Western Australia has no new cases of Covid to report in the last 24 hours. There are only six active cases in the state, although there is still one person in the ICU. I've confirmed that Senator Jacqui Lambie will be voting with Labor and the Greens to restore the consultation period for pay cuts back to one week (up from 24 hours under new government rules). Lambie has discussed with Labor the disallowance to extend jobkeeper to more universities and foreign government-owned businesses, such as the airline catering company, Dnata. She has concerns about job losses but hasn't arrived at a final position. A vote is expected at 6pm, although Centre Alliance and One Nation are the critical votes on that. The Transport Workers' Union national secretary, Michael Kaine, is urging a vote for the disallowance: Dnata workers are ringing their federal MPs and senators urging them to support this motion because their families depend on it. We have workers who are struggling to pay bills, struggling to get medical supplies for their kids, eating whatever tinned food they have in their house to avoid buying groceries. They have been weeks without pay now and many fear they won't even qualify for jobseeker. They are Australian workers who pay their taxes and feel very let down. The National Tertiary Education Union has announced a deal with university management that would allow pay cuts of up to 15% in return for saving jobs in the Covid-19 contraction. It believes the emergency move could save 12,000 jobs. In a statement the NTEU explained it had done so because: Universities are looking at a sector-wide revenue loss of up to $5 billion during 2020 and more in subsequent years, due to a collapse in international and domestic enrolments. University employees are also excluded from the jobkeeper program. Under the deal: No university employee will be involuntarily stood down without pay. On a temporary basis of one year, some staff at deeply affected universities will receive 85 per cent of their salary. The vast majority of affected staff will receive between 90 and 95 per cent of their former salary. People on lower wages will not be affected. Temporary salary reductions will only happen after non-staff costs and management salaries have been reduced. Non-wage conditions such as superannuation and leave continue to accrue at the standard rate. Displaced casual and fixed-term staff will be prioritised for new work. Redundancies will only happen in cases where a university can explicitly prove there is no work. NTEU president, Alison Barnes, said: "There are no perfect options in a crisis. In the absence of a properly funded federal crisis package our Union has intervened to put income security and fairness at the centre of a national response. "Without this agreement, we faced mass sackings which would have seen careers derailed and livelihoods destroyed." The deal will still have to be voted on by workers, and the NTEU dealing with management is very controversial in the sector. A couple more bills to keep an eye on. This one from Peter Dutton. And the payment reporting time bill from Karen Andrews, which is designed to: The Payment Times Reporting Bill (the Bill) introduces a new Payment Times Reporting Scheme (the Scheme) which requires large businesses and large government enterprises with an annual total income of over $100 million to publicly report on their payment terms and practices for their small business suppliers. In identifying small business suppliers, the Scheme will draw on a taxation legislation definition of small business as those entities with an annual turnover of less than $10 million. The objective of the Scheme is to improve payment outcomes for small businesses by creating transparency around the payment practices of large business entities. By providing access to information on large business payment performance, small businesses will be able to make a more informed decision about their potential customers. Greater transparency on payment practices and performance will also create pressure for cultural change to improve payment times. A federal court judge says he will make orders allowing Virgin Australia to start giving "conditional credits" for cancelled flights. But at a hearing this morning John Middleton stopped short of allowing administrators of the largely grounded airline to avoid large swathes of the liabilities they're running up while in charge of the company after the attorney general and the Taxation Office asked for more time to consider the issue. As Guardian Australia reported, Virgin Australia's administrators stopped giving refunds and flight credits for cancelled trips after they took control of the airline. The administrators, partners at ***accounting*** firm Deloitte, did this because otherwise they faced being personally liable for the money. But they've told the court the move put them at a competitive disadvantage. The proposal Middleton said he would approve will allow the administrators to offer flight credits but not cash refunds. Meanwhile, the Attorney General's Department and the ATO have been given until Friday to decide if they object to other orders proposed by the administrators. The AG's department wanted the time to think about the administrators' desire to disclaim personal responsibility for jobkeeper payments, while the issue for the ATO appears to relate to inter-company loans. An editorial in China's state-backed English-language paper, Global Times, has sounded a warning to Australia, saying import suspensions and potential tariffs are not necessarily punishment but should serve as a "wake-up call". The editorial says Australia's support for an inquiry into the source and origin of the virus has worsened a relationship already damaged by Australia's "unfriendly actions" towards China, including the blocking of Huawei from the 5G network. And if Australia is feeling worried about Chinese retaliation? Well, it should. "The latest meat import suspension and the possible imposition of major tariffs on Australia's barley exports don't necessarily represent China's economic punishment for Australia, though they may serve as a wake-up call for Australia to reflect on its economic links with China," it says. "While China is the only choice for Australia's massive commodity exports, Australia is not necessarily the only option for China." It also notes, just out of interest, that China could replace Australian meat imports with supplies from the US, the very country Australia has sided with. "Of course, China's willingness to maintain a cooperative relationship with Australia hasn't changed, and it is now up to Australia to decide what to do next." Paul Karp tells me the disallowance motion, which Labor, supported by the Greens, are putting forward to extend jobkeeper, is expected to be put to the Senate about 6pm. Pauline Hanson's two votes are enough to block it, if she is not on board. And suddenly, the government has a bill which she has been hankering for rushing through the parliament. What else have we learned in the Covid hearing this morning? The secretary of PM&C, Phil Gaetjens, doesn't have a lot of answers over how national cabinet works in association with the usual cabinet. So he couldn't answer whether or not the cabinet cabinet has to endorse the decisions by the national cabinet. He also couldn't answer whether or not there was a handbook to guide national cabinet proceedings (a standard in the public service), and referred to the cabinet handbook, which wouldn't mention the national cabinet, because as we keep hearing, we haven't seen this level of cooperation in the federation before. He told the committee to look at the PM&C website. Which also doesn't seem to have the answers. Obviously, this is, using the word of 2020, "unprecedented" - but it is not as though Gaetjens didn't know he was appearing in front of this committee today. Brendan Murphy also just told the committee that he would be surprised if "the true international caseload isn't closer to the 20m mark". This is a little bit strange. David Littleproud just introduced this bill into the House - Export Control Legislation Amendment (Certification of Narcotic Exports) Bill 2020 - which would make it easier for Australian companies to export medical cannabis. That would be particularly good news for Queensland, which is building up quite the industry in that sector. So normal so far. It gets weird with the timing - despite introducing it today, Littleproud wants the parliament to be dealt with today. So the government wants it rushed through the parliament on the same day it is introduced, which is usually only reserved for emergency bills, or fixing messes. This is not that. But it is something that Pauline Hanson has been chasing for quite some time. And the government needs Hanson to vote to against extending jobkeeper to universities, extending jobkeeper to foreign government-owned companies with local workers and restoring the one-week consultation period for pay cuts. Deidre Chambers! Victorians may be enjoying a few more freedoms today, and other states and territories have seen a slight relaxation of the restriction rules - but don't expect travel to return to normal any time soon. Australia's chief medical officer, Brendan Murphy, was asked about the border closures in the Senate select committee hearing this morning and replied: I cannot see border measures materially changing for some time and that presents a huge problem for the nation. Australia is still seeing new cases of Covid-19 diagnosed each week from returned travellers, who are still being sent into forced quarantine. The Greens have advised me that they support Labor's attempt to extend jobkeeper to foreign government-owned companies with local workers, like the airline catering company Dnata. Labor and the Greens need four out of five crossbench votes for that motion and a bid to improve universities' ability to access the $130bn jobkeeper wage subsidy. They're lobbying the crossbench this morning. There is further movement on the consultation period for employers seeking cuts to conditions in workplace pay deals. Centre Alliance's Stirling Griff told Guardian Australia that 24 hours is "not enough" but the party is "supportive of something closer to the three-day mark". That's a new compromise, the rules now say 24 hours and Labor and the Greens are trying to restore a period of one week. Griff also said there was "some merit" in One Nation's proposal that emergency cuts should only last for 12 months. The backbench has found its groove. Insert jokes here. The Queensland premier, Annastacia Palaszczuk, is at the XXXX brewery because it is law that the Queensland premier stand in front of the XXXX sign wearing hi-vis at least once a year. The state has no new cases in the last 24 hours, but an old case has been added to its total of 1,052 Covid cases. There are 18 active cases in Queensland. Anthony Albanese is campaigning in Eden-Monaro - he lays out what Labor's main byelection line will be: I was say this to the people of Eden-Monaro. If you think the government has been perfect, then you will make that decision. If you think the government needs improvement, if you think they could have better prepared for the bushfires, if you think they could have dealt with the crisis while the bushfires were going better, if you think the recovery should have been better, then send them a message, send the Coalition government a message, because they, quite frankly, are taking the people of Eden-Monaro for granted. That's why they're engaging in all this self-indulgent behaviour. Victoria has recorded seven new cases in the last 24 hours. None have been come from Cedar Meats although three previous tests have been linked back to the meat-processing plants, so that cluster is now responsible for 88 infections. Still in the Covid committee, and Rex Patrick is asking about the denial of his FoI request - this is how he described it two weeks ago: In anticipation of the Senate COVID-19 Committee inquiry, Senator Patrick lodged a Freedom of Information request for the early briefings provided to Prime Minister Morrison on the beginning of the coronavirus outbreak. "I was hopeful that the Department would release some useful information that would shed light on the Government's early assessments and responses in January. A high level of transparency is essential if we are to learn all the lessons we can from the experience of this terrible pandemic." However the Department of Prime Minister & Cabinet has refused access to all of the requested briefings given to the Prime Minister at the beginning of the crisis. Patrick asks Phil Gaetjens if he can see the "hypocrisy" of denying the request while demanding China's ruling party be transparent. Gaetjens says he does not see the hypocrisy. Peter Whish-Wilson is trying to find out what documents from the national cabinet will be made "cabinet in confidence" - he is talking specifically of any advice from the manufacturing taskforce in relation to gas regulation, it seems. The committee chair, Katy Gallagher, says he has run out of time. Whish-Wilson is not happy. Gallagher thanks him for the feedback: "It's always welcome." Whish-Wilson is appearing via video link so he is at a disadvantage. Fun fact, Michael Pezzullo, who heads up Home Affairs, also does not sit in on national cabinet. Even though he heas up the National Coordination Mechanism. Brendan Murphy seems to be the only first medical officer in the room - none of the other state or territory leaders take in their chief medical officers. The Liberal senator James Paterson (who has used his lockdown time to grow an iso-beard) asks the chief medical officer, Prof Brendan Murphy, about Kawasaki disease - a rare, potentially fatal, disease in children, which has been linked to a small number of children diagnosed with Covid-19 internationally. Murphy says there have been no cases linked to Covid in Australia but it is something they are watching, although he says the association between Covid and Kawasaki is not clear at this stage. When you have millions of the population infected, there are obviously more children and there does seem to be an association between an increased incidence of this condition and potentially covered positive children, it's probably a reflection of probably in New York City, for example, they're likely to be several thousand children infected because you're dealing with potentially hundreds of thousands of people. So it's it's a very really rare association where it's not clear. Kawasaki disease can be set off by other viral infections ... We think that it's it's one of those rare things that is emerged because of this the huge burden of the infected load. In those countries, it may appear in other countries with large, very large volumes of infected people, but because it's so rare, it's unlikely to be seen in Australia. But we'll obviously, we've got alerts on us and we're clearly watching it. It's Kopika's fifth birthday. It's the third birthday she has spent in detention, along with her family, after they were taken from Biolela. She is now with her family in the Christmas Island detention centre. So far, questioning of PM&C head Phil Gaetjens is around who attends national cabinet, in terms of public servants. Greg Hunt does not sit on the national cabinet (which we knew, given he has held press conferences, while national cabinet was being held) Labor's Katy Gallagher and Centre Alliance's Rex Patrick will ask the Senate today to schedule Senate estimates in the week from 15 to 19 June. The Greens also support the motion. If the motion is successful, Senate estimates committees will hear: On 15 June and 16 June from the environment and communications, finance and public administration, legal and constitutional affairs, and rural and regional affairs and transport portfolios On 17 and 18 June from the community affairs, economics, education and employment, and foreign affairs, defence and trade portfolios On 19 June from the Indigenous matters and on Murray-Darling basin plan portfolios The Senate select committee on Covid-19 hearing has begun - the Department of Prime Minister and Cabinet secretary, Phil Gaetjens, is up first. He is reading his opening statement, which is a recap of what has been done so far. "This crisis will be a marathon not a sprint," Gaetjens said of his message to Australia's public servants. Australia's biggest bank, the Commonwealth Bank, has set aside an additional $1.5bn for loans that go bad due to the coronavirus crisis. In a quarterly trading update out this morning, its chief executive, Matt Comyn, said despite the pandemic the bank had performed well in the three months to the end of March, making a profit of $1.3bn. The bank is the last of the big-four banks to report on the impact of the virus on its business, and its provisions bring to a total of $5.8bn the amount the group - CBA, Westpac, NAB and ANZ - expects to suffer in bad loans due to the crisis. Comyn said: Today's announcement of an additional credit provision of $1.5bn for the potential longer-term impacts of Covid-19 further reinforces our already strong provisioning and balance sheet settings. The strength and resilience of the bank remained evident through the March quarter. Our people have continued to serve our customers diligently and professionally under challenging circumstances. The Global Times newspaper tends to be the more shouty and hawkish of the Communist party of China-run state media. So when it has an editorial slamming a particular country or action, it's essentially treated as an angry diplomatic cable. It turned that attention to Australia in its latest editorial, warning of economic consequences if relations continue to deteriorate: Australian media outlets have shown great concern over the likelihood that China may soon impose major tariffs on barley exports from Australia, as the move could become the symbolic start to a series of retaliatory measures against the country. Some Australian media have deliberately politicized the issue, describing it as China's retaliation to Australia's attempt to blame China for the pandemic by calling for an inquiry into the origins of the coronavirus outbreak. However, the fact is that the decision on Chinese tariffs will be based on an anti-dumping investigation into Australia's exported barley that has been ongoing for almost 18 months. If anything, Australia's worries over potential tariffs underline the anxiety surrounding deteriorating China-Australia relations. Since China-US relations hit their lowest point in decades amid the Covid-19 crisis, relations between China and Australia have been heading in the same direction. Australian politicians have made no secret of their desire to follow the US, joining in on the China blame game. If China-US ties continue to deteriorate, the uncertainty surrounding China-Australia relations will also increase. Such uncertainty will inevitably lead to economic repercussions. In this sense, it now seems necessary to advise Chinese people and companies to watch out for potential risks when it comes to doing business with or studying in Australia. Fundamentally speaking, it is not in the interests of people in China and Australia if the latter's politicians continue to take unfriendly actions and launch political attacks on the former. China-US relations are now in trouble, and if Australia chooses to follow, that would not only negatively impact its relations with China but would also come at the cost of its own economy and trade. In fact, the importance of China to Australia's economy may be far greater than some Australian politicians estimate. China is Australia's largest export destination, with exports to China ***accounting*** for about one third of its total exports. China is the main buyer of Australia's commodities, farm products and education services. There is a need for Australia to reposition its role in regional geopolitics rather than becoming the lapdog of the US. It needs to rethink its relationships with the US and China at this juncture. Given its economic ties with Asian countries are closer than those it has with western nations, it may be more in its interests to focus on how to further integrate into the Asian industrial chain. Amid all this, the Eden-Monaro byelection is still to be scheduled. Labor isn't messing around - Anthony Albanese will be out there this morning, with the party's candidate, Kristy McBain, and Catherine King for a doorstop at Murrumbateman. But then Labor can do that - it has a candidate. The Coalition is still trying to work out what to do, given the whole John Barilaro/Andrew Constance/Michael McCormack mess. Soon, we shall all hear the bells. The government is still attempting to navigate increasingly delicate trading issues with China, most recently how to work through the delisting of four major Australian abattoirs. On this issue though, Senator Concetta Fierravanti-Wells has never been backwards in coming forwards. The select Senate committee looking at the Covid-19 response will hold a hearing this morning from 9am, with the Department of Prime Minister and Cabinet secretary, Phil Gaetjens, slated to appear. It is pretty rare for the head of PM&C to appear in front of these committees. The chief medical officer, Prof Brendan Murphy, will also appear. That's less rare. The NSW chief medical officer, Dr Kerry Chant, reported that an 81-year-old woman, who had tested positive for Covid-19, died overnight. She had been a passenger on the Ruby Princess cruise ship and disembarked on 19 March. It's the 22nd death linked to that cruise ship and the 98th for the nation. And a reminder that for a lot of other countries, life is very, very far from anything approaching normal. Gladys Berejiklian: Our success won't be measured by the number of cases we get every day, our success will be measured equally by how many people keep their jobs and don't experience the stress and diminishing quality of life that so many people have in the past couple of weeks and we want to focus on people having job security and have the good quality of life. Of the six new cases of Covid-19 diagnosed overnight, three are still having their origins tested. That's the number to watch - the community ***transmissions***. But the NSW premier says she expects the number of new Covid-19 cases will increase as restrictions are relaxed. The number of patients in intensive care is very low with Covid but we know once we ease restrictions it won't be the case. But if you look around the world, many communities who are easing restrictions aren't in the position NSW is in. Many communities around the world easing restrictions still have the case numbers in the hundreds every day, which would be untenable for us, which means thousands of people would have been in ICUs and an untenable situation. We should feel very fortunate we are in a position as we ease restrictions, to have the case numbers, it gives us options but it also means we have to maintain our vigilance and get tested if we have the mildest symptoms and stay home if we worry we have been in contact with somebody. I can't stress enough, when you are with people you know very well, even outdoors, you tend to forget to socially distance. We can't let it happen. Inside a household it is fine, but outside, with the people you live with, even if they are members of your extended family or very close friends, don't think you can't pass the virus to each other. Please be careful. Gladys Berejiklian, right on Gladys Berejiklian time, is delivering the latest NSW update (it's how I know it is time for my second coffee). Six people in NSW tested positive for Covid-19 overnight. That's from 8,100 tests. I was very pleased to have brought to my attention a number of international reports that says NSW has the highest rate of testing in the world. It is something we are incredibly proud of, something we need to maintain. I always say to our experts and my team here in NSW, there is no way we can't lead the world in the way we deal with the pandemic moving forward, and give good advice to our citizens to keep us safe and look at parts of our community, parts of business in particular that we can activate without having any adverse impacts on health. We know from Friday we will analyse the ***data*** closely because we appreciate once you ease any restriction, there is more activities and a chance of people getting the virus or passing it on to others. Parliament is also ticking over, although there is still no word on what the revised sitting schedule will look like. Budget estimates was scheduled from 25 May but it is a little hard to have budget estimates without a budget. Still though, there are quite a few MPs who would like the opportunity to scrutinise government spending and decisions. You have Amy Remeikis and Mike Bowers to guide you through the parliamentary day, plus Katharine Murphy, Paul Karp and Daniel Hurst. Thank you for joining us. Today is also the first day of lockdown laws being eased in Victoria. Many have gotten up early to enjoy their newfound freedom in the dreary Melbourne weather. Here are Hunt's full remarks on a disease that has been popping up in small numbers in the US. I mentioned tensions between Australia and China just before. If you want to get up to date with that branch of the Covid-19 tree, I can recommend this report by Daniel Hurst. The Australian Council of Trade Unions president, Michele O'Neil, has spoken to the ABC this morning. She has criticised the government actions that have lead to increased tensions with China: I think it's really important that in a time of crisis that we don't create new crises. It's really important that we manage to continue to have good, strong relationships with where our goods are exported to, and our services. Our views that the focus of the government the moment, the focus of everyone, should be on getting us through this pandemic, rebuilding the economy, supporting the creation of new jobs, and not putting at risk any of the trade arrangements we currently have in place. Hunt has been asked about a disease potentially linked to Covid-19, which has reportedly been associated with the deaths of three children in the US. Prof Brendan Murphy, the chief medical officer, has requested advice from paediatric experts around Australia. He and Paul Kelly, the deputy chief medical officer, are also seeking advice from overseas. They're providing a briefing to the national cabinet this week. At this stage, there has been no signs of that condition in Australia. What they're determining is the relationship between it and Covid-19, whether it's in some way triggered or caused by Covid-19 or whether with the mass testing that has been done a condition which is otherwise there has been shown up. But I'll leave that to experts. We've taken it very seriously. The federal health minister, Greg Hunt, is speaking on ABC News Breakfast now. Hunt confirmed Assoc Prof Ruth Vine has been appointing as deputy chief medical officer for mental health: We do know whenever there is an economic downturn there is strong evidence that mental health challenges rise. As part of that, we're preparing now on two fronts: one is to particularly focus on the mental health concerns during and potentially flowing from the pandemic. And they could be anxiety about health, anxiety or depression relating to the lockdowns, but they're progressively lifting, and also economic anxiety which is what is so important to get people back to work. At the same time what we're doing is providing support through Beyond Blue, Lifeline, KidsHelp Line and Head Space and we're making a permanent change which is the establishment of a deputy chief medical officer for health, which Prof Brendan Murphy has strongly supported. The independent MP Zali Steggall says she is increasingly concerned about the Morrison government's influential National Covid Coordination Commission, because there is "no transparency about its governance or processes". Guardian Australia's political editor, Katharine Murphy, has the full report below: The federal government is expected to appoint Assoc Prof Ruth Vine to plan the mental health response to the coronavirus pandemic, reports the AAP. The health minister, Greg Hunt, is expected to make a statement on mental health today while Vine, the former chief psychiatrist for Victoria, has been selected for the role, the Australian newspaper reports. Government modelling forecasts a 50% increase in suicides directly related to the economic shutdown and the associated distress, with the possibility they could outstrip direct deaths from coronavirus. "A priority on the road out of the pandemic is supporting the mental health and wellbeing of all Australians," Hunt will say, according to the newspaper. "Supporting the mental health of Australians is a deep personal passion of mine and a priority of this government." Vine will sit alongside the chief medical officer, Brendan Murphy, who recommended mental health be treated as a priority. Good morning and welcome to our coverage of the coronavirus crisis in Australia. This morning the treasurer, Josh Frydenberg, has revealed he has tested negative to Covid-19, after suffering a coughing fit in parliament yesterday. If you missed the coughing fit that prompted the test, you can watch it here: Here are yesterday's major developments you might have missed: China has suspended imports from four big Australian abattoirs, but the trade minister, Simon Birmingham, said it was a "technical" issue. The foreign affairs minister, Marise Payne, said she was not consulted before George Christensen announced he wanted to summon the Chinese ambassador to face questions before a parliamentary committee. The federal government's budget update showed GDP is forecast to fall by more than 10% in the June quarter, the largest on record, and unemployment will reach about 10%, or 1.4 million people. Eight new cases have been diagnosed linked to the Cedar Meats abattoir, taking the total to 85. 88936 false false Naaman Zhou (now), Amy Remeikis

and Matilda Boseley (earlier) Bill Shorten and Amanda Rishworth during question time. Treasurer Josh Frydenberg. Prime minister Scott Morrison during question time. Scott Morrison at the dispatch box during question time today. Scott Morrison arrives for question time in the House of Representatives this afternoon.

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[***LEGISLATIVE SESSION; Congressional Record Vol. 166, No. 59 (Senate - March 25, 2020)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5YHK-V621-JDG9-Y3N9-00000-00&context=1516831)

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**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to H.R 748, which the clerk will report. The senior assistant legislative clerk read as follows: A bill (H.R 748) to amend the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage. The PRESIDING OFFICER. The Senator from Illinois Coronavirus Mr. DURBIN. Mr. President, America has never seen anything like this before. To think that half of the people who live in the United States are under some order to either stay home or at least avoid contact with others is unheard of. This is an enemy--this virus--the likes of which we have never faced. As strong and determined as our Nation is when it comes to these challenges, this is unique, and it calls for unique leadership. There are a lot of critics of the U.S Congress--for good reason--but I think what we have demonstrated in the last several weeks since we have addressed this coronavirus is that there is a capacity for common sense, bipartisan work, and a timeliness that is essential. The first two measures were passed in record time--one for $8 billion, which opened the door for more medical resources; the second, for $100 billion, which tried to guarantee to people they would never have to pay to be tested for coronavirus, that there would be adequate food supplies during this calamitous time, that we would have resources sent to the States for Medicaid reimbursement at new levels, that we would also engage people with family leave, as necessary, so that they could stay out of the workplace if they [[Page S2023]] felt badly, and that we would also have an idea that we would come together as a nation to move unemployment insurance with dispatch. That passed, again, in a timely way with a bipartisan vote. And, then, we came to the third challenge--a challenge the likes of which I have never seen in my time in Congress, and I don't imagine anyone else has. We decided in a span of about 7 days to come up with a package of authorizations and appropriations, which is larger than the annual Federal budget for domestic discretionary spending in America. In 7 days we did what usually takes 12 months or longer, but we knew we had to because the need is that great and America was watching and wondering if we could rise to that challenge. There were some bumps in the road, and it is no surprise. An undertaking of that magnitude with this kind of pressure to get the job done quickly and properly is bound to create differences of opinion, and it did. There were moments of anxiety on the floor of the Senate. Those who have followed C-SPAN have watched many speeches that reflected the emotional levels that were reached in this Chamber, but the emotions in this Chamber were not that different than the emotions in most homes across America as people worry about whether this illness will touch their families and, if so, will they be able to conquer it. That emotion on the Senate floor led us to further negotiations in an effort to try to make a bill presented to us on Sunday better 3 days later. And that brings us to this moment. History will judge, as the Senator from Kentucky noted earlier, as to whether there is an improvement that has been made to this bill over the last 72 hours. I will stand up and tell you I would testify definitely--definitely. Just consider the first priority. We have to make sure that hospitals and clinics and healthcare providers at every level in America are prepared to rise to this challenge. And we know this is a challenge the likes of which we have never seen. When the Governor of New York suggests that the hospitals of that great State expand their capacity by 50 percent as quickly as possible to take the incoming patients from this COVID-19 virus--and be prepared, he said, to expand it by 100 percent--we appreciate the magnitude of the challenge. On the Democratic side, our leader Senator Schumer has called it a Marshall Plan for hospitals and healthcare. I don't think that is an exaggeration. The bill that was presented to us on Sunday envisioned some $75 billion for that purpose, and many of us felt that was not adequate, as large as that number may be. Today, we will bring a bill to the floor that will increase that allocation for healthcare from the $75 billion in the bill just 3 days ago to $130 billion. Is it enough? Probably not, unless God spares us from the spread of this disease even further in the United States. It says to those who are anxiously expanding their resources, expanding the number of beds, bringing in retired medical personnel--as the Governor from Illinois, J.B Pritzker, is doing--that we hear them and are providing them the resources to go to work to fight this challenge we face at every corner of the United States. The second thing that we set out to do when the bill was presented on Sunday was to expand the opportunity for unemployment insurance. Some have criticized us on the floor and said: Don't get into structural changes. Well, you couldn't expand unemployment insurance without getting into a structural change because the system, which affects only a small percentage of Americans, is not adequate in most cases to keep a family together. If you lose your job and try to live on that unemployment check, it is hard to do. People lose their homes over that and their cars. They can't pay their utility bills. So what we have done has been described as putting unemployment benefits on steroids. The amount of money that is going to be sent to families who were furloughed, laid off, or unemployed is dramatically bigger than it would have been if we hadn't restructured unemployment compensation. At the same time, the President and the White House suggested direct cash payments. We never argued against those but said it is just a down payment. It is just a single check. We believe unemployment insurance is going to be a guarantee of payments in months to come. Since Sunday, we expanded the period of additional unemployment compensation from 3 months to 4 months. There is a big price on that, of course, but we think it is reasonable to give people peace of mind that for 4 months they will be able to keep their families together as we work our way through these medical challenges and, God willing, see our economy back on its feet. I hope that happens. I hope it is even sooner, but we are prepared for 4 months. The third thing we set out to do is one that is near and dear to me in my State and, I will bet, in most other States. We set out to compensate the States and some localities, counties, and cities that are spending substantial sums of money because of the COVID-19 threats they are facing. Let's face it. For the most part, our Governors have been on the frontline of defense over the last several weeks when it has come to America's healthcare. They have done exceptional things, and they have been called on to spend money in ways they never dreamed of. For example, unemployment benefits, which involve State payments in many respects, have mushroomed and skyrocketed--sometimes 10 times the number they were just last year at the same time. My Governor and others--mayors and the leaders of county government-- have come forward and asked: Are you going to help us? We are spending a lot of money because of this COVID-19. This bill does it. It was not an easy task. We had to convince the other side that it was money well spent, and I am happy to report that, on a bipartisan basis, we reached that agreement. As it should, some $150 million will be going to these State and local governments. Those are things that I believe will move us down the path toward resolving this challenge in America and doing it in the proper way--always keeping in mind that the welfare of workers and their families is of paramount concern. First is the investment on the medical side to stop the onslaught. Second is the support for families and workers across America. There are some items that are still being debated on the floor here. You heard it in the early statements by the majority leader, and they relate to the benefits to be given to businesses in order to keep them moving forward. We all understand the aviation industry is at the heart of the American economy--an engine to move it, in one respect, and a reflection of its activity in another respect. That aviation industry is flat on its back. Some 80 to 90 percent of the passenger load has disappeared. Hundreds of thousands of employees in the airline industry have come to us and asked for help. We are prepared to do that, and it is part of the package that will come before us. The administration also asked for resources to be loaned to other businesses that need a helping hand. I am not opposed to that. Some are, but I am not. Yet I do believe that accountability and transparency are essential. Since Sunday, we have dramatically changed this package so that there will be transparency and accountability on a timely basis as decisions are made by this administration to allocate these taxpayer funds to help these companies. Some of us learned a bitter lesson in the past when benefits were given to corporations, and they were misused for stock buybacks and dividends and profiteering at a time of great national need. We don't want to repeat that story. We want to make certain that the taxpayer dollars being invested in these corporations are really designed to get them back on their feet and the economy moving forward for the benefit of everyone who lives in this country. Accountability and transparency are essential, and I believe this new agreement--some 3 days after the original one was proposed--is an improvement. Credit should be given to both sides for many of the things that I just mentioned, because Democrats and Republicans have had to agree for this to make the final package. Yet we believe what we will vote on this afternoon--and I believe we will enjoy strong bipartisan support on the floor of the Senate--will be a dramatic improvement over the last 72 hours. I give credit to both sides. We believe some of [[Page S2024]] these ideas were essential, and that is why we voted as we did on the floor. Yet to reach this agreement and bring it forward, it took both sides. I salute my colleagues, starting, of course, with the Democratic leader, Senator Schumer. He has put in some hours. I can't tell you how many times I stepped into his office, and Michelle, his assistant, told me he was in with Secretary Mnuchin. They spent days together--going until 12 midnight and starting fresh early in the morning--to try to reach an agreement, which I believe we finally have done--finally. There are just a few little items left, but I don't think they will hold us up. So, to Senator Schumer and his staff, to all of my colleagues, and to the ranking members who pitched in with their committees of jurisdiction to try to come up with good ideas and to sell them in a bipartisan agreement, that was an exceptional amount of work. I give special credit, too, to the staff--to my own and to those of the others--who have come to work in this dangerous moment. We are being told to stay home, to telework from home when you have to and when you can. In some cases, you can't. Those who have shown up at the Capitol, including the staff who is here today on the floor, have come at risk, and we know that--at risk to their own health and the health of their family members and others whom they love, as we do. So I thank them for this. I understand that we may be gone for several weeks, and I think that it is appropriate. But for a national emergency that would call us back--and we will come back if that is necessary--I think we should take some time away from one another and away from the Capitol to really mind to our own health and the well-being of our own families and work back home as best we can, by teleconferencing and in other ways, to let people know what we have done with this new legislation. I hope that during this period of time, I can engage my colleagues in thinking about another issue. I and Senator Portman, the Republican from Ohio, have introduced legislation that at this moment in history calls for at least an inquiry into remote voting or some different approach to voting that doesn't require our physical presence on the floor in times of national emergency. It just makes sense. The fact is, our meetings of the Senate almost every single day have violated the CDC guidelines that tell us not to gather in a group of 10 or more. Yet we come to the floor because we have to--because this is life and death when it comes to this legislation we are considering-- and because we know what our jobs are. We can find a better way to do this in the 21st century by using the technology that is available in so many different ways in order to have verifiable, accurate, honest voting for those who cannot or should not physically be present on the floor. I have spoken to Elizabeth MacDonough, the Parliamentarian of the Senate, and her staff and want to engage in a conversation. What we know is that this is historic, and it really is a dramatic change from what we have done in the past, but I don't think it is unrealistic. I think it reflects the reality of where we are today with the public health crisis. It may reflect the reality of tomorrow, which could be some different national emergency or, God forbid, some terrorist activity that keeps us away from this Capitol Building when we still have work to do. I thank Senator Portman; Senator Klobuchar, who has really been one of the leaders in this effort; and Senator Schatz, who I know is a cosponsor. We are now up to close to 20 cosponsors, on a bipartisan basis, to move forward in this change in the Senate rules. I hope we can have conference calls during the time that we are physically away from the Capitol and move this idea forward. The House is considering the same thing as well. Now is the time to do it. It is time to bring this great body--the U.S Senate--into the 21st century when it comes to executing our constitutional responsibility without endangering anyone, especially Members and their staffs and families I yield the floor. The PRESIDING OFFICER. The Senator from Wyoming. Mr. BARRASSO. Mr. President, for families, for healthcare workers, for small businesses, and for people who are waking up today all across the country who are asking ``What is next?'' I believe that today we can report there is good news. The resolve and determination of this Senate, working in a bipartisan way and working with the White House, has delivered a rescue plan--a rescue plan for the American people and for American healthcare workers. We are going to pass new authorities, new resources, and new programs today to deal with two crises that we as a nation are facing. One is the medical crisis, the coronavirus, and the other is the economic crisis that is as a direct result of the medical crisis we are facing. This Senate is providing an overwhelming and massive healthcare and economic response package. We are doing both. We have to do both at the same time, as it is a rescue operation for the resources that our healthcare providers need and the resources that our economy needs. The healthcare resources are going to be surging for communities all around the country--every one of the 50 States is affected--with there being over $100 billion for our hospitals and the heroes who are taking care of coronavirus patients. As the Presiding Officer knows, I am a physician and have practiced medicine for a long time in Wyoming. People go into medicine so they can do a number of things, but when people go into medicine, what we expect of our healthcare providers is for them to save lives, to cure the sick, and to prevent disease. For all of those men and women who are working in this profession, I will tell you that this will be their finest hour. We are hearing about heroes all over the country, and that is going to continue as long as this crisis is in effect because that is what we are asking them to do every day--to save lives, heal the sick, and prevent disease. We see that with our public health officers who are out there, trying to prevent disease. We see it in communities. Day and night, we see people trying to heal the sick and to save lives in the hospitals. What they are asking from us are for resources, and that is now going to be provided in the bill that we are going to pass today that will hopefully soon be on the President's desk. We are also surging dollars to individuals, to families, to businesses, and to distressed parts of our economy--direct money: $1,200 per individual, $500 per child--take a look at that--and $350 billion in bridge loans and grants to small and medium-sized businesses. We are providing unemployment insurance to workers--people who were working and were ready to go to work the next day but were not able to because of the medical crisis affecting us. So this will be to make sure that workers who are not able to work right now are made whole. We held the line against so many of the ideological issues that the Democrats and specifically the Speaker of the House tried to put into this legislation. We made it clear that lives were at stake. Those are debates for another day. The crisis is upon us, and the rescue work needs to be done. I believe time was wasted. We should have passed this last Sunday. Time was wasted, and it was time the American people didn't have, but we are working on this action plan today. Pass the Senate bill today to stabilize American jobs and to surge healthcare resources to the frontlines. The House cannot delay. The House needs to get this passed today and sent to the President of the United States for his signature today. America should not wake up tomorrow and have to watch and wait and worry to see if the House is going to pass this bill. The House needs to act today. The American people need that reassurance today. Everyone--families, young people--has committed to slowing the spread for the remainder of the 15-day window. There is about a week longer to go. And people are doing it all around the country. People are going to continue to ramp up the manufacturing of medical equipment--masks, ventilators, respirators, tests--to save lives. People are going to keep cutting redtape and pressing on scientific and medical breakthroughs for treatments and vaccines. Going forward--and I see the minority leader on the floor--we need to take [[Page S2025]] a long, hard look at our supply chain. China has been exposed. We cannot allow ourselves ever again to be in any way dependent on China for medicines, for materials, or for minerals. My focus, along with what I know to be the President's focus, is to bring America back stronger than ever before. We are a strong and resilient nation. We will get through this. Our country's healthcare infrastructure and our economic resolve are today being tested. We will defeat the virus, and we will be back stronger than ever. I yield the floor. The PRESIDING OFFICER. The Senator from Washington. Ms. CANTWELL. Mr. President, I come to the floor to thank my colleagues for all of their hard work on this legislation and to urge my colleagues to move forward today because the State of Washington desperately needs this help. When I think about this package that has been crafted literally since Saturday starting at about 10 o'clock and when I think about the people who had run to collaborate--yes, there were many challenges to that collaboration--I also think about the people who are on the frontlines in the State of Washington who have paid such a heavy price--from the factory worker we just lost in Everett, WA, to the COVID-19 disease; to the grocer at the Leschi Market, who was just trying to help deliver groceries to a needing public; to the pathologist at the University of Washington who was a leader in this field but who also lost his life. Real sacrifice and real, crushing blows have been dealt snce December. But today we are responding with more help for our States. We are giving them more money for hospitals, more money for the frontline with protective gear, more money for testing, and more money to support them as they continue the effort to try to stop this disease. It is so important that we give State and local governments and Tribes the resources they need to be on the frontlines in fighting this disease, and I thank our Governor, Governor Inslee, for leading that charge every single day in trying to focus our response on this disease. Because we were the site of the first COVID-19 case, we have been at this since January 21, and the sadness we have all felt over the Kirkland nursing home, where we lost so many patients, we hope will be a lesson for the rest of the Nation to pay attention to the seriousness of this virus. We are also here today, though--besides giving that frontline support to States, to cities, to counties, and to our healthcare delivery system--to say that we want to try to lessen the economic impacts of a shelter-in-place or social distancing. Our businesses, small businesses, have been hit hard. Our restaurants, our other businesses that have shut down, that don't have the same resources to come to Washington, DC, and to lobby for aid and support, are counting on us to create a program that small businesses can get both grants and loans. So the $360 billion in this program I hope SBA will help dispatch with urgency to those businesses that have complied and have done their best to keep their employees while also shutting down their business. We also know that the unemployment benefits in this package, which will be for an additional 4 months, will be a boost for people who are unemployed, and the expansion of that definition to cover those who are part of a gig economy who may not have been covered in the past is important to give people the safety net to make it through this process. I wish we would have come to terms on even allowing for COBRA enhancements, particularly for the aerospace sector. I will be filing a bill today to make sure that as we continue to move through this crisis, we think about those who are going to have a shift--are laid off, as we have seen in recent days in Everett, WA--so that they, too, could have healthcare beyond just 1 month of a COBRA health plan. It is so important in fighting this disease that we not only take care of unemployment benefits, but we also make sure people in unemployment have access to healthcare. We can't be in the midst of a pandemic and not give people affordable access to healthcare. I also thank my colleagues for other provisions of this package that are helping in giving individual taxpayers relief in the sense of a rebate check. Not only will individuals get a rebate check of $1,200, but families will get a rebate check of $2,400 that should help those who have been hit hardest by this disease in these days in which we are sheltering in place in the State of Washington. There are so many more things we need to do, and while I support the elements of supporting the aviation industry in this package, I wish we would have gotten more requirements on the airline industries for the grant section of this bill. I personally believe that in the future in a healthier airline industry, they should pay money back to the Federal Government. We certainly should be protecting the workforce during this time period, and that is what is most important--to make sure that an airline doesn't take money from the Federal Government or go into bankruptcy and shortchange the workers and the workforce, as has been done in previous packages for them. I fully support, though, the loan guarantee program and the loan guarantees that are so important and so qualified in this package to have very specific requirements to them. I also want to thank my colleagues from the Banking Committee who worked hard on provisions in this legislation to make sure there was more transparency in the process for who got access to the loans in this package. While we think of the processes we have been through before on TARP and the processes we have been through before on other lending, our colleagues here on this side of the aisle made sure that there were better requirements for oversight, inspector generals' ***accounting*** of the resources, and to make sure that we knew exactly where these dollars were being spent. I know Treasury will have its hands full, but because of Democrats, we will have more transparency in exactly how those dollars go out the door. So I want to thank Leader Schumer and his staff for working so diligently on this package. It has been a very hectic couple of days. And I would say a special thanks to the Commerce Committee staff, to David Strickland, Melissa Porter, David Martin, Ronce Almond, who literally have been camped out for--probably since last Saturday, working and perfecting the language in these sections related to aviation. As I said, there is more work to do, and we all know there is more work to do. I know I want to continue the fight for the aviation supply chain, to make sure that when we come out of this crisis after an economic downturn around the globe, the United States is well positioned to return the supply chain workforce to building one of America's best products--airplanes. One of America's greatest-- actually, America's single largest export is airplanes. But to do that, we are going to have to get through this crisis and protect what we think needs to be continued healthcare access for those laid-off workers. So let's get these dollars to the frontline, to our hospitals, to our States, for better equipment, for more supplies. Let's support them in doing what they do best, helping to fight this disease and seeing this through to the other side of America's challenge. I yield the floor Recognition of the Minority Leader The PRESIDING OFFICER. The Democratic leader is recognized. Mr. SCHUMER. Mr. President, I want to thank the Senator from Washington for her hard and diligent work. No one--no one--fought harder for the State of Washington, which, like my State of New York, is in such crisis, than the two Senators from Washington, and I thank Senator Cantwell for her great work up and down the line. Whether it was the government, the companies, the people of Washington State, she was there. Now, I say to the American people: Help is on the way--big help, quick help. I say to the American people: Because Democrats insisted on making this bill better, we can now call it a bill that puts workers first, not corporations; that has a Marshall plan for hospitals; and that has accountability, transparency, and watchdogs over much of the lending that is in this bill. Now, in 6 days of shuttle diplomacy and here, in these mostly now- empty corridors, we have shaped a bipartisan [[Page S2026]] agreement on the largest rescue package in American history, which was sealed last night a few minutes after 1 in the morning, when Leader McConnell and I came to the floor to announce we had an agreement. It was not a moment of celebration but, rather, one of necessity. Facing an unprecedented crisis, it was the duty of the Senate to produce bipartisan legislation to send an immediate infusion of resources to our public health systems, State and local governments, small business and American workers. As I said, from the start, Democrats had two main goals: a Marshall Plan for public health workers and hospitals on the frontline and putting workers first, not corporations. Had we not asked for the Republican Party to recognize us by not going forward on these first two votes, this bill would have been much worse. Our actions made it much better--not everything we wanted but much, much better, and we are proud as a caucus and united as a caucus at the job we have done to improve this legislation because, after all, this legislation will be with us not for days and not for weeks, not even for months, but probably for years. To improve this legislation was worth taking an extra day or two, improving it after the Republican leader just put it down without consulting us and tried to say take it or leave it. Like all compromises, this bill is far from perfect, but we believe the legislation has improved sufficiently to warrant its quick consideration and passage. Because many Democrats and Republicans were willing to do the serious and hard work, the bill is much better than when we started, and starting yesterday morning, we all came together to get this bill done. We worked in a bipartisan way, as this body should have worked and should work, and here we are. Once the language is ready, Democrats are ready to speed up the consideration of the bill as much as possible. We believe the legislation has been improved sufficiently to warrant its quick consideration and passage. I expect the Senate can get the job done in the new few hours. Now, the American people watching should know what is in this bill, which has undergone many revisions over the past 48 hours. Many of the programs and funding authorities that are being finalized as we speak will go to them directly, the American people, and could make the difference in the next few months between putting food on the table and going hungry, between surviving this period of unemployment and financial ruin. So let me briefly run through the major components of the bill. First, as I mentioned, a Marshall Plan for the American medical system is now underway. This agreement will inject $150 billion into our hospitals and health system, headlined by a new $100 billion fund to provide our health system with whatever it needs to fight back. The grants in that fund will be available to everyone who is fighting coronavirus--hospitals, nursing homes, community health centers, and all types of Medicaid providers and safety net providers. It includes funding for personal protective equipment, testing supplies, a surge in our healthcare workforce, additional Medicare funding, research into coronavirus treatments and more. The funding will literally act as a lifeline as the number of COVID-19 cases continues to climb. So as I said, a Marshall Plan for the American medical system is now underway. Second, workers first. Millions of workers, through no fault of their own, are losing paychecks, with no way to cover their daily expenses and monthly bills. Coming to their rescue is a program Democrats devised to boost unemployment insurance. We call it unemployment insurance on steroids. The agreement increases the maximum unemployment benefit by $600 per week and ensures that laid-off workers, on average, will receive their full pay for 4 months. These benefits will be much easier to access and will be expanded to include part-time, self-employed, freelancers, and gig economy workers. And the new program has a second--the first job of this program: Get money into the pockets of people who are losing their jobs through no fault of their own, and it will come quickly and generously. But it has a second purpose. It will also allow companies to furlough workers so that they can stay on as employees, so when, God willing, this crisis abates, they can quickly resume work with their employer and businesses can reassemble. When this crisis is over, we don't want every worker who is losing their job to scatter to the winds, and so many good businesses, through no fault of their own, will fall apart. By keeping them on furlough, paying them, the businesses can reassemble quickly. This proposal, unemployment insurance on steroids, will be the greatest expansion of unemployed benefits in decades--a social safety net wide enough to catch the millions of American workers who became unemployed virtually overnight, woven with fiber strong enough to hold them through the worst of this crisis. As I said, we are going to pass unemployment insurance on steroids. Third, oversight, transparency, and accountability of all loans made to corporations. The Republican bill initially put the focus on rescuing industry and did not do enough to protect the hundreds upon hundreds of thousands of workers those industries employ. But as a result of our negotiations, Democrats have secured crucial worker protections throughout the bill as conditions to rescuing large companies, including incentives for businesses to keep workers on the payroll during the crisis. For the nearly 2 million airline employees, Democrats have also secured direct payroll payments to keep you on the job. Your collective bargaining rights will be protected, and airlines will not be allowed to spend any grant money on stock buybacks or CEO bonus pay for the life of the grant plus 1 year. Democrats also secured tough new requirements on Federal grants and loans to any industry: no stock buybacks for the length of any loan provided by the Treasury, plus 1 additional year; restrictions on any increases to executive compensation; a requirement to protect collective bargaining agreements; Democrats secured a prohibition on any Trump Organization business or any business controlled by any other government leaders from receiving a loan from this bill. We compelled the creation of Treasury Department Special Inspector General to provide oversight of Treasury loans and investments, an accountability committee to protect taxpayer dollars, and a congressional oversight Commission as well. There will be much needed transparency in these requirements as well. The Treasury Secretary must, by law, make public quickly the names and terms of loans or other assistance to corporate borrowers. I believe it was Justice Brandeis, who said: Sunlight is the great disinfectant. If any of these loans look untoward, if any of these loans don't look right, or if any of these loans are going where they shouldn't be going, the Congress and government will know quickly, and that will put pressure on the Treasury Secretary not to do them and certainly not to repeat them. Fourth, resources for State, local, and Tribal governments that are carrying the weight of their overburdened health networks on their budgets is there. This came down to the wire. My Republican friends didn't want to do it, but I am glad they acceded to our wishes here because local governments are hurting. They are spending more money than they have ever spent and at the same time their tax revenues have declined. So we must help our local governments, and we will in this legislation. It will be distributed between both the local governments, county governments, and the State. In the end, State and local governments will now get $150 billion, with $8 billion set aside for Tribal governments. The relief is desperately needed because State revenues have dried up almost overnight, leaving them with untenable choices about how to allocate their healthcare and other resources. Fifth, urgent help for small businesses. My dad was a small businessman, an exterminator. He used to pace the floor Sunday nights at 2 a.m because he didn't want to go to work. I know small businesspeople suffer under normal times, let alone these difficult times. This bill offers $350 billion in [[Page S2027]] loan forgiveness grants to small businesses to keep their existing workforce and to help pay for things like rent, mortgages, and utilities. It provides $10 billion in emergency grants to provide immediate relief for small business operating costs. Of course, there are many things besides in this bill. Those were the five things we pushed for. Small business was much in the bill that Leader McConnell put forward. All the rest, we as Democrats have pushed hard for and gotten in the bill. Now there are other things too: support for American families, including childcare, education, senior care, housing and more. One thing of particular importance to my State is public transit. The MTA is drowning after such a steep and sudden loss of ridership. Democrats asked for and now have secured a $25 billion life preserver to keep those public transit systems afloat as well. It is not just big cities. The bus systems in rural areas will depend on this as well. The bottom line is this. This bipartisan agreement will provide more resources to our public health system and protect American workers of all stripes. Now, as I have said before, this bill is far from perfect. Many flaws remain, some serious; but by no stretch of the imagination is this the bill Democrats would have written had we been in the majority. If Democrats held the pen, we would have designed the assistance to troubled industries in a completely different way. We would have added even more support for Medicaid, hospitals, community health centers, nursing homes, and new patient protections to ensure that everyone with coronavirus can access and afford treatment. We would have increased food assistance. We would have included more relief for student borrowers and prohibitions on evictions and foreclosures on Americans for the duration of the crisis. We have gotten many of those but not all on evictions and foreclosures. We would have put workers first in every single part of the bill. That is what we tried to do here as much as possible, but Senate Democrats are not in the majority. We knew this bill had to pass muster with the Republican administration, and a failure to reach an agreement in this time of deepening, serious, painful national crisis was simply not an option. We have before us an imperfect bill but a necessary one. Despite its flaws, it is far better than where we started, and it is time to pass it. Now, before I yield the floor. There are some people I have to recognize: the Republican chairs and the Democratic ranking members and their staffs who have worked diligently on this legislation; Senators Leahy, Cardin, Shaheen, Warren, Reed, Peters, and Wyden, and so many more I could name--the whole caucus and their entire staffs--thank you. This bill is better because of your long hours and hard work. The floor staff who kept this Chamber open and running at all hours, we thank you. Secretary Mnuchin, Eric Ueland, Mark Meadows, and their staffs, who have spent more time in my office than they care to admit, thank you. To my staff, I am blessed with the greatest staff a Senator could have. They are so dedicated to the public good. They are so dedicated to this country. You should have seen them working. Gerry Petrella and Meghan Taira have a little baby at home. Both of them have important roles in my staff. They met here. They got married. They are still here. They worked day in and day out--but so was everybody else--so was everybody else. I want to thank my staff. If the American people saw the work you did, they would be so proud. So thank you from the bottom of my heart. Our colleagues and our staffs have committed themselves in this way because they understand the sacrifices being made by the American people in homes and hospitals across this great Nation: the working families who are at home missing paychecks, playing teacher and provider and caregiver all at once; the thousands of Americans who are volunteering to help understaffed medical facilities; the small business owners who are watching the labor of their lives evaporating in an instant but are still paying their workers as much as they can manage; the nurses and doctors and healthcare workers who know better than anyone the risk of contracting this disease by treating infected patients, who go to work every day working longer shifts to do God's work anyway. To them and to all Americans, I say this: Help is on the way. Big help, quick help. We are going to take up this bill and pass it to care for those who are now caring for us and help carry millions of Americans through these dark times. This is certainly not the end of our work here in Congress but rather the end of the beginning. The crisis continues to deepen. There will be difficult days ahead and the worst may be yet to come and we certainly may have to come back and do further legislation, but we know right now help is on the way, and we will not stop working until we see our Nation through this time of extraordinary challenge I yield the floor. The PRESIDING OFFICER. The Senator from Colorado. Mr. GARDNER. Mr. President, it is great to be back on the floor of the U.S Senate. It is a heavy obligation that we have before us. On March 17, I was contacted by the Tri-County Health Department to notify me that on March 11 I had been in a meeting with a Coloradan who later tested positive for COVID-19, and at the advice of the Tri-County Health Department and the attending physician in the Capitol, I entered self-quarantine to protect my colleagues, our community, and our family. That time has now expired as of this morning. I certainly regret the fact that I missed a vote that passed 90 to 8 to complete phase 2 of our help to address COVID-19. I wish I had been here because the vote would have been 91 to 8. Throughout that time I was in quarantine, I had an opportunity to visit with thousands and thousands of Coloradans through telephone townhalls in every congressional district to hear from individuals who have lost their jobs, to hear from business owners who were terrified about what happens next, to hear from parents who are at home with their kids who are out of school, not knowing if they go back at all to school; how to figure out how Zoom works, how to figure out how Skype works, how to figure out how technology works to teach their kids at home. Throughout this process I adopted a three-pronged approach to what we must do as a country to get through the crisis at hand. No. 1, we have to address the immediate health epidemic: what we are doing to, as the experts say, ``flatten the curve'' to stop the spread; to provide the resources, the tests, the protective equipment that we need through our States to make sure that they can fight this invisible virus; what we can be doing to give them the tools and the skills they need for the heroic efforts of our frontline healthcare providers--the doctors, nurses, clerical staff, janitors, classified workers--all of the people who have been so heroic to provide healthcare to our people. That is phase 1, making sure we stop this epidemic and address the needs of the American people. Prong 2 of this three-pronged approach is about making sure that we provide individuals with immediate assistance: people who are terrified about what happens to their job, how they are going to make ends meet, what they are going to do to put food on the table, how they are going to pay their rent, how they are going to pay their mortgage, will they have a restaurant to go back to. That is prong 2 of this approach. Prong 3, of course, is to get our businesses up and running again to make sure that when this health epidemic is over--this health emergency is over, we can make sure we have an economy that snaps back and runs strong. We will do that because we as a country will rise together. We will do it united. We will do it because we in this country know how to overcome great challenges. We are taking these measures to quarantine and self-isolate not because we are fearful of the virus, not because we are afraid of what will happen if we don't, but we are doing it out of love for each other. We are doing it out of love for our neighbors, community, our parents, our grandparents, and our children. [[Page S2028]] We take the guidance of health experts and public policy experts seriously because we want to share that love with people to stop the spread so that we can avoid the surge that can overwhelm our healthcare systems because we know, under the best case scenarios--the best case scenarios--we are looking at a situation that can utilize 95 percent of every hospital bed in this country for the next year. We do this out of love for each other and for our community and to protect one another. In Colorado right now, we have roughly 1,000-plus confirmed COVID-19 patients. We have lost 12, perhaps more by the time I am giving this speech today, in Colorado. These lives, those who have tested positive, their loved ones are all in my prayers today. The Governor of Colorado obviously is issuing the emergency declarations. I spoke with the Governor a few minutes ago to talk about how we can continue to provide the resources that Colorado needs. Over 2 million people across the Denver metro area are now in some kind of a shelter-in-place order, ordered to stay at home. Our Nation is uneasy, our future is uncertain, and the level of anxiety that our country faces is the highest I have ever seen it, but we don't need to have uneasiness about our future because we will rise together; we will come together as a nation to overcome this. We know that our future, the future of this Nation, will be prosperous again; that our economy will be thriving again; that our communities will be able to celebrate what we have overcome because that is what we do in this great Nation. We rise. We rise together. We stand together. Coloradans have stepped up in every way possible. In a uniquely Colorado way, you have hemp businesses that are now producing cotton swabs for medical needs; you have whiskey distilleries that are producing hand sanitizers for hospitals and for home healthcare; we have protective equipment that is being donated by the Denver Broncos and by the marijuana industry and by so many other businesses across the State of Colorado which are stepping up in ways that make all of us proud. They are checking on their neighbors. They are checking on their friends. They are making sure that elderly people in their church whom they have met are OK, making sure that we check in with our loved ones and those around us. We have been able to get successful tests up and running in different places across Colorado, helping different organizations and different healthcare facilities find new ways to process this overwhelming burden. As this place has passed phase 1, which gave millions of dollars to the State of Colorado and so many States around the country, and as we passed phase 2, which prepared additional testing and nutrition programs and other ways to meet this challenge, we now turn to phase 3. Phase 3 addresses all three prongs of my approach and addresses the health emergency. It addresses assistance to individuals, and it addresses the ability of our economy and businesses to snap back when we address this health emergency. It needs to pass now. It should have passed days ago. I don't think the American people give a hoot whether this idea was a Republican idea or a Democratic idea. I can tell you that on my tele- townhalls I did and in my conversations I have had with American people around the State of Colorado, they haven't once said to me ``Well, we hope the Republican-only version passes'' or ``We hope the Democratic- only version passes.'' That is not what they are saying. They are saying ``Do your doggone job because we are scared about what happens next.'' So pass the relief that we need to get them back on their feet, to make sure they know they are going to be able to have food on the table and to pay rent. I can't imagine what somebody who for 50 years built a small business must be going through every hour we delay, wondering if that 50-year dream is going to stand and survive. Shame on the people around here who said ``You know what, let's have 1 more day of delay, 1 more hour of delay'' because a Republican could get their way or a Democrat could get their way. When I was at home, not once did I hear anybody say ``Could you stall a little bit more for partisan purposes?'' The American people are rising above the fray. They are meeting this challenge in the spirit that I hear in every conversation I have. They are donating blood. They are sharing that love I talked about with their neighbors and their communities. They are figuring out new ways to be together even when we are supposed to stand apart. That is what the American people are doing. And we are bickering about phase 3. We will have phase 4 and phase 5, but do you know what we have done? Instead of patting ourselves on the back, do you know what we have done? We have managed to get back, I hope, to the starting line. We didn't run through the tape. We haven't finished the job. We have made it, I hope, to a place where we can now know we are back at the line and we can run together to fix what will be tremendous needs and to address the tremendous needs of this country and to answer the anxiety every single one of our constituents has. That is what Congress should do. That is what Congress must do. I am glad and I will be proud to vote for this bill today because we have to get this job done, and there is more work to do. We have to make sure people understand that the recovery benefits they are going to be receiving will help answer that anxiety, to hopefully give them hope, and that the new categories of unemployment insurance that have been created under this will also give them the ability to know it is going to be OK, to know that the small business loans that are being made available will help that restaurant stay in business. You know, I talked to Eve in Aurora, and she didn't know how she was going to survive because, yes, she converted her whole business to takeout, but she didn't know how successful that would be. To Roberta in Pueblo, who had the same questions about how her restaurant was going to survive, this small business loan will be able to help people pay payroll, to bring those back onto payroll whom they may have let go because they didn't know how they were going to make ends meet, to pay them, to pay their utilities, to pay their rent, to pay their mortgages, and to have that loan forgiven to keep this economy in a place where it will be vibrant again because that is what we do in this country. We don't look back; we look forward. And in Colorado, we look up at that great Rocky Mountain horizon, and we don't look down. We look up, and we see the next horizon, and we strive for that optimistic next day. That is what we do in Colorado, and I know this country does the same. You know, I talked to a 70-year-old Coloradan in Weld County, CO, who, on a tele-townhall--you could hear it in her voice. She didn't know what she was supposed to do because she was older than the experts say should be out and not following guidance, but, she said: I can't find the disinfectants and the cleaners that I need. How do I find that? So we were able to find her relief. The grocery stores have stepped up, and they have provided special hours for people. They are delivering to people like the woman I spoke to. They are providing information to their communities. They have clerks, they have cashiers, and they have people stocking the shelves who are on the frontlines of this fight as well, keeping our communities safe. So to all of them, I say thank you for the work you are doing each and every day. It is important to recognize in this country that we have seen great challenges. I remember my grandmother, who passed away this past year, talking about her experiences in the Great Depression. This country has been through the Great Depression. We have been through the great recession. We will make it through the great infection. That is what we do as a country. That is who we are as a people. The Senate will approve this bill today, and the House must approve it without delay--no excuses; no delay; pass the doggone bill now. The American people have expected this for a long time. It shouldn't have taken this long. Do your job. Do our job. Get this done. We will act out of love for our communities. We will act out of compassion, and we will rise to the spirit that has made this country great. [[Page S2029]] I have heard so many of my colleagues come together and talk about wartime footing, or they have talked about how we have mobilized in a way that maybe the people have never seen in their lifetimes. It has reminded me, though, of what Thomas Paine wrote in ``The Crisis'' during our Revolution, which, actually, George Washington read to his troops. Here is what Thomas Paine said: I call not upon a few but upon all; not on this state or that state, but on every state; up and help us; lay your shoulders to the wheel; better have too much force than too little, when so great an object is at stake. Let it be told to the future world, that in the depth of winter, when nothing but hope and virtue could survive, that the city and the country, alarmed at one common danger, came forth to meet and repulse it. We were taught in Sunday school that our struggles lead to perseverance, that perseverance leads to character, and that character gives us hope. We will get through this, America. We will start with this bill. We have a lot more work to do, but to my colleagues: Do our jobs. Get it done. No excuses. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. CARDIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mrs. Loeffler). Without objection, it is so ordered. Mr. CARDIN. Madam President, the people in this Nation are hurting. We know that. They are very concerned about their own health. They are worried that they may be carrying the virus and may take it home to their elderly parent, who could come down with the virus. They are worried about how long this social distancing and commuting from home and staying at home are going to be required in order to control the spread of the virus. They are worried about their economic circumstances, whether they are going to get a paycheck. I am pleased that, today, we have an agreement with our leaders to move forward on the third stimulus package to deal with this crisis of COVID-19. I, first, want to express my appreciation to our leadership. I have been in daily, almost hourly communication with Senator Schumer, and I know how hard he has worked to make sure that this package really deals with the medical emergency we have and deals with the workers, to make sure they are protected and they are protected in whatever we do; that it provides the help for State and local governments; that it provides the much needed attention to these particular issues; and that we have accountability for any of the monies that are going particularly to our largest companies in this country. So I want to express my appreciation. I am very pleased that our first priority--our very first priority--is to deal with the public health challenge. This is including what is happening in my State of Maryland and what is happening in every State in our Nation. I am pleased that in our State it is ``Team Maryland.'' Our congressional delegation is working very closely with Governor Hogan and his cabinet, and we are working closely with our county executives and our mayors and our private sector to do everything we can to protect the public health of the people of our State. We have done what we can locally to make sure that testing is available so we understand the dimensions of this problem, and the Governor has taken extraordinary steps in order to increase our medical capacity in the likelihood that we are going to see a significantly increased number of those people who have the coronavirus. Yes, we need to stay at home unless there is an urgent reason for us to be outside. I am frequently asked by my friends why don't we do as much as we can in the U.S Senate remotely. I think we should, including voting. So we need to distance ourselves and minimize social contact in order to prevent the spike of this disease, which would test our medical capacity to handle it. So I was pleased that the third supplemental--the agreement that has been reached that we will vote on, hopefully, today--does have a surge in our medical capacity, a Marshall Plan, to deal with our healthcare needs. I could go through a lot of the specifics. I think some have already been gone through, but I particularly appreciate the fact that we have $100 billion for our hospitals and healthcare facilities, including clinics, in this bill. I am pleased that there is a 20-percent increase in hospital reimbursement rates. I thank Senator Grassley and Senator Wyden for including in that provision a unique clause for the Maryland hospitals so that they can be qualified for this. As I think some of you know, Maryland has an all-payer rate structure, and we had to make sure that these provisions would apply in Maryland. I thank them for their attention to that detail. There is also money in here for our hospitals to be ready for preparedness, which I think is extremely important. And there is a separate line appropriation for our community health centers and our federally qualified health clinics. That is critically important there. They are being stressed as the needs are increasing and as the cost of treatment is increasing. We need to replenish the national stockpile. We know the concerns for protective gear. We know that. We know that ventilators and respirators are in short supply. We have to make sure that we have adequate replacement of what has been taken out of our national stockpile and available now to deal with the surge that is coming under any scenario, so that our healthcare workers have the protective gear that they need and our patients have the medical facilities and the respirators that they need. We have also plussed up the work being done to deal with the development of a vaccine. I am pleased that NIH is getting the monies they need in order to do the work. We know that we are not going to have a vaccine in time this year, but we want to make sure that we get it as soon as possible and that it is on a fast track. These funds will help us develop that vaccine for the future needs of controlling this type of a virus. But, in the meantime, we are also putting resources into therapeutic drugs--drugs that could help people who are sick today. Those drugs are not yet available, but we want to make sure we do everything we can to make them available as soon as possible FEMA, or the Federal Emergency Management Agency, has been bumped up substantially in this bill and for good reason. That brings me to the point that is a major improvement that has been brought to this legislation to help our State and local governments. They are the frontlines of providing these public health needs, and we need to provide them the resources they need. So FEMA needs to be properly appropriated. We have the money in here to help FEMA, but we also need direct help for our local governments to deal with this problem. We see that our State and local public health officers are getting extra money for better reporting, so that we know exactly what the status is in each of our communities. All of that is important for our Marshall Plan to control this disease and to get it under control. But I wanted to take this time to talk about a matter that I was working on for small business, and I mention that, recognizing that we have to get our economy back on track. The best way to get our economy back on track is to get this virus controlled, enable people to be able to get out, to work, to buy, and to participate in our economy. That is the best thing we can do. But this package also recognizes that unless we help businesses and workers today, we are not going to be prepared for our economy when we are able to rebound. So my role as the senior Democrat on the Small Business Committee, working with Senator Rubio, the chairman of that committee, was to make sure that we had a robust provision to preserve the growth engine and innovation engine of our economy, and that is small businesses. There is more job growth for small companies, and there is more innovation for small companies. We need to preserve the ability of small companies to get through this time. Quite frankly, they don't have the same deep pockets that large companies have. They don't have the same availability of credit that large companies have. They don't have the same [[Page S2030]] banking arrangements that large companies have. They don't have the flexibility that large companies have. So we have to provide special attention to small businesses, and this package does that in a very, very robust way. I already mentioned Senator Rubio. I thank him for his leadership. The two of us were working together well before this week, and that is why we were probably further along in helping small businesses than the other parts of this package dealing with the various economic areas. Senator Shaheen was a valuable Member of our team. I have worked with Senator Shaheen on small business issues for a long time. She was a key player in putting together the package that we have to present to our colleagues here in the U.S Senate. I also want to acknowledge Senator Collins. It was the four of us who were meeting regularly and communicating regularly and who recommended this package that we will shortly be voting on as it relates to small business. Also, if I could, I would like to acknowledge members of my own staff who have worked literally 24/7. I have talked to them at various times during the night and day. It has been very stressful for all of us, but our staffs get no rest whatsoever. So to Sean Moore and the entire staff on the Democratic side of the Small Business Committee, thank you on behalf of America's small businesses and workers and on behalf of our country. And to Ron Storhaug on my staff, who has been working on a lot of these provisions in regard to the tax issues and in regard to a lot of these issues, I thank him for all of his work. And to Lauren Jee, who is our health person, who has not only helped us put together this small business package, but she has been available to help Maryland health providers and patients to try to get through where we are today. All of that is reflected in the bill we will be voting on later. I know on the Republican side, there has been dedicated staff who have done equal work to ensure that we have a bill that we can present today. Let me go over, if I might, some of the provisions we have in here for small businesses. We have three new programs--three new programs-- to help small businesses in our community. They will have different titles, but every one of them provides grant help to small businesses. I want to repeat that. You might hear this is a loan. No, these are going to be funds that go to small businesses that do not have to be repaid. These are grant monies. Why? Because a small business owner can't incur more debt today when they have no idea how they are going to be able to survive in the future. We have to provide immediate help--immediate help. It has to be substantial, and it has to be in a way that they know that they are not encumbering their future. And that is what we do. We want to get the message out that this is going to be immediate help to help America's small businesses. One program provides $350 billion of relief to small companies under 500 employees--$350 billion. It is triggered by going to your financial institution and getting what is known as a 7(a) loan. But let me caution you, it is going to be forgiven if you follow the rules here. You go to a bank or a financial institution; you do a 7(a) loan; it is 100 percent guaranteed by the Federal Government, so the bank has no risk factor here. There are no payments due for a year. So, even getting into this loan, there is no obligation for cash outlays on behalf of the borrower. The fees have been waived, so this is a cost- free opportunity to get the cash you need to keep your small business open. That is the purpose of this new program under the Small Business Administration. The amount of the loan: You take your average payroll before the coronavirus was here--you take your monthly average payroll and multiply it by 2.5 Basically, what you are getting is 2 months of payroll for your workers plus an extra--it comes out to an extra 25 percent of your payroll because it is 2 months of that. Now, what are the eligible expenses? What can you use this for? Well, you can use the 2 months of payroll for payroll. Pay your workers. Keep them employed. It saves you the cost of rehiring if you had to furlough or lay off workers. You can keep them employed. You can use the extra funds to cover the expenses that you have on their healthcare or related expenses. You can use the extra 25 percent for rents or mortgage payments or utility bills. So it gives you cash to conduct your business for the next 2 months. It gives you the ability to keep afloat so that you are ready to rebound when the economy rebounds. Who is eligible? As I said, companies under 500, but we went beyond the traditional 7(a) eligibilities. For the first time under 7(a)s, we are also allowing nonprofits to be able to get into this program so that they will also be able to stay afloat because we know the important work that nonprofits do for our community. They are also eligible. And we gave some relaxation to the 500 rule for locations--for restaurants or hotels that have multiple locations. This is a program that is aimed at keeping businesses open and ready--small businesses--for when we get through this coronavirus. Then this amount of money that you borrowed is totally forgiven--totally forgiven--if you maintain your workforce to the precoronavirus level or bring back your workforce to the precoronavirus level during the stated period of time of this bill. So, if you keep your workforce or bring back your workforce, the government is going to help you maintain your ability and make sure your workers get paid and their benefits are maintained. It works very well with the other provisions that are in other parts of this bill, such as the unemployment insurance benefits. Yes, if you furlough workers, you can collect unemployment benefits at basically full salary for the next 4 months, so that is also available to small businesses. But we want you to also know that you can keep your employees employed--there, ready for the business to rebound--as we hope it will shortly. So that is just one program. We have other programs available. We have a new program which is labeled as a grant, a $10 billion grant program for emergency cash availability for small businesses. There are many small businesses that have a hard time going to a bank and getting a commercial loan. There are many small businesses that need cash today; they can't wait for that process to work its way through to get that check from the Small Business Administration through one of their financial institutions. It is going to take a little bit longer for them to be able to get that done. So we have emergency disaster relief loans in the first supplemental. We made it clear that small businesses qualify for emergency disaster relief loans if they have been adversely impacted by the coronavirus. These are direct loans coming out of the Small Business Administration. These are not loans that are from financial institutions. We have included that in the first supplemental. We now allow you to make that application, and with that application, if you need to get cash immediately, the SBA can write you a check for up to $10,000. And we want that done within 3 days. We want that money out in days, not weeks. We hear that all the time from small businesses: We need help now. I was pleased to work on this program. I filed legislation on it. This is a need that is out there today and will be available to small business owners. Now, we have a third program. Those are two programs where you can get this, basically, 2-month help from the Federal Government to pay your payroll and related expenses. You can get a $10,000 immediate cash advancement on that through applying for a disaster relief loan and showing a need at this stage. Then, there is a third program. There are many small businesses today that have existing loans under the Small Business Administration. These are 7(a) loans or 504 loans. The 7(a) is the traditional loan. The 504 are the larger loans. What this bill does is provide $17 billion of relief so that those who have these existing loans do not need to make any payments on those loans. They are forgiven for the next 6 months. I particularly want to acknowledge Senator Coons' work on this. This is a bill that we have been working on, and [[Page S2031]] it is only reasonable--we are asking others to relieve debt. Let us do it for our small businesses under the 7(a) and 504 programs. So there are a lot of provisions here that help our small businesses. I want to tell you that, in addition to those three I just mentioned, I am pleased that we do have contract protection in this bill. Let me explain what that means. If you are a business and have a contract with the Federal Government--this applies to all businesses, not just small businesses, but small businesses are particularly impacted by it--but you can't perform that government contract because you can't get access to the facility because it is shuttered as a result of the coronavirus, this bill allows the Federal Government to make sure you have adequate funds available to pay your workers so that those individuals who should have been working at the Federal facility will get paid during this period of time. We have also provided money for the Women's Business Centers and the Minority Business Development Agencies that are there in our community. Why? Because we have got to get the message out to small businesses about these new tools, how they can access banks to get these 7(a) loans that are forgiven--that are actually grants, how they can apply to the Small Business Administration for disaster relief loans and get a cash advancement and how they can get relief from their current 7(a) and 504 loans. So we give money to these entrepreneur service groups so that they can help women businesses and minority businesses get access. We have also put a clear intent that we expect the financial institutions to make loans to all size small businesses in all communities so that all communities can benefit from this legislation. We have increased the size of Express loans under this. And I just want to compliment the work of other working groups, particularly on the tax provisions. I was very pleased to work with Senator Wyden. The two of us worked on what is known as a retention credit, which allows companies that have furloughed workers to bring those workers back and get a credit up to 50 percent of that wage, up to $10,000, as a tax credit in order to bring back those workers. Well, for some small businesses, that may be a better option than what I have outlined before in regard to the 2\1/2\ months of aid based upon payroll. You have a choice. If you can do better under the retention credit-- it is a new credit--use that credit; if not, use the other. Small businesses are given more flexibility. Thank you, Senator Wyden, for helping us. I also want to acknowledge Senator Warner, who was very instrumental in getting that provision adopted. So you see that there are a whole range of tools in here to keep small businesses operating--paying their workers--so that they don't have to reinvent their employees after this crisis is over, so that they can keep qualified people employed, they get the paychecks, and our economy is ready to get back into shape. Now, there are many other provisions in this bill, including the cash payments under the IRS--$1,200 per taxpayer--that will help in this regard. When you put this all together, this is a robust package to hold our economy so that it can perform at a level that it is ready to take off again without the dire consequences of people not having income in order to pay their bills. Through these small business provisions, small business owners can keep their businesses intact. Through unemployment insurance, those who are laid off or furloughed can get their salaries. Through the IRS checks, people will have some cash. Through some of these other programs, we are providing relief, like delaying the time of paying the employer share of the FICA taxes. You put that all together, there is a lot of help out here to keep our economy going during this crisis, with particular focus on the workers and on small business. The last point I should point out, the self-employed, the gig economy, are fully covered under the small business provisions. They are fully covered under the UI provisions. We are trying to make sure that we preserve our economy; that we preserve workers and their families and their abilities to pay their bills. I think, when you take a look at this whole package, the challenge will be to get the information out to our constituents, to these businesses, to these workers, so they know what is in this package so that they can act now because, quite frankly, people are desperate, companies are desperate. When malls are closed, as they are in Maryland, and you are operating a small business in that mall and have no business at all, you don't know how you are going to make your next payroll, you have to make decisions today. That is why it is important that we vote on this bill today, we get it to the President as soon as possible, get the information out to the small businesses and to the workers and to all businesses that we are here to help keep them open, to keep the paychecks flowing, to keep our economy moving; that we are in this together. We are going to get through this period of time. Our economy is going to come back. We want you to know to take advantage of these tools so we can minimize the adverse impact of the coronavirus. With that, I yield the floor. The PRESIDING OFFICER. The Senator from Oklahoma is recognized. Honoring Our Armed Forces Technical Sergeant Marshal Roberts Mr. LANKFORD. Madam President, this morning, Technical Sergeant Marshal Roberts of Oklahoma came home. It was a dignified transfer in Tulsa, OK, early this morning. There were a lot of people who wanted to be there but, because of COVID-19, could not. A lot of other folks were. Technical Sergeant Marshal Roberts was killed in Iraq Wednesday, March 11, when his unit was engaged by direct enemy fire while they were sleeping. He was 17 miles north of Baghdad. He was deployed by the 219th Engineering Installation Squadron, the subordinate unit of the 138th, out of Tulsa, OK. He was in the process of building communications infrastructure as part of the fight against ISIS. The operation that Roberts served in, Operation Inherent Resolve, has been a vital part of protecting our Nation and bringing stability to the region. Roberts enlisted in the Oklahoma Air National Guard in May of 2014. He was killed in action as the first Oklahoma Air National Guardsman who has died but the 20th Oklahoma National Guardsman who has died since September 11, 2001. The perpetual comment that I heard from the folks to whom I spoke about Tech Sergeant Roberts was that he was one of the good guys; he was always known for having a smile on his face; he was selfless; and he served others all the way to the end. The night of the attack, there was a truck launcher that fired off 30 Katyusha rockets at their camp as folks were sleeping. Eighteen of those rockets landed inside the camp facility. As the noise happened around them, Sergeant Roberts told his fellow airmen to get up, get going, and get their body armor on. As he stepped away to go warn other people to do the same, the rocket came. But he saved the lives of some of the people standing right there whom he had told to get their body armor on. He was posthumously promoted to technical sergeant. He was born January 29, 1992, in Tulsa, OK. Marshal's parents, Sally and Randy, raised him in Owasso, OK, where he graduated from Owasso High School. He has a beautiful daughter, Paityn, who has been the love of his life. On November 15, 2018, Marshall was married to Krissy Harris. She was also in the 138th. They met and started dating, both being part of the Air National Guard. Their deep love for God, their deep love for their country, and their obvious love for each other was a significant part of the 138th. Everyone who knew them, knew what they were like and were glad to be called their friends. He was a brother, he was a son, he was a father, and he was a husband. Our State and our Nation grieves him today coming home. A fun story about him and Krissy, though, is that they met and started dating, as I mentioned, while they were both serving in the 138th. She had been in the 138th for 15 years. So she had actually been there longer. They dated [[Page S2032]] for 4 years before they got married in 2018. They had been married just less than 2 years. They were both avid football fans, but there was a major problem. Krissy is a Kansas City Chiefs fan, and Marshal was a Pittsburgh Steelers fan. That is a problem--definitely. But he fixed that by proposing to Krissy at the Steelers-Chiefs game. I have to tell you that for the family, for the folks who stood there today in Tulsa as he came home, they found a way to love each other and found a way to serve each other. And to the very end, they are still sacrificing for the country. Because of the COVID-19 that is happening right now, they have chosen not to have a public memorial service--in a close time for the family--and they are delaying that time until it is safer for all of the family and for all of the community to be able to participate. Literally, their family continues the grief and the weight--one more sacrifice for their country and for their community. Today, all of Oklahoma is using a hashtag to share messages with the family--a simple hashtag: ``#TSGT Marshal Roberts''; that is, hashtag Technical Sergeant Marshal Roberts, if you want all of the abbreviations on it--to share a message of support and love for the family. Our Nation is grateful, and we grieve with you for the loss today. Thank you to him and to his family for wearing the cloth of our country and for doing everything our Nation asked of him to the very end. Our Nation lives in freedom because of folks like Marshal Roberts, and we will continue to stand with Krissy and Paityn and with their family. With that, I yield. The PRESIDING OFFICER (Mr. Perdue). The Senator from Oklahoma Coronavirus Mr. LANKFORD. Mr. President, we are in the process of passing a very large economic package to help stabilize our economy through the middle of all that is happening with COVID-19 globally and in the United States. The heart of the package we are passing today is almost identical to what we brought Sunday night, which was a bipartisan proposal, which ranking members and chairmen of all the major committees had worked together to get done. The key elements of it are still there. It has unemployment insurance for Americans, including a $600 plus-up to go through the process. There is support for small businesses that will pay the payroll. We don't want individuals to end up on unemployment insurance. It is better if they stay connected to their same company. It has a unique new proposal that is built in to say a small business can go to any bank rapidly to get a loan there, which will convert into a grant if they maintain their current employee numbers. That keeps people connected to their business and keeps people assured of a job at the end of all this when it finishes out. It has a grant program for larger businesses that is designed to say: If you are a very large company, you are not going to get a grant; you are going to get a loan in this process. At the moment you get a loan and, if you don't have capital and you don't have access to it right now because of all that is going on, you could get that. This also has a feature built in where individuals will receive a check for $1,200. Every adult does. That is built in to get immediate economic support to all those folks across the country. All of those features were already in the bill through Sunday night. There have been some tweaks that some folks have brought up that some of our Democratic colleagues wanted to engage in. Many of those changes have been heard and been added, and to some we have said: Absolutely not, it is not connected to COVID-19 at all. There are things that some of our Democratic colleagues wanted to make sure got in. Through all the negotiations, some of these things were changed. For instance, they wanted to make sure that energy companies couldn't get any support. So they fought hard to make sure there is no additional money for the President buying additional oil to put in the strategic petroleum reserve at this lowest price now. So it will actually cost us more money in the future. But it was their intention to say that we don't want oil companies to get any support in this downturn. They also wanted to make sure there was great transparency because they didn't trust the Trump administration. So they built in an inspector general and additional people to watch the Treasury through the process. They put in a neat little feature they demanded, which was that no son or daughter or family member or any individual that works with the Presidency, Vice Presidency, or the Congress could get any of--not the grant programs--the loan programs. In fact, the language they demanded was interesting: No son-in-law could get that. I wonder: Who could that be targeted toward? A particular son-in-law that might be there. Literally, a lot of this fight we have had over the last 3 days is because they were demanding that there was no way the President or any of his family could get any kind of loan or benefit from this program at all. We spent 3 days--3 days of delay--because they had some additional demands for some things they wanted to do, significantly targeted to a lot of the President and his family. I understand they don't like the President. I get that. We want to do everything we can to protect the workers. That is why we had all of these programs in place already and why we had done a lot of bipartisan work to get it done. It is done now. Let's get it going. Our encouragement is to have the House finish this up as quickly as possible and to get the support to the American people. What has been interesting, though, is in the speeches that I have heard on the floor today from my colleagues and from many individuals in releases I have seen, folks have mentioned their prayer. They have mentioned: With God's help, we are going to get through this. They have mentioned the struggle we are going through as a nation and how we are praying for each other. It keeps reminding me of something. It is a very old psalm of ascent, Psalm 121. When the Jews would come into Jerusalem for the different feasts, they would sing these psalms of ascent as they came off the eastern hills and would start rising up toward Jerusalem. The song they would sing, I think, is pertinent for our time right now. Psalm 121 reads: I lift up my eyes to the mountains. Where does my help come from? Remember that the mountains here are the capital city Jerusalem. It is the seat of government for them and the center of worship. But it is the seat of government for them. They would sing: I lift up my eyes to the mountains Where does my help come from? My help comes from the Lord, the Maker of Heaven and Earth. He will not let your foot slip. He who watches over you will not slumber. Indeed, he who watches over Israel will neither slumber nor sleep. The Lord watches over you. The Lord is your shade at your right hand. The sun will not harm you by day, nor the moon by night. The Lord will keep you from harm. He will watch over your life. The Lord will watch over your coming and going both now and forevermore. It is interesting to me that the people would come in marching into Jerusalem, the seat of government, singing the song: I lift up my eyes to the mountains. [But] where does my help come from? My help comes from the Lord. Of all the things that are going on in Washington, DC, right now, you will hear people repeating over and over: Our hope is not in government; our hope is not in how much money we can spend. We understand full well, when we lift up our eyes to the mountain--to this hill. We understand full well where our help comes from, and it is not from all the folks in this room. Our help comes from the Lord, and we are grateful that He neither slumbers nor sleeps. With that, I yield the floor. The PRESIDING OFFICER. The Senator from Arkansas. Mr. COTTON. Mr. President, the deadly coronavirus that emerged from China late last year has now spread across the globe. The Chinese Communist Party deceived the world, even their own people, and unleashed the worst pandemic in a century on us all. Now it falls to us to defeat it. Here at home, a strange and unsettling hush has fallen over much of the country, as businesses close and millions of Americans brace for what is to [[Page S2033]] come. In New York, Seattle, New Orleans, and elsewhere, preparation for the virus has ended. The virus has arrived in force. The urgent battle to suppress it has begun. In emergency rooms and ICUs, courageous doctors and nurses are already locked in a battle to save the lives of their patients. Protective gear is in short supply, but their regard for safety and even family come second to their duty. The days ahead will be a close- run thing in those cities, as they struggle to keep their hospitals open and functioning. But make no mistake. The China virus will spare none of us--from the high-rises of the big cities to the hills of the Ozarks. Soon, the Senate will finally pass desperately needed emergency legislation for our Nation, including a massive infusion of funds to our healthcare system. But this legislation isn't about stimulus. It is about survival. With this legislation behind us, Americans are beginning to ask: What is next? Yes, the virus is testing us already, and it has already touched most of us by closing our churches, shuttering our businesses, and threatening the jobs and retirement savings of millions of Americans and, of course, threatening our lives. It is only natural that so many are wondering anxiously when and how this unprecedented crisis will end. And when it ends, will their jobs still there be? How will they put food on their table? How will they pay the bills? Americans want to know the plans so they can do their part. More fundamentally, they want to know that there is a plan. Upended routines combined with worry about the future naturally breed frustration. We are citizens, after all, not passive carriers of a deadly pathogen. This frustration has given rise to a new and growing argument that Americans can't wait any longer, that we ought to open back up and take our chances with this virus. After all, we can't stay inside forever. We can't, as the saying goes, let the cure be worse than the disease. The urgency to stave off economic collapse is, of course, understandable. It is also tempting to think that we face a simple choice between shutting down to fight the virus and opening up to save the economy, but the choice is not so simple. Some thoughtful observers note that the seasonal flu and automobile accidents kill more Americans annually than has this virus. That is true as far as it goes, but we are just at the beginning of this pandemic. I have to add that the Javits Center in New York City has never been converted into a field hospital for the flu or car wrecks. Granting that, some say, perhaps we can reopen in a few days since our elderly are most at risk from this virus. Quarantine them. Keep them safe, the argument goes, while the rest of us get back to work. Yet there are 72 million Americans who are over the age of 60 in this country. Many of them raise children, live alone, or work outside the home. They can't wall themselves off from the world nor should we wall them in. Moreover, tens of millions of younger Americans have preexisting conditions that put them at an elevated risk for this virus. Are we to quarantine all of them too? Even younger and healthier Americans are not safe from this pandemic. The China virus attacks the lungs of the young and the old alike. Of the cases we know, the virus appears to send about one in seven younger people to the hospital. It is true that survival rates for younger patients are better, but even their recoveries depend on there being a functioning healthcare system. If we give up on our efforts to control this virus now, our medical system will be overwhelmed--hospitals will collapse; care will be rationed; doctors will face the terrible choice of whom to save and whom to let perish--and not just for patients of this virus but for every American who needs intensive care, whether it be from a heart attack or a stroke or a car wreck or anything else. Besides, if left unchecked, this deadly virus will continue to wreck our economy as surely as it has already. It was not President Trump who shut down businesses, after all, and it really wasn't even the Governors and mayors, though they issued the orders. Government- enforced closures were largely rearguard actions by communities that had already ground to a halt due to the virus or that would have soon come to a wrenching stop in the teeth of the pandemic. Who among us would take our kids to a restaurant tomorrow if we opened back up? Our economy isn't seized up because of government dictates but, rather, because our people are understandably fearful of the dangerous virus. So an immediate reopening without having the resources in place to fight the virus isn't an option. Our hospitals would be overwhelmed, and our brave doctors and nurses would succumb to the illness. Our businesses would keep their doors closed or would quickly close their doors again as workers and customers would stay away. The supposed choice between saving the economy and fighting the virus turns out not to be much of a choice at all. We can't yet stop the strong measures that are in place because we have no better option in the short run, but neither can we continue them forever, for the American people can only hold out for so long. So we must come up with a better plan and fast. That plan starts with this big pause as we protect ourselves and each other. We simply don't have the resources today to fight any other way, but it will not end with this approach. We must use the precious days and weeks ahead to lay the groundwork for a new strategy to fight the virus--a strategy that will allow all of us to gradually get back to work. For that to happen, we will need to scale up our ability to rapidly test for the virus, as they have in South Korea, so that we have a sense of where the virus is and where we must keep it contained. Already, America's public laboratories and companies are rising to the challenge by processing tens of thousands of tests, but our ability to test must grow even faster, and it is. We will need masks, too-- billions of them. We will also need local personnel who are trained and prepared to do widespread contact tracing for those who test positive. We will have to develop procedures for the strict quarantines of those who test positive or for those who have been exposed to the virus--with zero tolerance for breaking quarantine and endangering our fellow citizens. Once these elements are in place and the first wave of this virus has passed, then we will be prepared to reopen our cities and communities while remaining vigilant about new outbreaks. These preparations will ensure we are ready to sustain our way of life until our scientists can create what we so desperately need--therapeutic drugs and, ultimately, a vaccine. A vaccine may take a year or more before it is available, but these other intermediate precautions must go into effect much, much faster. America must, indeed, reopen. When we do, these decisions must be based on local conditions, not an arbitrary nationwide timeline. Our Governors and mayors understand their local conditions. They can make gradual, rolling, calibrated decisions in a way that is responsible when the tools to effectively fight this virus are ready and available. What I have outlined may seem like a daunting and even impossible challenge, but our Nation has overcome far greater challenges before. Already, America is rising to take on the China virus. The giant of American industry is awakening and retooling our factories to join this fight just as we did during World War II. Never bet against America's workers and American ingenuity. All across this country, Americans are springing into action. We know the vital role our doctors and nurses will play in the coming months alongside our first responders, our factory workers, our farmers, our grocers, and on down the list. Ask yourself now how you can help. Can you keep your distance from those who are most at risk, realizing that the China virus preys on our most earnest desires for society and companionship? Can you offer your charity to a friend in need? Can you pick up groceries for your elderly neighbor? Can you keep your workers on payroll and benefits for just a little longer until our legislation kicks in? Can you postpone your tenant's rent for a month? Can you pray for the deliverance of our Nation and the world? These are just a few of the things we must do as a country to make reopening possible and life bearable in the [[Page S2034]] months ahead. We are all in this together, so we will need to have each other's best interests at heart. Many years of comfort and ease have, perhaps, conditioned us to ask only what we are free to do, not what we are called to do. Yet the old disciplines of peril and privation threaten to return, and we will need old notions of duty to maintain order in the face of them. The darkest days of this coronavirus are, in all likelihood, still ahead of us. Let us face up to them bravely. Let us acknowledge the troubles ahead, and let us devote our whole energy to winning this battle quickly so that the normal life of our Nation can resume I yield the floor. The PRESIDING OFFICER. The Senator from Texas. Mr. CORNYN. Mr. President, during times of disaster, crisis, or hardship, I never fail to be inspired by the generosity of Americans, including the folks in my home State of Texas. I think about how we came together in the wake of Hurricane Harvey to lead search and rescue operations, clear debris, and rebuild communities and lives. We saw strangers forming human chains to rescue a driver who was trapped in a car; restaurants offering free meals to first responders; and a Houston legend, known affectionately as Mattress Mack, opening his furniture stores for those who needed shelter. One volunteer said: I have met more of my neighbors in the last 24 hours than I have in the last 20 years. While these heartwarming stories of Texans' lending a hand to one another are a source of comfort even during the toughest of times, right now, when extending a physical hand is one of the worst things you can do because it violates social distancing rules, there are still plenty of neighbors who are helping their neighbors. Folks in Texas, like around the country, are staying home to keep themselves and their neighbors safe, and we are seeing new and creative means of supporting one another. For example, a number of distilleries across the State have switched their productions from making vodka or whiskey to making hand sanitizer. With demand surging and hand sanitizer in short supply, more and more hospitals are struggling to keep it in stock, and these distilleries are stepping up to fill the void. Jonathan Likarish is the head distiller and cofounder of the Ironroot Republic Distillery in Denison, TX. He said they received a call from the Texoma Medical Center and was asked if he could help. Of course, he said yes. Businesses like his aren't alone. Beloved Texas grocery chain H-E-B has taken steps to make shopping easier for seniors who are the most at risk if they contract the coronavirus. H-E-B has partnered with Favor Delivery to take grocery delivery--a service many Americans already utilize--and has made it more accessible to seniors. They can pick up the phone, place their orders, and have everything they need delivered to their front doors within a few hours--all without having to leave home. We have also seen other organizations working to adapt to these challenging circumstances. The Boys & Girls Club of Greater Houston has partnered with the Houston Food Bank to open a drive-through pantry. Families can get a whole week's worth of healthy meals without ever having to step out of their cars. Of course, it is not just the businesses and organizations that are helping out. People are helping other people. People are donating blood to alleviate the critical shortages that hospitals are facing. All of us, if we can, should consider donating blood. People are leaving notes in neighbors' mailboxes, offering to run errands and pick up supplies. On social media, schoolteachers who are at home are offering to help parents with their children's math, science, or other subjects they may be struggling to teach their kids while the kids are at home and not at school. There are neighbors helping neighbors, friends helping strangers, and Texans helping Texans. That is one thing I love about this great country. Our communities always jump into action to help in any way they can. They do what it takes to survive a crisis and to keep one another safe and healthy until we emerge on the other side. It is time for the Senate to do its part. There has been no event in my lifetime that has had this big of an impact on the physical and economic health of our country. Every day, we learn about more new cases, rising unemployment, and unprecedented market volatility. We have a responsibility to act and to act quickly in response to these dueling crises. Already we were able to work and send two bills to the President's desk for signature. The first sent vital support to healthcare professionals and first responders, who are doing everything they can to treat patients and prepare for more cases. We also provided initial funding for development of a vaccine, clinical trials, and more diagnostic tests. The second bill we passed focused more on the small businesses and the individual workers who are impacted economically. It included changes in unemployment insurance so that those who find themselves out of a job can promptly take advantage of these benefits, and it made paid sick and family leave available for workers impacted by the virus. That is what we did in these first two bills. Were they perfect? Well, no. The second bill, in particular, fell short in a number of areas. It was largely negotiated by Secretary of the Treasury Mnuchin and Speaker Pelosi, but we decided that, in the interest of the greater good and the country and the people who were hurting during this crisis, we in the Senate would pass it expeditiously. As the saying goes, you can't let the perfect be the enemy of the good. We acted quickly to get both bills to the President's desk because the circumstances demanded it. Sadly, over the last few days, our colleagues on the other side of the aisle have been oblivious to the sense of urgency that every other American seems to understand. After the original, intense, bipartisan negotiations, we were finalizing a third relief bill, which included, by definition, ideas from both Republicans and Democrats. We were optimistic that we would be able to take up and pass the bill on Sunday or at least get it started and pass the bill on Monday, but, clearly, that didn't happen. Our Democratic colleagues blocked us from even debating the bill, not once but twice. The minority leader said the bill, which his Members had helped write, wasn't good enough. He spent the next 3 days trying to change the bill to include provisions that he thought were more important priorities during a national emergency--things like tax credits for solar panels and tighter emission standards for airlines, proposals that have absolutely nothing to do with this crisis. After a few incredulous days, America woke up to the news today that our Democratic colleagues are finally ready to stop this posturing and this obstruction and get this job done. After blocking this bill twice and holding up this emergency lifeline, here is what the minority leader claims as a victory: He says that Democrats expanded unemployment insurance to help laid-off workers and those who are self-employed. But as we all know, that was already part of the bill that had been negotiated between Democrats and Republicans. Then the minority leader said that Americans will get direct aid, but we have been talking about that for weeks. That was part of the bill that Democrats blocked twice. Let's be clear about this. Here we are, Members of the U.S Congress, getting a paycheck, and they have the temerity to block, two times, emergency aid to people who have no income at all through no fault of their own? It is outrageous. Then the minority leader said that he secured unprecedented aid for America's hospitals, but as it turns out, that was part of the bill Democrats blocked twice. It was the subject of bipartisan negotiations and, we thought, consensus. Well, the bill that Democrats blocked twice was a bipartisan bill to begin with. Democrats and Republicans worked together and agreed to each of these points before the first votes were cast. The minority leader's Members had spent countless hours negotiating with Republicans--that is how you get things done--but then he singlehandedly tries to take credit for the work that they have done [[Page S2035]] For days Democrats needlessly blocked a bill that would have bolstered our fight to defeat this virus and protected our economy in the process. I am absolutely angry that they chose to waste so much valuable time when there are so many different people in need. But I am also relieved that they finally agreed to quit playing their partisan games so that we could vote on this legislation today. This bill sends desperately needed funding to hospitals that are struggling to manage an influx of patients and helps fight the shortage of masks and other personal protective equipment--one of the priorities my Governor had mentioned to me. It provides the direct financial assistance that was already in the two bills that our Democratic colleagues blocked. A family of four will receive up to $3,400 under this legislation, which will go a long way in throwing that lifeline to them and cover their rent, groceries, electric bills, and other expenses until they can make other arrangements, like apply for unemployment insurance under our beefed-up provisions. This legislation will also provide relief for small businesses that are struggling to stay afloat. Many of these businesses have had to shut down because they have been ordered by the government to do so, and now they need some help to make sure that the jobs they currently provide will still be available when we get to the other side of this crisis, and particularly we need to make sure that the employees they depend on and will depend on in the future will still be there when they reopen their doors. With both the physical and economic health of our country in crisis, this bold legislation is our best path forward. I appreciate the work that has been done by so many around the clock for the better part of the past week to get this bill finally to the floor, and I look forward to supporting it so that my constituents--the 29 million people who call Texas home--will get help as soon as possible. As we prepare to pass this legislation and send it to the House, I urge them to act quickly. But you may recall it was Speaker Pelosi who flew back into town after a weeklong recess, dropped an 1,100-page bill, and made all these outrageous new demands, clearing out their partisan or ideological out-box or wish list. Well, incredibly, now that there has been an agreement here in the Senate with the administration, Speaker Pelosi hasn't even called the House back into session. As a matter of fact, they gaveled in session and out of session today, and they won't be back in session until tomorrow. Speaker Pelosi has a huge challenge. Unless she can get unanimous consent to pass a $2 trillion bill through the House, she may well have to call back into session the entire House of Representatives. With restricted flights because of a lack of demand and the cost cutting that airlines are going through with the concerns about people sheltering in place, maintaining social distance and good hygiene to stop the spread of this virus, Speaker Pelosi has created a terrible problem for herself. But, more importantly, she has created even more of a problem for the rest of the country because we need to get this passed out of the Senate today and out of the House and to the President as soon as possible. The American people are depending on us to respond responsibly in a bipartisan way during an emergency like this, and we cannot let them down. The PRESIDING OFFICER. The Senator from Tennessee. Mrs. BLACKBURN. Mr. President, you know, I have to say that last night was an unusually late night here in Washington, and we were all impatient and our staffs were impatient. The press was impatient. As we talked to people across the State, what we realized was they long have been running out of patience, and I talked about that some on this floor. But for every factory worker and hourly worker and small business owner and songwriter and gig worker--they have all been telling me that they are running out of time, and they have really just been very anxious about what was going to come out of this Chamber. I know that in the days and weeks ahead, as we work through getting relief to communities and individuals and small business owners and large companies, there is going to be a lot of blame that is going to be thrown around. There is going to be some who are going to blame politicians. There are others who are going to blame the way the economy is structured. There are others still who are going to blame the healthcare system. But I will tell you, I think there is a necessity to have a discussion about why we do have this current crisis, and it is because of the leadership of the Chinese Government, the People's Republic of China, that leadership in Beijing. We have gone around and around with activists and media on the point, and I shouldn't have to point out that when I say China is to blame for the spread of the novel coronavirus that we call COVID-19, we do not mean the Chinese people as a whole. Yet we have some who do not want to say that is where it came from. I think we should stop that, and we should move forward with decisions based on fact and with decisions that are based on ***data***. We need to begin to collect those facts and ***data*** as they pertain to this disease. That is how we get to the antivirals. That is how we get to having a vaccine. That is how we look at lessons learned so that we don't go through this again, so we plan to tackle some of the unexpected occurrences that will come our way. As we talk about facts, we do know that COVID-19 originated in Wuhan, China. From there, it spread rapidly, and it has had devastating consequences. The economy is crumbling. We are working desperately to shore it up. Innocent people have been in the hospital or sick. I talked to one Tennessean this morning who said: I am happy to report my husband is coming back around. He has been suffering for the last many days with COVID-19. We have the world's healthcare professionals, and what are they doing? They are working to the point of exhaustion. What we have is Beijing's reckless Communist dogma, and they are trying to blame everybody else. Today we are going to move forward with the rescue package. This is the phase 3 package. It is the fourth tranche of money. I am including in that the President's emergency declaration, which put about $50 billion toward fighting this. As we do this and as we find our way forward on addressing this, what we have to do is realize that our relationship with China is going to need to change and change for the better. There is no denying that the way they have conducted themselves has put that relationship on dangerous ground. Today, I invite my colleagues to support the bicameral S. Res. 553 and acknowledge that Beijing intentionally spread misinformation to downplay the severity of COVID-19 and baselessly denied the risk of person-to-person ***transmission*** of the disease. They refused to cooperate with international health authorities, including the CDC. During the early days of the outbreak, they censored doctors and journalists. We all remember what happened with the late Dr. Li when he tried to give us the warnings. On top of everything else, they maliciously ignored the health and safety of ethnic minorities. This is the easy part. The facts are there. All we have to do is acknowledge the facts that are there and use this as a beginning, because this resolution is, as I said, bicameral and bipartisan in the House. We have no reason to not push it forward and send the message that we realize what happened to cause a global pandemic. After we acknowledge Beijing's gross malfeasance, we are going to adjust the way we think about China in the context of the economy, our national defense, technology, human rights, and pharmaceutical manufacturing. When you think about it--the fact that Beijing intentionally downplayed the deadly nature of COVID-19--it should come as no surprise. For decades, China has made it a business. It has been their business to search out our vulnerabilities, exploit those vulnerabilities, and then what do they try to do? They try to use that as leverage against us. It is time for us to say: No more. Another component I have talked about this week on the floor is our pharmaceutical supply chain. [[Page S2036]] On February 27, 2020, the FDA announced the shortage of a drug used to treat victims of COVID-19. Imagine that. There was a drug shortage. They attributed the shortage to difficulties obtaining the active ingredient in this pharmaceutical. The active ingredients are called APIs. They couldn't get it from the site in China that manufactured it because that site had been affected by COVID-19. So here we are. We need this component to go into a pharmaceutical, and we cannot get it because the factory that produces it has been affected by COVID-19. This is not the first time this has happened. In 2016, we saw a shortage of an important antibiotic when the sole source of its production--the only place on the globe that produced this antibiotic-- was in China. That factory was shut down. We couldn't get it. Our vulnerability is not limited to one drug or even just a handful of drugs. In 2007 and 2008, 246 people died after taking a contaminated blood thinner that came directly from a factory in China. They died-- 246 people--just like that. Routine inspections didn't catch the contaminant, and the drugs flowed right into our medicine cabinets. In 2010, regulators have also found serious problems with batches of thyroid medication, muscle relaxers, and antibiotics. This week I got an email from a Tennesseean, and he said: I saw what you said on the floor, and I want to let you know, I take a heart medication, and it was just recalled because it contained a carcinogen, and it was made in China. Think about this. These are the pharmaceuticals we take to return ourselves to health and wellness and to manage chronic conditions. Here we have example after example of things that are contaminated and are not what they are intended to be. These are basic, common medications. In 2018, the FDA recalled several blood pressure medications made in China that were contaminated with cancer-causing toxins. Now, I would imagine there are a few people who come to work every day in this building, who take a blood pressure medication. What if you had been taking one for a period of time, and it contained the cancer-causing toxins? Americans deserve better than this from their pharmaceutical supply chain. If we allow this to continue, we are going to do so at our own peril. I encourage my colleagues to support the bipartisan Securing America's Medicine Cabinet, or SAM-C Act. Senator Menendez has worked on this legislation with me, and I am grateful to him for his support. The Presiding Officer is working on legislation that would address some of these issues. Bring this pharmaceutical manufacturing back into the United States of America. We need to end Chinese control over our health and wellness in this pharmaceutical supply chain. This may seem like something that is too large or too risky an undertaking, but we have already paid dearly for our reliance on Chinese drug manufacturers, and it is not going to stop, because that vulnerability is leveraged in the hands of madmen in Beijing who seek nothing but power and will go to any lengths to acquire that power. They don't care whom they hurt. That is clear with this global pandemic. They don't care if it is innocent people who are sick or maybe even lose their lives. And they defy us--they defy us--when we try to stop them. It is time that we rise to the challenge and that we return the supply chain. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Cotton). The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. BRAUN. Mr. President, I have been here a little over a year. I keep mentioning that often because what a year it has been. In that stretch, there has not been a period of time when I think there has been so much urgency for us as a Senate and for the other Chamber to do our job to deliver for the American people. We are in the midst of a crisis. In building a business over 37, 38 years, you constantly have hurdles to jump. You never really know the clear outcome. You try to have a great strategy with good implementation and good tactics that will be your salvation through thick or thin. When it comes to the coronavirus, it is not as though we haven't had other recent issues but nothing quite like this. It started in another country. It has gone across the world, and it now looks like that vector in our country--we may be dealing with it on a broader scale. I am a guy who believes in free enterprise. I don't like it when government has to step in, but I don't know what we would have done otherwise in this case. Until we tamp the disease down, until we get that curve flattened, no one is going to be at ease. We have invested 3, 4 weeks of actual guidelines. We knew it was coming way before that. I am hopeful that we have been doing a lot of the right things even before we were required to do them. We can't relent on that course. On the other hand, never in my wildest dreams would I have imagined an economy could be affected as it has. I get stories from my home State of Indiana all the time, and not only from the places like hotels, restaurants, bars, and airlines. I think our senior Senator, who actually either went home or came out here, might have been the only person on the plane. That is a graphic example of how this is impacting commerce. The hotel owner I talked to had 2 percent occupancy in the week before. So, we have come together. This past weekend, we worked through it. I think that is the first time since I have been here that on a legislative matter we have done that. We had Democrats and Republicans at the grassroots level working to deliver what I think is a good package. It focuses on, No. 1, who needs it the most--workers who have been displaced and small business owners. It also has stuff in it for the broader part of the economy. Urgency is the key. We are working through, right now, some short-term corrections, and I hope that doesn't thwart the process. We should have had this across the finish line Sunday evening to where it could have been delivered on Monday morning, and we wouldn't still have the Nation on high alert about what we are going to do here. And it can only come from here in this case. I am going to segue into--we need to get that done today, and I am going to be for it. Each State, each Senator, and each Representative is going to have to deliver to the small business owners, the individuals who have been displaced by this. I have a team back in Indiana that is taking on a big spectrum of casework. I invite you, when this legislation gets across the finish line, to make sure you reach out to our office. Many of our cases, regrettably, have been along the lines of helping folks interface with the VA. Sadly, I wish there were fewer of them, but we have had really good luck. We interfaced when a cruise ship had Hoosiers stranded, and we were able to follow up on the process to make sure they came back. We are currently dealing with cases where people are stranded overseas. Whatever it is, come to our Senate office. We have a great team, and they have helped out a lot of Hoosiers already. I want to end on a positive note. I think this has the country down because everything you see is in the context of negativity. I like the fact that, aspirationally, many are already talking about what we are going to do when we come out of it, and through prayers and through all the stuff Americans and Hoosiers have done, I think we are going to see that curve start to flatten I like the approach we have taken to put the emphasis on the disease, because, until those numbers go down, no one is going to be at ease. So, as we look to the future--Monday was that first threshold, 15 days--we need to recess, take all the information we have gained and gathered, and make the right decisions going forward. I trust our Governors and our local governments across the country to do the same thing. We will come out ahead. We are going to flatten the curve and make sure that we are taking care of the most important thing first, and I think that is going to be here, hopefully, sooner rather than later. And then we also [[Page S2037]] need to be aspirational about what is going to really get this country back to business as usual, and that is when we can have Main Street going back to the way it was a month or two ago so that we can recapture the best economy we have probably ever had in history. I know Hoosiers will do their job. They will be aspirational, and Americans across the country will do the same. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. PERDUE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. PERDUE. Mr. President, we are on the cusp of a historic bill today--a bipartisan bill--that we took a different approach on, thanks to Republican leadership. We asked the leaders of each of the committees, both Democrats and Republicans, to focus on their portion of the needs behind this COVID-19 crisis. Before I get into my remarks today, though, I want to remind my colleagues here today that we have sponsored a resolution recognizing and thanking all the people in America who are stepping up and, as others have said, putting their own health and their families' health at risk to make sure that their neighbors and friends and patients and business partners are taken care of. I am talking about supply chain people, healthcare workers, transportation workers, ag industry--all the people in the country who are keeping the essential needs of our population going. While restaurants are closed, they have takeout services, even here in Washington, DC. That is not an easy thing to do for those folks. It is a loss. They are losing money right now. I want to make sure that we recognize, in the midst of this crisis, how Americans are responding. Americans always respond to crisis in a better way than anybody else in the history of the world, in my opinion. Sometimes we are not always the quickest to recognize that we are in a crisis, but, right now, we are responding to this one right here before us. As a matter of fact, I believe we have two crises today. One is obviously the medical crisis--the healthcare crisis that we now are characterizing as the COVID-19 virus. We know how it originated, and we know now what other countries that were ahead of us in the cycle are learning from that. But because of that, we have a connecting economic crisis that we are trying to deal with in this piece of legislation today. I hope we can get this done tonight. I don't see any reason why we can't. We have a deal. There are some questions here in the last hour, but I think we will get those done and hopefully get this vote going tonight. As we deal with these two crises, it is my suggestion that we look at how we address dealing with this crisis in three phases. One is we are in the middle of the first phase right now, and I would characterize it as mobilization, where we are identifying the severity of the disease; we are identifying who is the most vulnerable; we are identifying what we need to do to deal with it; and we are mobilizing behind it. We have seen a dramatic increase in the number of tests, thanks to Vice President Pence. We still have shortages of testing kits, swabs, and reagents, and even testing machines. But we have things, like in my State, where one of our major hospitals, Emory University Hospital, has their own testing. They can do it in a number of hours versus days, and they are making that available to other hospitals in the State. This is all hands on deck. And they will probably lose money doing that, but they are willing to do that. We have an apparel company in Georgia that has now shut down their business in apparel. They have good orders, profitable orders. They are putting those aside to make masks to try to help fill the need there and those shortages. But the mobilization phase is where we are today. Based on the experiences of other countries, we are identifying what we might expect here. We have hot spots in our country, just like other countries have had. We saw what happened in Wuhan and Hubei Province in China. I have been there. It is a very old population--older population. They were late getting to the identification, treatment, and isolation, and we see the repercussions of that. But what we can learn from them is that they are ahead of us in the cycle. However they dealt with that in the early days, we see now how they have dealt with that crisis and what is happening with the numbers, and we can learn from that. I will talk about that in a second. The second phase, though, is transition. This is one that I am not sure we are in it yet, but we are about to go into it partly because of this package; that is, to make sure that we protect the parts of the economy that we can so that when we do start to come out of this, just like every other country ahead of us in the cycle has done and is doing right now, we will have our businesses in a position to reconnect with the employees they have worked so hard to develop. Of course, the third phase is full-on recovery; that is, to do the things to get the economy back on its strong footing and to make sure we address the shortages that we found in our current preparation for this. For example, we didn't have a strategic stockpile of some of the essential medical supplies we needed for the identification, testing, and treatment of this particular virus. That recovery will take some time, but at the same time, as America always responds to these sorts of things, I believe we can respond very quickly if we get the transition phase correct, and that is what I want to talk about today. As we look at the medical crisis, though, we understand now, through a lot of ***data*** outside of the United States--and I will caveat this by saying that each country's experience is just a little bit different. I would also comment that there is a lot of noise in the ***data*** that I see around the world right now. The medical community is doing a great job of trying to aggregate this ***data*** to see how it applies to our needs here at home. I give our doctors and nurses and caregivers the highest thank-you I can for what they are doing here and all over the world, for that matter. But the experience in Italy might not be the same as it is here. The experience in South Korea might not be the same as it is here. So we have to look at those and be very careful that we don't try to extrapolate either the severity or lack of severity as being applicable here. Before I get to the bill, what we do know, though, is that just this week, the World Health Organization published an update to their numbers. They are characterizing this disease this way--and every country has a little bit different infection rate and a little different mortality rate. I believe in the United States, because we haven't tested as broadly as some of the other countries have--like South Korea--we don't know what the denominator is yet, so we really don't know what the mortality rate is, or the infection rate, for that matter. But just to put this into perspective, this is from the World Health Organization: About 80 percent of the people infected with this COVID- 19 virus will probably have a mild--that is the way they characterize it--experience with this disease. Fifteen percent will be serious enough to go to a hospital, and then of that, 5 percent will be critical patients, typically generally toward the more vulnerable patients--the elderly, people with respiratory preexisting diseases or who have potentially immune deficiencies. As we deal with that medical crisis--and we poured a lot of resources toward that in the first two phases of help, in addition to what the President did with his $50 billion allocation earlier--in this bill, almost $2 trillion of aid, as we see it, goes toward businesses and communities and States to make sure that we can weather this storm. Let's be very clear about this. This is not about companies. This is about employees. This is about the people who work for employers, either in their own business or in somebody else's business. This is all about employees. It is merely a financial bridge to get through this period of time, to get into that recovery phase that I was trying [[Page S2038]] to describe here a little earlier. It is about the employer-employee relationship and to make sure we keep that relationship intact. In the last 3 years, we created 7.5 million new jobs. Prior to this coronavirus crisis, we had an economy that was just booming. It created 7.5 million new jobs. We had 7.5 million job openings, as a matter of fact, and only 5 million people looking for work. So we had a situation where we had the economy moving in the right direction, and then this hits. We want to make sure we don't lose any of those jobs, and for that reason, we focused on the employer-employee relationship. Yes, we plussed up unemployment benefits for the States so that they are not overwhelmed, but we made sure the employer had the liquidity to keep these people employed. In that vein, we did not want to have a liquidity crisis, which we could very well have right now because of shutting down these businesses. We didn't want that liquidity crisis to turn into an insolvency crisis. We can deal with a liquidity issue. It is very difficult to come back and deal with companies that have gone insolvent and are now in bankruptcy proceedings. That is a very long and difficult process. It is difficult to come back from. We do not want to do that. And that was the primary purpose of most of the facets of this bill--some $2 trillion. I will say this about that. There are two major components to do that. One is a small business contingency. A little over 50 percent of the people who work in America work for companies that have 500 employees or fewer. That is a new learning for me. That has changed dramatically. But it is the engine--this is not new news--this is the engine of new job growth in the last 3 years. We know that. Well, we have $350 billion directly targeted toward those small businesses, which could then, by the way, go to their existing local banker and get this contingency, a government-backed loan guarantee. In addition to that, there is $454 billion directed at other businesses, plus another $58 billion toward strategically important industries, like our airline industry and so forth. Again, most of this money is in the form of loan guarantees to provide liquidity to keep the employees employed with their employers. It is no more difficult than that. But there is one other thing that is not being discussed, and I want to highlight this, and that is, $454 billion is historic. That is a lot of money. But it has the ability--through the Treasury, they can actually lever that up in terms of the way the money goes out to banks. It can be levered up to $3 or $4 trillion. So what we are talking about here is the potential of up to $5 trillion of liquidity into our economy. This is historic, and it should be enough to shock the system to say: OK, there is going to be liquidity here. There may be some growing pains in the early days, but the liquidity is going to be there to weather this storm, to bridge this crisis. I want to look at what is next. I will talk about this transition phase and maybe even the recovery phase for a second The first thing we have to do is we have to really learn from other countries that are ahead of us in the cycle. For example, it took about 6 to 8 weeks for China, even with their mistakes, to go from zero to their maximum number. We know the disease has a life cycle. If somebody is infected with it, if they survive, they come on the back side. So far, there are over 70,000 people who have had the disease in China and are healthy now. We know from anecdotal evidence on the ground that about 80 percent of the employed workers in China are beginning to go back to work in almost 90 percent of the factories. This is outside of Wuhan and Hubei Province. They are going back to work. In South Korea, the learning there is testing, testing, testing, but more than that, they also track contacts. There are 50 million people in South Korea. We have 330 million. It is a little different here. But in certain cities and States, they can certainly look at doing that. So we have to learn from countries like South Korea, Japan, Singapore, Hong Kong, Australia, and even China because they are ahead of us in this cycle. In the first few weeks of this cycle, we should be going from zero to whatever our maximum number is. But it is the number of active cases that is the most important, not the number of total cases. The mortality rate is yet to be determined because we don't really know the denominator. But I believe, if we can test more--and according to Vice President Pence, the acceleration curve for that is underway right now, and we will have the ability to do that. Contact tracking is another, and then isolation is another one we have to think about, unfortunately. We have hot spots. With the Ebola crisis in Africa, what we learned from the medical community was that if they could put a full court press on the areas of flaring, where they had the disease flare up, and isolate it so they didn't have people traveling outside of those areas--isolation by geography and demography are unfortunately called for if we are going to do everything we have to do to control this disease in the timeframe that we should. The third thing I will highlight briefly is that I believe right now this shows that we were behind in terms of our preparation for a pandemic like this--there is no question about it--in the country and the world. We can point fingers and blame. That is not my purpose today. What I want to say about this is that in America, if we can bring the world's resources of ***data***--this is the big thing. We have limited ***data*** in the United States. Other countries have a lot of ***data***. I believe that if we aggregate that ***data*** and create a Manhattan Project-type effort to go toward vaccines and treatments, we can absolutely be ready for flu season next year if, in fact, this particular COVID-19 virus has a seasonality. We don't know that yet. In conclusion, there is no question that this is a moment of challenge in America. I will say this: President Trump, for all his distractors, early on stepped up and was a strong leader. I said this several years ago--he reminded me of Winston Churchill: irascible but effective in getting results. That is what we had early on. Right now, we need a steady hand to make sure we don't kill the economy while we kill this disease. And my only point is that in this transition period--and nobody has all the answers yet--we need to start asking the question of what we can do in this transition period to find a balance between protecting life and protecting the economy long term so that when people get well, they will have a job to go back to and will have an economy that can help the world prepare for the next pandemic that we are talking about here. The American people have the best spirit, I believe, in the history of the world when it comes to dealing with this crisis. I have talked about a couple of examples in my State. The airlines right now are another one. I know that Delta is one of the primary airline carriers we have in the country. They are keeping some flights on. I know I have a reservation on a commercial flight later this week, and I asked my assistant: Are you sure I can get a seat on that plane? She said: Yes. There are only five people who have booked seats on that plane. So it shows that people are trying to do their part here--neighbors, people going to their grocery stores for their neighbors, taking care of picking up the mail, doing anything they can to protect the people who are at risk. In small communities, we know how to do that. In major cities, it is difficult, but it is even possible there. I will conclude with this: There is a day coming--and it is not that far off--that we will be behind the top end of this curve in America. We will have lost some lives. That is unfortunate. We all regret that. But what we have to do now is to make sure we prepare ourselves for this transition phase, that while we are still dealing with people who are getting the disease, the disease is on the wane, and the economy needs to be brought back so that we can make sure that we can prepare this country for the next round that we may or may not see in the future. With that, I yield the floor. The PRESIDING OFFICER. The Senator from Florida. Mr. RUBIO. Mr. President, I received a call a few hours ago from someone I [[Page S2039]] have known for a long time, a gentleman who I would say is in his early- to mid-nineties. He wanted me to stop saying that what we are facing is an unprecedented challenge. I was taken aback. I mean, none of us have ever lived through anything like this or confronted a situation that is as painful or so traumatic. He challenged me to do something that I had actually done a few years ago, but as it shows, even a few years erodes memory about things that happened long in the past. He challenged me to say: You know, everybody is comparing this to--the last time we had something like this, it required the Nation to react like we did in World War II. So it caused me to go back and look a little bit at the years before that great and bloody conflict. It is interesting. In the years leading up to 1941, President Roosevelt had an effort to pack the Supreme Court. It was incredibly controversial and ended up falling apart in 1937. It ended up falling apart actually because members of his own party turned against him, and it actually weakened him in the tail end of the second deal. President Roosevelt was so upset about what members of his own party had done to him that in 1938, he did something unprecedented at the time. He got involved in Democratic primaries and tried to defeat--take out--members of his own party who had opposed him. Not only did he lose badly in that effort--I think he won only 1 of those seats that he went after--as a result of what he did, his party lost 6 seats in the Senate and 71 seats in the House. Ultimately, in this very Chamber, a Republican, Robert Taft, was able to put together a coalition with conservative Democrats and basically block President Roosevelt's agenda leading in to 1940. Then, in 1940, Roosevelt did something else that was unprecedented and highly controversial. He announced, although it was legal, that he was running for a third term. He was, at that point, defying a long precedent that had been set by the Nation's first President. Then, to make matters even more interesting, his own Vice President, who had turned on him on the Court issue, he had to kick off the ballot. In fact, he told them: If you nominate him as Vice President, I will refuse the nomination. Ultimately, he was reelected on a promise. Ultimately, he was reelected by a pretty big margin, but he had to make a promise: I will keep this country out of war. This sets the stage going into November and December 1940. The President had spent the last 3 years battling his own party. He had seen his own agenda slowed and stifled and then had to kick off his own Vice President. After getting involved in primaries against his own party, he loses a large number of seats in the House and in the Senate and has a coalition form against him to block him. And then has to make a promise--we are not going to war--all the while understanding that what is happening in Europe would eventually reach us, and he was preparing for war. Why he made that promise was pretty fundamental. Going to war was not popular in this country. Millions of Americans, particularly those--at the time, you couldn't really travel abroad--who had no connections to Europe, looked at World War I as a European war and looked at the Second World War as just another trick to get America sucked back into a war that had to do with Europeans and not with them. Prominent voices--chief among them, Charles Lindbergh--traveled the country blasting the President as a warmonger in the strongest possible terms. There was actually a student antiwar movement. Now, not as many people went to college at that time as did in the 1960s, but it was really a precursor to that very movement. Why? Because these young people in college were the ones who were going to be sent to war if there was one, and they wanted no part of it. Then, in the blink of an eye, at 7:48 a.m , on the December 7, 1941, the Japanese attacked the U.S Naval Base at Pearl Harbor. They sunk four of our battleships. We lost almost 200 airplanes, and 2,300 Americans perished on that very day. Even to the end of the war, it remained the third bloodiest day of that very bloody conflict. America was not ready for war. They had started a draft by a one-vote margin. They were able to vote it into place. They had begun some basic rearmament, but we had lost a significant percentage of our Pacific fleet. Frankly, to this day, there are legitimate questions not about whether the Roosevelt administration knew in advance that this was happening and allowed the attack to happen--no, those are conspiracy theories--but that they should have known. This was a massive intelligence failure. In fact, up to 30 minutes before that attack, the Ambassador to Japan was here negotiating with the United States over an oil embargo. America, by the way, was not a society of peace. This was a nation deeply divided, a segregated nation that discriminated against citizens of color. There were very serious labor disputes going on throughout the country. Many still wore the scars of a deep and painful economic depression. Yet, in the blink of an eye, this Nation was confronted with an enemy and had no choice but to put aside all that had happened to that point--everything, all the problems it had with the President, all the problems they had with each other. Even those Americans who had been discriminated against were willing to do that, which is a tremendous testament to the contribution they made to the effort to win that conflict. In the blink of an eye, literally every aspect of American life was changed overnight. Think about it. One minute you are a student demanding that we stay out of war, and the next you are volunteering for service. One minute you are a housewife, you are a retiree, and the next minute you are back at work or at work for the first time in your life at a factory making munitions or something else needed for the war effort. Schoolkids, children were put to work on farms because so many people had left farming to move and fulfill the industrial jobs because the men who would have otherwise filled those jobs were now wearing a uniform and dying by the hundreds every day and then by the thousands, all over the world. We rationed food. There was food rationing. You could only eat so much. A family only got so much. Gasoline was rationed. I think it was 3 gallons a week, if I am not mistaken. Clothes were rationed. The government stepped in and said: You can't build kitchen appliances--no refrigerators, no ovens, no vacuum cleaners--none of it. We need all of our industrial capacity to fight and win a war. People on the coasts--and you still see old pictures of this to this day--off Miami Beach, off New York, had to turn their lights off at night and close the shades of their windows because there were German U-boats just off our east coast. People were asked to make tremendous sacrifices--not for 3 months, not for 6 weeks, but for over 3 years and longer. The sacrifice that was ultimately, perhaps, the greatest of all was that they sent their sons and fathers off to die in defense of this country and of our freedoms. I do not mean to diminish the challenges that are being asked of us now. There aren't 5 minutes that go by that I don't get a call, a text, or an email from a small business that, just 2 weeks ago, was having its best year ever, talking about hiring new people, and now they are bankrupt. They are done. They are finished, and they may never reopen again. From a young couple I talked about earlier today in the video that I made, 2 weeks ago, they were recently married and planning to start a family. Both had good careers. The next minute, they were both out of a job, not sure if the place they were working will ever exist again, not knowing where to go. One minute you are the father in a family or the mother in a family who has never had a day in your life where you were not employed by someone, and the next you are being told: Go to a website. Call this number. You need to go get unemployment. They don't know how to do it. They have never done it. So I do not mean to diminish the sacrifices that our people are already making. I simply mean to put it in perspective and also to give a little bit of clarity as to what will be required of us [[Page S2040]] to win this war because, in the end, our enemy is not a nation-state. It doesn't wear a uniform. But it has invaded our Nation in a way that has required us to do things we have not been asked to do, or anything close to it, since late 1941. So what are the lessons to be taken by that era in our history, by the call I got today saying: Stop saying this is unprecedented The lesson to be taken is, No. 1, in moments like this, government action matters. It is important that we have a functioning government that can address problems in the space in which government must act. That is what is being asked of us here today. What is being asked of us is not to pass a perfect bill or to pass legislation that will cure the virus or to pass a law that has everything we have ever wanted. What is being asked of us is this: Can you function as a government? Can you do the most basic things that a society needs from its elected leaders at a moment of true crisis? Can you do that? So far, for 3 days, the answer, sadly, has been no. I hope the answer at the end of this day will be different. The second thing it teaches us is that you cannot confront a challenge such as this with just government. That war was not just won because of political leaders or our Armed Forces. It was a whole-of- society effort. Every day, Americans were being asked to do things they had never done before, in places they had never been--not just to make sacrifices from what they couldn't have but sacrifices in what they were asked to do affirmatively. It will require the same of us now. I want to tell you, there are people already doing that, as we speak. The examples are too long to mention, but all over this country there are people who are doing extraordinary things--stepping up, doing more than they have ever done--because they have to. They know they must. I have no doubt that if our government leaders do their job and are willing to do their part and provide people transparent, clear, truthful guidelines about what we face and what lies ahead and what is expected of them, they may not be happy and people may not be excited about it, but they will do it. I know they will do it. They are already doing it. The third lesson is the awesome power of our country when a diverse population of go-getters--the most creative people to have ever walked the Earth--put aside their differences to confront a threat they face in common. Again, that is not possible, you can't ask that of a society, you can't ask people to put aside their differences, to put aside the trivial, to put aside the things they don't agree on and to focus on the one thing that threatens us all--you can't ask them to do that if you are not willing to do it yourself. And it appears--at least, up to this moment--that we have failed to do it. I hope today is a difference in that regard. We shall see. But it takes me back to the point I made originally: What is our job in this? Well, let me say that we--when I say ``we,'' those of us in government at every level--are asking of our people to do some very difficult things. We are asking high school seniors, including one who lives in my home, to be the first in I don't know how many generations that will not have a prom, will not have a senior trip, will not have a graduation. Now, I know all those things may seem trivial and may pale in comparison to World War II, but for a 17-year-old, these are rites of passage, and there are many high school seniors in this country who will not get that this year. We are going to ask small businesses and have asked them already: You need to close your doors. You can't open. You can't work. You can't make money. You can't allow customers to come in. We have asked people not to go to work. In fact, we have told them not to leave their homes. Over half this country is on an order: Don't leave your house unless you are going to the doctor, the pharmacy, the gas station, or the grocery store. We are asking nurses and doctors to confront a virus that can infect them and their families and kill them and their families, just like anybody else--to do so, on double shifts, oftentimes without the gear and the equipment to protect them. We are asking truckdrivers to drive all night--also vulnerable to the virus, also worried about all the other things all of us are worried about--to drive all night because tomorrow those shelves need to be stocked with all the things that people are buying because they are afraid it is going to run out. How can we ask that of our society if, for 3\1/2\ days, we can't even vote on a law, we can't even walk to the front of this place and lift our finger up or down and say yes or no? We can't even do that-- spending the taxpayers' money, on behalf of the taxpayers, in a moment of critical crisis? I don't mean to be negative, because, frankly, I hope that today is the day we will get this solved, but there are still other people who have to weigh in here--in the House, outside commentators, people still emailing and texting: Can we change this? Can we change that? I just don't know how we can ask people to do all these things we need to ask them to do and, in return, tell them, by the way, we are going to take our sweet time to do our part. And our part is the easiest one. You can just imagine this. Extrapolate what we are facing now and take it back to 1941. Imagine if, back then, people would have been saying: Boy, this is a great chance. This is a good opportunity to get back at FDR. This is a great opportunity now. He is in war. Let's roll back the New Deal. Let's really stick it to him for what he did 6 years ago with our Court thing. Or there is the reverse. If he would have said: Boy, this is a good opportunity to use the war powers the President has to steamroll my political opponents and put in place whatever I want and run them over. Imagine if we were saying that we need to build a lot of ships, but I am not going to vote to build it unless you are building it in my State. I don't want to go any deeper into that because I don't mean to say that some of the issues that people raise around here are not legitimate issues. They are, but sometimes the legitimacy of the issue--the importance of the issue--has to be weighed on a scale against the gravity of the moment. I would say to you: If we were dealing with permanent policy in the normal course of business or even in a moment of a cyclical economic downturn, we would have some weeks to make some of these decisions. We have already taken too long. People got laid off today. People will be laid off tonight--and tomorrow and the day after and for days to come--even if we pass this bill. Imagine if we don't. What we are facing is the toughest thing this generation has ever faced. There is no doubt about it. There is no doubt about it. Perhaps with the exception of the gentleman that called me this morning, it will be the toughest thing we ever face in our lives. World War II was worse. This virus is terrible, but it will not last as long or kill as many people as that war did, but it will kill far too many people and last far too long. It will last longer and kill more if we don't take action now. That requires everyone to finally wake up and realize this virus does not care whom you voted for in the last election. It doesn't care what you write on Twitter or what snarky remarks you come up with in your commentator moment on cable news. It doesn't care about any of that stuff. It doesn't care whom you plan to vote for in the next election. It will infect you. It will kill you. It will kill people you love. It will kill members of your family. It will disrupt your community and your economy. It doesn't care about any of this other stuff. It really is important for us to realize--not just for this bill but moving forward--that there is no such thing as an outcome here that is good for half of us and bad for the other half. There is no possible political victory here--none. There is no outcome here in which half of us are going to be able to go back and say: Boy, we really looked good, and we made those guys look really bad, and people are going to reward us for it. They are not. I promise you, when someone has lost their job and does not know where they are going to go, is stuck in their home and their life has been turned upside down, and a member of their family is in intensive care, and they wind up at a hospital that has been overwhelmed and can't care for them, the last thing [[Page S2041]] on their mind is going to be partisan politics or preexisting differences. If you don't believe it, we are about to find that out, unfortunately. There is no outcome here which half of us are happy and the other half are upset. It is a cliche. We use it all the time. I can't think of a better example than this one: We are truly all in this together. The carnage, the damage that this will do to our country is extraordinary. It will know no geographic bounds, no political affiliation, no demographic differences. This is a virus that can infect the heir to the Crown in Britain just as easily as it can a 92-year-old retiree in a Florida nursing home. I hope the gravity of the moment finally sinks in and that we take the necessary actions quickly. If there is something in this bill you really don't like--I don't mean to diminish it--if we can fix it, we should. But at this point, I am going to tell you that there is nothing wrong in this bill. There is nothing in this bill that will damage our country more than our inability to act. No matter how bad you think some provision in this bill may be--and I say this to both sides--there is nothing in this bill that will damage us more than doing nothing. By far, the most damaging thing that can happen is not any provision of this legislation. It is our inability to act and to send a message to the American people that their leaders can't function, that their government doesn't work--not just on a day-to-day basis but in a moment of crisis. I hope that whatever differences may still exist at this moment--and I am trying to be fair because I know a lot of people have finally seen the full text of it in the last few hours--and if you have caught something that can be fixed, it should be fixed. But I plead--I don't know what other word to use--that we don't leave here tonight without having passed this bill because I honestly don't know how this Nation and our people can afford one more day of this. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. UDALL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mrs. Blackburn). Without objection, it is so ordered. Mr. UDALL. Madam President, today New Mexico and the Nation face a pandemic, the likes of which we have not seen in over 100 years, and today the Senate must act to pass the largest relief package for the American people in our history. First, I would like to extend my thoughts and prayers to everyone who is personally affected by this coronavirus pandemic. I thank the healthcare workers for working long hours and risking their own health to save lives. They are performing a national service. The numbers of infected individuals and the rapidly rising death toll are staggering. If we do not follow public health experts' advice, the tolls could be truly horrifying. In New Mexico, we have over 100 diagnosed cases, and today the first death in our State was reported. A senior citizen from Eddy County in the southeastern part of our State passed away on Sunday. All New Mexicans are facing new challenges--a threat to our health, a threat to our economy. My top priority is easing this hardship and making sure New Mexicans have what they need to stay healthy and to stay economically afloat. With that in mind, I rise today to tell New Mexicans: Relief is on the way: relief to American workers who have been put out of work and to small businesses that are making impossible decisions because of the coronavirus pandemic; relief to our hospitals and frontline healthcare workers facing an overwhelmed healthcare system in the coming weeks and months; and relief to State and local governments that are doing their best to take care of their residents and maintain essential services-- State and local governments are desperately in need of assistance only the Federal Government can provide; and Tribal governments to whom we owe trust and treaty obligations to provide healthcare, education, and community assistance, particularly in times of need. After days of furious negotiations, I am pleased and relieved that Democrats and Republicans were able to reach agreement on what will be the largest Federal relief effort in our history. The times demand a response of this magnitude. The stay-at-home orders--which, make no mistake, are necessary to stop the virus--threaten the livelihoods of millions of working families who live paycheck to paycheck. Millions of small businesses are in dire need of help. They power our economy but simply can't survive during the kind of economic downturn we now face. The Federal Government has the power to make sure that people can take the public health measures that are necessary, while also staying afloat financially. We here in the Senate need to make absolutely sure that everyone--not just those at the top--that everyone is taken care of and can weather this crisis. I am strongly supportive of the small business relief in this bill, which includes loans of up to $10 million that can be forgiven and turned into grants if employees are kept on the payroll. This relief will go through the Small Business Administration and be available to any business or nonprofit under 500 employees. With Democrats at the negotiating table, we worked toward that goal. As a result, American workers will receive 4 months more of unemployment insurance instead of just 3. Because so many Americans are now out of work, we need an expanded unemployment insurance plan. This plan extends unemployment to the self-employed for the first time. It increases the maximum benefit by $600 per week. Many workers will receive their full pay under this expansion. Just to give an idea of the magnitude of this problem in my home State of New Mexico, during the week of March 9, we had fewer than 800 claims for unemployment. This last week we had 11,000, and now we are receiving 7,000 every day. Also, because Democrats stood firm, our healthcare system will see an infusion of $55 billion more into the Marshall Plan for healthcare. The total public healthcare investment in this bill is now $150 billion dollars. We will establish a $150 billion relief fund for State, local, and Tribal governments to help cover costs of fighting this virus. New Mexico is eligible for up to $1.25 billion from this fund. And we will bring accountability and transparency to the relief for industry and large corporations. This relief bill puts in transparency and independent oversight and also makes sure that elected politicians, including the President, are not the beneficiaries of this fund. We face a national crisis of monumental proportions, and I am heartened that Republicans and Democrats in this body joined together over the last several days to face this crisis together as a nation. This is what we do as Americans, and I have hoped that as we continue to face down this crisis in the coming weeks and months, we will continue to do so in a united fashion. As vice chair of the Senate Indian Affairs Committee, I have been particularly focused on making sure that Indian Country is not left out and ensuring that Tribes, which are on the frontlines of this public health and economic crisis, have the resources they need and deserve. Together, with my Democratic colleagues, I fought for and secured an $8 billion set-aside for Tribal governments and their enterprises. This Tribal Relief Fund will provide the 574 federally recognized Indian Tribes with flexible resources--resources they need during the COVID-19 response, and I am glad we found bipartisan agreement on this. We also secured over $2 billion in emergency funding for Tribal needs, and this includes over $1 billion for the Indian Health Service that will be used for everything from expanding medical services to purchasing equipment, to promoting public health education, to expanding telehealth services, and increasing disease surveillance, over $700 million that will go to the Bureau of Indian Affairs, the Bureau of Indian [[Page S2042]] Education, and the HUD Office of Native American Programs. These funds will assist Tribal governments as they make their way through this crisis and support their members--support BIE schools and Tribal colleges and universities so that students continue with their education and provide housing for those most in need who are impacted by this terrible virus. These are key victories, but we are not done. We must uphold our trust and treaty responsibilities to all American Indians and Alaska Natives. So Congress must do more to respond to the unique COVID-19-related public health and economic crises in Indian Country. Tribes are some of the most vulnerable populations with the least robust healthcare systems. We have a very scary outbreak on the Navajo Nation, and I am sure that we need to weigh in and help there. For our next response package--and, believe me, we are going to have to monitor this closely and in all likelihood will be back here again-- we must make sure Indian Country has equal access to Federal coronavirus resources. Senator Heinrich and I fought hard for New Mexico priorities. We are working hard on issues that have to do with our National Labs, one of our very, very top employers--in fact, probably the biggest. New Mexico's creative economy can't be left behind. Sitting as the lead Democrat on the Appropriations Subcommittee that funds the national endowments, I pushed for an additional $75 million for both the National Endowment for the Arts and the National Endowment for the Humanities. These funds will support local artists and art programs through this tough economic time. When arts and cultural venues are shuttered and artists and all others are out of work, there is no doubt that these are exceedingly difficult times, but together we can get through this. I would like to remind everyone to follow the public health measures recommended by the experts. Staying at home is the best thing we can do to slow the spread of this virus and ensure our healthcare systems are not overrun. These measures are a firebreak that cuts off the fuel for this virus and prevents a catastrophe that overruns our hospitals. Social distance, washing your hands for 20 seconds--we all have an important part to play in containing COVID-19, keeping ourselves and our neighbors and our communities safe. The State of New Mexico is under a stay-at-home order. I commend Governor Lujan Grisham for the quick and decisive action that she has taken. She is focusing on this like a laser beam. I know these measures are difficult and a hardship for many, but we will only be able to revive our economy once this public health crisis is abated. If we just let the virus run its course, we could lose over 1 million people. Some estimates are 2 million--1 to 2 million people. That would be totally unacceptable and devastating. Because of the frontline healthcare workers--the doctors, nurses, and technicians and all those who support that work, hospital janitors, cafeteria workers, and so many others--this public health crisis will see an end. Thank you to everyone who is risking their own safety to help others. Thanks to all the Senate staff who are here on the floor and the people who work here. In the days, weeks, and months ahead, we must continue to closely monitor all aspects of the impact of coronavirus on our Nation's health and economy and continue to decisively and aggressively respond to the needs of the American people. I am confident that, in working together as one Nation and one people, we will meet and beat this crisis and come out on the other end stronger. To conclude, we must pass this bill without delay. This is a good compromise, and we must act now. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. LEAHY. Madam President, the Senators have been working very hard to respond to the crisis that is facing our whole Nation. Each one of our States is unique, but we also are here for all of America. All of America is suffering. I know my staff in Vermont, my staff down here, the appropriators, and the Appropriations staff have been working every day and every night till midnight or later. Nobody has had any time off. I am proud to work with them, even though we have set up the capability to telework, as I would hope all would do, so we can work remotely. Earlier this week, we were faced with the prospect of a bill that was very one-sided. Republicans and Democrats had not done what we do best, sitting down and reaching a bipartisan agreement. We were given almost a take-it-or-leave-it bill. I applaud Senator Schumer who said we should come back together. Let's not pass a bill that leaves out so much of America and so many of the people we represent. Let us come together, Republicans and Democrats, and find a way. Now, late last night--actually it was close to this morning-- agreement was reached, in principle, on such a bill. The appropriators do only part of it, but Senator Shelby and I tried to work together to have something the vast majority of the Appropriations Committee, Republicans and Democrats, would agree on, and we did that, and that is what we have before us. Both parties have worked so hard to put together something we can all agree on. We should be able to vote. I agree with the discussions that Senator Schumer had this morning. We all know that none of us got every single thing we want, just as I am sure my Republican friends did not get every single thing they want. And is any bill perfect, especially something of this unprecedented magnitude? Of course not. But we are at a point where reality has to overcome rhetoric. We have to stand up and be the conscience of the Nation, as we have been in the past and we can be today. It is time for Senators to come together and vote. I know that on our side, under the leadership of Senator Schumer and others, we are ready to do that. I am the dean of the Senate. I have been here the longest. I am not going to get everything I want, neither is the Presiding Officer, and neither is anyone here. But America will get a lot more than it has now. Let's do this for America. Vote on it. As Americans, we should say that it is reality time, not rhetoric time. Reality trumps rhetoric any day. Let's go ahead and vote. I commend those Senators in the Republican Party and those Senators in the Democratic Party who have worked so closely with each other. I know we have in Appropriations. It is time to say: OK. Let's vote. With that, I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Cramer). The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Tribute to Norman Borlaug Mr. GRASSLEY. Mr. President, I know we have a very important piece of legislation before us to turn this economy around and help in our battle against the virus. While we are waiting to vote on that, I have come to the floor for a couple of points that I would like to make. The first one is to honor a famous Iowan. This month is Iowa History Month, so I have come to the floor to speak about one of Iowa's favorite sons, Dr. Norman Borlaug, whose birthday is today. He is considered the father of the Green Revolution. Raised on a farm near Cresco, IA, Borlaug is credited with saving more lives than anyone in history with his breakthroughs in agronomy. It took him several years to accomplish what a lot of scientists do now in a laboratory in regard to fighting diseases in plants. He did this in Mexico and India. His work helped to overcome malnutrition and famine across the world, saving over 1 billion lives in the process. His achievements won him the Nobel Peace Prize--not only that famous prize but also the Presidential Medal of Freedom and the Congressional Gold Medal. I think there are only five or six people who fall into the category of winning all three of those prizes. [[Page S2043]] His achievements also prompted the State of Iowa to honor him with one of Iowa's two statues in Statuary Hall here in the U.S Capitol. Coronavirus Mr. President, on another subject, some pundits, and even Members of this body, have suggested that it is inappropriate to criticize the Chinese Communist Party for its mishandling of the coronavirus that originated in Wuhan, China, because it distracts from bashing the President. We went from mainstream media outlets routinely referring to the virus by its origin to this being totally politically incorrect. There is an excellent timetable published by Axios that lays out the Chinese coverup that prevented early action to contain the virus. The Chinese pro-democracy activist, Wei Jingsheng, warned that General Secretary Xi is ordering people back to work prematurely, risking another massive outbreak of what he called Wuhan pneumonia. Telling the truth about the Communist Party's misdeeds does not preclude talking about how we can improve our own response. We can learn from free countries like South Korea, which has been able to contain a widespread outbreak, and Taiwan and Japan, which appear to have been able to prevent widespread outbreaks. So this is not the time for political correctness or political point- scoring to get in the way of telling the truth or working together in a clear-eyed way to address the challenges at hand. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. COONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. COONS. Mr. President, I came to this building, this Capitol, about 12 hours ago today and, first thing this morning, recorded a video to share on social media with the folks back home, who have been eagerly asking: What is up? What is happening? What is next? My message has been simple. After days of disagreement--of tussling and of fighting and of crafting--we have a deal, and I am ready to vote. Let's move forward. Twelve hours later, I stand in a largely empty Chamber and have an odd sense of foreboding, as I have all day and as have many of my colleagues, wondering: What is taking so long? What is the delay? What are the remaining issues? I am hopeful, prayerfully, that we will resolve what is left, move to this Chamber, take up the text, vote it out, send it to the House, send it to the President, and send $2 trillion in support to our Nation. Let me tell you, as I have waited today and yesterday and as I have taken phone calls for whatever reason from the folks from Delaware, they have all asked: When will the Senate act? We have faced a challenge over the last couple of days between our moving swiftly and our moving wisely in putting together a package of this size. With no hearings, no committee proceedings, and no detailed legislative process, it means that there will be rough edges, and it means there will be mistakes in this bill. Is it perfect? No. In fact, some of its pieces, as we will discover as it unfolds, are far from it. But across the country, just as in this Chamber, there is that sense of anxiousness, of anxiety, of when will it happen. Just a few weeks ago, the vast majority of our country was reading about coronavirus--about COVID-19--as something happening in distant countries on far shores. They read about sort of concerns about its alarming and rapid growth in Asia and then Europe. Things started changing as the stories got more dire and more grave, as public health officials began to predict a global pandemic, as the World Health Organization announced it is a global pandemic, as scientific leaders began to say that the United States would inevitably be touched by it, as our colleagues from the Pacific Northwest told us about how their communities were being affected, as extended contacts and friends and acquaintances on social media and then on the press shared how they are or members of their community had become infected. As it began to move across our country, it began to impact a remarkable range of institutions, from baseball to Broadway, the closures of all sorts of treasured American institutions--every major sports league, every major public gathering. And as now State after State has issued edicts, as city and county alike all over our country have asked people to close their restaurants and their bars, their small businesses, as hotels have no occupants, as airplanes fly with no passengers, it has become haunting, eerie--the sense of an imminent disaster. Just before coming over here I read an article in the New York Times about how in my region, in the mid-Atlantic, it has hit. In the borough of Queens, in the city of New York, in a public hospital known as Elmhurst, yesterday, 13 patients died, and in a riveting ***account***, the nurses and the doctors describe a catastrophic situation. Public health officials, trained health aids stretched to their limits, tested as they hadn't been before, struggling to get personal protective equipment, to have enough ventilators, to have enough ICU units--and I will tell you, as, over the last couple of days, I have talked with the heads of each of our major hospitals, folks who run skilled nursing facilities, nonprofits, community health centers, as I have heard from nurses and doctors, I know the level of alarm and concern has steadily risen in recent days. So, folks, tonight, as I stand here on the floor of the Senate, I am mindful that our Nation is suffering; that there are people all over the world but particularly here in the United States, in the States that we represent, who are anxious, who are unemployed, who are uncertain, in some cases now, too many who are infected, who are hospitalized. It has come home to this Chamber, as one of our colleagues has tested positive and one of our dear colleague's husband, her spouse, is hospitalized. We know Members of the House and the Senate, of our staff, and our immediate community have been touched by this dread disease. And we are now at a critical moment in our modern history-- simultaneously a public health crisis and an economic crisis. I have heard too many people say it is unprecedented. It is not unprecedented. The United States and our Nation have made it through tougher times than this. To say that the Great Depression and the Second World War, the Civil War, and the Revolution, the hard work of labor organizing, and the desperate work of throwing off the shackles of segregation and of Jim Crow--to say that those weren't tough and difficult struggles misses the significance of our history and the things we have overcome. But for most of us, for most of our families, for most of our communities, this wave, this pandemic, this virus, and the combined health and economic disaster that is upon us may be the greatest test we have faced. So how have we answered thousands of businesses already closed, millions of people already unemployed, and a nation fearful of a pandemic swamping the resources of our hospitals and our health system? Let me just speak briefly in broad strokes to what is in this bill, which we have, finally, ultimately, hammered out after days of disagreement and in advance of our getting the final official text. In the broadest strokes, the help that will be delivered to the American people by this bill starts with individual assistance-- something the President has championed and the Democrats have supported. We have had different versions of it, but we have roughly agreed on $1,200 to every adult citizen making below $75,000, and it phases out to those making below $100,000. With $500 per child, your average family might well see $3,000 to $4,000. These checks will come out in weeks, delivered directly, for those with direct deposit through the IRS, or by check to those harder to find who haven't filed recently but are eligible. This is a remarkable, direct support to help millions of Americans have cash in their family checkbook to get through the unexpected hardship of these next few months. [[Page S2044]] There is more than $100 billion in this bill to support our health workers on the frontline and the hospitals that make our public health possible--possible. You heard that story about Elmhurst Hospital. In my own home State, there are hospitals rural and urban, large and small, that without this support will struggle to make it through this period. The heroes of this period are the folks who are working--the folks who are cleaning offices, trains, hospital rooms, often without enough protective equipment, often without healthcare themselves, often without adequate pay; the folks who labor at night here in this Capitol in our offices to make sure they are clean and safe from this virus we can't see; the folks who work in public hospitals, work long hours. They are orderlies, they are nurses. They are the paramedics and the ambulance drivers who deliver the sick, and they are the surgeons and the doctors who direct their care. And one of the things I am proudest of that is in this now that was not in this several days ago is $150 billion to States and counties and cities. In the 10 years I spent in county government, I came to deeply respect the men and women who help keep our county government afloat and our communities stronger, safer, and healthy. This direct support to the States and the counties on the frontlines of this pandemic will help them get through. There is a $500 billion fund--the subject of much discussion and debate--that, as initially written and proposed, would help sustain some of our iconic industries like the airlines, but with almost no transparency, in terms of the terms of the loans or the grants that would be given, and almost no restrictions on how the companies to receive them might use them, for what purposes. Broadly speaking, after days of fighting, we have come to agreements that I support and embrace--restrictions on buybacks and dividends and executive compensation, guarantees against layoffs and against the destruction of collective bargaining agreements, and, broadly speaking, transparency and accountability. One of the things I am most proud of is that there will be now an accountability board, a pandemic response accountability committee-- both an inspector general, a special inspector general, and $80 million in this bill for the operation of that accountability committee. Let me move, since I see I have a number of colleagues who have joined me on the floor, to just a few other points, if I could. There is $350 billion in this bill for the Small Business Administration to disburse to small businesses and to nonprofits all over our country, with an incentive structure to change it from a loan to a grant to those who would retain or rehire their workforce. As I have heard from restaurant owners, from hotel owners, from those who work in bars and restaurants and hotels in my community, those are the folks who have been hit the first and the hardest by the closures. This provision will allow those small businesses to reopen quickly and robustly when we get on the other side of this pandemic. And I look forward to working with my colleagues, with the SBA Administrator, with the SBA lenders in my State and around the country to make sure it is done well and that it is done quickly. I wrote the bill that added $17 billion more so that 320,000 current small businesses, which are current SBA loanholders, get 6 months of relief, moves them off the agenda of the SBA staff and the SBA lenders to clear the decks for them to administer this $350 billion. And I supported Senator Cardin in his initiative to add $10 billion for small, rapid grants to the most severely impacted businesses and nonprofits. This section of the overall bill, where Senators Rubio and Collins, Cardin and Shaheen negotiated most of it, struck me as the most bipartisan and most productive. There is so much more in this bill I could speak to--the ways in which the resources of the Federal Reserve are going to be deployed to help medium businesses and small businesses; the ways in which the private sector in my home State has stepped up to partner and to deliver critically needed resources, whether it is refurbishing ventilators or donating surplus PPE from the construction sector that they don't need today, or it is the university that has closed its research labs but makes its resources available to our hospital. There are some remarkable efforts in partnership going on in my community and around the country. But at the end of the day, we have a critical question: Is this bill perfect? No. Could we improve it by more time here arguing with each other, offering more minutes, debating further? Yes. Is there something I badly wanted that did not get in this final bill? Absolutely We have had nine major States delay their elections, delay their Presidential primaries because of this pandemic, and I urged that a bill written by my colleagues Senator Klobuchar and Senator Wyden, that I joined, be added in text to require every State to have a plan to vote by mail during this pandemic. If our troops could vote from the frontlines in the Civil War and Second World War, by gosh, we should have a plan to vote even if this pandemic continues. I was disappointed that text is ultimately not going to be in this bill. Four hundred million dollars will be in to help those States that want to vote by mail, to expand and strengthen vote by mail, and I will be back. I will be back to insist on this provision in the next bill. But as I have said to many colleagues in the last few days, we cannot all get everything we hope for and want and believe to be important in this bill. We must put down the tools of partisanship and personal interest and sectional concerns; we must put down some of the things we most hope for; we must put down the tools with which we so often fight each other; and we must come together and take up the implements of national purpose, of compromise, of consensus, and deliver these resources to a nation anxious, concerned, and at times even angry at all of us in the Senate for what they see as too long a delay. So with that, let me just say to my colleagues, it is time for us to take up this bill, rough-hewn as it is, pass it through this Chamber, send it to the House. I urge my colleagues in the House to pass it promptly, send to it the President's desk for signature, and then let us all get to the hard work of making sure we do the best we can for the people we represent with this historic stimulus package, this remarkable coronavirus relief package that is going to deliver $2 trillion of assistance and support to communities all over our country. I yield the floor. The PRESIDING OFFICER. The Senator from Nevada. Ms. CORTEZ MASTO. Mr. President, I rise today to let all Nevadans know the important steps Congress is taking to respond to the pandemic we are facing right now. The novel coronavirus represents a global challenge to the health and economic security of Nevada and the United States. My thoughts today are with those in Nevada who are ill or suffering with the virus, and with the families of the six Nevadans who have died because of this disease. I also want to thank the brave men and women on the frontlines of this crisis--the first responders and healthcare workers who are battling to save lives, putting their own health and the health of their families at risk. I know there is a lot of fear and confusion in our communities right now. Please know this, though: I am working closely with Governor Sisolak and the Nevada delegation to ensure that our State gets the resources it needs to stem the spread of the coronavirus, to treat those who need medical attention, and address the needs of struggling families and businesses. I also know that we are Nevada strong. I have seen over and over again that when things get difficult, Nevadans come together. When a gunman attacked the Route 91 Harvest Festival in Las Vegas, I saw how Nevadans from all over the State worked heroically to help victims and support families. Nevadans are uniting now too. I am proud to say that across the Silver State, people are doing their part to reduce the impact of COVID-19. [[Page S2045]] Our Governor, Steve Sisolak, has shown tremendous leadership in working to slow the spread of the coronavirus. As Governor Sisolak has pointed out, if ``Home Means Nevada,'' we need everyone who can to ``stay home for Nevada.'' Our nurses, doctors, and other health officials are working tirelessly to care for the sick and to increase our capacity to deal with the cases in the future. First responders, local health authorities, sanitation workers, and retail workers are on the job around the clock to make sure essential services are available to Nevadans. Our gaming, entertainment, and hospitality industry leaders took unprecedented steps to stop the spread of infection, including by closing their doors. So many Nevadans are contributing by working from home when they can, caring for school-aged children, volunteering to help make masks or buy groceries for elderly neighbors, and avoiding social interactions that could spread the virus. Everyone--every single Nevadan and each and every American--has a role to play in this crisis. We need everyone to do their part by following the advice of the experts and taking practical, commonsense steps such as washing hands and practicing social distancing. My colleagues and I in Congress have done our part as well. The Senate has come together in a remarkable and bipartisan fashion to act on three bills to address key healthcare priorities and to protect workers and industry from the economic impacts of the public health crisis. Earlier in March, we set aside $8.3 billion to support hospitals, community health centers, public health offices, medical suppliers, and researchers across the country. Next, we passed the bipartisan Families First Coronavirus Response Act to provide free coronavirus testing, expand food assistance, and mandate paid sick and family leave for workers. I am proud to have fought alongside my colleagues in the Nevada congressional delegation, including my friend and colleague Senator Jacky Rosen, to pass today's third relief bill. We must pass this today. It is quite simply the greatest single investment in our economy and healthcare system in modern American history, and we need it. In 2007, our State was hit hard by the recession. Through tremendous effort, we came through it, but our economic recovery was slow. This time, we want to make sure that our economy springs back quickly after this crisis has passed and that workers have good jobs to return to when it does. That is why we need to pass these far-reaching measures to provide immediate relief to individuals, families, and businesses suffering from the economic impact of this pandemic. Nevada has an economy that is unique in the Nation. Our hospitality industry generates nearly $68 billion annually and supports more than 450,000 jobs across the State. So I have been focused on standing up for our gaming, tourism, and hospitality workers. I also wanted to make sure that when we offered relief to big companies, there was oversight, transparency, accountability, and worker protections in place. This bill does that. I am grateful to the many small businesses in my State that have taken the hard but necessary action and closed their doors or reduced their services at this critical time. This bill supports them as well by providing forgivable loans and grants so they can open their doors again as soon as it is safe for them to do so. Most of all, I wanted to make sure we supported Nevada's workers and their families, the hard-working people our industries employ. That is why I worked with my colleagues to ensure key protections for Nevadans and all Americans were included in this relief package. We fought to expand unemployment assistance so it includes part-time, self-employed, and seasonal and gig economy workers, who make up a key part of our workforce in the Silver State. Whether you are a dishwasher at a hotel on the Strip or a hair stylist in Carson City, you will be eligible for up to 4 months of unemployment benefits. Yes, we locked down direct payments of $1,200 for each adult and $500 for each child, up to a certain income level, so our hard-working families would have money in their pockets to recover from this pandemic. We successfully pushed to shore up our hospitals and our healthcare infrastructure, to get them more money for protective gear, supplies, and tests so they can provide patients the best possible care, while at the same time protecting themselves. We made sure that we also included our local, State, and Tribal communities. We set aside $150 billion for our governments that are bearing the brunt of the costs for their local healthcare systems. That is why I support this legislation, and that is why we have to pass this tonight. I would be remiss if I did not say thank you to the incredible staff who worked so hard these past few days, 24/7, to put this relief package together in a bipartisan way--Leader Schumer's staff and Leader Schumer, the negotiating team, the Senators whom I get to work with every single day, their hard-working staffs, and my staff as well, who worked late nights to make sure that we were fighting on behalf of Nevadans. I know this is a difficult time for everyone, but we are going to get through this just as we persevered before. We will do it by rallying around one another, as Nevadans always do. There will be moments of challenge ahead, and each of us has a responsibility to answer these questions. Let's listen to the experts, let's take care of one another, and let's be kind and understanding of what we are all going through. But let's not lose sight of the beauty of our everyday lives, that familiar rhythm we are all eager to restore. In Nevada and across the country, we will be back at our workplaces again, solving our everyday problems. Our children will be back at school learning for themselves how to make the world a better place. Yes, we will begin the long task of grieving those we have lost, but we will also be celebrating marriages again and marking births with a newfound joy. We will get through this together, and I promise everyone in the Silver State that I will be fighting in the Senate to make sure we rebound from this stronger than before so that Nevadans can get back to work. I yield the floor The PRESIDING OFFICER. The Senator from South Carolina. Mr. GRAHAM. Mr. President, I want to compliment my colleagues Senators Rick Scott, Tim Scott, and Senator Sasse. Today, when we were getting briefed about the bill, something hit me like a ton of bricks. And there are a lot of good things in here. There is money for healthcare providers, nurses, doctors, and hospitals. There are so many good things. The country is under siege. I was one of the first Republicans to join my Democratic colleagues. I think I talked to Senator Durbin. We need to do something more on unemployment insurance because the Collins-Rubio construct, I think, will help, but some people are going to fall through the cracks. Never in my wildest dreams, Senator Durbin, did I believe that what we have done is to pay people more not to work than to work. Under this bill, the $600 payment on top of State benefits actually allows people to have their income almost doubled in certain circumstances. I want to help people. I want to make sure that if you lose your job, we cover your wages. But under this bill, you get $23.15 an hour based on a 40- hour workweek not to work. If you are trying to hire somebody in South Carolina the next 4 months, you have got to compete with that wage. If you are working in a restaurant--probably not now--but if you are working anywhere for $15 an hour, somebody is making $23 an hour, and you are working. It is just not fair. It is going to hurt the Rubio-Collins construct. For restaurants that are out of business, we want them to be able to borrow money to pay the payroll to keep people connected to their employer. Now, what do you do when you make $23 an hour being on unemployment? How do you keep that waitress or bartender at $15 or $17? You made it a nightmare for small businesses. They are being pitted against their own employees. So to Senator Durbin and everybody else, the reason we are doing this is because they tell me it takes 6 to 8 [[Page S2046]] months for unemployment commissions at the State level to figure this out. What are we asking you to do? To get unemployment, you have to tell us where you work and how much you make. And what we want to do is fill in the difference between the State unemployment benefit and your actual wages and stop there. We don't do that under this bill. There are people getting paid more not to work than they were in the workforce. It is going to be hard to not incentivize people to leave their jobs. You can be unemployed at $23 an hour in South Carolina. That is a lot more than people make. So I am urging my colleagues, we need to fix this now. No matter how well-intentioned, you are going to make the next 4 months impossible for small businesses to hire. I can promise you this: If you pay somebody $23 an hour not to work, they are probably going to find a way to get there rather than staying in the workforce, where I am sure they would rather be. We have created a perverse incentive not to help the unemployed person but to destroy the ability to stay employed. With that, I would just say to my colleagues, thank you for trying to bring common sense back to this body. I am very much for this bill that does help a lot of people. But we have created a Pandora's box for our economy, and I wish we could fix it tonight, and if we don't, we need to keep trying and trying and trying. With that, I will yield to my colleagues. The PRESIDING OFFICER (Mr. Gardner). The Senator from Florida. Mr. SCOTT of Florida. Mr. President, under this bill as it is written now, the government will pay many Americans more to be on government assistance than they would make if they were working at their regular jobs. I support expanding the unemployment insurance program. It is the best and quickest way to get money to people who need it most. But we should not create a system where unemployment insurance benefits are higher than their salary. We cannot pay people more to not work than to work. This is common sense. Most people will choose the bigger check, and I don't blame them at all. No person who understands anything about business, economics, or human nature would create such a perverse and ridiculous system. This bill creates an incentive for people to be unemployed for the next 4 months--fact. Without workers, our economy cannot reopen--fact. If our economy remains essentially closed for 4 more months, we will be in a very deep recession--fact. You may ask, how do I know all this? I grew up poor, in public housing. My mom worked three jobs. My parents were constantly struggling to find work. I know what it is like to skip Christmas and see the family car repossessed. On the other end of the spectrum, I have run businesses, small and large, and had great success. That is exactly how I know these things. This is not conjecture; these are facts. There are many good things in this bill, and there are many provisions that I wholeheartedly disagree with, but the worst thing we can do right now is to create a disincentive to work. We can get our economy up and running again, we can recover from this, but it will take a lot longer if we don't amend this bill to eliminate these perverse incentives. The PRESIDING OFFICER. The Senator from South Carolina. Mr. SCOTT of South Carolina. Mr. President, let me be abundantly clear. I plan to support this legislation tonight, but I do want to fix it first. Our amendment is a very simple amendment. First, it is our responsibility to every extent possible to take care of the American people. I want to provide 100 percent of the salary while an American is laid off because of COVID-19--100 percent of the salary of someone laid off because of COVID-19. My goal is to do it the right way. The right way is that you get your income as if you are still working because you have been laid off because of COVID-19. It is not a raise for not working. It is not 200 percent of your income while on unemployment. The goal is simply to keep you whole while you are unemployed because of COVID-19. I cannot stress enough, as a former employer, and, frankly, as a former employee, the relationship between the employer and the employee is critical. Our Nation is built on the dignity of work. What this bill does, without fixing it, is simply say: You can earn more money by being on unemployment than you can while working. That isn't an incentive. That is perverse. We cannot have intended to encourage people not to work and make more money than to go back to work and receive their normal pay. With that, I yield the floor. The PRESIDING OFFICER. The Senator from Nebraska Mr. SASSE. Mr. President, as Senator Tim Scott just said and as Rick Scott and Lindsey Graham just said, this amendment is really, really simple. All we are trying to say is that we should help everyone who needs to be helped without accidentally creating a disincentive to work. That is not good for anybody in the country or the country as a whole. We are in the middle of two unprecedented crises right now. We have a public health crisis, and we have an economic crisis into which we are just entering. We don't know how long the valley of this recession is going to be, but I want to be sure that every American who is watching tonight understands exactly what this debate has been about this afternoon. This debate is how you can be both pro-worker and pro-recovery, to be kind and charitable, and actually also, simultaneously, affirming the ongoing dignity of work and the necessity of work as our country battles through this virus and ultimately rebuilds our economy. Nobody here is arguing about whether we should help workers. Everybody on both sides of the aisle tonight wants to help workers. This is a debate about whether we are going to let a poorly drafted bill knock this Nation still harder in the coming months by unintentionally increasing unemployment. That is what this debate is about. Right now, as the coronavirus is threatening our economy, we know who the real heroes are. The real heroes are not politicians. There are a lot of people who have been working all night, five or six nights in a row, but the heroes who are going to beat this virus and rebuild America are not politicians. The heroes are the men and women who are stocking shelves, the men and women who are picking up trash, the men and women who are driving trucks and delivering takeout, many of them converting restaurants, which used to be sit-down, into takeout restaurants and putting food on the table for a lot of their neighbors. The Americans who are keeping the pharmacies open--they are the heroes. The daycare workers who are doing stuff to watch other ER doctors' kids--those are the heroes. The heroes are the Americans across all 50 States, across every town and village and suburb and city, who are doing the work, the ordinary jobs but, now, under extraordinarily painful and difficult circumstances. They are the heroes, the scrappers, and the doers. We should be celebrating them, affirming them, and helping them, once we get through this crisis, to get back to work. This bill has lots and lots of good stuff in it. I intend to support it, as well, but there are pieces of this bill that are broken and that we can fix tonight. If we don't fix them tonight, it is going to exacerbate our problems, and we will be coming back here in a month or 2 months, trying to fix these problems. These are the Americans who are going to get us through. They are the people who are going to keep our supply chains alive, and those supply chains are the lifeline for lots of Americans right now. Here is what is wrong with the bill. As it is currently drafted, it threatens to cripple the supply chain for many different categories of workers--some in health sectors and some in food prep and food delivery. This bill, as currently drafted, creates a perverse incentive for men and women who are sidelined to then not leave the sidelines to come back to work. This bill creates a perverse incentive for many employers who should be wanting to try to maintain the employer- employee relationship--it creates a perverse incentive for them to sever that employer-employee relationship. [[Page S2047]] Many other pieces of this bill tried to tackle this problem in a really constructive way. The $350 billion for the Small Business Administration--it is trying to build bridge loan programs that help employers and employees be connected and remain connected through this downturn. The unemployment insurance piece of this should not work at cross purposes to what the bill is about in the overall argument. Nobody has a problem with the generous unemployment benefits that are in this bill. Nobody has a problem with the generous unemployment insurance benefits that are in this bill. They should be generous amid the national crisis we are in. But we don't want this piece of the bill to create an incentive for folks to stop working and to have their employers push them away when the employer and employee should be trying to rally around and together to help us build through this crisis. So we want to do something really simple. We want to fix what is broken here by saying that unemployment insurance benefits should be capped at 100 percent of the pay you had before you were unemployed. This isn't just about people who have already been made unemployed. This is about people who are going to be made unemployed in the coming weeks. All this amendment says--which we are voting on in a few minutes--is that we should cap the unemployment benefits at 100 percent of the wages you were just receiving while working. It should not be something the U.S Congress does to create an incentive where you will get paid more by not working than you get by working. That is pro-recovery legislation that tries to keep our supply chains humming and tries to help us--325 million Americans--come together to beat this thing. We should vote for workers. We should vote for recovery, and we should vote to beat this thing and come out stronger on the other side. I yield the floor. The PRESIDING OFFICER. The Senator from Illinois Mr. DURBIN. Mr. President, I would like to address this issue because I think it is important that we explain where we are today and why we reached this point. I can recall when Senator Graham crossed the aisle a week or so ago, perhaps, and started talking about unemployment insurance and his goals for unemployment insurance. It sounded consistent with the language and conversation I heard on our own side of the aisle, our own caucus, to use the unemployment insurance system as a way to make sure that people were able to really weather the storm when it came to the public health crisis we face. The number of people who are filing for unemployment has gone up dramatically. There were 2 million new unemployment claims filed last week, compared to 218,000 nationwide in previous weeks. So we know that the number of people who have lost their jobs--laid off, furloughed, fired--is growing in a fashion we have never seen before. I have seen it reported in my State. I am sure each of you have seen the same. But let's get down to the bottom line. I ask my colleagues just to bear with me for a minute. What you were describing is what we initially set out to do. And then we met with the representatives of the U.S Department of Labor. I was on one of the task forces for the Senate Finance Committee, and I sat there as a representative from the U.S Department of Labor came in and said: Senators, you don't understand 50 different States' computer systems when it comes to unemployment benefits. We can tell you point-blank that only 6 or 8 States out of the 50 could possibly do what you want to achieve. They tell us it will take them months to reprogram their computers to make the simple calculation--what appears to be a simple calculation-- that says that you never get paid more in unemployment than you were making on the job. That was the reality. We didn't make that up. This wasn't a Democratic, dreamed-up idea. This was the Trump administration's Department of Labor telling us that when they looked at the State departments of labor, they couldn't achieve what you want to achieve with your amendment. In other words, if you go forward and you are successful--I don't believe you will be--but if you were successful, what we would end up with is, frankly, a deadlock: no increases in unemployment insurance benefits. Now, let me tell you, beyond this administrative problem, which was not our creation--it was identified by the Trump administration--there are two or three things I want to say as a bottom line. First, we are determined to make sure that the workers come out at least whole, if not better, through this terrible experience they are going through. Now, this notion that the workers would come out better is not unique to the Democratic side of the aisle. The cash payment proposed by the Trump administration--$1,200 per adult, $500 per child--for some, will be a benefit, may even be a small but important windfall that comes their way. So be it. That working families across America would end up with this cash payment from the Trump administration--I don't object to it at all. But the Democrats have said that is one and done. That is an airdrop of cash to people. What about the next week and the next month? That is why we brought up the unemployment insurance. Now, the $600 figure we came up with was an attempt to make sure that everyone is whole at the end of the day. I will concede your point that some workers--some--may end up coming out ahead because of this calculation of $600 a week. They may come out ahead. I am not going to stand here and say that I feel bad about that. I don't feel bad about that at all. When less than half of the people in America have $400 in their savings, the notion that we might end up giving people another $1,000 or $2,000 at the end of 4 months, to me, is not something we ought to be ashamed of or run away from. That is a real possibility, and it may happen I will support that just as I supported the Trump administration's cash payment to that same family. They are going through some tough times, and they have for a long, long time. How many of us have given speeches on this floor about income inequality in America, and some of the hardest working people are still unable to make it, paycheck to paycheck, week to week? So let's give them a helping hand and not apologize for it for a minute. We are standing with these workers and their families, and I think you want to as well. But the way you want to calculate it, we are told, cannot be done. It cannot be done in a fashion that brings relief to these families when they need it right now. Mr. SCOTT of South Carolina. Will the Senator yield? Mr. DURBIN. I will in just a minute. I am happy to yield as soon as I finish. I want to make this point as clearly as I can. I believe that this is not a windfall. Let's assume that instead of $600 a week, your calculation makes it $450 a week. So $150 times 16 weeks--that is 4 months. How much is that going to come out to? $2,400? Is that going to mean that someone now becomes lazy and won't go back to work? I don't think so. I think a lot of people will use that money and need that money and are given a helping hand and will put it right back in the economy. That is what this is about--that these families can keep their homes, pay their utility bills, put food on the table, and put the money back into the economy. That is part of what we are trying to achieve here. If we err on the side of giving a hard-working family an extra $1,000 or $2,000 because of our approach, so be it. No apologies. We didn't design this system. We were told we had to work within the design of the system. We tried to do it. We think the $600 a week is a reasonable way to do it, and I will yield for a question. Mr. SCOTT of South Carolina. I thank the Senator. The $600 a week, I think, if I do the math quickly, times 16, is about $9,600. Add on top of that the additional $1,200 per person, or $2,400 per family, and $500 per kid is an important number that we should--I think you have hit on the point that we should all be willing to agree upon that the systems of unemployment throughout our country, perhaps, are working on antiquated equipment that may need to be updated so that we can, in fact, keep people whole during their unemployment. I would love for us to work in a bipartisan fashion to try to figure out, through the Department of [[Page S2048]] Labor, how to fix the problem so that those folks who deserve the benefits get all that they deserve but that we actually have a system that is nimble enough to actually meet the needs, State by State, without exceeding the need so that when we are in a position again, if we are looking at phase 4 or phase 5, we are not again having a conversation about systems that are so antiquated or perhaps even obsolete that we are doing something that was not intended. I am not suggesting we can get that done tonight. I am not even suggesting we can get that done over the next few months. I am, however, concluding that we should work to get it done. Mr. DURBIN. I don't disagree with my friend from South Carolina at all. I agree with you completely. We are in the midst of a national emergency. Mr. SCOTT of South Carolina. Absolutely. Mr. DURBIN. That is not my announcement. That is the announcement of President Trump. I believe it. When you look at all the people now filing for unemployment, when you look at the hardships they are facing, the lifestyles they have had to live to try to comply with shelter-in-place and all the rules that are going on out there, the number of people filing these unemployment insurance claims, they tell us the reality of the situation. The notion, as you said, $9,600 times three--three times 4 months basically comes out to about $30,000 a year, roughly. That is what the $600 is calculated to mean on an annual basis. So, on a 4-month basis, if we end up giving people an extra $1,000 or $2,000, it is not inconsistent with what the Trump administration says they want to do with their cash payment. In the meantime, if we are going to move forward--and I hope this crisis comes to an end quickly-- if we are going to move forward into a new phase--phase 4, phase 5, whatever it is--let's work together to try to upgrade these systems, to make them work the way we want them to work. But in the meantime, wouldn't we want to err on the side of standing with working families and their employees? Wouldn't we want to do that in this first effort? I think it is the reasonable and thoughtful way to do it. Mr. SCOTT of South Carolina. I am happy to answer that question, if the gentleman will yield. Mr. DURBIN. I would be happy to yield for a question from my friend from South Carolina. Mr. SCOTT of South Carolina. Thank you, sir. I would say that, on both sides of the aisle, would you not agree that we are both trying to get to the place where we are, in fact, keeping the average person, especially the working-class people, whole as we ponder and discuss this amendment? Would you agree? Mr. DURBIN. Of course. Mr. SCOTT of South Carolina. My final thought is that my goal isn't to come down here and have a disagreement, as much as it is to illuminate a very important part of the process that, if we can get it fixed throughout our country as we tackle these issues in the future, more folks on both sides of the aisle will have greater confidence in giving these resources to the States so that our people can be whole. That is all I wanted to say. Mr. DURBIN. There is no disagreement. I say to my friend from South Carolina, there is no disagreement, but the U.S Department of Labor says we cannot do that at this moment. And at this moment, when people are hurting so badly, when they have lost their jobs, been furloughed, laid off, and they are worried about paying their bills, the Trump administration says we are going to send them a cash payment. We say--and I hope it is a bipartisan statement: We are with you too. It isn't going to end with that one cash payment. We are going to stick with you and make sure your unemployment insurance benefits are going to keep you and your family together. And if, by chance, you come out a little bit ahead in this process with the cash payment or with the calculation of this formula, so be it. So be it. At this moment in history, facing this national emergency, we would rather err on the side of your being able to pay your bills and keep your family together. Future needs, we can discuss and we can debate. We can see what we can do with the State systems. But for the time being, there are no apologies. From where I am standing, $600 a week is exactly what Democrats are committed to--I hope Republicans are as well--because our belief is that this is the moment when we need to stand with these workers. I might say that I support Rubio and Cardin in their efforts to help small businesses. I think that is the right thing to do. It was bipartisan from the start and really without much controversy. Have we asked any of those businesses to produce net worth statements before they receive those benefits? No, we are not doing that. We understand this is an extraordinary moment. And we may do something different if we are thinking about a long-term policy, but for the immediate term, let us do the right thing. Let us err on the side of helping working families who are out of work. That is why I would oppose this amendment if it is going to be offered by the Senator from Nebraska. I came to the floor to explain how we reached this point, and I hope that others will consider my point of view. Mr. SCOTT of South Carolina. Thank you. Mr. DURBIN. Thank you. I yield the floor. The PRESIDING OFFICER. The Senator from Nebraska Mr. SASSE. Mr. President, I would say very briefly that I appreciate the comments from the Senator from Illinois explaining his position. It seems to me that from where he started, he should actually be supporting the amendment, and then we should figure out what we need to do to push on the Department of Labor to actually modernize their systems. But I just want to say in public something that has been negotiated for the last 8 or 9 hours--and we haven't been able to get conversation partners, really, on that side of the aisle--which is that you are absolutely right that the Department of Labor says that there are massive system problems in the States. So given that we are entering a recession at this moment, we are going to have lots and lots of needy Americans, and the calls on the State departments for unemployment insurance benefits are substantial right now. So I would just say, taking you in good faith that you would like to upgrade these systems so that we could do this thing, which doesn't accidentally stimulate unemployment by disincentivizing work, I have been trying all afternoon to get people on that side of the aisle to say: Hey, maybe we can't get this solved by day one of the new unemployment insurance benefits, but by week 8 or 9, maybe we should have been able to get to a place where the Department of Labor had the resources to help these departments of unemployment insurance deal with this. So I will follow up with you offline because I would like to work with you on trying to upgrade these systems. I have one more thing to say, but if you want to get in a word, please, go ahead. Mr. DURBIN. I would, in the nature of a question through the Chair, which I believe is the appropriate procedure. Mr. SASSE. The Presiding Officer is very liberal on these things. He is very easy. Mr. DURBIN. Well, this is actually turning out to be a debate on the floor of the Senate. It is almost historic. But I would just say this. We disagree on one basic premise. I don't believe giving people $1,200 for each adult, as the President suggested, or out of our approach, if they ended up with a net gain of $2,000, that we have now turned them into lazy people who will not go back to work, and that they will just wait for the next government check. These aren't the people I know, and they aren't the people you know. By and large, these are hard-working people who, with an additional $1,000, may finally be able to buy that refrigerator, may finally be able to get that car fixed, and may finally be able to get some dental work done. Mr. SASSE. I would reclaim my time pretty soon. Mr. DURBIN. So I don't think paying them a little extra here is going to change their lifestyle and attitude toward hard work. Mr. SASSE. We were agreeing for a while, but I think it is pretty important here to underscore that your math isn't real. [[Page S2049]] The reality is that in lots and lots and lots of States in the country, where people are earning $12 or $13 or $14 or $15 an hour right now, the unemployment option they are going to be offered is going to be more like $24 or $25 an hour. We are not talking about $1,000 over the course of these months. We are talking about cases where people might have an annualized wage right now of $30,000 and be looking at an unemployment benefit of $1,000 a week, which is $50,000 annualized. So your math isn't real. The reality is, it isn't $600 total. It is $600 on top of what the unemployment benefits already were in that State. So there are lots of people who are struggling to work hard and to love their neighbor. We have a lot of health aides in Nebraska who make 16 bucks an hour. That is a $32,000-a-year job. Their work is important. That is a vocation. People need them. There are sick people from COVID-19 and other diseases right now in Nebraska who need the benefit of those health aides, and you just told them in this bill--we just told them in this bill--yeah, your work is a little bit important, but look at this. You could make substantially more money if you didn't do the hard thing of trying to figure out what do we do with our kids today when school is closing, and I don't know how to do daycare, and my sister agreed to help take care of my kids, but do I really put the burden on her when I don't actually have to go to work to get this same money? In fact, I can get substantially more money by going on the unemployment insurance program. That is a disincentive to work that I don't think you believe in, I know I don't believe in, and I know nobody in my State believes in. It is not a Republican versus a Democratic issue. This is an American issue. We believe in workers, and we believe in work, and we don't believe government should come in and say: It is much better off to be a nonworker than a worker. You can make a lot more money being a nonworker than a worker. We are not talking about people who suffered layoffs last week. We are talking about creating a system here which will incentivize more unemployment next week. That is a mistake by this Congress, and we could and we should be doing better than that tonight. I know the Senator from Texas has been trying to get in. I yield the floor. The PRESIDING OFFICER. The Senator from Texas Mr. CRUZ. Mr. President, this bill is going to pass overwhelmingly. It may pass unanimously tonight, but I think this amendment would make it substantially better. I expect we will see a party-line vote on this amendment, and I think that is unfortunate because the consequence of the system--the unemployment insurance system--in this bill right now is that we are going to substantially disincentivize work, and it is going to hurt workers. It is going to hurt small businesses. Let me give you a concrete example. In Texas right now, the maximum unemployment insurance is $521 a week. After this bill passes, that will rise from $521 a week to $1,121 a week. That is nearly just over $58,000 a year. That means that, in the State of Texas, we are going to be paying people, offering them, basically, 28 bucks an hour not to work. Now, listen, every one of us recognizes that people are hurting. The problem is the incentive. We are creating an incentive that will hurt small businesses. If you have a waiter or a waitress who has lost their job for a few weeks, they are on unemployment, and they are making $25, $26, $28 an hour, suddenly, the prospect of going back to that job and seeing the money they are making going down substantially doesn't seem too attractive. And, suddenly, the restaurant owner who is trying to make the small business work can't attract those workers back. That is bad for everyone. Incentives matter. We want people to work. So I would ask the Senator from Illinois: You said the problem with implementing this principle--that we shouldn't pay people more not to work than they make working--was administrative, that the Department of Labor and the States couldn't do it. Would the Senator agree with this amendment, and would the Democratic Party agree with this amendment if it simply had language inserted ``to the best extent practicable''? So acknowledging that it may not be practicable, would you agree with the principle that in implementing this, the States and the Department of Labor should try to make sure we are not paying people more not to work than they would make if they were working? Mr. DURBIN. Is that a question directed to me through the Chair? Mr. CRUZ. I will yield to the Senator from Illinois. Mr. DURBIN. All right. Let me just say at the outset that we are talking about people who did not voluntarily leave their jobs. These people did not voluntarily leave their jobs. They were terminated. They were laid off. They were furloughed. These are not people who were gaming a system. These are people who are victims of the system that is hurt by this national emergency. Secondly, if we are erring on the side of giving struggling, hard- working families an additional $1,000 a month--$1,000 a month--for goodness' sake, I am not going to apologize for a moment. These people are living paycheck to paycheck, in many respects, if they are making $15 an hour. That is $30,000 a year. And for us to say: Well, they are going to end up with 1,000 bucks; now they will never go back to work, those people. I don't believe that. In this world of social media and such, we have been contacted by nurses who say: So you think we are going to quit our jobs so that we can take advantage of the unemployment benefits? No, we go to our jobs, and we do what we have to do, and the amount of money is secondary. Mr. CRUZ. If I could reclaim my time? Mr. DURBIN. I will be happy to, and I thank the Senator from Texas. But I would just say this: Yes, in this respect, I agree with you. Take a look at the State systems of paying unemployment benefits. We are told by the U.S Department of Labor that many of them are way behind the modern technology and cannot meet what you have stated as your goal here. If we want to work toward that goal of improving those State systems, as Senator Scott said earlier, I will join you in that effort. But let's not apologize for, perhaps, sending them an extra $1,000. One last point, we are asking these people to stay home. We were asking them to help us defeat this virus by not working and to stay with their families. So one of the incentives here, if there is a good unemployment benefit coming in, is that they can keep their families together while they obey this directive, at least, from government, State and Federal. Mr. CRUZ. These quarantines are going to end. The period of staying at home is going to end. But under the policy favored by the Democratic Senators, there is going to be an incentive that is going to end up with more people being unemployed. Let's say you are a restaurant. And if you keep your employees on, maybe through a small business loan, you can pay them, say, 10 bucks or 11 bucks or 15 bucks an hour, whatever you are paying. But if you let them go, they can go on unemployment and make a whole lot more money. You don't think there are going to be a lot of small business owners who have their employees saying: Wait a second, I can make more money? That is a bad incentive. We want to create incentives. I agree that people want to work, but government can mess that up if we make it more profitable. Look, the checks we are sending, the $1,200 a person, don't create an incentive. It is not $1,200 if you do x conduct. We want incentives that bring people back to work so that these small businesses that are closing their doors every day don't stay closed--so that they open up again, and that they have opportunity again. It is a perverse incentive to pay people more not to work than to work. Yes, we should help them, but we shouldn't trap them. That is what this policy does. Mr. DURBIN. Will the Senator yield for a question? [[Page S2050]] Mr. CRUZ. Of course. Mr. DURBIN. Senator, I am sure you are acutely aware that this is a 4-month program. We are not offering people this benefit indefinitely. I hope we don't have to renew it, but to say that I am going to change my lifestyle and give up returning to the place where I have worked forever, where I was just laid off because they closed the restaurant because of a 4-month program, I don't think so. I think people are more loyal to the workplace if they are treated fairly. And if we end up giving them an additional $1,000 a month, at the end of the day, I think it is the right thing to do. Mr. CRUZ. The incentives matter. We don't want to delay a recovery from this crisis by 4 months. Hopefully, we stop this global pandemic, and we stop it soon. You don't know how soon that will be. I don't know. One of the benefits of this bill is that we are flooding more resources--and we should be--into testing, into preventive gear, and into ventilators. There is a lot we need to do to stop this pandemic, but when it ends--and it will end, and we will get through this--we want people to go back to work--not 4 months from now. We want them to go back to work as soon as they are able to go back to work, and that is what our economy needs to be strong. I would note, again, that I posed a question to the Senator from Illinois: Would he take a modification that acknowledges the administrative problems but said that this is the principle we should follow--that you shouldn't be paid more not to work than you are paid to work. And the Senator from Illinois didn't answer that. Mr. DURBIN. Will the Senator yield for a question? Mr. CRUZ. Absolutely. Mr. DURBIN. Does the Senator support the Trump administration's cash payment to these families, which comes to them whether they work or not? Mr. CRUZ. I do. I am going to vote for it, but it doesn't create an incentive. This is where too many in the Democratic Party don't understand the incentives of trapping people out of work. Incentives are future looking. In sending these checks right now, if you make $75,000 or less, you are going to get a check in the mail in the next couple of weeks. That is helping relief, but it doesn't create an incentive for conduct tomorrow. What I don't want is for people to be sitting there making a choice--making a very rational choice. Look, if you are sitting there and saying, Well, gosh, I can make a lot more money staying at home with my kids and not working than if I go back to the job, that is not an irrational decision if you are making 28 bucks an hour to stay home. We are causing that problem if we are incentivizing people not to work, and that is not, ultimately, in their interest or in the economy's interest. This is hurting workers-- to pay them more not to work than they would make if they were working. Mr. DURBIN. If I may just comment and say this. I don't think President Trump's cash payment or an additional $1,000 a month, or whatever it is, under the unemployment benefit is going to make a worker lazy and government dependent. These are not the people I know. These are people who get up and work hard every darn day, and if they get an extra helping hand out of this, so be it. We are trying to deal with a health crisis and help these families get through it. That is where we started on this side of the aisle. We may talk about something in the future and approach it a little differently, but I don't think it makes them lazy to receive the President's cash payment or to receive an extra payment from this unemployment benefit. Mr. CRUZ. So, with respect, the Senator from Illinois is suggesting this is somehow some negative moral judgment that it makes them lazy. It is exactly the contrary. I am saying people behave according to rational incentives. Look, our girls are 11 and 8 at home. We have incentives all the time: positive incentives and negative incentives. Incentives work. We don't want to create a system where someone, being perfectly rational and reasonable, says: Well, gosh, I can make a lot more money for my family staying home than I can going to work. If I go to work, my family makes less money. That is not a question of being lazy. That is a question of the government is putting me in a position where, if I want to care for my kids, I can do a better job of that by staying home. That is really foolish, and that, unfortunately, is the position right now of what I expect to be the Democratic Senators who will vote no on this. That is a bad policy for workers. It is a bad policy for small businesses. It is a bad policy for the economy. We should support jobs, not paying people not to work. Give them a safety net, yes. Give them relief, yes. But don't create incentives that make the problem worse, and that is what this Democratic policy will do. I yield the floor. The PRESIDING OFFICER. The Senator from Delaware spoke first and is recognized Mr. CARPER. Mr. President, replying to my colleagues, I think the Senators from Nebraska and South Carolina know that I have great affection and respect for them--and I have from the day they got here. I used to be a State treasurer. I was elected at the tender age of 29. Delaware had the worst credit rating in the country. We were dead last and couldn't balance our budgets to save our souls, and we had pretty much no money in the unemployment insurance fund. Over time, we straightened out our finances, elected a guy named Pete du Pont as our Governor. I was treasurer for a while, and we had a Democratic and a Republican legislature--split. We learned how to work together. It is something we call ``the Delaware way.'' Later on, I got to be Governor, succeeded not Pete du Pont but Mike Castle, who was his successor. I was very active in the National Governors Association. They even let me be chairman for a while. I was the lead Democratic Governor on welfare reform when I was a member of the National Governors Association. I was raised in a coal mining town in West Virginia. Parents--not much money, deep faith, hard work. My dad used to say to my sister and me: I don't care if you have to work three jobs to pay your bills, work three jobs. That is really the way I was raised, and I suspect that most of us here were raised that way--a strong work ethic. When I was involved as the lead Democratic Governor on welfare reform, I used to say people ought to be better off working than they are on welfare. Bill Clinton said that often. I really believe that. The thing that was wrong with welfare--our welfare system--was that people were actually better off staying home than they were working. So kind of the same principle we are talking about here. Every State has its own unemployment insurance fund. We have one in Delaware. They have one in Nebraska, one in Texas, one in Illinois. They are different, and different benefits are calculated in different States. I just got off the phone, colleagues, with a fellow named Cerron Cade, who used to be a member of my team when I was early in my time in the Senate. He is now secretary of labor. I said, Cerron--Mr. Secretary--what do we pay people in Delaware on unemployment insurance? What is the replacement rate? He said it is somewhere between 25 and 50 percent of what people were earning. But he said there is a $400 cap per month--excuse me--per week. There is a $400 cap per week on the benefits that we will pay anybody, regardless of what they were making--$400 a week. If you think about it, $400 a week for 4 weeks is like $1,600 a month. Add to that the $600 benefit, and we are talking about $2,200 per month. If somebody is working full time-- Mr. SASSE. Six hundred per week. Mr. CARPER. Excuse me. There you go. But if you add the numbers, I am not sure we end up with $24 per hour in Delaware. Mr. SASSE. Twenty-six. Mr. CARPER. It might be the case, but I would have to see those numbers. My secretary of labor said he thought that the number that we were looking at here was something like $13 an hour in Delaware, when you add it all in, as opposed to 24. So we will go back to do our math. [[Page S2051]] Mr. SASSE. Will the Senator yield? Mr. CARPER. Happy to yield. Mr. SASSE. I don't think that any of us think that a math debate is the most productive way to spend our time in the Senate, but just so we are all talking on the same song sheet: $400 a week, add $600, is $1,000 a week. Divided by a 40-hour week, that is $25 an hour. I don't know how you explain that to people who are making 15, 16 bucks an hour in Delaware, that you are now going to pay them $25 if they become unemployed. The Senator from Illinois said this is the program only for people who are involuntarily separated. If that is the way the program worked, it would be great, but anybody who has ever spent any time with unemployment insurance programs in your States knows that is not how it works. How it actually works is, once you create a disincentive to work, employers regularly work with employees to say: I kind of would like to drive you off the system, and I think you should recognize this would be better for you, too, if you can casualize it. That is actually what happens. I will yield the floor back to the Senator. Mr. CARPER. I thank the Senator very much. I will go back and will reengage with our secretary and make sure we have the math right. The other point that he made--I asked him: How hard would it be to administer? Is it something we could stand up in a couple of weeks or are we talking about months or what? He said this would not be an easy thing, administratively, to do. And at a time where we are anxious to get the benefit out the door in a hurry, this would not be easy. I would just ask us to keep that in mind. One of the people I talked to last week when I was trying to figure out, really, what kind of big package legislative package No. 3 should be--Leon Panetta is one of the people I talked to. He told me about the three t's: timely, targeted, and temporary. Those are the three that he talked about. Timely means making sure we figure or calculate the right benefit but that we are able to turn around and pay it in a timely way. What I gathered from my secretary of labor is we are not going to be able to incorporate what they are doing at the State level, feed into that the State and the Federal benefit, and do it in a timely way. I think, if we could do that, you would have, probably, a fair amount of bipartisan support. But it is that delay, and we just don't know how long that delay would be Ted Kennedy used to sit behind me when I first came to the Senate. And I noticed that I knew some Senators. Dick Durbin and I served in the House together, and other people, we had been Governors together. I didn't know Ted Kennedy. One day I said to him: I am new here in the Senate, and I don't really know you very well. What I was doing was going to have a cup of coffee with the Senators I didn't know well, and I asked if I could maybe have a cup of coffee with him. He said: We will do better than that. Come to my hideaway, and we will have lunch together. I said: That is great. I didn't think we ever would, but it was a nice offer, a nice idea. Two weeks later, we had lunch together in his hideaway. It was like a Kennedy museum. Some of you have been there before. It is an amazing place. I remember I asked him: How is it that so many Republicans here want you, Ted Kennedy--the most liberal Democrat, maybe, we had at the time--to be their lead cosponsor on their bills? Why is that? And he said: I am always willing to compromise on policy, never willing to compromise on principle. I think that the policy here is that, when people are unemployed and they need help, we want to help them, and we help them in a timely way. Mr. CRUZ. Will the Senator yield for a question? Mr. CARPER. I will just finish my thought, and then I would be happy to. But in a timely way. And I am just concerned--my second concern, along with my first concern: I am just concerned that the idea to deal with this in a timely way is going to be diminished, maybe significantly. We just, honestly, don't know. I am happy to yield. Mr. CRUZ. A question to the Senator. The Senator said that you were concerned about implementation and that it may not be timely at the State level to implement this. I think, just prior to when you came to the floor, I suggested a possible amendment to the Senator from Nebraska's amendment that would add a qualifier, something like, ``to the best extent practical.'' So it doesn't slow the program down, but it acknowledges that both the Department of Labor and the States should endeavor to implement this in a way that ensures people don't get paid more not to work than to work. So it adds a qualifier. You just suggested there might be bipartisan agreement. Would the Senator from Delaware be amenable to such a change? Mr. CARPER. I would be happy to discuss that with you and better understand what you offer. I wasn't here when you spoke. Thank you. I yield the floor. The PRESIDING OFFICER. The Senator from Michigan. Mr. PETERS. Mr. President, for over 200 years, the American people have shown resilience in the face of great challenges. From civil wars, international conflicts, and--yes--pandemics, we have faced these challenges united and with resolve. Like the challenges of the past, the novel coronavirus pandemic is a crisis that, together, we can and we will overcome. As the cases of COVID-19 increase each day, my top priority is protecting the health and the safety of Michiganders and people all across this Nation. There is no doubt we are facing an unprecedented public health emergency and an economic crisis at the same time. Families in my State of Michigan--and Americans all across this country--are worried about their health and their safety and whether they are going to be able to make ends meet during this emergency. We must act quickly to provide relief for struggling families and small businesses and healthcare providers. And even as we move with the urgency that this difficult time demands, we must ensure that this bill is done right and that we are getting the right help to the people who need it the most. We must act aggressively, and now we must do everything to provide relief to workers and families in Michigan and across the country. Americans are facing an unprecedented personal, health, and financial challenge. Workers in my home State of Michigan who are forced to stay home from work due to the coronavirus shouldn't need to worry about whether they can pay their bills or put food on their table. That is why I authored legislation that is included in this package before the Senate to expand unemployment assistance. We have never had unemployment benefits in response to a public health crisis, but we have never seen an emergency on the scale of what we are seeing right now. We must support workers who are not receiving a paycheck or have been laid off due to coronavirus. That is why I fought to create an unemployment compensation program to provide federally funded benefits to people who are unable to work during this pandemic. It would expand unemployment benefits to workers who have exhausted their State unemployment benefits, and it would make unemployment benefits available to people who don't usually qualify-- including small business owners, freelance writers and workers, independent contractors, seasonal workers, and people who have recently started or were about to start a new job. And it provides workers with extended unemployment insurance so that hard-working families can have some certainty that they can stay afloat financially during this crisis that is likely to last awhile. Our small businesses have been hit especially hard, and some are at risk of having to close their doors or lay off their employees. Our small businesses are the backbone of our economy, and they need support now more than ever. That is why I worked with my colleagues on the Small Business Committee to craft legislation to expand funding available for small business loans. As a result of those efforts, this package now increases the funding for the popular and successful 7(a) small business loans to $350 billion. [[Page S2052]] I also pressed for additional funding--$240 million--for small business development centers and women's business centers and an increase in funding for minority business centers as well. These funds will go a long way toward helping small businesses pay their rent and keep their lights on. This legislation also includes significantly more funding that will go to our hospitals and healthcare system. This funding will ensure that our overstretched hospitals can make up for lost revenue, keep their doors open, and make payroll for the dedicated nurses, doctors, and healthcare professionals who are on the frontlines fighting day in and day out to stop this pandemic. I have been working closely with the hospitals and healthcare providers in Michigan, and they cannot stress how critical this funding is to their ability to continue providing care and comfort during this pandemic. I will keep fighting to ensure that they have the resources-- the supplies, the gloves, the masks--and the medical equipment they need to protect themselves and their patients from coronavirus. Finally, as the ranking member of the Homeland Security and Governmental Affairs committee, I worked closely with Chairman Ron Johnson to ensure that this legislation has strong oversight provisions in place. We must ensure that the funds we are authorizing are going to the people, the small businesses, and the healthcare providers who need them the most. Our oversight provision creates a Pandemic Response Accountability Committee--a Board that is made up of agency watchdogs who will be charged with auditing and investigating the administration's coronavirus response efforts and how your hard-earned tax dollars are being used to address this serious crisis. We are also requiring the Government Accountability Office to audit where these funds are going and keep Congress and the American people up to date through real-time, publicly available reports. This model was used to successfully track spending from the 2009 Recovery Act during the great recession, and I was proud to work with my Republican chairman to get this important accountability measure included in this bill. This bill is an important step forward to address this crisis head-on and ensure our Nation can get back on track once we have addressed the serious public health threat and the resulting economic crisis as well. It is an important step, but it is not the last action we will need to take before this pandemic is over. I am going to do everything possible to continue working with my colleagues in a bipartisan manner to ensure Michigan communities and families have the resources and the support they desperately need. I will also continue working closely with Michigan Governor Gretchen Whitmer, local leaders, public health experts, and national security officials. It will continue to take each and every one of us doing our part and working together to prevent the spread of this pandemic, protect public health, and continue to address this economic crisis. But together, I know that we will get through this, and we will come out stronger on the other side. I yield the floor. The PRESIDING OFFICER (Mr. Scott of South Carolina). The Senator from Vermont Mr. SANDERS. Mr. President, let me be very honest and tell you that there is much in this bill--and we have not yet seen the printout yet-- that I am concerned about. I am especially concerned that the administration will be able to spend $500 billion in virtually any way they want--any corporation they want--with virtually no strings attached. The American people, at a time of massive income and wealth and inequality, do not want more corporate welfare, and they do not want policies that will allow corporations in some cases to receive loans or grants and then do stock buybacks to enrich their stockholders, provide dividends, or maybe raise the compensation benefits of their already wealthy CEOs. What the American people want right now is for us to use our taxpayer dollars in every way we can to protect the working families of this country, to protect the middle class, to protect the 50 percent of our people who are living paycheck to paycheck. As we speak tonight, half of our people in this country--in the richest country in the history of the world--are living paycheck to paycheck. They wake up in the morning, and they are saying: Do you know what? I can barely make it on the paycheck I got because I am making 12, 13, 14 bucks an hour, and now that paycheck has stopped. How am I going to pay my rent? How am I going to put food on the table for my kids? How am I going to make sure the lights remain on? How am I going to pay my student debt? How am I going to pay my credit card debt? If somebody in the family gets sick, how am I going to pay for that? This bill has been worked on extensively in the last few days. There are elements in it that, in my view, are positive--don't go far enough by any means--but one of the things this bill does do is provide the largest expansion of unemployment benefits in history, expending about $250 billion of Federal funds. What it does, importantly, is the bill understands that for all kinds of absurd reasons having to do with the Republican attacks on workers for many years, fewer than 50 percent of American workers today are eligible for unemployment benefits. What this bill does, rightly so, is say that in the midst of this terrible economic crisis where some people--nobody knows--where some economists are estimating that by June, the end of next quarter, unemployment could be 20 percent or 30 percent--and what this bill does say is that whether or not you are eligible for unemployment today, you are going to get unemployment compensation. And that means many of the gig workers--people who drive Uber cars--many of the waitresses and waiters who make starvation minimum wages, many so-called independent contractors will be eligible for the extended unemployment benefits. And that is exactly the right thing. The other thing this bill does, which is right, is say: OK, we are in the midst of a horrific crisis, unprecedented in modern American history. Not only are you going to get your regular unemployment benefits, we are going to add another $600 a week to it. And now I find that some of my Republican colleagues are very distressed. They are very upset that somebody who is making 10, 12 bucks an hour might end up with a paycheck for 4 months that is more than they received last week. Oh, my God, the universe is collapsing. Imagine that. Somebody who is making 12 bucks an hour now faces, like the rest of us, an unprecedented economic crisis and, with the 600 bucks on top of their regular unemployment check, might be making a few bucks more for 4 months. Oh, my word, will the universe survive? How absurd and wrong is that? What kind of value system is that? Meanwhile, these very same folks had no problem a couple of years ago voting for $1 trillion in tax breaks for billionaires and large, profitable corporations--not a problem. But when it comes to low-income workers in the midst of a terrible crisis, maybe some of them earning or having more money than they previously made--oh, my word, we have to strip that out. By the way, when the McConnell bill first came up, unbelievably--and I know many Republicans objected to this--they were saying that we want to give--whatever it was--1,000 or 1,200 bucks, but poor people should get less. You said: Because poor people are down here, they don't deserve--they don't eat; they don't pay rent; they don't go to the doctor; they are somehow inferior. Because they are poor, we are going to give them less. That was addressed. Now everybody is going to get the $1,200. Some of my Republican friends have not given up the need to punish the poor and working people. You haven't raised the minimum wage in 10 years. Minimum wage should be at least 15 bucks an hour. You haven't done that. You have cut program after program after program, and now-- horror of horrors--for 4 months, workers might be earning a few bucks more than they otherwise would. Needless to say, this is an amendment that is coming up, but I don't think it is going to go very far. If it [[Page S2053]] does go far, I will introduce an amendment to deal with the corporate welfare--the $500 billion in corporate welfare--which is, to me, a very serious problem. But I do not think they are going to get the 60 votes, and that will be the end of it. This bill also includes some $250 billion in one-time checks of $1,200 for adults and $500 for kids. I have a couple of concerns there. No. 1, I believe that in the midst of this unprecedented crisis we should make this a monthly benefit, not a one-time benefit. Depending on what happens--and I expect very much that this Congress will be reconvening because I think this coronavirus 3--the bill we are on right now--is going to be superseded by coronavirus 4. My strong guess is this does not go far enough. But the bill does include a $1,200 check for adults, $500 for kids. That will in the short term. We have to do a lot better than that. As many of you know, in countries around the world--UK, Denmark, other countries--the approach they are taking, which makes sense to me, is to basically say to employers: If you keep your workers on the job, even if they are not working right now, we will pay. The UK pays 80 percent of their salary; other countries are a bit higher. I think that is the direction we should have gone. This is a little bit more convoluted. What we do here is give $367 billion in loans to small businesses, and those loans could be forgiven if those small businesses don't lay off workers. I think, for a variety of reasons, that is exactly the right thing to do. The goal right now is to stabilize the economy by telling workers that they will have their jobs when they come back, when this thing is over, and in the meantime, they will have all or most of their income. That is my preferred approach. This bill provides $150 billion to States and cities. I can tell you that in Vermont--and I am sure in every other State in this country, States and cities are hurting because we all know there has been a major decline in tax revenue. That is an important thing do. By the way, in the midst of this crisis, a lot of the responsibility is going to fall on local and State government. One of the concerns, of many, that I have about this bill is that in the best of times, this bill requires an enormous amount of work by the Federal, State, and local governments. How do you get all these unemployment checks out? How do you deal with all of these small businesses that may apply for these loans? This is hard stuff. It becomes even more difficult when so many workers who work for local and State governments are not coming into work because of the coronavirus. One of the issues we are going to have to focus on big time is the implementation. If anyone thinks, just passing this bill, that tomorrow everything is going to flow smoothly, you are sadly mistaken. This is a complicated, multifaceted bill, and it is going to take an enormous amount of work to make sure that the money goes where it should go in a cost-effective way. This bill does a lot of other things, as well, that I think will help the American economy. To conclude, this is not the bill I would have written. Frankly, I don't think it is the bill most Americans would have written. I think most Americans are very apprehensive that one-quarter of this bill is going to go to large corporations with very little accountability. In a political season, let me make the radical suggestion that we have a President of the United States who may end up targeting some of this money to States that he needs to win. This bill has some good things. It has some issues of real concern. One thing we must not do is to punish low-income workers who might get a few bucks more than they had previously earned. The PRESIDING OFFICER. The Senator from Nebraska. Mr. SASSE. Mr. President, I just listened to the speech by the Senator from Vermont. There is obviously a lot we don't agree on in life and policy, politics, and economics. He caricatured the entire purpose of this amendment tonight. The purpose of this amendment is to affirm work. Under his vision, I don't know exactly where he thinks the workers who stock shelves and drive trucks right now would come from because he made an argument about government subsidies that would be, on a permanent basis, higher than the wages of all those jobs. I don't understand how his economic system would ever actually work. But I would like to praise him here. Two things: One, he said something that politicians usually don't say. Usually when people say they will vote for something, they say the bill is salvific and utopian and going to do everything right, and if they are going to vote against something, they say it is the worst thing that has ever been written. Senator Sanders just said that this bill has a lot in it. It is big. It is clunky. We are in the middle of a national emergency. There is some good in it; there is some bad in it; and he is going to vote for it. I also believe this bill is big and clunky and stinky. There is a lot that is broken in it. There is some that is good and necessary and important. There is a lot that is bad and poorly thought out and not going to be implemented very effectively. On that, I am also inclined to vote for it. So I appreciate his candor in his admitting that this is kind of a big ``crap sandwich.'' In addition, I praise the Senator from Vermont for his candor in saying something that I totally oppose, but I appreciate his integrity and honesty in admitting it. He said, I believe--correct me if I am wrong, sir--he wishes the $1,200 emergency payment would be made monthly and permanently; is that right? Mr. SANDERS. No, not permanently but during the crisis, yes. Mr. SASSE. OK. That is a helpful clarification. The Senator was saying a lot of different things, and I thought he was arguing for a UPI of 14 grand. I just wanted to clarify that point. The Senator believes a lot of things very differently than I do, but I appreciate the fact that he argues forcefully for his positions. I think this body would benefit from having more people who spoke as bluntly and directly as the Senator from Vermont. I hope his positions will be voted down again and again and again and again, but I appreciate the way in which he argues for his positions. I thank the Presiding Officer. The PRESIDING OFFICER. The Senator from Oregon. Mr. WYDEN. Mr. President, several Senators on the other side have been arguing against the provision in this bill to supercharge unemployment insurance right now, which is something on which Senate Democrats have negotiated with the Trump administration, Secretary Mnuchin, and Chairman Grassley. Based on what I am hearing from the Senators on the other side, you would think that this provision was pretty much going to end Western civilization. Now, supercharging unemployment benefits has long been a priority for Senate Democrats, and we have been fighting for those improvements in unemployment since the process began. In our view, it is the key to getting help to where it is needed the most. Believe me, colleagues, when you see the unemployment claim numbers tomorrow, if the numbers are accurate, this Chamber is going to see that the unemployment crisis will be exploding in America I don't believe anybody in our great country should fall into destitution as a result of this pandemic, so I, obviously, disagree with my colleagues who oppose so strongly our amendment to improve unemployment benefits. I just want to make a few key points in response to their argument. First, I start with an argument that just about knocked the wind out of me when I heard it earlier. It is the idea that nurses are going to quit their jobs as a result of this legislation. Nurses are not going to be quitting their jobs to get unemployment benefits because that is not how nurses think when they get up in the morning. By now, everyone has seen the Herculean efforts of our nurses who have been fighting the pandemic. Nurses in America are brave, and they care. They are true professionals. From Portland, OR, to Portland, ME, they are on the frontlines of this fight and are putting themselves in harm's way to save the lives of our neighbors whether they be in South Carolina, Oregon, or anywhere else. They don't cut and run. Also, contrary to the suggestion of my colleague from Nebraska, retired [[Page S2054]] nurses have been coming out of retirement in droves to help treat patients who are suffering because of the coronavirus. Second, it is a head-scratcher to me that my colleague from Nebraska is raising this objection now. I am the ranking Democrat on the Committee on Finance. I learned about his objection when I watched his press conference, and then I called him about it. The proposal has been out there for days, and Senators have known about it the whole time. It is not a drafting error, and it is not a last-minute surprise. What the Senator from Nebraska wants to drop now, in effect, was part of the bill. The Presiding Officer is a member of our committee, and I enjoy working with him. What the Senator from Nebraska wants to drop now was, in fact, part of the bill that Republican Leader McConnell introduced on Saturday. He introduced it on Saturday because the Senate Democrats insisted on its being part of the package, and as Secretary Mnuchin said this afternoon on national television--we all heard it--the Republicans agreed. I will have a little more to say about Secretary Mnuchin's remarks in a minute. Third, I want to talk about why this is so needed--why my Democratic colleagues and I have worked so hard to help the millions get through these horrendous times who have been hit by this economic wrecking ball. For most Americans, the old unemployment rules would cover only a third to a half of their lost wages. That was it. It is pretty hard to pay the rent and put food on the table with that. Even before this crisis, the Federal Reserve found that nearly half of Americans wouldn't have been able to have come up with $400 cash to cover costs in an emergency. Let's face it. Millions of Americans were walking on an economic tightrope of balancing their rent against the food and the food against the fuel, and that was before the pandemic. That is why we on our side feel so strongly and are so appreciative of the work of Senator Peters and Senator Menendez, who helped in the negotiations, and, of course, of the leader's work. We all said we need an improved, supercharged unemployment benefit to replace people's lost wages. These are people who shouldn't face a choice between homelessness and hunger or bankruptcy because a virus has shut down our economy and cost them their jobs. This isn't the fault of any workers in South Carolina or in Oregon or anywhere else. While the consumer economy is shuttered, Congress has a responsibility to make sure that Americans can bounce back in a matter of weeks or months. Otherwise, millions will struggle and be slow to recover from the economic crisis, and many might not make it if the Senate doesn't move to help them now, now, now. The panic people feel over the virus is already too much, and the least we can do as lawmakers is to have their backs when it comes to their surviving this economic crisis. All of my colleagues know we are on the third bill in the fight against the virus. Mitch McConnell's first version of this bill did virtually nothing for those who lost their jobs. I read it carefully. Out of 247 pages in the Republican leader's first bill, only 8 lines of text--not 8 pages but 8 lines--dealt with filing for unemployment online. That bill had an awful lot of corporate goodies and lots of slush funds for big corporations but just a few measly lines for people who were hurting--for workers who were hurting, for workers who were losing their jobs. The Senate Democrats fought for and won the changes that make up this robust, expanding, supercharged program of unemployment insurance. It is based on a bill that I and our colleague Senator Peters introduced not long ago. First, in these punishing economic times, Americans are going to need more weeks of coverage than they would otherwise get from unemployment insurance. The existing length of unemployment benefits will not cover the time this crisis will last. Second, the Senate needs to modernize the unemployment insurance program because it really hasn't changed much since it was developed in Wisconsin in 1932, and, in 1932, nobody was talking about gig workers. The unemployment program that was invented then has not changed all that much. It certainly wasn't built to take on the kind of challenge our country faces right now. The Democratic Senators and I looked at that system and said this old system wouldn't be good enough for independent contractors, the self- employed, gig workers, part-time workers, and freelancers who are a big part of the face of the modern economy. They are not the kind of workers anybody was thinking about in 1932, when the program was invented. The Senate Democrats led the effort to get those people coverage. I am glad that, at one point in the negotiations, we could get bipartisan support for it. For the people who still have their jobs but who have had their hours slashed, we are going to bat for them. For the people in the service economy, who are those in the restaurants, salons, gyms--you name it-- all of those people who are suffering because their jobs and their businesses have been put on pause--we are going to bat for them. We are talking about millions and millions of Americans--people who are looking at hard times ahead and who need our help now. The old unemployment insurance system wasn't working, so the Senate Democrats said: We are going to come together, and we are going to go to bat for all of those independent contractors, those who are self- employed, the freelancers, and the gig workers. Now I think that not only are we going to help them over the next 4 months, but I think we have developed some ideas that can be part of reforming the unemployment compensation system after those 4 months. Now I want to turn to why this agreement raises benefits specifically by $600 per week. I have heard my colleagues and their strenuous objections to that amount. The reason it is $600 is because Labor Secretary Scalia, after meeting with the Senate negotiators--myself, Senator Grassley, Secretary Mnuchin, Senator Menendez, Senator Portman; a big group of us--Secretary Scalia, after meeting with Senate negotiators, left us with no other way to get benefits to workers quickly. Secretary Scalia said that the States had no other way to get the benefits to workers in time. We needed a simple solution. And I know my colleague, the distinguished President of the Senate, and others who are sponsoring this proposal to unravel what Senate Democrats did with Secretary Mnuchin, the Trump administration, and Chairman Grassley may not believe me, but I want to share the words of Secretary Mnuchin himself, and specifically on this question of why we were focused on making sure that workers could get that extra $600 a week. Just today, Secretary Mnuchin said: Most of these state systems have technology that is 30 years old or older. If we had the ability to customize this with much more specifics, we would have. This was the only way we could ensure states could get the money out quickly and in a fair way so we used 600 dollars across the board. I don't think it will create incentives, most Americans want what they want: they want to keep their jobs. That is what Secretary Mnuchin said today in defending the language that is in the bill as, in effect, the fastest, simplest way for workers to get their benefits and why we disagree so strongly with the amendment from the Senator from Nebraska to unravel that approach. The math shows that standard payment of $600 is the simplest way to get to full wage replacement without causing, as of now, an administrative train wreck. So I am going to close on this. I am sure that everybody here read that unemployment claims are expected to go up by 2.5 million in 1 week when the ***statistics*** are released tomorrow. Let me say that again--2.5 million. That is almost as many jobs that were lost in the entire year of 2008 when the great recession hit our country so hard. It is the single largest rise in unemployment since that figure began to be tracked. Twelve entire months' worth of great recession job losses-- that is how many unemployment claims economists expect to see in a single week. This country has never faced anything like it. It is not a normal recession. This isn't a normal bill to try to stimulate the economy in which the government tries to give the economy a shot of fiscal adrenaline. This is a [[Page S2055]] time when we face a shutdown of entire sectors of our economy. What the Congress needs to do is keep our economy alive and act now. We are not going to do that by shortchanging workers who are losing jobs, losing hours, or losing gigs. I feel so strongly that Americans want to work. Businesses want to keep their employees on the job. Americans want the economy to spring back to life once the pandemic is under control, and that is what supercharging unemployment benefits is all about. So here is the bottom line on the provision that Senate Democrats agreed with the Trump administration, Secretary Mnuchin, and Chairman Grassley on--our proposal was not a drafting error. It didn't pop out at the last minute. It is not going to bring about the end of Western civilization. I hope my colleagues on the other side of the aisle will review what Secretary Mnuchin had to say this afternoon on national television, supporting what Senate Democrats negotiated with him and the administration, and join us in making sure millions and millions of Americans don't fall into destitution. I yield the floor. The PRESIDING OFFICER. The Senator from Vermont Mr. LEAHY. Mr. President, America is at an inflection point. We are facing a public health crisis unlike any we have seen in generations. Governments at every level are racing to respond, react, and mitigate the crisis. Communities and counties are fearful their hospital systems will be overrun, and needed supplies are unavailable. States are struggling to support local and state-wide economies that are increasingly hit with store closures and business suspensions. Unfortunately, the Federal Government--starting with the President--has failed to offer clear leadership to navigate this crisis. But today marks a turning point, thanks to the leadership the Senate will show by acting on this bipartisan emergency relief package--today, without delay, and without hesitation. The package before us includes three important pillars. First, it directs economic assistance for businesses and workers. Second, it provides emergency funding to support our over taxed medical system, which is bracing for a surge in patients as the coronavirus continues to spread. And finally, it provides critical oversight to ensure that the funding Congress provides goes to the people who need it--not to line the pockets of corporations and executives who continue to benefit from the most generous tax cut in history. We will provide a massive investment in the unemployment insurance program, ensuring that unemployed workers can receive a maximum benefit in this time of economic crisis. These reforms will also extend unemployment insurance eligibility for an additional 13 weeks and will allow part-time, self-employed, and gig economy workers--who are being hit hard in this crisis--to access benefits. Importantly, for Americans living paycheck to paycheck, this bill will deliver these benefits to workers sooner. To help the small businesses struggling to keep their doors open, to find a path to reopen on the other end of this pandemic, this bill supports loan forgiveness to small businesses and some nonprofits, and provides critical funding to support payments of existing loans to small businesses through the Small Business Administration. The bill provides $340 billion in emergency appropriations to give new resources to help strained State, local, and tribal governments as they combat this pandemic. These resources support hospitals and health care workers on the front lines of this public health crisis. They fund the purchase of personal protective equipment and much needed medical equipment. The bill supports our law enforcement and first responders; funding for scientists researching treatments and vaccines; support for small businesses; support for local schools and universities; and funding for affordable housing and homelessness assistance programs. The bill will provide immediate relief to farmers in Vermont and across the country who continue to feed our communities during this emergency, with an emphasis on those farmers serving our local food systems. Importantly, the bill will not permit the transfer of emergency funding to battle COVID-19 to the President's misguided projects including the border wall. On top of all this, the bill includes a $150 billion Coronavirus Relief Fund that will provide State local, and Tribal government with additional resources to address this pandemic, all with an important small State minimum to help states like Vermont. I think of our own Governor, Republican Governor, who has worked so hard to help our State. This will give him some tools, as it will to our Speaker of the House and our President pro tempore of our legislature. In Vermont, Governor Scott has made the difficult but prudent decision to restrict statewide activities only to essential services, we, too, are feeling the impact of the coronavirus. With over 120 confirmed cases, our small State is already reeling from the economic effects. I am pleased that the Coronavirus Relief Fund will support States and that it includes an important small State minimum that will have significant impact in Vermont. Through formula grant funding, States will benefit from this package. In Vermont, that will mean $5.4 million through the CDC's Public Health Emergency Preparedness program; $4.2 million for assistance through the Community Development Block Grant program; nearly $20 million for public transportation emergency relief; $4.3 million to provide child care assistance to those on the frontline of the coronavirus response, including health care workers and first responders; $4.6 million for housing assistance grants; $9.6 million to support the State's airports; $4 million in LIHEAP assistance; $5 million in Community Services Block Grant funding; $2 million in Byrne-JAG assistance to law enforcement; and $3 million in election security assistance grants. Finally, this bill includes important oversight and accountability measures that will require this administration to report publicly to the American people. This is a taxpayer-funded relief bill. The Executive Branch must be ***accountable*** to those taxpayers. Financial relief to address the coronavirus pandemic should not be turned into a slush fund for a president seeking reelection, with little accountability to the people whose money he is spending. I urge the Senate to pass this bill today, and I hope the House will swiftly follow. This is an emergency relief bill. Congress will need to take further action to provide needed stimulus to our State and local economies, to support our schools, including institutions of higher education, and to support displaced workers who are the fabric of our national workforce. But with this bill, we provide support to the victims of this terrible virus: the healthcare providers and first responders on the frontlines, the essential workers who are keeping our store shelves stocked and the necessities available, and the families hit by the fallout from this pandemic. I have been fortunate. I have been married now for almost 58 years to one of the best medical surgical nurses I have ever known. I hear her tell it like what it is. Marcelle tells me what the doctors and nurses face in a situation like this. I pray that neither you nor I, nor any other Member of this body will have to face what they face on the frontlines of a crisis like this one. We should go forward and pass this bill and do that today. We must all heed the call of the medical professionals and experts calling for dramatic but essential action to stop the spread of this virus. That requires leadership--from this Chamber and from the President of the United States. The eyes of the Nation will watch how we further manage this crisis. Now is not the time to waiver in our resolve to do what is in the best interest of the citizens whose interests we are sworn to protect. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Ms. COLLINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Ms. COLLINS. Mr. President, I see that the Senator from Maryland is on the floor, and I think he arrived a minute or two before me, so if he would [[Page S2056]] like to go first, I would want to give him that opportunity. Mr. VAN HOLLEN. Mr. President, I am grateful. I thank the Senator from Maine, but I am happy to have her go first. Ms. COLLINS. Mr. President, all across the country, Americans are stepping up in response to the coronavirus pandemic sweeping our Nation. Doctors and nurses are working endless hours and putting themselves at risk to care for the surge in patients. Manufacturers, including many companies in my State, are working overtime and retooling their product lines to produce medical testing swabs, ventilators, and personal protective equipment, all of which are vitally needed. Truckers are going above and beyond, missing time with their families so that they can deliver goods needed to restock depleted grocery shelves. People are looking out for their neighbors in a safe way. They are checking on them. They are making personal sacrifices to help prevent the virus from spreading to the most vulnerable members of our society. Help is on the horizon for small businesses and their employees who are facing economic devastation through no fault of their own. I have talked to small business owners all across our State, including small mom-and-pop operations like a third-generation diner operated and owned by the Simones family in Lewiston, ME. For the first time ever in three generations, they have had to close their doors. They had no choice. As Linda Simones told me in tears earlier this week: We have never been unemployed. Our son is unemployed. Our friends who have worked with us at this diner for years are unemployed. The agreement finally reached today includes a $377 billion small business economic relief plan that Senators Rubio, Cardin, Shaheen, and I authored as members of the Small Business Task Force. It is intended to help workers and small businesses just like the one owned by the Simones family in Lewiston. Our group worked day and night to get this bipartisan package included in the broader legislation. I want to do a shout-out to our staff because I don't think they have been to bed before 4 a.m in the morning on any day in the last week. That is how hard they have worked too. Under our bipartisan approach, small businesses would be eligible for a 100-percent federally guaranteed emergency loan to cover 8 weeks of payroll, as well as certain expenses like rent, mortgage payments, and utilities. If these businesses keep their employees on the payroll--in other words, they keep issuing those paychecks--their loans would be completely forgiven. Here is how it would work. Small employers with 500 employees or fewer would be eligible to apply for these federally guaranteed loans. The loans would be available immediately through existing Small Business Administration-certified lenders, including certain banks, credit unions, and other financial institutions, and a streamlined process would be created to bring other additional lenders into the program. The size of the loans would be tied to a formula based on the small business's average monthly payroll, and that would go back to February 15 since that is when the coronavirus really started to come to our country and have an impact. The maximum loan amount would be $10 million. As long as these small businesses retain their employees and issue those paychecks--which, keep in mind, also means in many cases that those employees will get their health insurance as well--the portion of the loan used to cover payroll and mortgage interest, rent, and utility payments would also be forgiven. Furthermore--and this is important to States like those of the Presiding Officer's and mine that have large numbers of tourists coming each year--employers with tipped employees would receive forgiveness for the additional wages paid to such employees. In addition, I want to point out that workers who already lost their jobs due to this crisis can be rehired and paid under our program, and that should be our goal. Mr. President, this vital assistance cannot come a moment too soon. There are so many small businesses that have already shut down or are on the verge of doing so. They are trying to hang on just a little longer to avoid laying off their employees, who are like members of their own family. In fact, in many cases, they were members of their own family. Without this package, we face an unemployment tsunami that could reach as high as 20 percent, according to the Secretary of the Treasury. Not only would this cause tremendous harm to millions of families, but it would also take a massive toll on the Federal budget, far exceeding the $377 billion that we are using for this small business assistance program to keep workers paid and employed. What we want is to make sure that those small businesses survive, that they are here when we transcend this crisis, and that their employees are still able to go back to work for them. We don't want to break that link, that connection. We don't want those small businesses to give up and shutter their doors forever, decimating our downtowns and causing permanent job loss for the workers who are so much a part of their business. Larger businesses that are facing cash flow issues would be eligible for certain loans so they can avoid laying off their workers. However, unlike the small business assistance program, where they would have their loans forgiven as long as they keep their workers employed, the larger businesses would be required to repay these loans in full. I want to make clear that these large businesses would be barred from stock buybacks and increasing executive pay for the duration of the loan, and I fully support those restrictions. Of course, many of those small businesses don't have shareholders, so the idea of a stock buyback doesn't exist. Some of them that are subchapter S may, but many of them do not. I am also pleased to say that we would cover the sole proprietor, the independent contractor--those many individuals whom we rely upon to make our economy work. Following my advocacy, along with Members from other coastal States, I am also pleased that the bill includes $300 million to assist workers and businesses in our Nation's fisheries, which support thousands of jobs in the great State of Maine. With this legislation, harvesters, fishing communities, ***agriculture*** operations, and other fishery-related businesses would be eligible for this $300 million in assistance, which may include some direct relief payments. This helps protect our food supply chain. This targeted relief will help ensure that the families in coastal communities who depend on our fisheries can emerge from this crisis. Similar assistance is provided to our farmers as well. This bill also provides more than $30 billion for States, school districts, colleges, and universities to help them meet the unexpected expenses that have flowed from the coronavirus crisis. Our K-12 schools will have access to $13.5 billion, which will help them support remote learning and meeting the needs of their students. I want to take a moment to recognize the dedication of those teachers, administrators, school food-service workers, and bus drivers who are not only making sure that students have access to remote learning but are making sure that students have access to meals offsite. This bill provides funding to help them provide those meals in creative but, unfortunately, more costly ways, such as delivering prepackaged meals along bus routes or directly to students in their homes so that they won't be hungry. We all know how important the School Breakfast and School Lunch Programs are to our low-income families. When colleges and universities made the very tough decision to send students home for the semester, I spoke with several presidents in Maine, and they told me about the steps they were taking to make sure that their students could still receive a quality education, albeit online or remotely. They were also taking steps--as well they should-- to reimburse students and their families for room and board and for shortened travel study programs. They are investing in the software and hardware infrastructures to bring classes online quickly. They are doing even more than that. The University of Maine, for example, has partnered with the State to prepare its dorms and its [[Page S2057]] facilities for emergency uses, if necessary. So the direct aid to colleges and universities is needed to help these institutions offset these sudden revenue losses and unexpected costs. There is also temporary flexibility applied to student aid and to student loans that also will be very helpful. This agreement is not only a lifeline for workers, small businesses, and schools, it builds on the previous two packages that Congress has passed to promote the health and safety of Americans. It makes substantial investment in our Nation's health system, biomedical research, and education, including a $130 billion infusion for our hospitals and healthcare providers who are struggling to cope with this influx of patients. It provides $20 billion for additional resources for veterans' healthcare. It authorizes an $11 billion catalyst toward the development of an effective vaccine and therapeutics. It provides $1 billion for community services block grants to support critical social service programs for millions of low-income individuals. It gives the Centers for Disease Control additional funding to enhance its vital work. It assists communities responding to greater demands for services with an increase of $5 billion for community development block grants. That comes from the subcommittee that I chair. It helps with transit systems. There is widespread help for those who are homeless or who are among the most vulnerable in our population. It strengthens the low-income home heating assistance program. That is something Senator Jack Reed and I have long worked together on. We don't want families and seniors making impossible choices between heating their homes and buying food or medicine. This package also contains two additional pieces of legislation that I have introduced and championed. First, it contains provisions from the Mitigating Emergency Drug Shortages, or MEDS, Act--legislation I authored that would help prevent a shortage of vital medication. I was shocked to learn that 72 percent of the facilities that make vital active pharmaceutical ingredients for our market here in America are located overseas. Thirteen percent of these facilities are in China. We just can't have that. We need far greater visibility into that supply system. It also contains a bill I have long advocated for--the Home Health Care Planning Improvement Act. It will allow nurse practitioners, physician assistants, and others to certify patients as needing home health services. Now it is just a physician who can do it even though the physician might not be the primary care provider, particularly in rural areas. That will remove needless delays in getting Medicare patients the home healthcare that they need. That is a critical improvement at a time when our healthcare system is being put to the test and when people are being told they need to stay in their own homes to avoid spreading the virus. The list of benefits that will be felt in communities across the country goes on and on. It is imperative that we pass this bill tonight. Every day, more small businesses are forced to close their doors. Every day, Americans are losing their jobs and their income. Every day, medical professionals are increasingly overwhelmed by the exponential rise in cases. (Mrs. LOEFFLER assumes the chair.) The package we are voting to advance tonight will bolster our healthcare system, infuse funds into biomedical research that will ultimately produce a vaccine and effective treatments, shore up our economy and our businesses, support those who are unemployed, strengthen the link between employers and their employees, save millions of jobs of those employed by small businesses, and help prevent a devastating recession, perhaps even a depression, in this country. Let us not squander this momentum when we are so close to getting this done for the American people. I urge my colleagues to join me in passing this critical legislation. I yield the floor. The PRESIDING OFFICER. The Senator from Maryland is recognized. Mr. VAN HOLLEN. Madam President, as other Senators have mentioned, we see our fellow Americans uniting around the country to fight the coronavirus and to help those in need. Most of all, we are grateful to the men and women in healthcare, the healthcare workers on the frontlines of this fight--the nurses, the doctors, all the other staff in hospitals and community health centers and in clinics who are putting themselves and their own health at risk to help their fellow Americans. We in the Senate, like our fellow Americans, must come together to do the right thing for the country at this moment in time--to provide a surge of help to those on the frontlines of the coronavirus fight and to help those who are suffering from the economic fallout, workers and small businesses and midsize businesses and others who are absolutely getting clobbered as we all try to fight this virus together. Congress must unite this evening, as we have on two prior occasions during this emergency when we came together to pass phase 1 to provide emergency, immediate healthcare support to public health entities and to provide more funds to do research on a vaccine for the coronavirus and more funds for research on antivirals to address the coronavirus. Then we passed phase 2, the Families First Coronavirus Response Act, where we made sure that testing was free because we don't want any American to say: I am not going to get tested even though I feel like I might have the symptoms. I am not going to get tested because I can't afford it. It is putting both themselves and others in the community at risk. So we said we have to make sure these tests are free. We also provided sick leave because we don't want anybody going to work when they feel sick and they have the virus if going to work is the only way they can put food on the table, by getting a paycheck. So we said: Look, stay at home, and we will provide for paid leave. There was a gap--a big gap--in that that still needs to be addressed. We took some important measures in phase 1 and phase 2, and now here we are this evening on phase 3, where we are not only providing additional dollars to fight the coronavirus and the health emergency but also dealing with the economic fallout, which is growing by the day. I am not going to go through all the provisions that do that. I will say that this bill is far from perfect. This is not a bill I would have written. I dare say it is probably not the bill that any one Senator would have written. But with all its flaws, it does some very important things that are absolutely necessary during this national emergency. There has been a lot of talk tonight about the unemployment compensation provision. Those are absolutely essential as a lifeline to workers who each day are losing their jobs around the country in many industries. It is absolutely essential that in that process, people who are out of work through no fault of their own are still able to pay their bills, their rent or their mortgage, keep the lights on, get food, and that is why we are working to make sure they have real replacement income during this 4-month emergency period. The provisions regarding small businesses and middle-size businesses are very important too. I am sure we are all hearing from folks who already had to close their doors because when there are no customers coming in the door, there are no sales, no income, and so if you are a small business, you can't make your debt payments and you can't make payroll. So this bill does have a lot of very important provisions in it with respect to small businesses. I am really glad that we moved, with respect to small businesses, to loans only--to loans that would be forgiven so long as the small businesses spent those monies to, one, maintain payroll or rehire people if they have already had to let them go, and, two, to pay essential bills. Just adding more loans and debt onto small businesses would only be like an anchor around their necks at the end of a 4-month or whatever period it may be. They wouldn't be able to dig themselves out of that hole. It was very important to have loans that will be forgiven so long as [[Page S2058]] the loans are used for the intended purposes. We also made important provisions for nonprofits that hire millions of Americans and as well for midsize businesses. With respect to some of the largest industries in the country that have been hard hit, it is appropriate to also give them help, but it is also important that as we do that, we safeguard the American taxpayer and the public interest. When the proposal first arrived here in the Senate from the White House, we were looking at about a $500 billion slush fund with no strings attached, no real accountability, and no real transparency. So we tried to tie that down so that we will have an inspector general with subpoena power that will ensure that there will be no stock buybacks with these emergency funds. Now, we are going to still look at the fine print, but we have come a long way from the proposed blank check to the Secretary of the Treasury, which was in the bill as it arrived here as proposed by the administration. There is another thing that is in the bill that is before us tonight that was not in the bill proposed by the administration, and that is badly needed help for States and cities and towns that are on the frontlines of this battle across the country. We heard about 5, 6 days ago from the majority leader: Oh, well, let's just wait. Maybe we can do that sometime down the road. Well, we heard from a bipartisan group of Governors through the National Governors Association that they need that help now. I am sure you have all been fielding calls from your elected officials, your Governors and others, about how they desperately need additional help to fight this virus. I am glad this bill contains $150 billion to help those States. I want to raise tonight something that I discovered about this bill just a few hours ago that gives me real heartburn and actually, I believe, reflects badly on this Senate. Here is how we distributed the funds to the States. Each State, regardless of population, gets $1.2 billion, and then the remainder of the money--up to $150 billion--is distributed to States based on population. You can question whether that is the best and most effective way to essentially allocate resources when you are fighting a coronavirus like this, which is more intense in some places than others, but that is not my overall point right now. Here is what we discovered: The people of the District of Columbia, the people of the Nation's Capital, were left out of that formula. They are fighting the coronavirus just like Americans in every other State and city. They are part of other Federal formulas. For example, title I for education, highway funds, and other Federal formula dollars go to the people of the District of Columbia. The District of Columbia has a population that is higher than 2 of the 50 States. There are more residents in the District of Columbia, the Nation's Capital, than the State of Wyoming and the State of Vermont. They were left out of that category they are usually put in, and instead they were put into a formula with Puerto Rico, the Virgin Islands, American Samoa, and some of the territories. The net effect of that--the net effect of putting the people in the Nation's Capital in that formula versus the formula with the States-- will cost the District of Columbia about $700 million. That is because that other formula is based entirely on population, and Puerto Rico has about 3 million people in it. So when you put the District of Columbia into that funding kettle, into that funding pot, they get shortchanged $700 million. That is the case even though the people of the District of Columbia send the Federal Treasury more tax dollars than the people of 22 other States. Let me say that again. The people of the District of Columbia send the IRS more tax revenues than the people of 22 other States. Yet, when it came time to write the formula for distributing emergency funds under the coronavirus, they weren't part of the kind of funding formulas they normally are. I asked about this because I thought maybe this would be a simple fix. I mean, surely in a bill of $2 trillion in emergency relief, we can do right by the people of the District of Columbia and not shortchange them $700 million. The answer I got back was no. No, no, this was not a mistake. This was not an oversight. Republican negotiators insisted on shortchanging the people of the District of Columbia. If I am wrong about that, it would be a very easy fix in an amendment that could be offered by the majority leader and, I am sure, accepted unanimously--accepted unanimously--except for the fact that this actually was a point that was negotiated. I am not going to hold up a $2 trillion emergency rescue package that is urgently needed by the country for this, but I think it is shameful. I think it is shameful that, in a $2 trillion emergency rescue package, we would shortchange the people right here in the Nation's Capital, people whom we see coming into work every day, many of the Federal employees who work day in and day out for the Federal Government. Many of them live here. Many of them live in surrounding States. Many of them live all over the country. But for the people who live here, to shortchange them and to do it intentionally is really outrageous. So here we are, coming together, and that is the right thing to do. As I said, this bill has many, many flaws and many, many problems. I certainly wouldn't have written it this way, and I would never have done wrong by the people of the District of Columbia the way this was intentionally done, apparently, in this bill. But, overall, we need this bill for the country. We need it because we have a national emergency, both on the healthcare front and the economic front. So I hope, going away from here, as we come together and I hope do the right thing with a large vote, that there will be some Senators, whoever were part of negotiating that deal and who said, no, we are going to shortchange the people in our Nation's Capital, will feel a little bit ashamed. And I think all those people who didn't want to change this provision, which is easy to change just like that, should feel ashamed. This is our Nation's Capital. The people who live and work here deserve to be treated with respect. There is no U.S Senator who represents the people of the District of Columbia. Some of us who live in the surrounding areas work hard to do so. I just wish Senators from the rest of the country, and especially, in this case, apparently, our Republican colleagues, would show a little respect for the people who live in the Capitol of this great country. I yield the floor. Mr. SCHUMER. Mr. President, I am pleased that the final bill includes a stabilization fund for States that the pandemic has hit hard. Given the growing dire fiscal emergency States are facing as a result of the coronavirus, I think it is very likely we will need to come back and do more. States not only are fighting a growing pandemic, but also a bottoming out of State revenues from a lack of sales taxes, as a result of responsible social distancing encouraged by the Federal Government, and income taxes, as a result of the Department of Treasury delaying the tax filing deadline by 3 months. We all are monitoring the situation closely and will provide further aid if needed. For most States, maybe all of them, what they need to do with this money will be completely obvious, and we defer to the sound judgment of the States. Out of an abundance of caution, we included language requiring that expenditures be related to the coronavirus pandemic. This is intended to avoid a situation in which a State was to divert these funds to some new, unrelated project that had been rejected as part of the State's regular budgeting process. We do not want to be paying for roads to nowhere or other trivial expenses. Again, for most States, this will not be an issue. The coronavirus has exploded their demand for services and strangled their revenue streams so this money will just be plugging those holes. No responsible Governor or legislature is even thinking about new projects at this time. We understand that, at this point, all the impacts of the coronavirus pandemic are merging together. We do not intend to subject States to additional paperwork or arbitrary rules. If a State has needs that it would not have had without the coronavirus pandemic, that is more than good enough. [[Page S2059]] The PRESIDING OFFICER. The majority leader is recognized. Mr. McCONNELL. Madam President, I ask unanimous consent that the cloture motion with respect to the motion to proceed to H.R 748 be withdrawn. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The cloture motion was withdrawn.

**Load-Date:** March 27, 2020

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[***England and Wales High Court (Administrative Court) Decision: The Joint Council for the Welfare of Immigrants v The President of the Upper Tribunal (Immigration And Asylum Chamber) [2020] EWHC 3103 (Admin) (20 November 2020)***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:61C8-TNM1-F0YC-N1BX-00000-00&context=1516831)

Baltic Legal Updates

November 24, 2020 Tuesday

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**Length:** 31477 words

**Body**

London:England and Wales High Court (Administrative Court) has issued the following Decision on (20 November 2020):

Neutral Citation Number: [2020] EWHC 3103 (Admin) Case No: CO/2197/2020

IN THE HIGH COURT OF JUSTICEQUEEN'S BENCH DIVISIONADMINISTRATIVE COURT

Royal Courts of JusticeStrand, London, WC2A 2LL 20th November 2020

B e f o r e :

MR JUSTICE FORDHAM\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Between: THE JOINT COUNCIL FOR THE WELFARE OF IMMIGRANTS Claimant - and - THE PRESIDENT OF THE UPPER TRIBUNAL (IMMIGRATION AND ASYLUM CHAMBER) Defendant - and –

THE LORD CHANCELLOR Interested Party

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Charlotte Kilroy QC, Naina Patel, Jennifer MacLeod and Rachel Jones (instructed by Freshfields Bruckhaus Deringer LLP) for the ClaimantRichard O'Brien and Jack Holborn (instructed by Government Legal Department) for the DefendantThe Interested Party did not appear and was not represented

Hearing dates: 21st and 22nd October 2020\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

MR JUSTICE FORDHAM:

Part 1. Introduction1 This judicial review case is about oral hearings and paper determinations in substantive appeals dealt with by the Upper Tribunal (Immigration and Asylum Chamber) (UTIAC) during the Covid-19 pandemic. The Claimant challenges as unlawful the President's Guidance Note (PGN) (§3.8 below) issued by the Defendant pursuant to a statutory power (§2.4(2) below) on 23 March 2020. Permission for judicial review was granted by Steyn J on two grounds (§1.2 below). She refused permission of the PGN on a number of other grounds and she refused permission for judicial review of the Pilot Practice Direction (PPD) issued by the Senior President of Tribunals (SPT) on 19 March 2020 (§3.8 below). The Lord Chancellor, initially named as a Defendant, became an Interested Party in these proceedings and made no submissions at the substantive hearing. This case involved a two-day remote hearing by Microsoft Teams. That was the parties' preference. They were satisfied, as was I, that this mode of hearing involved no prejudice to their interests. This was a public hearing and the open justice principle was secured: the case and its start time were published in the cause list with an email address usable by any member of the press or public who wished to observe, as many did. We eliminated the risk to any person in having to travel to or be present in a Court room. I am satisfied that the mode of hearing was necessary, appropriate and proportionate.

Grounds for Judicial Review2 The two grounds on which permission for judicial review was granted by Steyn J, in their essence, come to this (the encapsulation is mine, based on the key sections within the grounds for judicial review):

Ground (1). In communicating an 'overall paper norm' (a 'usual' position whereby UTIAC substantive appeals will be determined on the papers), the PGN is ultra vires because: (a) this is a 'radical' change in practice (which only the Tribunal Procedure Committee could effect); and/or (b) this is a position incompatible with common law principles (engaging the principle of legality); and/or (c) it is a position inconsistent with the policy and objects of the statutory scheme.

Ground (2). The PGN is contrary to common law principles – with the consequence that (i) it is erroneous in law and/or (ii) it would, if followed, lead to, permit or encourage unlawful acts – because: (a) it communicated an 'overall paper norm'; and/or (b) it stated that 'the outcome of the appeal is of importance to a party (or another person) will not, without more, constitute a reason to convene a hearing'; and/or (c) it stated in relation to issues of law that 'particular' rather than 'ordinary' complexity is required as a reason to convene an oral hearing; and/or (d) it made 'no mention of a number of other relevant factors, including the right to an oral hearing as an aspect of procedural fairness, the importance of participation in the process, the power of oral argument in an adversarial system, in particular the ability to respond to the points troubling the decision maker and the importance of open justice as well as the need for the highest standards of fairness in asylum and immigration appeals'.

Grounds (1)(a)-(c) and Ground (2)(a) are answered in Parts 4-6 of this judgment. Grounds (2)(b)-(d) are answered in Part 7 read in the light of Part 6. There is a lot to explain and synthesise and I will use internal cross-references to promote easier navigability.

The Key Question, an Agreed Consequence and an Explanation3 The following question is at the heart of this case (I answer it in Part 4):

Key Question. Does the PGN, read objectively and as a whole, communicate to its audience of UTIAC Judges an 'overall paper norm' for determining UTIAC substantive appeals during the pandemic?

It was common ground before me that if – which is hotly disputed – the answer to the Key Question is 'yes', then it would follow that the PGN is unlawful (§5.15 below). In my judgment, the Defendant is right to accept that this would be the consequence. But it is important to identify why. I will do this in Parts 5 and 6. In my judgment, the correct explanation comes to this:

Explanation. An overall paper norm for UTIAC substantive appeals would be inconsistent with the overriding objective – and the basic requirements of common law procedural fairness which must inform the overriding objective. That makes it unlawful for the PGN to communicate an overall paper norm, in circumstances where: (i) the PGN was describing the effect for UTIAC substantive appeals of a contingent paper norm directed by the PPD; and (ii) that contingent paper norm included a proviso which gave primacy to the overriding objective.

This judgment therefore comes with a lexicon. I will explain 'overall paper norm' (§2.13 below); 'contingent norm', 'proviso' (§2.14 below) and 'contingent paper norm' (§3.3 below); and why I use the word 'describing' (§2.4(2) below). I will discuss the 'overriding objective' (§2.6 below) and the 'basic requirements of common law procedural fairness' (§2.2 below).

The Claimant, the Defendant and the SSHD4 The Claimant is an independent national charity founded in 1967 which campaigns for justice in immigration, nationality and refugee law and policy. Evidence before this Court from its Legal Director Nicola Burgess explains, and illustrates, its long history in litigating and intervening before the domestic courts, in cases where it sees a wider public interest in doing so. The Claimant acts in this case (the clue is in the name) to protect the interests of those individuals and families involved in UTIAC substantive appeals. The Claimant's standing to bring this claim was not contested. The Defendant is the President of UTIAC and was acting in that capacity when issuing the PGN. He is also a High Court Judge. It is common ground that the PGN is susceptible to judicial review and that the issues whose resolution will determine whether judicial review succeeds raise objective questions of law which it is for this Court to decide. Substantive UTIAC appeals involve individuals and families on the one side and the Secretary of State for the Home Department (SSHD) on the other. The appeal will be against a decision of the First-Tier Tribunal (FTT) where the FTT judge has found in favour of one side or the other. That means the SSHD also has an obvious interest in the mode of hearing adopted in UTIAC substantive appeals. I asked the parties about the SSHD's position in these proceedings. I was told, by Counsel on both sides, that I could 'take it that the SSHD is well aware of these proceedings'.

Part 2. Contextual Reference Points1 Before I come on to the PPD and the PGN (Part 3) and then proceed to analyse the two grounds for judicial review (Parts 4-7), I will lay some groundwork, much of which was common ground. It involves identifying and explaining some contextual reference points which are prominent features for understanding this case. If this case is a jigsaw, then these contextual reference points are corner pieces and straight edge pieces, and those pieces are always a good place to start.

Basic Requirements of Common Law Procedural Fairness2 As Lord Steyn explained in R v SSHD, ex p Pierson [1998] AC 539 at 591F: 'the rule of law enforces minimum standards of fairness, both substantive and procedural'. As Lord Dyson explained in Al Rawi v Security Service [2011] UKSC 34 [2012] 1 AC 531 at paragraph 22, the 'parties' to proceedings have a 'fundamental common law right to participate in the proceedings in accordance with the common law principles of natural justice and open justice'. The basic requirements of common law procedural fairness engage the principle of legality (§2.9 below). They inform the overriding objective (§2.6 below). They are at the heart of the Explanation as to the Agreed Consequence if the answer to the Key Question is 'yes' (§1.3 above).

Contextual Application of Common Law Procedural Fairness3 The basic requirements of common law procedural fairness are flexible and contextual in their application. In Lloyd v McMahon [1987] AC 625, Lord Bridge expressed that point in the following way (at 702H): 'the so-called rules of natural justice are not engraved on tablets of stone… What the requirements of fairness demand when any body, domestic, administrative or judicial, has to make a decision which will affect the rights of individuals depends on the character of the decision-making body, the kind of decision it has to make and the statutory or other framework in which it operates'. As Lord Mustill put it in R v SSHD, ex p Doody [1994] 1 AC 531 at 560D-G: 'The standards of fairness are not immutable. They may change with the passage of time, both in … general and in their application to decisions of a particular type… The principles of fairness are not to be applied by rote identically in every situation. What fairness demands is dependent on the context of the decision, and this is to be taken into ***account*** in all its aspects… An essential feature of the context is the statute which creates the discretion, as regards both its language and the shape of the legal and administrative system within which the decision is taken'. This passage was cited most recently in R (Pathan) v SSHD [2020] UKSC 41 at paragraph 55.

Statutory Functions in the 2007 Act4 A series of statutory functions were conferred by Parliament in the Tribunals, Courts and Enforcement Act 2007 (the 2007 Act). The following are particularly relevant to the analysis in this case.

(1) First, there is the SPT's statutory function of giving practice directions. By section 23(1) of the 2007 Act, Parliament empowered the Senior President to 'give directions – (a) as to the practice and procedure of the First-tier Tribunal; (b) as to the practice and procedure of the Upper Tribunal'. Such practice directions need the Lord Chancellor's approval (section 23(4)) unless 'they consist of guidance about … (a) the application or interpretation of the law' or '(b) the making of decisions by members of the First-tier Tribunal of Upper Tribunal'. By section 2(3), in exercising that (and any other) function, the Senior President is statutorily obliged to 'have regard to – (a) the need for tribunals to be accessible, (b) the need for proceedings before tribunals – (i) to be fair, and (ii) to be handled quickly and efficiently, (c) the need for members of tribunals to be experts in the subject-matter of, or the law to be applied in, cases in which they decide matters, and (d) the need to develop innovative methods of resolving disputes that are of a type that may be brought before tribunals'. It is this function which was being exercised when the SPT made the PPD. As a footnote, I add that section 23 also empowers a Chamber President (acting with the Senior President's approval) to give 'practice directions' for that Chamber – including 'guidance on the application or interpretation of the law' – but that was not the function exercised when the Defendant issued the PGN.

(2) Secondly, there is a Chamber President's statutory function of issuing guidance on changes in law and practice. Paragraph 7 of Schedule 4(1) to the 2007 Act provides that the Chamber President of a chamber of the FTT or UT 'is to make arrangements for the issuing of guidance on changes in the law and practice as they relate to the functions allocated to the chamber'. It is this function which was being exercised when the Defendant issued the PGN. Two important things were common ground about this statutory function. It is common ground that the UTIAC President's statutory function of issuing guidance pursuant to Schedule 4(1) paragraph 7 is a 'descriptive', and not an 'originating', function. This explains why I used the word 'describing' in formulating the Key Question (§1.3 above). The function is descriptive because it takes as its starting point some change or changes in law or practice (or both) and then gives guidance 'on' that change or those changes. It describes what the change means for cases within the jurisdiction of the Chamber. It is also common ground that Schedule 4(1) paragraph 7 guidance, issued by a Chamber President, including the PGN in this case, is in principle amenable to judicial review on grounds of (a) ultra vires (Ground (1)) and (b) 'Letts Unlawfulness' (§2.5 below) (Ground (2)).

(3) Thirdly, there is the Tribunal Procedure Committee (TPC)'s function of making Tribunal Procedure Rules (TPRs). Section 22 of the 2007 Act confers on the TPC (s.22(2)) the function of making TPRs 'governing – (a) the practice and procedure to be followed in the First-tier Tribunal, and (b) the practice and procedure to be followed in the Upper Tribunal' (s.22(1)). That function is statutorily required to be exercised 'with a view to securing – (a) that, in proceedings before the First-tier Tribunal and Upper Tribunal, justice is done, (b) that the tribunal system is accessible and fair, (c) that proceedings before the First-tier Tribunal or Upper Tribunal are handled quickly and efficiently, (d) that the rules are both simple and simply expressed, and (e) that the rules where appropriate confer on members of the First-tier Tribunal, or Upper Tribunal, responsibility for ensuring that proceedings before the tribunal are handled quickly and efficiently'. Schedule 5(1), which makes further provision about the content of TPRs (s.22(3)), provides by paragraph 7 that TPRs 'may – (a) make provision for dealing with matters without a hearing; (b) make provision as respects allowing or requiring a hearing to be in private or as respects allowing or requiring a hearing to be in public', and by paragraph 18 that TPRs 'may make provision in the form of presumptions (including, in particular, presumptions as to service or notification)'. Schedule 5(3), which makes provision about the making of TPRs by the TPC (s.22(3)), provides by paragraph 28 that TPRs are to be: made with consultation; subject to Lord Chancellor approval; and laid before Parliament as a statutory instrument.

Judicial Review of Guidance for 'Letts Unlawfulness'5 As I have explained (§2.4(2) above), it is common ground that Schedule 4(1) paragraph 7 guidance issued by a Chamber President, including the PGN issued by the Defendant in this case, is in principle amenable to judicial review for 'Letts Unlawfulness'. That is my shorthand for the principles that judicial review will lie against a guidance document which (a) 'promulgates … advice which is erroneous in law' (R (Letts) v Lord Chancellor [2015] EWHC 402 (Admin) [2015] 1 WLR 4497 at paragraph 114, discussing Gillick v West Norfolk and Wisbech Area Health Authority [1986] AC 112) or (b) is guidance which 'if followed [would] (i) lead to unlawful acts (ii) permit [ie. sanction] unlawful acts or (iii) encourage such unlawful acts' (Letts at paragraph 118, discussing R (Tabbakh) v Staffordshire and West Midlands Probation Trust [2014] EWCA Civ 827 [2014] 1 WLR 4620 at paragraph 46). A recent discussion of 'Letts Unlawfulness' is in R (W) v SSHD [2020] EWHC 1299 (Admin) at paragraph 58.

The Overriding Objective6 The 'overriding objective' applicable to the Upper Tribunal is set out in Rule 2 of the Tribunal Procedure (Upper Tribunal) Rules 2008 (SI 2008 No. 2698) (UTPR 2008) made by the TPC pursuant to section 22 of the 2007 Act (§2.4(3 above). Rule 2 provides:

(1) The overriding objective of these Rules is to enable the Upper Tribunal to deal with cases fairly and justly. (2) Dealing with a case fairly and justly includes – (a) dealing with the case in ways which are proportionate to the importance of the case, the complexity of the issues, the anticipated costs and the resources of the parties; (b) avoiding unnecessary formality and seeking flexibility in the proceedings; (c) ensuring, so far as practicable, that the parties are able to participate fully in the proceedings; (d) using any special expertise of the Upper Tribunal effectively; and (e) avoiding delay, so far as compatible with proper consideration of the issues. (3) The Upper Tribunal must seek to give effect to the overriding objective when it – (a) exercises any power under these Rules; or (b) interprets any rule or practice direction. (4) Parties must – (a) help the Upper Tribunal to further the overriding objective; and (b) co-operate with the Upper Tribunal generally.

It is common ground that 'fairly and justly' in the overriding objective has to be read consistently with the basic requirements of common law procedural fairness (§2.2 above). The same point was recognised in the Ewing case at paragraph 24 (§3.4 below). A UTIAC Judge is therefore duty-bound to seek to give effect to those basic common law requirements when exercising a power or interpreting a Rule or Practice Direction (Rule 2(3)): that includes when exercising the power under Rule 34 (or Rule 5A) (§§2.7-2.8 below); and when interpreting paragraph 4 of the PPD (PPD4) (§3.2 below).

UTPR 2008 Rule 347 Rule 34 of the UTPR 2008 was made by the TPC under Schedule 5(1) paragraph 7 (§2.4(3) above) and is headed: 'Decision with or without a hearing'. It provides:

(1) Subject to paragraphs (2) and (3), the Upper Tribunal may make any decision without a hearing. (2) The Upper Tribunal must have regard to any view expressed by a party when deciding whether to hold a hearing to consider any matter, and the form of any such hearing. (3) In immigration judicial review proceedings, the Upper Tribunal must hold a hearing before making a decision which disposes of proceedings. (4) Paragraph (3) does not affect the power of the Upper Tribunal to— (a) strike out a party's case, pursuant to rule 8(1)(b) or 8(2); (b) consent to withdrawal, pursuant to rule 17; (c) determine an application for permission to bring judicial review proceedings, pursuant to rule 30; or (d) make a consent order disposing of proceedings, pursuant to rule 39, without a hearing.

Pursuant to Rule 1(3), the word 'hearing' in Rule 34 'means an oral hearing and includes a hearing conducted in whole or in part by video link, telephone or other means of instantaneous two-way electronic communication'. It therefore includes a 'remote hearing' (§2.16 below). It has had that meaning since the UTPR 2008 were first made in 2008. As has been seen, when the Rule 34 power is exercised the UT/UTIAC Judge is required to give effect to the overriding objective (§2.6 above). That brings in the basic requirements of common law procedural fairness (§2.2 above), as the principle of legality would in any event require (§2.9 below).

UTPR 2008 Rule 5A8 UTPR 2008 Rule 5A was introduced by the TPC by the Tribunal Procedure (Coronavirus) (Amendment) Rules 2020 (SI 2020 No. 416) with effect from 10 April 2020. Rule 5A, headed 'Coronavirus temporary rule (decisions without a hearing)', provides:

(1) Notwithstanding anything in rule 34 (decision with or without a hearing), the Upper Tribunal may make a decision which disposes of proceedings without a hearing if the Upper Tribunal considers that the conditions in paragraph (2) are satisfied. (2) The conditions are – (a) the matter is urgent; (b) it is not reasonably practicable for there to be a hearing (including a hearing where the proceedings would be conducted wholly or partly as video proceedings or audio proceedings); and (c) it is in the interests of justice to do so. (3) This rule does not prejudice any power of the Upper Tribunal to make a decision which disposes of proceedings without a hearing other than under this rule.

A consequence of Rule 5A is to introduce a power to disapply Rule 34(3) (§2.7 above) so that 'immigration judicial review proceedings' may be disposed of without holding a hearing, provided that the conditions (Rule 5A(2)) are satisfied. SI 2020 No. 416 was made on 8 April 2020 some three weeks after the SPT gave the PPD (19 March 2020) and just over two weeks after the Defendant issued the PGN (23 March 2020).

The Principle of Legality and Common Law Procedural Fairness9 Alongside Lord Steyn's recognition in Pierson (§2.2 above) that 'the rule of law enforces minimum standards of fairness, both substantive and procedural' were descriptions by him and Lord Browne-Wilkinson of 'the principle of legality' (Lord Steyn at 587H, 588F and Lord Browne-Wilkinson at 573H). The principle of legality has been prevalent in public law jurisprudence ever since Pierson, notably in the context of human rights. In its roots in Pierson was the endorsement (at 573H and 587H-588F) of Cross, Statutory Interpretation (1976) where Sir Rupert Cross had explained that:

Statutes … are not enacted in a vacuum… Legislators and drafters assume that the courts will continue to act in accordance with well-recognised rules ... Long-standing principles of constitutional and administrative law are … taken for granted, or assumed by the courts to have been taken for granted, by Parliament. Examples are the principles that … administrative tribunals and other such bodies must act in accordance with the principles of natural justice …

In that same passage, endorsed in Pierson, Sir Rupert Cross went on to speak of those 'presumptions of general application [which] not only supplement the text, they also operate at a higher level as expressions of fundamental principles … as constitutional principles … not easily displaced by a statutory text.' The recognition of basic requirements of common law procedural fairness (natural justice) as engaging the principle of legality led Lord Steyn to say this (at 588E-H): 'This explanation is the intellectual justification of the often quoted proposition … that 'although there are no positive words in a statute requiring that a party shall be heard, yet the justice of the common law will supply the omission''. Lord Steyn went on to discuss Doody (§2.3 above), a case whose 'premise was that Parliament must be presumed to have intended that the Home Secretary would act in conformity with the common law principle of procedural fairness', adding that: 'our public law is … replete with other instances of the common law so supplementing statutes on the basis of the principle of legality'. This approach was applied by the Court of Appeal in R (McNally) v Secretary of State for Education and Employment [2001] EWCA Civ 332 [2002] ICR 15 at paragraphs 38-40. In Al Rawi, Lord Hope (at paragraph 72) spoke of 'fundamental principles of open justice and of fairness' as being demanded by 'the principle of legality'. In my judgment, the principle of legality – engaged by common law procedural fairness – gives rise to this proposition (the encapsulation is mine):

At least absent a provision of primary legislation which clearly effects or empowers an abrogation of the basic requirements of common law procedural fairness, statutory powers of public authorities are to be interpreted as being subject to the duty to secure those basic requirements, as contextually applicable.

I will illustrate what this means. There being no clear provision of primary legislation to the contrary, the TPC's power to make a TPR allowing for determination without a hearing (2007 Act Sch 5(1) paragraph 7(a): §2.4(3) above)) could not be exercised to effect or empower the abrogation of basic requirements of common law procedural fairness (any more than could the neighbouring power in paragraph 7(b) be exercised to effect or abrogate an abrogation of the 'open justice principle': §6.15 below); nor could the SPT's power to make a practice direction (2007 Act s.23: §2.4(1) above) do so. The principle of legality features in the Claimant's Ground (1)(b) (§1.2 above), but I have concluded ultimately that it is unnecessary to the analysis (§6.17 below).

UTIAC Substantive Appeals10 The PGN is concerned with UTIAC substantive appeals. What that means is as follows (leaving to one side what I was told was a 'very small number' of 'historic' cases). (1) UTIAC substantive appeals are 'protection claim' appeals (including 'revocation of protection' appeals), 'human rights claim' appeals and 'EEA' appeals (to which Mr O'Brien added 'deprivation of citizenship' appeals). The class of UTIAC substantive appeals is predominantly 'protection claim' appeals (refugee and humanitarian protection cases) and 'human rights claim' appeals. (As will be seen in due course, this point is reflected in PGN at paragraph 16.) Protection claim (including revocation of protection) appeals and human rights claim appeals are governed by section 82 of the Nationality, Immigration and Asylum Act 2002 (as amended), the current provisions of which came into effect in 2014, all of which appeals by definition concern claims for protection or human rights or both. (2) UTIAC substantive appeals are appeals 'on any point of law' arising out of a decision of the FTT (2007 Act s.11). (3) UTIAC substantive appeals are appeals in which permission to appeal has been given (s.11(3)), whether by the FTT or the UT (s.11(4)). (This point is reflected in the PGN at PGN10: §3.9 below). This means that the hopeless cases are intended to have been filtered out, and only properly arguable appeals on points of law remain. (4) The nature and importance of this cohort of appeals was discussed in ILPA (§6.12 below) at paragraphs 17-20 by Blake J. (5) An analysis by the Claimant's representatives of ***data*** in the witness statement of Joe Tomlinson, Research Director at the Public Law Project, based on 305 finalised appeals determined by UTIAC between 23 March 2020 (when the Guidance Note was issued) and 11 September 2020, put protection claim appeals (not including revocation of protection appeals) at 50% and human rights claim appeals at 36%, together making up 86% of the UTIAC substantive appeals. Nothing provided or submitted to the Court on behalf of the Defendant suggested that this description of proportions was unsound or unrealistic. I accept that it is properly supported by evidence and is a factually accurate picture. (6) It follows from all of this that the following description is accurate: the substantive appeals to which the PGN applies are, of their nature, cases: (a) predominantly concerning refugee protection, humanitarian protection and fundamental human rights protection; and (b) necessarily engaging a point or points of law, judicially assessed as properly arguable through the prior grant of permission to appeal.

Pre-March 2020: Oral hearings in the 'vast majority' of UTIAC Substantive Appeals11 Everyone agrees that the practice for determination of UTIAC substantive appeals until March 2020 involved oral hearings (not paper determination pursuant to Rule 34(1)) in the majority - indeed 'the vast majority' - of cases. Ms Kilroy QC for the Claimant submitted that there was an unchanged 'presumption reflected in the prior 40 years' practice that statutory immigration and asylum appeals have generally been determined following an oral hearing'. Mr O'Brien for the Defendant accepted that this was 'the practice' but said it was borne out of efficiency and not simply (as Ms Kilroy QC submits) procedural fairness. Surrinder Singh, the Operations Manager at Field House, made a witness statement on behalf of the Defendant in which she described the pre-March 2020 practice. In doing so, she described her understanding of an 'attitude … supported by senior judges, including judges with whom I work' that 'hearings are often the most time-efficient way of carrying out their tasks in a fair and well-informed way' so that 'the most efficient, and therefore the most desirable method in the vast majority of cases, is to hold a hearing'. The phrase 'the vast majority of cases' is Ms Singh's. I am satisfied, on all the evidence before me, that this description of the frequency prior to March 2020 of hearings (rather than paper determinations) is accurate.

The Post-PPD/PGN Practice: Appeals not 'normally considered at a hearing'12 Everyone also agrees that the practice for mode of hearing in UTIAC substantive appeals changed from March 2020, following the PPD and the PGN. Again, recognition of change of practice is reflected in Ms Singh's witness statement. She speaks of the 'senior judges' as having confirmed to her that 'they look forward to being able to return to the previous practice by which appeals are normally considered at a hearing'. The description of a 'return' reflects the fact that the current practice is that appeals are not 'normally considered at a hearing'. The practice, as described by Ms Singh, has therefore gone from oral hearings 'in the vast majority of cases' to appeals now not 'normally considered at a hearing'. As I shall explain when I discuss the 'impact evidence' (§4.23 below) the picture is of paper determinations in two-thirds of UTIAC substantive appeals.

'Norm', 'exceptional', 'overall norm' and 'overall paper norm'13 I have used the phrase 'overall paper norm' from the start of this judgment. I use it to describe the unmistakeable idea, at the heart of this case, that it is possible to describe a mode of determination of UTIAC substantive appeals which is adopted 'usually' or 'generally' or 'normally'. The Claimant's Grounds for Judicial Review claim that the PGN communicated 'a 'usual' … position whereby [UTIAC substantive appeals] will be determined on the papers …' That would be an 'overall paper norm'. I have quoted Ms Singh's witness statement as describing a return to a 'practice by which appeals are normally considered at a hearing'. That would be an 'overall hearing norm'. In this judgment I will adopt the following language. (1) By 'norm' I mean a mode of determination which is being recognised as a mode to be 'usually' or 'normally' or 'generally' adopted. (2) By 'exceptional' I mean a mode which is not the 'norm'. So, taking Ms Singh's description of return to a 'practice by which appeals are normally considered at a hearing': in that situation paper determination would be 'exceptional' (not the 'norm'). (3) By 'overall norm' I mean a 'norm' across the entirety of the range of relevant cases. Here, that means UTIAC substantive appeals. (4) By 'overall paper norm' I mean a 'norm' - across the entirety of UTIAC substantive appeals - where determination on the papers is what 'usually' (or 'generally' or 'normally' happens), and where oral hearings are 'exceptional'.

14 To be able to speak of a 'norm', and of an 'overall norm' is important. That is because a 'norm' (and 'exceptional') are ideas which can apply to a sub-category of cases. Let me illustrate these ideas and this language by taking an everyday example: a lunchtime walk. It might be my 'norm' to go for a lunchtime walk at weekends, but that would not make it an 'overall norm' (it is applying only at weekends, not across the whole week). It might be my 'norm' to go for a lunchtime walk whenever it is not raining (a 'contingent norm', with a 'proviso': a 'norm' applicable provided that it is not raining): that would only be an 'overall norm' if it is not usually raining at lunchtime. Other language has been used in this case to describe what I am calling a 'norm' (what 'normally' happens): notably the phrase 'default position' and the word 'presumption'. I will use 'norm', as a single term for consistency and clarity. It is important to say this: a description of alternatives may involve the communication of no 'norm' at all. It may be entirely neutral. An example of this is seen in Ewing at paragraph 23 (§3.4 below).

The Covid-19 Pandemic15 The pandemic features in the first sentence of this judgment. In discussing the PPD (§3.1 below), Steyn J (giving judgment in this case at the permission stage) said this of 'the Covid-19 pandemic':

This health crisis, which is unprecedented in modern times, is the key background to the making of the [PPD]. The [PPD] has been given – for a 6-month period – to assist tribunals in adjusting their ways of working during the pandemic, with the aims of limiting the spread of Covid-19 and managing the tribunals' workloads appropriately. The Covid-19 pandemic is, inevitably, a significant factor in case-management decisions. Considerations as to how to protect the health of litigants, other members of the public and judges while continuing to administer justice have an impact on the outcomes that result from applying the existing procedural rules.

As Ms Burgess's witness statement on behalf of the Claimant puts it, referring to the issuing of the PGN:

… the Defendant was faced with the unenviable task of maintaining the good administration of justice whilst protecting appellants, respondents, court staff, the judiciary and representatives in the very difficult times of the pandemic.

Oral Hearings can be Remote Hearings16 'Hearing' does not necessarily mean 'in-person' (face-to-face) hearing. As I have explained (§2.7 above), 'hearing' in the UTPR 2008 has, since 2008, included a remote hearing (where consistent with the overriding objective and basic requirements of common law procedural fairness). Both the PPD (§3.1 below) and the PGN (§3.10 below) describe in detail 'remote hearings' as being available during the pandemic. Ms Singh has described 'senior judges … who look forward to being able to return to the previous practice by which appeals are normally considered at a hearing'. That 'previous practice' was 'in-person' hearings. But nobody in this case has suggested that UTIAC Judges could not - or should not - have been using remote hearings as (dare I say it) a 'new normal' during the pandemic, if that is what the overriding objective and basic requirements of common law procedural fairness required.

Part 3. The PPD and PGN

The PPD1 The SPT issued the PPD on 19 March 2020, pursuant to section 23 of the 2007 Act (§2.4(1) above), with the approval of the Lord Chancellor. It was issued on a pilot basis for a period of six months, subject to review. In due course it was extended for a further six months to 18 March 2021. I will set it out in full:

PILOT PRACTICE DIRECTION: CONTINGENCY ARRANGEMENTS IN THE FIRST-TIER TRIBUNAL AND THE UPPER TRIBUNAL

Background

1. During the Covid-19 pandemic, it may be necessary for tribunals to adjust their ways of working to limit the spread of the virus and manage their workloads appropriately. I have therefore decided to issue this Practice Direction on a pilot basis for a period of six months, although it may be reviewed within that period should it become inappropriate or unnecessary and may be revoked at any time.

2. The Lord Chancellor has approved the issue of this Practice Direction in accordance with s23 Tribunals, Courts and Enforcement Act 2007.

Scope

3. This Practice Direction applies to all appeals and applications in the First-tier Tribunal and the Upper Tribunal, save for paragraphs 10 and 11 which apply solely to the First-tier Tribunal Property Chamber.

Decisions on the papers without a hearing

4. Where a Chamber's procedure rules allow decisions to be made without a hearing, decisions should usually be made in this way, provided this is in accordance with the overriding objective, the parties' ECHR rights and the Chamber's procedure rules about notice and consent.

Triage

5. In many tribunal jurisdictions, a hearing is required unless the parties consent to a determination on the papers. To deal more efficiently with cases in which a successful outcome for the applicant or appellant is highly likely, Chamber Presidents may decide to follow the following scheme to 'triage' appeals and applications for some or all of their jurisdictions where paper determinations are possible with the parties' consent:

(a) Where the parties have not already consented to a determination without a hearing, the tribunal may assess a case on the papers.

(b) If the tribunal considers it could decide the matter without a hearing, it will provide a provisional decision to the parties.

(c) The parties will then be asked whether they consent to the tribunal making a binding decision on the papers that is in the same terms as the provisional decision.

(d) If one or both of the parties confirm that they require a hearing, a hearing will be listed (which may be conducted remotely).

(e) If the parties consent to a paper determination (or do not object, if there is a provision in the Chamber's rules that allows for non-objection), the tribunal will issue a final decision in the same form as the provisional decision, unless:

(i) it considers that it made an error in relation to the provisional decision; or

(ii) the circumstances have materially changed since the provisional decision was made.

(f) If paragraph 5.(e)(i) or (ii) above applies, the tribunal shall either provide the parties with a revised provisional decision and follow paragraph 5.(c) onwards in respect of the new provisional decision, or list a hearing. In either case, the tribunal will explain to the parties why it decided not to issue the first provisional decision.

Hearings

Paragraphs 6-9 apply where a tribunal decides in a particular case that a hearing is necessary.

Remote hearings

6. Where it is reasonably practicable and in accordance with the overriding objective to hear the case remotely (that is in any way that is not face-to-face, but which complies with the definition of 'hearing' in the relevant Chamber's procedure rules), it should be heard remotely.

7. For the avoidance of doubt, where a tribunal decides that a hearing will take place remotely, references in the Chamber's procedure rules to a 'hearing' will apply to that remote hearing and references in the Chamber's procedure rules to a party's entitlement to attend a hearing shall be such participation as may be directed.

Hearings in a party's absence

8. Where a party fails to attend a hearing without an application made in advance to adjourn or postpone the hearing, and the relevant Chamber's procedure rules allow the tribunal to continue with the proceedings in the party's absence, the hearing may proceed on that basis provided this is in accordance with the overriding objective.

9. Where a party fails to attend a hearing without an application made in advance to adjourn or postpone it, a request by that party to set aside a decision made in their absence will not usually be granted if the decision fully upholds or allows their appeal or application.

Inspections

10. Inspections of properties and land under the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 are suspended with immediate effect. To mitigate the impact of the suspension, the Tribunal may consider the following:

(a) Parties may be permitted to produce photographs and/or videos of the condition or other relevant aspects of the property or land;

(b) External 'drive by' inspections by Tribunals may be permitted in appropriate cases;

11. If an inspection is essential to deal with the case fairly and justly and in accordance with the overriding objective then the case should be stayed pending the amendment or withdrawal of this Practice Direction.

General

12. Insofar as compatible with the efficient administration of justice, the tribunals will take into ***account*** the impact of the Covid-19 pandemic when considering applications for the extension of time for compliance with directions and the postponement of hearings.

PPD42 The central provision within the PPD for the purposes of this case is PPD paragraph 4 (PPD4), headed: 'Decisions on the papers without a hearing'. It applies (see PPD3) to 'all appeals and applications in the First-tier Tribunal and the Upper Tribunal', including UITAC. It constitutes a 'direction[] - … as to the practice and procedure of the Upper Tribunal' (2007 Act section 23(1)(b): §2.4(1) above). PPD4 is worth setting out again:

Decisions on the papers without a hearing. Where a Chamber's procedure rules allow decisions to be made without a hearing, decisions should usually be made in this way, provided this is in accordance with the overriding objective, the parties' ECHR rights and the Chamber's procedure rules about notice and consent.

PPD4: Interpretation3 PPD4 has a premise, a principle and a proviso. The premise is: 'Where a Chamber's procedure rules allow decisions to be made without a hearing'. That premise applies to UTIAC substantive appeals because of Rule 34 of the UTPR 2008 (§2.7 above). The principle (reversing the language so it makes sense) is: 'decisions should usually be made … without a hearing'. That is a 'paper norm'. The proviso is: '… provided this is in accordance with the overriding objective, the parties' ECHR rights and the Chamber's procedure rules about notice and consent'. Because there is a proviso, the 'paper norm' in PPD4 is a 'contingent paper norm' (§2.14 above). PPD4 is not the only 'contingent norm' in the PPD: PPD6 communicates remote hearings as a contingent norm for hearings.

4 The proviso in PPD4 secures (inter alia) the overriding objective (§2.6 above) which, in turn, secures basic standards of common law procedural fairness (meaning the principle of legality does not need to be invoked). The meaning and structure of PPD4, with its contingent paper norm, and with the primacy of its proviso, can be illustrated by using the language of PPD4 but putting the proviso first: 'In those cases where it is in accordance with the overriding objective, the parties' ECHR rights and the Chamber's procedure rules about notice and consent for decisions to be made without a hearing, decisions should usually be made without a hearing'. PPD4 is directing a 'paper norm' but it is not per se (by its language or design) directing an 'overall paper norm' (§2.13 above). That is because: (a) there is the clear and express proviso; (b) the paper norm applies only in the space unoccupied by the proviso; and (c) the proviso is to occupy whatever space (big or small) as is necessitated by its application in accordance with its terms. As Steyn J put it:

[PPD4] does not create a presumption, per se, that decisions should usually be made without a hearing. Rather, it provides that if it is in accordance with the Chamber's procedure rules, the overriding objective and the parties' ECHR rights to make a determination without a hearing, then that is the procedure that should usually be followed. It is effectively directing tribunals to consider the powers they have to determine matters without a hearing, and to use those powers if it is lawful, fair and just to do so.

There was a helpful reference point in the authorities cited to me. In R (Ewing) v Department of Constitutional Affairs [2006] EWHC 504 (Admin) [2006] 2 All ER 993 this Court considered an amended Practice Direction regarding applications by 'Vexatious Litigants' for leave to commence proceedings. Counsel for the DCA had argued that the structure of the Practice Direction communicated 'the presumption … that applications … will be decided without a hearing' (paragraph 22). Sullivan J explained that 'the practice direction does not contain any presumption either way' (paragraph 23). Sullivan J referred to the effect of the overriding objective (and basic requirements of common law procedural fairness), which meant: 'judges, in exercising their discretion … should be guided by the overriding objective … and direct a hearing, if one is required, in order to deal justly with the application; or, to use the language of natural justice, if they consider that fairness requires a hearing' (paragraph 24).5 This brings into focus an important truth regarding the interpretation of PPD4: as a matter of interpretation, PPD4 (at 'source') does not mean an 'overall paper norm'. Put another way, as a matter of interpretation, the proviso is not an 'exceptionality proviso'. That means it would be wrong in law to say: 'What PPD4 means, as correctly interpreted, is that during the pandemic decisions on appeals should usually be made without a hearing.'

PPD4: Application – An overall paper norm?6 I have explained that PPD4 could not lawfully be interpreted as communicating an overall paper norm. But what about application? Here, there is another important truth: as a matter of application (on 'reception') PPD4 might or might not have the effect, within the work of a tribunal Chamber, of producing an overall paper norm. It could be correct in law to say : 'What PPD4 means, as correctly applied to the work of this Chamber, is that during the pandemic, decisions on appeals should usually be made without a hearing'. That message could be communicated, and it could be legally accurate guidance. Whether such a communication were correct in law would depend on whether an analysis of the contextual application of the proviso (including the overriding objective, securing basic requirements of common law procedural fairness to the work of the Chamber).

PPD4 is lawful7 The arguments proceed on the basis that PPN4 is sound in law. It is not open to the Claimant to suggest otherwise: Steyn J refused permission for judicial review of PPD4. What the SPT did in PPN4 was to promote paper determination, during the pandemic, wherever it is consistent with the overriding objective, the Human Rights Act 1998 (ECHR rights), basic requirements of common law procedural fairness, the natural justice principle, the open justice principle, and the principle of legality. That course promoted the use of a power to decide cases on papers, but only where it was fair to do so. It meant no unfair paper determinations. That was promoting the effective and ongoing operation of the machinery of justice, during an international pandemic, using resources in a proportionate way. It was fully consistent with the statutory duties applicable to the SPT when exercising statutory functions, including the function of making a practice direction. The SPT was communicating a change in practice (a new, contingent norm) in the exercise of an originating function (§2.4(1) above), not a descriptive one (§2.4(2)).

The PGN8 The Defendant issued the PGN for UTIAC on 23 March 2020, pursuant to Schedule 4 paragraph 7 of the 2007 Act (§2.4(2) above). Like the PPD, it was issued on a pilot basis for a period of six months, subject to review, and was in due course extended for a further 6 months to 18 March 2021. The Claimant's claim for judicial review concerns paragraphs 9 to 17 of the PGN. I am going to set out the PGN in full, remembering that one of the Defendant's core submissions in this case - which I accept - is that it is necessary and appropriate to read the PGN as a whole.

9 For presentational purposes, I will first set out paragraphs 1-17 (PGN1-PGN17) (Sections A-D). They are undoubtedly the primary focus for the submissions:

PRESIDENTIAL GUIDANCE NOTE No.1 2020:

ARRANGEMENTS DURING THE COVID-19 PANDEMIC

A. INTRODUCTION

1. On 19 March 2020, the Lord Chancellor approved the Practice Direction made by the Senior President of Tribunals: Pilot Practice Direction: Contingency arrangements in the First-tier Tribunal and the Upper Tribunal. The Practice Direction states that, during the Covid-19 pandemic, it may be necessary for tribunals to adjust their ways of working to limit the spread of the virus and to work appropriately. The Practice Direction is to be in force for 6 months from 19 March 2020, although it may be reviewed within that period should it become inappropriate or unnecessary and may be revoked at any time. The Practice Direction can be found here [link given]:

2. This Guidance is issued pursuant to the Practice Direction. It will last as long as the Practice Direction is in force.

3. On 19 and 20 March 2020, the UTIAC informed parties of the postponement of hearings of cases that had been the subject of hearing notices, beginning on 23 March. This Guidance explains what will happen with regard to those cases and to the other cases which are before the UTIAC or which may come before it during the pandemic.

B. THE OVERRIDING OBJECTIVE

4. Both the Practice Direction and this Guidance are intended to enable the UTIAC to give effect to the overriding objective during the Covid-19 pandemic. For our purposes, the overriding objective is defined in rule 2 of the Tribunal Procedure (Upper Tribunal) Rules 2008 ('the UT Rules'). The overriding objective is 'to enable the Upper Tribunal to deal with cases fairly and justly'.

5. Rule 2(2) explains that dealing with a case fairly and justly includes: dealing with it in ways that are proportionate to the importance of the case, the complexity of the issues, etc; avoiding unnecessary formality and seeking flexibility in the proceedings; ensuring, so far as practicable, that the parties are able to participate fully in the proceedings; using any special expertise of the Upper Tribunal effectively; and avoiding delay, so far as compatible with proper consideration of the issues.

6. Rule 2(4) puts a duty on the parties to help the Upper Tribunal to further the overriding objective; and to cooperate with the Upper Tribunal generally. This duty is particularly significant at this time.

C. DECISIONS WITHOUT A HEARING

7. Paragraph 4 of the Practice Direction reads as follows:

'Decisions on the papers without a hearing

4. Where a Chamber's procedure rules allow decisions to be made without a hearing, decisions should usually be made in this way, provided this is in accordance with the overriding objective, the parties' ECHR rights and the Chamber's procedure rules about notice and consent.'

8. Rule 34 provides:

'34. – (1) Subject to paragraphs (2) and (3), the Upper Tribunal may make any decision without a hearing.

(2) The Upper Tribunal must have regard to any view expressed by a party when deciding whether to hold a hearing to consider any matter, and the form of any such hearing.

(3) In immigration judicial review proceedings, the Upper Tribunal must hold a hearing before making a decision which disposes of proceedings.

(4) [Enables the UTIAC to do various things without a hearing in immigration judicial review proceedings, including deciding paper applications under rule 30]'.

D. MAKING CERTAIN APPEAL DECISIONS WITHOUT A HEARING

9. Rule 34 gives the UTIAC power to make decisions in appeals without a hearing. Provided it has regard to any view of a party or parties, the UTIAC may do so without the parties' consent. Paragraph 4 of the Practice Direction provides that, during the pandemic, decisions should usually be made in this way.

10. In view of this, a UTIAC judge will examine, on the papers, any case where permission has been granted to appeal against a decision of the First-tier Tribunal, and where a hearing has not yet taken place in UTIAC. This will happen, irrespective of whether an adjournment of the hearing has been sought.

11. The judge will consider whether, in all the circumstances known to the judge, his or her provisional view is that it would be appropriate for UTIAC to decide the following questions without a hearing:

(a) whether the making of the First-tier Tribunal's decision involved the making of an error on a point of law; and, if so

(b) whether the First-tier Tribunal's decision should be set aside [fn. Section 12(1) and (2)(a) of the Tribunals, Courts and Enforcement Act 2007].

12. Where the judge reaches that provisional view, he or she will give directions to the parties, including a direction to the party who has been given permission to appeal to make further submissions on the error of law and set aside issues; a direction for the other party to file and serve any submissions in response; and (where there is such a response), directions to the appellant to file and serve a reply.

13. The process just described will include a direction to enable the parties, within a stated time, to express their respective views, if any, on whether there should be a hearing to decide the questions in paragraph 11(a) and (b) above, giving reasons for any such views. The judge will have regard to any such views, pursuant to rule 34(2).

14. In formulating the process, the UTIAC is drawing on its expertise since 2010 in making error of law decisions and decisions on whether, in the light of finding an error of law, the First-tier Tribunal's decision should be set aside. It is unusual for the questions in paragraph 11(a) and (b) above to require oral evidence and/or findings of fact by UTIAC; but, if that is the position, the judge may decide a hearing is necessary. The presence of particularly complex or novel/important issues of law may also be such as to necessitate a hearing.

15. The judge can also be expected to have regard to whether a party is unrepresented, in deciding whether a hearing is necessary to decide the questions in paragraph 11(a) and (b). It is important to appreciate that the fact a party is unrepresented will not necessarily lead the judge to conclude a hearing is necessary. On the contrary, a person with no or limited English language ability may find it easier to make their submissions in writing, with the assistance of a relative, friend or other third party, rather than to address the UTIAC orally, through an interpreter, on what are legal issues. Here, as elsewhere, the judge will have regard to all relevant circumstances.

16. In deciding whether it is necessary to hold a hearing, the judge can be expected to have regard to paragraph 4 of the Practice Direction and rule 2 of the UT Rules. The fact that the outcome of the appeal is of importance to a party (or another person) will not, without more, constitute a reason to convene a hearing to decide the relevant questions. Almost all appeals in the immigration jurisdiction are important to the individuals affected; and to the Secretary of State, in the discharge of her statutory responsibilities. In particular, human rights and protection appeals necessarily involve the prospect of an individual being removed from the United Kingdom.

17. It is important to emphasise the limited scope of the process described in this Part of the Guidance. It is confined to whether the First-tier Tribunal's decision should stand. If the decision reached is that the First-tier Tribunal's decision should be set aside, the UTIAC will then need to determine whether to remit the case to the First-tier Tribunal or re-make the decision. [fn. Section 12(2)(b)(i) and (ii)] In reaching its determination on that issue, the UTIAC will require the parties' submissions, if it does not already have them. If the outcome is that the appeal should be re-made in the UTIAC, then, again, the parties can expect further directions. In the event that oral evidence needs to be given and findings of fact made, in order to re-make, the UTIAC is more likely to proceed by way of a hearing; but where some or all of this evidence is uncontroversial, UT rule 15(1)(e), permitting evidence to be given by witness statement, may be of assistance.

10 The remainder of the PGN is paragraphs 18 to 37 (PGN18-PGN37) (Sections E-H). It provides as follows:

E. REMOTE HEARINGS

18. Paragraph 6 of the Practice Direction applies where a tribunal decides in a particular case that a hearing is necessary. Paragraph 6 reads as follows:

'Remote hearings

6. Where it is reasonably practicable and in accordance with the overriding objective to hear the case remotely (that is in any way that is not face-to-face, but which complies with the definition of 'hearing' in the relevant Chamber's procedure rules), it should be heard remotely.'

19. If a hearing is necessary, the 'default' option during the pandemic is, therefore, that the hearing should be conducted remotely. Rule 1 of the UT Rules defines a 'hearing' as 'an oral hearing and includes a hearing conducted in whole or in part by video link, telephone or other means of instantaneous two-way electronic communication'. There is, accordingly, no question that a remote hearing is a hearing for the purposes of the UT Rules, including rule 34 (see above) and rule 40(1A), which states that, in immigration judicial review proceedings, a decision which disposes of proceedings shall be given at a hearing.

Form of remote hearing

20. A remote hearing may involve a live audio link or a live video link. A live audio link will usually be by telephone (probably BT conference call; but might be BTMeetMe). A live video link might involve a video link from a courtroom that has fixed 'kit' for the purpose to a barristers' chambers/presenting officers' premises; although three-way video links are likely to be impracticable. For three-way (or more) video links, Skype for Business may be available.

21. Whichever form of remote hearing is used, the principle of open justice must continue to be respected. Unless the circumstances are exceptional or there is a reason why, in any event, regardless of whether the hearing is a remote hearing, it should be held in private, pursuant to a direction under rule 37(2), the remote hearing will be in public. In order to achieve this, the UTIAC will, wherever practicable, make the audio or video link through a courtroom at Field House, or other centre where the UTIAC sits, so that any member of the public who wishes to do so can attend to hear or see/hear the proceedings. That is, of course, subject to the courtroom being open for the purpose. Where no relevant courtroom is open, owing to the pandemic, the UTIAC can be expected to proceed in accordance with such procedures as may be enacted by Parliament for the purpose [fn. See Coronavirus Bill, Schedule 24 (Public participation in proceedings conducted by video or audio), paragraph 2, inserting new ss.29ZA to 29ZD in Tribunals, Courts and Enforcement Act 2007]; or – exceptionally – by making a direction under rule 37(2) for the hearing to be private in the interests of securing the proper administration of justice.

22. Where a judge (or UTIAC Lawyer exercising delegated judicial functions) considers that a remote hearing is necessary and feasible, the UTIAC will inform the parties of that fact and of the intended means of delivering the remote hearing. This will either be in the notice of hearing or in a separate communication. Each of the parties will be directed to respond by email, copied to the other party/parties, giving the details required in the direction in order to participate in the remote hearing by the intended means. Any objection to the intended means of delivering the remote hearing, or to the use of any form of remote hearing, must give reasons. These will be considered by a judge or UTIAC Lawyer under delegated judicial functions. The parties will be informed of the UTIAC's decision.

Documents

23. Documents which a party intends to rely on at a remote hearing must, if practicable, still be filed by sending by post to the UTIAC, in advance of the hearing, and served by post on the other party. In all cases of remote hearings, however, the documents must in any event be filed and served electronically, in advance of the hearing.

24. Because of this requirement for electronic filing and service, it is important that the documentation to be relied upon at a remote hearing is confined what is essential. Where case law is relied upon, the bundle should contain a list of the cases concerned, with citations, rather than the text of the judgments; provided the cases are publicly accessible online. Where other documents are publicly accessible online, only the parts relied on should be included in the bundle, together with a reference to the online site at which the full document can be found.

25. The reason for requiring only what is essential is that large electronic files can be slow to transmit and unwieldy to use. Attachments to an email must not, in total, exceed 15 MB, otherwise the email will not be delivered. For this reason, several separate emails may be necessary, in order to deliver the complete bundle electronically.

26. If practicable, electronic bundles should be indexed and paginated. They must be prepared in .pdf, .doc, .docx or other format readily capable of being opened and read on computers using Microsoft Windows operating systems.

The remote hearing itself

27. Unlike face to face hearings, remote hearings in the UTIAC listed for a particular day will be listed at different times, rather than all at 10am. The UTIAC staff member assigned to facilitate the remote hearing will establish contact with the parties approximately 10 minutes before the scheduled time of the remote hearing. The parties must, accordingly, make themselves ready and available in advance. If the judge is to conduct the remote hearing from a courtroom, the judge will enter at the appointed time and conduct the hearing. If the judge is participating remotely, he or she will be invited to join by the staff member, once the parties are logged in.

28. Wherever practicable, the UTIAC will record the proceedings electronically. If in a courtroom with DARTS facilities, that will be used and/or a recording facility on the telephone system or Skype etc. The parties shall not make an audio and/or visual recording of the proceedings without the judge's express permission.

Oral evidence

29. In an appeal to the UTIAC, it may be necessary to hear oral evidence to make findings of fact; in particular, in order to re-make the decision under section 12(2)(b)(ii) of the TCEA 2007: see paragraph 17 above. If so, a remote hearing may still be appropriate, depending upon the nature and extent of the evidence and of the findings that may need to be made on it.

30. If it is decided that, in a case where a hearing is necessary in order to make a particular decision, there is a particular reason why a remote hearing would not be appropriate, the parties will be so informed. In such a situation, arrangements will be made for the case to proceed by means of a face to face hearing in court, with appropriate precautions to prevent the ***transmission*** of Covid-19. Where no such precautions are practicable, the case will be adjourned; but the position will be reviewed from time to time, as may be necessary.

Other

31. It is quite possible that the above requirements will be modified or supplemented, in the light of experience. Here, as elsewhere, the parties are reminded of their obligation under rule 2(4) to cooperate with the UTIAC (see paragraph 6 above). In each case, the parties will, in any event, be given directions that explain what is needed in advance of the remote hearing.

F. INTERPRETERS

32. The Big Word, which supplies interpreters for hearings in UTIAC, has confirmed it has interpreters available, who are able to provide interpretation services via conference calls to connect with the UTIAC. In the event that an interpreter is needed for a remote hearing, the parties can, therefore, expect the UTIAC to make appropriate arrangements.

G. JUDICIAL REVIEW

33. Beginning on 23 March 2020, applications to the UTIAC for judicial review that require urgent or immediate consideration (using or including form T 483 or T 484), must be filed by email to [address]. This applies where the applicant is represented; or where the applicant is unrepresented and not in immigration detention or at a removal centre. Details can be found here: [link]. This applies to the whole of England and Wales. There is no change to the existing arrangements for urgent/immediate applications, where the applicant is unrepresented and in immigration detention or at a removal centre. There is also no change to the previous arrangements, whereby applications made after 4pm on working days and at any time on a non-working day (weekends and bank holidays) must be made using the out of hours court service.

34. If an application for urgent or immediate consideration has been refused by UTIAC without a hearing, the applicant can ask for the matter to be reconsidered at a hearing. During the pandemic, this hearing will take place by telephone with a judge.

35. Applications to UTIAC for judicial review, which do not require urgent or immediate consideration may continue to be filed by post (or by hand, if circumstances permit and the relevant office is open).

36. UT rule 40(1A) provides that, in immigration judicial review proceedings, a decision that disposes of proceedings shall be given by the UTIAC at a hearing (subject the exceptions listed in rule 40(1B)). As explained in paragraph 19 above, this requirement may be satisfied by the use of a remote hearing. If, in a particular case, a remote hearing is not appropriate, paragraph 30 above applies.

H. FINAL MATTERS

37. It needs to be appreciated that unfolding events during the pandemic may affect the extent to which UTIAC can operate by reference to this Guidance. In any event, the need to adopt new ways of working may well lead to challenges on the ground, which will need to be approached sympathetically by parties and the UTIAC alike.

Part 4. Does the PGN communicate an 'overall paper norm'?

Answering the Key Question1 At the outset of this judgment, I identified the Key Question (§1.3 above). It lies at the heart of the Claimant's Grounds (1)(a), (b) and (c) and Ground 2(a) (§1.2 above). Ms Kilroy QC for the Claimant submitted that (i) the PGN communicates an overall paper norm, and (ii) if that is right then in consequence the PGN is unlawful. Mr O'Brien for the Defendant disputes (i), but he accepts (ii) (§5.15 below). In my judgment, the answer to the Key Question is 'yes': the PGN does communicate an overall paper norm. In this Part of the judgment I will explain why I have reached that conclusion. I described the Explanation at the outset (§1.3 above).

The Approach to Interpreting the PGN2 There was no material dispute between the parties about the approach which this Court should take to interpreting the PGN. It comes to this. The PGN is to be read and interpreted objectively and straightforwardly, as a whole, in the light of its function and purpose, and having always in mind that it was directed in its application to an audience of UTIAC Judges. I adopt that approach.

The Importance of PGN Sections A-C3 Sections A-C are important. Mr O'Brien's submissions rightly emphasised that, before the PGN ever arrives at the 'operative' Section D on 'making certain appeal decisions without a hearing', the PGN sets out in very clear terms the key aspects of the context, in Sections A-C. Section A (Introduction) describes the pandemic and the PPD (PGN1); it says that the PGN is pursuant to the PPD (PGN2); and it then identifies the cases in relation to which the PGN is explaining what will happen (PGN3). The PGN puts, up front and central, and as a self-standing section (Section B): 'the overriding objective'. It reminds UTIAC Judges what the overriding objective is (PGN4), what it includes (PGN5), and what duties the parties have in relation to it (PGN6). The PGN explains (PGN4) how central the overriding objective (dealing with cases 'fairly and justly') is: it says the PPD and the PGN are 'intended to enable the UTIAC to give effect to the overriding objective' during the pandemic. The point is later reinforced (PGN16: 'In deciding whether it is necessary to hold a hearing, the judge can be expected to have regard to paragraph 4 of the Practice Direction and rule 2 of the UT Rules'). Mr O'Brien emphasises that the PGN sets out - in terms - and under another self-standing section (Section C) 'decisions without a hearing' - the two key provisions. First, there is PPD4, quoted in full (PGN7). Next, there is Rule 34, quoted in full (PGN8). Nobody - least of all a switched-on UTIAC Judge - could miss the proviso within PGD4, says Mr O'Brien, because there it is set out within PGN7. Nor could they miss the link to the overriding objective within the proviso (PGN7), or its central significance (Section B: PGN4 to PGN6). I accept all of this.

Section D is the Operative Section on Hearings and Paper Determination4 Having said all of this, there is no mistaking that it is Section D ('Making Certain Appeal Decisions Without a Hearing') which contains the 'operative' paragraphs, so far as concerns guidance on UTIAC Judges 'deciding cases without a hearing' pursuant to Rule 34 and PPD4. Mr O'Brien accepts that. So - it is Section D which delivers, so far as PPD4 and Rule 34 are concerned, the function which was seen in PGN3: 'This Guidance explains what will happen with regard to … the cases … which are before the UTIAC … during the pandemic'. It is important, moreover, to recall that this is in the nature of 'guidance on changes in the law and practice as they relate to the functions allocated to the chamber', under the statutory function being exercised by the Defendant (§2.4(2) above). The 'operative section' (Section C) is where the audience of UTIAC Judges can expect to find the guidance on what PPD4 means for us.

PGN9: 'decisions should usually made in this way'5 The first paragraph within the 'operative' section on 'making certain appeal decisions without a hearing' (section D), is PGN9. As has been seen, it tells UTIAC Judges this:

Rule 34 gives the UTIAC power to make decisions in appeals without a hearing. Provided it has regard to any view of a party or parties, the UTIAC may do so without the parties' consent. Paragraph 4 of the Practice Direction provides that, during the pandemic, decisions should usually be made in this way.

There is no getting away from the final sentence of PGN9. The message of that sentence is straightforward. It is saying, by reference to PPD4, this: during the pandemic, decisions in UTIAC substantive appeals should usually be made without a hearing, pursuant to Rule 34. Those are the words used.

PGN9 is 'correct' and 'nobody has lost sight of' the proviso (overriding objective)6 Mr O'Brien's primary answer to PGN9 was to submit - and to maintain - that the last sentence of PGN9 is 'correct', emphasising that 'nobody can have lost sight of' the proviso to PPD4 (set out in full earlier on the same page at PGN7) and the overriding objective (with its own prominent section: Section B). On this basis, Mr O'Brien submits that PGN9 does not communicate an overall paper norm. I cannot accept that conclusion.

(1) A first problem is a very straightforward one. What the words convey is that, during the pandemic, decisions should usually be made without a hearing.

(2) A second problem is that this is explained as derived from PPD4 (as being what PPD4 'provides'). Mr O'Brien does not say – as he might have done – that PGN9 is 'obviously wrong' because it 'omits the all-important proviso'; but there is no harm done because any UTIAC Judge reading it would 'spot the obvious error'. Rather, Mr O'Brien says the final sentence of PGN9 is 'correct', in a world where 'nobody has lost sight of' the proviso to PPD4. In my judgment, that is illuminating. There is a basis on which the last sentence of PGN9 would be read as 'correct', in circumstances where 'nobody has lost sight of' the proviso. That is where the PGN is read and understood as communicating guidance on a change in the law and practice, which tells UTIAC Judges what PPD4 means for the work of UTIAC during the pandemic: decisions should usually be made without a hearing. Whether that was based on interpretation (§3.5 above) (in the event, an incorrect interpretation, like that of DCA's Counsel in Ewing: §3.4 above), or on application (§3.6 above) (where correctness depends on whether legal analysis supports the position), it could indeed be received as 'correct', where 'nobody has lost sight of the proviso'. PGN9 is telling UTIAC Judges what PPD4 means for us.

PGN9 is 'just a preamble'7 Mr O'Brien had a second answer to PGN9. He submitted that PGN9 was in the nature of a 'preamble': it referred to Rule 34 and PPD4, but it was communicating no operative guidance at all, and the reader would understand that. That would mean the reader would pass over PGN9 'none the wiser' and would proceed for the guidance (as to 'what will happen': PGN3) to the 'operative' paragraphs found later in Section D. I cannot accept that characterisation of PGN9. This is the first paragraph of the operative section. The two preceding paragraphs (in Section C) have described the very same provisions: Rule 34 and PPD4. Why have another restatement here? Why simply re-reference them, with no message about what they mean for UTIAC substantive appeals? The message, straightforwardly, is in the last sentence of PGN9. As it happens, the fact that PGN9 is an operative paragraph which communicates guidance also makes best sense of the opening words of PGN10 ('In view of this …'). It also means PGN9 is a guidance paragraph in relation to the provisions set out at PGN7-8, just as - later on - PGN19 (with its ''default' option during the pandemic' and 'therefore') is a guidance paragraph in relation to the provision set out at PGN18. I cannot accept that PGN9 is to be interpreted as 'just a preamble' which leaves the reader 'none the wiser'.

What the rest of Section D communicates8 PGN9 is, of course, only the start of Section D. Mr O'Brien emphasises, rightly, that Section D must be read as a whole. It is important to see what is communicated in the paragraphs which follow PGN9. As can be seen, PGN10-PGN13 and the first sentence of PGN14 are describing the 'process' - including what was called at the hearing a 'minded-to decision' by the UTIAC Judge, prior to hearing representations so as to satisfy Rule 34(2). That section also explains that the guidance is focusing on the first two questions arising on a UTIAC substantive appeal (PGN11): (a) whether the FTT made an error on a point of law; and (b) whether the FTT's decision should be set aside. That point is repeated at PGN17 and excludes the consequential remedial questions: (c) whether to remit and, if not; (d) retaking the decision. PGN15 discusses cases where there is an unrepresented party, stating that this 'will not necessarily lead the judge to conclude a hearing is necessary'. PGN16 contains the statement that: 'In deciding whether it is necessary to hold a hearing, the judge can be expected to have regard to paragraph 4 of the Practice Direction and rule 2 of the UT Rules.' That leaves PGN14 and PGN16-17, on which the further submissions focused.

PGN14, 16-17: Fact, Law and Importance9 Those paragraphs give guidance in relation to three aspects of substantive UTIAC appeals: (i) fact; (ii) law; and (iii) importance. As to (i), this is the guidance in PGN Section D as regards fact (from PGN14 read with PGN11):

… It is unusual for the questions [whether the making of the First-tier Tribunal's decision involved the making of an error on a point of law; and, if so whether the First-tier Tribunal's decision should be set aside] to require oral evidence and/or findings of fact by UTIAC; but, if that is the position, the judge may decide a hearing is necessary…

Then at PGN17:

… If the outcome is that the appeal should be re-made in the UTIAC, then … the parties can expect further directions. In the event that oral evidence needs to be given and findings of fact made, in order to re-make, the UTIAC is more likely to proceed by way of a hearing …

In my judgment, this is a clear message: the ordinary consideration of factual matters on a UTIAC substantive appeal (on a point of law) will not normally be a reason for an oral hearing, on the two issues at the heart of every UTIAC substantive appeal. The key words communicating that message are 'unusual' and 'if that is the position'. It is different if UTIAC, unusually, has to make findings of fact or hear oral evidence, including where the appeal succeeds and UTIAC is retaking the factual decision.10 As to (ii), this is the guidance communicated in PGN Section D as regards law (from PGN14):

… The presence of particularly complex or novel/important issues of law may also be such as to necessitate a hearing.

The message here is again, in my judgment, clear: the consideration of legal issues on a UTIAC substantive appeal (on a point of law) will not normally be a reason for an oral hearing. The key words communicating that message are 'particularly complex', 'novel/important' and 'such as to necessitate'.11 As to (iii), this is the guidance communicated in PGN Section D as regards importance (from PGN16):

… The fact that the outcome of the appeal is of importance to a party (or another person) will not, without more, constitute a reason to convene a hearing to decide the relevant questions. Almost all appeals in the immigration jurisdiction are important to the individuals affected; and to the Secretary of State, in the discharge of her statutory responsibilities. In particular, human rights and protection appeals necessarily involve the prospect of an individual being removed from the United Kingdom.

Once again, in my judgment, the message is clear: the importance of the case, in terms of its outcome for the individual, will not normally be a reason for an oral hearing. The key words communicating that message are 'will not, without more', 'Almost all' and 'necessarily involve'. (A distinct issue arises on PGN16: §7.1 below).12 In my judgment, even leaving aside PGN9 - whether treating it as a 'preamble' or reading it as impliedly repeating the proviso in PGN7, or as containing an 'obvious mistake' - and keeping well in mind that PGN16 says the Judge should 'have regard to paragraph 4 of the Practice Direction and rule 2 of the UT Rules' - the operative 'guidance' section (Section D) takes three key topics of fact, law and importance and communicates that each of them is not, of itself, a reason normally to have a hearing in the application of PPD4, Rule 34 and the overriding objective. That is a powerful message in relation to each. It is a yet more powerful message in combination.

No Counterbalancing Content13 There is a final point on what Section D communicates. It concerns what Section D does not say. There is no counterbalancing message in Section D. There is no identification of a factor or even a combination of factors, which will regularly be encountered, which would support having a hearing. There is nothing which communicates that the UTIAC Judge would or could or may well conclude that the correct understanding of PPD4 involves having a hearing in a typical UTIAC substantive appeal.

Conclusion14 For all these reasons, I have concluded that - reading and interpreting the PGN objectively and straightforwardly, as a whole, in the light of its function and purpose, and having always in mind that it was directed in its application to an audience of UTIAC Judges - the PGN does communicate an overall paper norm. The answer to the Key Question is 'yes'. That establishes the premise for Grounds (1)(a), (b) and (c) and a component of Ground (2)(a).

External Aids to Construction?15 Ms Kilroy QC and Mr O'Brien agreed that PGN should be interpreted by this Court objectively (§4.2 above), based on what was said in the PGN itself, just as this Court would have interpreted it on the day after it was issued. Ms Kilroy QC did suggest, however, that there were materials before the Court which could assist in the interpretation.

16 One was a letter which the Defendant wrote four days after issuing the PGN. It was addressed to the Chair of the Bar Council Amanda Pinto QC. She had written on 24 March 2020 passing on a concern expressed by a barrister:

… about the guidance issued … yesterday which indicates a presumption that appeals from the FTT will be considered on the papers to decide whether the FTT made an error of law.

The Defendant's letter of response said this:

You refer to the Pilot Practice Direction of the Senior President of Tribunals, approved by the Lord Chancellor on 19 March 2020. As you will see, paragraph 4 of the Practice Direction provides that decisions should be taken without a hearing, where the relevant Rules permit and where this is in accordance with the overriding objective etc. This is, accordingly, the 'default' position during the current emergency. The Guidance Note No.1 2020, issued on 23 March, is in complete accord with the Practice Direction.

As to this:

(1) I would accept that this is a description of the PPD4 as communicating a 'default position in favour of paper determination', with which the PGN was 'in complete accord'. The words are ''default' position', used in response to a description of a 'presumption'. And it is striking that the Defendant used the phrase ''default' position' in PGN19 when addressing whether hearings should be remote or in-person ('the 'default' position during the pandemic is … that the hearing should be conducted remotely').

(2) I would accept that the letter indicates that the Defendant, in defending the PGN shortly after issuing it, was expressing the position that what PPD4 meant for UTIAC was an overall paper norm, and that this was what the PGN was communicating. It is a position which – for so long as it subsisted – may be a reason why the PGN was maintained in the face of the present legal challenge. However, by the time the case came before me, the Defendant's position in defending it was that (a) it did not communicate an overall paper norm (and nor did PPD4) and (b) if it did, it would not be lawful. I can also see the forensic difficulty for Mr O'Brien in submitting that UTIAC Judges would not read the PGN as giving this message, if this was the writer's own description.

(3) I do not, however, accept that this letter is a legitimate aid to interpretation. It could go no further than indicating what, subjectively, the Defendant may have understood and intended. In that respect, it is similar to an internal document, candidly disclosed in judicial review proceedings. In the end, the question is not what the Defendant intended and understood subjectively – nor why he maintained the PGN in correspondence – but what, objectively, he communicated. It would be different if the letter of 27 March 2020 or its substance had been circulated to UTIAC Judges. But I can be confident that the Defendant and his legal representatives would have told me had that, or any similar communication, been shared with the UTIAC Judges who were the recipients of the PGN.17 I was shown a template Standard Directions document which falls into that category: it was a document provided to UTIAC Judges after the PGN was issued. It states:

1. I have reviewed the file in this case. In the light of the present need to take precautions against the spread of Covid-19, and the overriding objective expressed in the Procedure Rules [fn. The overriding objective is to enable the Upper Tribunal to deal with cases fairly and justly: rule 2(1) of the Tribunal Procedure (Upper Tribunal) Rules 2008; see also rule 2(2) to (4)], I have reached the provisional view that it would in this case be appropriate to determine the following questions without a hearing: (a) whether the making of the First-tier Tribunal's decision involved the making of an error of law, and, if so (b) whether that decision should be set aside. 2. I therefore make the following DIRECTIONS …

This document is consistent with the message that there was to be an 'overall paper norm'. But I do not accept that this document materially assists the exercise in interpretation of the PGN. It is the PGN which communicates the 'guidance'. These Standard Directions could have been issued alongside guidance which communicated an overall paper norm, or an overall hearing norm, or no overall norm. Ms Kilroy QC, rightly, did not place any real weight on the Standard Directions.18 I will return below to what I made of the 'impact evidence' and its relevance. I am satisfied that it cannot assist in the interpretation of the PGN. Nor do the materials relating to the Lands Chamber, in relation to which Ms Kilroy QC submitted that the pre-existing practice of holding hearings continued notwithstanding PPD4. I could not see that anything in this case could turn on that material.

Saved by the Audience?19 In interpreting the PGN I have borne closely in mind that the application of the PGN would necessarily be a matter for UTIAC Judges, exercising their Rule 34 power in individual cases, in accordance with the procedure described in the PGN (PGN11 to PGN13), and having regard to PPD4 and the overriding objective in Rule 2 (PGN16). Further, both by design (PGN13), and as required (Rule 34(2)), any such Judge will consider any representations from the parties about the mode of determination. Moreover, as Parliament recognised and required (s.2(3)(c) of the 2007 Act) UTIAC Judges are 'experts in the subject-matter of' or 'the law to be applied in' cases which they decide. These factors do not, in my judgment, affect the answer I have given as to the objective meaning of the PGN, bearing in mind its audience.

20 It might I suppose be said that, given their expertise as UTIAC judges, each and every one of those Judges is - in principle - just as well able as is this Court to see the PGN in its legal setting and get the law right. That would include baulking against any overall paper norm. I accept of course that a UTIAC Judge could see that an overall paper norm could not be sustainable in law - as Mr O'Brien accepted at the hearing before me - and could therefore, for that reason, decline to treat the PGN as communicating an overall paper norm. Such a Judge could 'read it down' or simply 'depart' from it. I can well imagine a Judge saying: 'what matters is the overriding objective and I am able, whatever this guidance says or means - normally to have hearings, because that is my assessment of what fairness typically requires'. But none of this, in my judgment, can save the PGN on this claim for judicial review if its straightforward, objective meaning - viewed in terms of its audience - is to communicate an overall paper norm. There are a number of reasons why I think that is so. (1) Parliament conferred on Chamber Presidents the statutory function of 'issuing … guidance on changes in the law and practice' (2007 Act Sch 4(1) paragraph 7: §2.4(2) above). It is common ground that this function is 'descriptive' of changed law and practice. Parliament must, in principle, have envisaged that judges within a Chamber - notwithstanding being 'experts in the subject-matter of, or the law to be applied in, cases in which they decide matters' (2007 Act s.2(3)(c)) - would therefore 'be guided' by guidance issued by the President. (2) In principle, as is common ground, judicial review will lie against such guidance on the ground that it misdescribes the law (Letts Unlawfulness: §2.5 above). If the legal expertise, and principled independence, of the 'guided' judiciary meant the audience could always be expected to see through error and identify correctness, no such judicial review claim could succeed. (3) I have also explained why, in my judgment, the overall paper norm communicated in the PGN could be taken, by a UTIAC Judge who had well in mind the proviso in PPD4, to have been the product of 'analysis' as to what the proviso in PGN4 means - as a matter of application - when contextually applied to UTIAC substantive appeals (§§3.6, 4.6(2) above). (4) However undoubted and impressive their expertise (s.2(3)(c)), the fact is that the practice described by Ms Singh as having been applied in the 'vast majority of cases' of routinely having oral hearings will have insulated UTIAC Judges from having to address the Rule 34 power against the backcloth of the applicable legal principles. They did not have that body of experience. They were being given guidance. (5) Put at its highest, even if the expert legal minds of the discerning UTIAC judiciary recipients of the guidance could be relied on to put the guidance alongside the correct legal position and interpret or apply it consistently with that correct legal position, this would in my judgment still be a case of Letts Unlawfulness based on guidance which 'if followed' would 'lead to unlawful acts or decisions'; or 'which permits or encourages such acts'.

Impact Evidence21 I turn to the evidence before this Court about what actually happened to UTIAC substantive appeals after the PGN was issued. The judicial review Court may receive evidence of the practice in relation to oral hearings: see for example West at §33 (Lord Bingham). I tested the position by asking myself this question: would it be significant if the Defendant in the present case had been able convincingly to show me that - following the issuing of the PGN - UTIAC Judges were not in fact led by the PGN into adopting an overall paper norm. Suppose it could be shown that the Judges had adopted a practice involving no overall paper norm; a practice in which, unmistakeably, oral hearings remained predominant in the resolution of UTIAC substantive appeals? Suppose I were shown (I was not) a series of decisions on mode of determination in which the reasoning of UTIAC Judges demonstrated that they had not understood to PGN to communicate an overall paper norm. I was and still am able to well imagine submissions made by Mr O'Brien placing strong reliance on such evidence, had it been presented. I can see that such evidence could, as a real-world practical feature, inject caution as to whether the Court is making sufficient allowance for the way in which guidance would be read by the informed, expert audience. But, in my judgment, the principled answer is that such evidence - whatever it shows - could not be used to 'reverse-engineer' the straightforward, objective meaning of the PGN, as it would be interpreted when issued. If that is right, impact evidence relied on by Ms Kilroy QC, showing the prevalence of paper determinations, can fare no better.

22 In my judgment, the true legal import of impact evidence goes to two issues which arise after the objective meaning of the PGN has been identified. The first is as to whether any error of law in the guidance is to be characterised as material (judicial review lies for material error of law, not for immaterial error of law). The second is as to whether it would be appropriate to give any remedy (remedy in judicial review is always a question of discretion: exercised judicially and in accordance with relevant principles). Viewed in that way, impact evidence can be a proper factor in considering whether the guidance is 'saved by the audience', further to the factors (1)-(5) (§4.20 above). This is factor (6): 'the proof of the pudding'. This is where it features, and features for the first time, in the legal analysis within this judgment.

23 The impact evidence adduced in this case was the product of conspicuous industry on the part of the legal teams. It was hotly controversial. But at the hearing before me the position resolved itself into what, in my judgment, was a clear and straightforward picture.

(1) On the Claimant's side, through Joe Tomlinson (Research Director of the Public Law Project) an analysis had been done of the published determinations of appeals by UTIAC Judges since the PGN was issued. Mr O'Brien accepted that there was no different or better way in which the Claimant or the Public Law Project could have undertaken an analysis of impact of the PGN. The picture was this. Out of 305 finally determined UTIAC substantive appeals between 23 March 2020 and 25 September 2020, 235 (77%) had been determined on the papers. Two caveats need to be entered in relation to that analysis. First, the Defendant pointed out that – if determinations on paper had come through the system more speedily than determinations after oral hearings (which is obviously possible but I was shown no evidence convincingly demonstrating that it had happened or the extent to which it had happened) – then the figure of 77% would be too high. Secondly, at the hearing before me on 21 October 2020 Ms Kilroy QC told me, out of appropriate claimant candour, that the latest overall picture was 66%. (I was not told that UTIAC Judges had received any further communication from the Defendant, after March 2020, to put alongside the PGN and which would have influenced their practice or understanding.)

(2) On the Defendant's side, evidence was adduced which calculated the number of determinations after oral hearings as a percentage of the overall pool of cases of which UTIAC is seized, including a backlog of cases through which it has to work. That evaluation produced a figure of 30% of paper determinations. The obvious problem with that evidence is that it does not show the pattern of what UTIAC Judges are doing in dealing with cases on the papers or with oral hearings. It uses the pool of cases which will at some stage reach a Judge for a decision as to mode of determination. The 30% ***statistic*** was for that reason unhelpful, even were it accurate in every other respect (something hotly disputed which requires no resolution). On reflection, and wisely, Mr O'Brien did not rely on this 30% figure or the methodology behind it. Nor will I.

I am satisfied, based on the evidence, that the pattern of cases which have been determined by UTIAC Judges since the PGN was issued has involved two-thirds paper determinations and one-third hearings. I find that I can rely on that as a realistic assessment of the post-March 2020 practice, and that it constitutes the best evidence before the Court. What flows from that impact evidence may, in my judgment, be expressed in two ways (though they are really the same point). First, in the light of this evidence it cannot be said that the 'overall paper norm' meaning of the PGN has involved no material unlawfulness. Secondly, this evidence serves further to undermine any suggestion that the PGN is 'saved by the audience'.

Conclusion24 The conclusion from Part 4 is this: Ms Kilroy QC is right as to the premise for Ground (1)(a), 1(b) and 1(c), and the content of Ground (2)(a): the PGN communicates an overall paper norm.

Part 5. Why an 'overall paper norm' PGN is contrary to law

The Agreed Consequence and Correct Explanation1 As I recorded at the outset (§1.3 above), Mr O'Brien accepted that if the PGN communicates an overall paper norm then it is contrary to law. In my judgment, that concession is rightly made, but it is appropriate to identify why it is rightly made. I address that question, given the various ways in which the unlawfulness is put (Grounds (1)(a), (b) and (c) and Ground (2)(a)), because different consequences may flow, because the point is important, and because this case may go further and the SSHD may put in an appearance. I identified at the start of the judgment what I consider to be the correct Explanation (§1.3 above). It means Ground (2)(a) is made out (and Ground (1)(b) is essentially the same point: §6.17 below). It means I reject Grounds (1)(a) and (1)(c). This Part of the judgment deals with all of that.

Unlawful New Practice, Even if Consistent with the Proviso: The Short Answer2 Ms Kilroy QC maintained, from first to last, that the communication of an overall paper norm in the PGN would be unlawful even if an overall paper norm for UTIAC substantive appeals were held to be consistent with the overriding objective and basic requirements of common law procedural fairness and so consistent with the proviso to PPD4. She put that argument in a number of different ways. But I cannot accept any of them. I will deal with each argument in turn. But, in my judgment, there is a short answer to all of them.

(1) PPD4 – which is lawful (§3.7 above) – communicates, as a direction, a contingent paper norm (including for UTIAC substantive appeals), subject only to the proviso (securing, in particular, consistency with the overriding objective and basic requirements of common law procedural fairness) (§§3.3-3.4 above).

(2) It follows that if the PGN communicates an overall paper norm for UTIAC substantive appeals, but if it does so consistently with the roviso (including with the overriding objective and basic requirements of common law procedural fairness), then the PGN is a lawful exercise of the descriptive statutory power (§2.4(2) above) to give guidance on a change in practice. The Defendant would have done no more – and no less – than to have faithfully followed PPD4.

(3) In my judgment, this is the beginning and the end for Grounds (1)(a) and (c). None of this is answered, and none of it becomes any less true, by the fact – as Ms Kilroy QC emphasised – that the Lands Chamber did not adopt guidance communicating an overall paper norm.

Unlawful 'Radical' New Practice (Even if Consistent with the Proviso)3 This is Ground (1)(a). It was put in two ways. First, Ms Kilroy QC submitted that the communication by the PGN of an overall paper form for UTIAC substantive appeals - even if consistent with the overriding objective and basic requirements of common law procedural fairness - would be a 'radical change' falling foul of the principle applied in the Al-Rawi case (§2.2 above). I cannot accept that. (1) Al Rawi was a case concerned with a 'closed material procedure': that was the sort of 'radical change' which attracted the legal analysis in that case. What made a 'closed material procedure' so 'radical' was that one party did not get to see the evidence being disclosed to a court by another party: that is like a procedure at which UTIAC has an oral hearing on a substantive appeal to hear submissions from the SSHD about which the other party is kept in the dark. (2) The principle in Al Rawi, where it applies, requires a basis in primary legislation for the procedure. But the basis for paper determinations is Rule 34, with its legislative source in the 2007 Act Schedule 5(1) paragraph 7(a) (§2.4(3) above). (3) It is true that the power, and measures made under or in relation to it, would be approached in light of the principle of legality which protects against an abrogation of basic requirements of common law procedural fairness (§2.9 above). But that goes nowhere: we are talking about an overall paper norm consistent with those requirements and with the overriding objective (§5.2 above).

4 Secondly, Ms Kilroy QC submitted that the communication within the PGN of an overall paper form for UTIAC substantive appeals - even if consistent with the overriding objective and basic requirements of common law procedural fairness - would be a 'radical change' of a nature which the legislative and regulatory framework required, and its objective purpose intended, to be a change which the TPC alone could effect. She relied as a reference point on Rule 5A (§2.8 above). I cannot accept this argument. (1) In the 2007 Act at Schedule 5(1) paragraph 7(a), Parliament expressly empowered the TPC to make rules which 'make provision for dealing with matters without a hearing' (§2.4(3) above). Rule 34 reflects the design of the legislative scheme and the discernible statutory purpose (§2.7 above). A discretionary power to deal with matters without a hearing is a 'provision'. Rule 5A was a rule and it addressed the situation (see Rule 34(3)) which paper determination was excluded for a class of case (§2.7 above). (2) In the 2007 Act section 23 (§2.4(1) above) Parliament expressly empowered the SPT to give directions about the practice and procedure in UT (including UTIAC), a direction power which plainly extends to discretionary powers like Rule 34. By section 2(3), Parliament required the SPT to approach the direction-giving function by having regard to (inter alia) accessibility, speed, efficiency and innovation. To say that 'TPRs can make provision in the form of presumptions' (Sch 5(1) paragraph 18) is not to say that 'all presumptions regarding practice and procedure must be within the TPRs' (rather than the subject of a direction). (3) Directions as to practice and procedure have to be fair (s.2(3)(b)(i)) and the principle of legality would require nothing less. PPD4, with its contingent paper norm during Covid-19, subject always to the overriding objective and basic requirements of common law procedural fairness, is squarely within the scheme and its discernible purpose. Nor is it open to the Claimant to submit to the contrary (§3.7 above). It follows that I reject Ground (1)(a) (§1.2 above).

Inconsistent with the policy of the statutory scheme (even if compatible with the proviso)5 This was Ground (1)(c). Ms Kilroy QC submitted, by reference to an analysis of the statutory scheme, viewed in the light of its history and three key authorities, that the 'policy of the legislation' recognises that a hearing is the 'usual position' and determination of a UTIAC substantive appeal without a hearing is a 'departure' from that usual position. On that basis, she submitted that the communication of an 'overall paper norm' would - independently of any consideration of the contextually-applicable basic requirements of common law procedural fairness - be unlawful as contrary to the objectively discernible purpose of the legislation. That would be unlawful as breaching the principle in Padfield v Minister of ***Agriculture***, Fisheries and Food [1968] AC 997, which makes it unlawful to exercise statutory power to frustrate the policy and objects of the statute.

6 The essence of the argument, as I saw it, was put in two ways. The first was historical. Ms Kilroy QC points to the structure of Rule 15 of the Asylum and Immigration Tribunal (Procedure) Rules 2005 (SI 2005 No. 230), made by the Lord Chancellor after (in 2000) substantive appeals to the Asylum and Immigration Appeals Tribunal (AIT) had been limited to a 'point of law'. Rule 15 (as enacted) was as follows:

Method of determining appeal. (1) Every appeal must be considered by the Tribunal at a hearing, except where – (a) the appeal– (i) lapses pursuant to section 99 of the 2002 Act; (ii) is treated as abandoned pursuant to section 104(4) of the 2002 Act; (iii) is treated as finally determined pursuant to section 104(5) of the 2002 Act; or (iv) is withdrawn by the appellant or treated as withdrawn in accordance with rule 17; (b) paragraph (2) of this rule applies; or (c) any other provision of these Rules or of any other enactment permits or requires the Tribunal to dispose of an appeal without a hearing. (2) The Tribunal may determine an appeal without a hearing if– (a) all the parties to the appeal consent; (b) the appellant is outside the United Kingdom or it is impracticable to give him notice of a hearing and, in either case, he is unrepresented; (c) a party has failed to comply with a provision of these Rules or a direction of the Tribunal, and the Tribunal is satisfied that in all the circumstances, including the extent of the failure and any reasons for it, it is appropriate to determine the appeal without a hearing; or (d) subject to paragraph (3), the Tribunal is satisfied, having regard to the material before it and the nature of the issues raised, that the appeal can be justly determined without a hearing. (3) Where paragraph (2)(d) applies, the Tribunal must not determine the appeal without a hearing without first giving the parties notice of its intention to do so, and an opportunity to make written representations as to whether there should be a hearing.

Ms Kilroy QC submits that Rule 15(2)(d) was, by its nature, describing a 'departure' from the 'usual position' in Rule 15(1). The 'policy of the legislation' was that appeals would normally be by way of oral hearing. Once that premise is recognised, submits Ms Kilroy QC, that same 'policy of the legislation' must have carried through into Rule 34 of the UTPR 2008 (§2.7 above), made under Sch 5(1) paragraph 7 of the 2007 Act (§2.4(3) above). In that regard she relied on a citation (from a witness statement of Nicola Burgess, the Claimant's Legal Director) of a passage from the 2004 White Paper which preceded the 2007 Act and which described the new UT system as one which would 'still retain the right and duty to hold hearings', continuing: 'No appellant will lose their right to a hearing'.

7 The second way it was put was contemporary. Even leaving aside the history, submits Ms Kilroy QC, the use of 'may make any decision without a hearing' in Rule 34 of the UTPR 2008 (§2.7 above) is a structure and language which 'assumes that the usual position is a hearing', because a decision to decide without a hearing is a 'departure from the norm'. Further support can be found, according to Ms Kilroy QC, in (1) the statement of Lord Phillips in R (Cart) v Upper Tribunal [2012] AC 663 at paragraph 86: 'what must, I believe, be beyond doubt is that it was Parliament's intention that the two tier structure set up by the [2007 Act] would provide a statutory right of appeal in relation to decisions of tribunals that would, in most cases, provide a satisfactory alternative to judicial review'; and (2) the 'second appeals test' applied by the Court of Appeal on appeals from UTIAC substantive appeals, which is premised on there being a full judicial process at both FTT and UTIAC levels (citing PR (Sri Lanka) v SSHD [2012] 1 WLR 73 at paragraph 41). The contemporary legislative scheme and principled application thus, says Ms Kilroy QC, clearly indicates an 'overall hearing norm' for UTIAC substantive appeals.

8 I will discuss the historical argument at §§5.9-5.13 below. But I will deal first with the contemporary points. I readily accept that the language of 'may' in Rule 34 is qualified by the overriding objective (Rule 2) and thereby the basic requirements of common law procedural fairness (which the principle of legality would in any event achieve). I would also accept that Parliament intended a 'satisfactory alternative to judicial review'; that the approach to judicial review in immigration and asylum cases is based on an assessment that a UTIAC substantive appeal is a suitable alternative remedy; and that the 'second appeals test' in the Court of Appeal is based on the idea that an appeal to UTIAC is a full judicial process. I can quite see how all of these points dovetail with the imperative - reflected in the proviso to PPD4 - that UTIAC appeals must be determined justly and fairly, consistently with the overriding objective and basic requirements of common law procedural fairness. None of this, in my judgment, extends any further than that. The word 'may' in Rule 34 does not mean 'may, but only as a departure in exceptional circumstances from the usual position'. It means 'may, provided that it is consistent with the overriding objective including basic requirements of common law procedural fairness'. That is the limit of the restriction. Were it otherwise, PPD4 would be unlawful, because its proviso would be legally inadequate. That argument is not open to the Claimant (§3.7 above). But I am quite sure that it is wrong, even if it were open. Provided that there is consistency with the overriding objective, basic requirements of common law procedural fairness and so the principle of legality, a paper norm involves no freestanding breach of the Padfield principle. Putting it another way, a contingent paper norm as in PGD4 involves no ultra vires.

9 Nor, in my judgment, does Ms Kilroy QC's historical analysis produce any different result. In support of her premise - regarding the structure of Rule 15 of the 2003 Rules (§5.6 above) - Ms Kilroy QC went back to the 1990s, and so must I. She relied on the position in relation to Rule 35(1)(e) of the Asylum Appeals (Procedure) Rules 1996 (SI 1996 No. 2070)) considered by the Immigration Appeal Tribunal (IAT) in Gioshev v SSHD (Case 15801, 24 November 1997) and by Sullivan J in R v Immigration Appeal Tribunal, ex p S (CO/2544/97, 9 February 1998). In order to understand those cases, it is necessary to appreciate that the 1996 rules, applicable in those cases, included Rule 9(4) and Rule 35(1) and (4), all of which were set out by Sullivan J in E p S. I will need to set them out as well. Rule 9(4) of the 1996 Rules provided:

Except where an appeal is determined without a hearing in accordance with rule 35 or summarily in accordance with rule 36, a hearing shall be held to decide an appeal.

Rule 35(1) provided:

An appeal may be determined without a hearing under this rule if – (a) the special adjudicator has decided, after giving every other party to the appeal an opportunity of replying to any representations submitted in writing by or on behalf of the appellant, to allow the appeal; or (b) the special adjudicator is satisfied that the appellant is outside the United Kingdom or that it is impracticable to give him notice of a hearing and, in either case, that no person is authorised to represent him at a hearing; or (c) a preliminary issue has arisen and, the appellant having been afforded a reasonable opportunity to submit a written statement rebutting the respondent's allegation- (i) the appellant has not submitted such a statement, or (ii) the special adjudicator is of the opinion that matters put forward by the appellant in such a statement do not warrant a hearing; or (d) the parties agree in writing upon the terms of a determination; or (e) the special adjudicator is satisfied, having regard to – (i) the material before him; (ii) the nature of the issues raised; and (iii) the extent to which any directions given under r 23 have been complied with, that the appeal could be so disposed of justly.

Rule 35(4) provided:

This paragraph applies where- (a) the decision appealed against has been withdrawn or reversed by the respondent, and the special adjudicator is satisfied that written notice of the withdrawal or reversal has been given to the appellant by the respondent; or (b) the special adjudicator is satisfied, having regard to the material before him or to the conduct of the appellant or his failure to appear or otherwise to prosecute the appeal, that the appeal has been abandoned; or (c) the special adjudicator is satisfied, having regard to the material before him or to the conduct of any party, that the decision appealed against has been withdrawn.

10 Ex p S was a judicial review case. It concerned an appeal to a special adjudicator (SA), the first-tier appellate authority predecessor to the FTT. As Sullivan J explained, it was a case in which 'as in so many other asylum appeals, the [SA's] determination turned on the credibility of the [claimant]'. What happened in that case was that the SA had decided to proceed to determination without a hearing under rule 35(1)(e), on the basis that the appellant had failed to comply with a number of directions. The SA dismissed the claimant's appeal and the IAT (by inference, refusing permission to appeal) had upheld the SA's determination. Sullivan J granted judicial review, ultimately because the SA's reasons for proceeding without a hearing under rule 35(1)(e) had failed to address 'why it was proper to proceed without a hearing notwithstanding that credibility would clearly be in issue'. In the course of the judgment, Sullivan J concluded that - on its proper interpretation - rule 35(1)(e) applied only where directions had not been complied with. It was not a general power to decide an appeal without a hearing on the basis that the appeal could be disposed of justly without one. He then went on to address the interrelationship between (i) life and liberty being at stake (ii) credibility being in issue and (iii) directions not having been complied with. In his reasons as to why rule 35(1)(e) required non-compliance with a direction but was a general power to decide an appeal without a hearing on the basis that the appeal could be disposed of justly without one, Sullivan J rejected the submission of Counsel for the SSHD 'that a hearing may be dispensed with under r.35(1)(e) even if there has been no failure to comply with directions'. Sullivan J concluded that this would 'drive a coach and horses through r.35 and confer a very broad discretion upon Special Adjudicators to dispense with a hearing in any case'. He emphasised that 'the circumstances in which a hearing may be dispensed with are carefully defined and circumscribed' and there was no 'open-ended discretion on Special Adjudicators to dispense with a hearing whenever they conclude that an appeal could be disposed of justly without one', that analysis having started by taking as a premise 'the position that the 'policy of the legislation' is that appeals will normally be by way of oral hearing'. That, then, was the expression of 'an overall hearing norm'.

11 I am not persuaded by Ms Kilroy QC's submissions that Sullivan J's analysis in S would have applied to Rule 15(2)(d) of the 2005 Rules (§5.6 above), derived from the 'policy of the legislation'. True it is that Rule 15(2)(d) was part of a set of carefully defined and circumscribed circumstances. But it was not linked to the question of compliance with directions. On its face, rule 15(2)(d) was a power to dispense with a hearing when the IAT was 'satisfied … that the appeal can be justly determined without a hearing', having had 'regard to the material before it and the nature of the issues raised'. The 'policy of the legislation' would certainly have included basic requirements of common law procedural fairness. I can quite see that - on analysis - an 'overall hearing norm' could have been the product of the application of the principle of legality, or the overriding objective, securing the basic requirements of common law procedural fairness, in the context of the determination of an appeal on a point of law by the IAT. But for present purposes we are putting that to one side since that is back to the Proviso.

12 Even if Ms Kilroy QC is right that there was still a discernible 'policy of the legislation', independently of the overriding objective and basic requirements of common law procedural fairness, through the 'carefully defined and circumscribed' circumstances - together with the wording of Rule 15(1) (mirroring Rule 9(4)) - I am not persuaded that this then survived the transition to Rule 34 of the UTPR 2008. The cited passage in the White Paper (§5.6 above) is far too slender a basis, in my judgment, to support such a conclusion. On its face, Rule 15(1) - read with Rule 2 (overriding objective) - is a power on the UT to dispense with a hearing where they conclude that an appeal can be disposed of fairly and justly without one.

13 That leaves the case of Gioshev v SSHD (Case 15801, 24 November 1997), on which Ms Kilroy QC also relied. In my judgment, that case takes her no further forward. That was a case where the IAT overturned a SA's rejection of an asylum appeal. The SA had decided, pursuant to rule 35(1)(e) to determine the appeal without a hearing. In allowing the appeal from the SA in Gioshev the IAT said: 'Rule 35(1)(e) is designed, in the view of the Tribunal, to deal with appeals where there is clearly no merit in the case or where the parties have ignored directions under Rule 23'. Pausing there, the interpretation of the rule was three months later resolved by Sullivan J in E p S, which may well have been the 'higher court' considering 'the vires of an adjudicator acting pursuant to that rule' to which the IAT referred in Gioshev. The IAT then said: 'In the view of the Tribunal rule 35(1)(e) is not designed to preclude an appellant from the opportunity of presenting his case before an adjudicator at an oral hearing, if the Appellant has indicated that he is desirous of an oral hearing and he wishes to submit evidence which is material to a point raised by the [SSHD] in his letter of refusal. In such circumstances, and such circumstances exist in the instant case, the Tribunal would express the view that at the preliminary hearing, if these matters are considered, the adjudicator should direct that the appeal should be determined at a full hearing'. That passage is very clearly focusing on the position of the SA in considering an appeal on factual matters. It speaks of a 'case before an adjudicator', in 'circumstances' where an appellant wished an oral hearing 'to submit evidence … material to a point raised' in the SSHD's refusal letter being challenged on the appeal. Indeed, in Gioshev the appellant's grounds of appeal to the IAT had described the 'fundamental right to an oral hearing' on the basis that: '[o]nly at [an] oral hearing could the issue of credibility be determined by the [SA]'. It follows from all of this that I do not accept Ground (1)(c) (§1.2 above).

The Reason Why an Overall Paper Norm in the PGN is Unlawful14 I set out what I consider to be the correct Explanation at the outset of this judgment (§1.3 above). Three points combine to provide the answer. (1) The PGN, as an exercise of descriptive power (§2.4(2) above), could not lawfully communicate an overall paper norm unless PPD4, which it is describing, has itself communicated an overall paper norm. (2) As a matter of interpretation, PPD4 does not - at source - communicate an overall paper norm (see §3.5 above). (3) As a matter of application, PPD4 does not - on 'reception' - mean an overall paper norm for UTIAC appeals (§3.6 above). That is because an analysis of the key principles from the common law (which I will identify in Part 6 below) does not support such a contention. This means Grounds (1)(b) and (2)(a) succeed (§6.17 below).

When Would an Overall Paper Norm be Lawful Guidance in the PGN?15 I recorded at the outset Mr O'Brien's acceptance (§1.3 above) that - if the PGN has communicated an overall paper norm for UTIAC substantive appeals - then it cannot be lawful. It was open to Mr O'Brien to submit that, if the PGN did communicate an overall paper norm for UTIAC substantive appeals, that was nevertheless lawful and consistent with PPD4 as applied to those appeals. I put to him whether, even as a 'fallback' (if he were wrong about what PGN communicated), he advanced this contention. He confirmed that he did not. He did not contend that an overall paper norm for substantive UTIAC appeals would be consistent with the contextual application of basic requirements of common law procedural fairness. Had it been consistent with those requirements, the PGN would have been lawful. In my judgment, Mr O'Brien was right not to contend that an overall paper norm would be consistent with common law principles, contextually applicable to UTIAC substantive appeals. This will become clear when I address the key themes regarding the basic standards of common law procedural fairness which are applicable in the context of this case (Part 6 of this judgment), and which are moreover relevant to Grounds (2)(b)-(d).

Reinterpretation?16 Mr O'Brien did not submit that - if the natural, objective meaning of the PGN was to communicate an overall paper norm, inconsistent with basic requirements of common law procedural fairness - the answer could lie in reinterpreting the PGN (by 'reading in' content which is not there). I only mention this because some cases on the principle of legality (§2.9 above), especially in the context of abrogations of human rights recognised at common law, have involved situations where an instrument (eg. a prison rule or standing order) is 'read down' so as to be lawful, with the application of the instrument being unlawful. In my judgment, reinterpretation by 'reading down' or 'reading in' to achieve conformity would be a dangerous approach in a context of judicial review of guidance. This is a case in which the statutory function is giving guidance on a change in law or practice (2007 Act Sch 4(1) paragraph 7: §2.4(2) above). Such guidance should be interpreted objectively and straightforwardly (§4.2 above). It is amenable to judicial review for Letts Unlawfulness (§2.5 above): if and insofar as there is legal error in such guidance, then in principle judicial review lies and should be granted to correct the error. It cannot be right, in my judgment, to reinterpret guidance - after the event - by straining the meaning, or reading-in content which is not there, so as to give is a meaning other than its natural objective meaning, in order to be able to uphold it as lawful.

Part 6: Key Themes from the Common Law Principles1 The contextual application of the basic requirements of common law fairness is what drives the lawful application of the proviso to PPD4. All grounds except Ground (1)(a) and (c) are informed, ultimately, by these requirements. I received detailed written and oral submissions in relation to common law principles, as reflected in the case law. The relevant analysis is intersectional where the two cross-beams of light are: (a) common law fairness and oral hearings; and (b) protection/human rights cases (including appeals). As it happens, the two leading cases on procedural fairness and oral hearings (R (West) v Parole Board [2005] UKHL 1 [2005] 1 WLR 350 and R (Osborn) v Parole Board [2013] UKSC 61 [2014] AC 1115) concern the parole board and assessment of whether a prisoner (with a contingent right of liberty) poses a risk. Remembering always that context, there was no dispute that the principles articulated by Lord Bingham for the House of Lords in West and by Lord Reed for the Supreme Court in Osborn are relevant to the present case. As Ms Kilroy QC explained, those cases are particularly helpful because West corrected an error of approach by the Court of Appeal in focusing on whether primary facts were in dispute (§6.4 below), and Osborn corrected an error of approach by the Court of Appeal in focusing on whether an oral hearing would assist in better decision-making (§6.10 below). It is obvious that I have been placed, through the endeavours of Counsel on both sides, and - as it happens - the engagement of a hearing on points of law, in a far, far better position than the Defendant would and could have been in over that weekend in March 2020 during the Covid-lockdown after PPD4 had been issued and the Defendant was seeking to give practical guidance to expert UTIAC Judges. Having said that, everybody in this case agrees that it is necessary and appropriate for this Court to understand and evaluate the relevant common law principles and exercise this Court's supervisory jurisdiction against the backcloth of having done so. What follows is my attempt to encapsulate the key themes from the case-law relied on by the parties in this case. Many of the themes are closely interlinked. I shall track, wherever possible, the language used by the Courts in the cases.

(1) No Exhaustive Definition/Universal Rules, but General Guidance is Possible2 'It is impossible to define exhaustively the circumstances in which an oral hearing will be necessary' (Osborn at paragraph 2(ii): Lord Reed). '[W]hat fairness requires' of a court or tribunal 'depends on the circumstances' which 'can vary greatly' so that it is 'impossible to lay down rules of universal application', but 'general guidance' is something that can be given (Osborn at paragraph 80: Lord Reed).

(2) Oral hearing wherever the overriding objective (and fairness) requires one3 Where a procedural rule, whose exercise is subject to the overriding objective, confers on a Judge a discretion to determine an application on the papers or with an oral hearing, 'judges, in exercising their discretion … should be guided by the overriding objective … and direct a hearing, if one is required, in order to deal justly with the application; or, to use the language of natural justice, if they consider that fairness requires a hearing' (Ewing at paragraph 24: §3.4 above). It is unnecessary for a Head of Division to tell Judges this, '[j]ust as it is unnecessary to teach one's grandmother how to suck eggs' (Ewing at paragraph 24).

(3) Factual Content (beyond 'dispute of primary fact')4 The factual content of a case can be a basis why fairness requires a hearing. An oral hearing 'is most obviously necessary to achieve a just decision in a case where facts are in issue which may affect the outcome' (West at paragraph 31: Lord Bingham). In cases 'where credibility and veracity are at issue … written submissions are a wholly unsatisfactory basis for decision' (Goldberg v Kelly (1970) 397 US 254, 269 (Brennan J), cited in West at paragraph 31 by Lord Bingham). '[A]n oral hearing will … often' be necessary '[w]here facts which appear … to be important are in dispute, or where a significant explanation or mitigation is advanced which needs to be heard orally in order fairly to determine its credibility'(Osborn at paragraph 2(ii)(a): Lord Reed). Even where there is 'no dispute on the primary facts' so that 'important facts are not in dispute', a court or tribunal 'may well be greatly assisted' by an oral hearing because facts may be 'open to explanation' or 'may lose some of their significance in the light of other … facts' (West at §§34-35 (Lord Bingham). It is an unduly 'constricted' approach to 'the common law duty of procedural fairness' to apply, as a 'test' of whether an oral hearing is required, the question whether 'the primary facts' are in 'dispute' (West at paragraphs 34-35: Lord Bingham). It is necessary to 'guard against any tendency to underestimate the importance of issues of fact which may be … open to explanation' (Osborn at paragraph 2(ii)(a): Lord Reed).

(4) Closer Examination of the Case5 There is a 'closer examination which an oral hearing can provide' and it is 'important', 'in order to act fairly', to 'consider' whether the assessment of the issues 'may benefit from th[at] closer examination' (Osborn at paragraph 2(iii): Lord Reed). In deciding whether fairness requires an oral hearing, in the light of the facts of the case and the importance of what is at stake, the court or tribunal 'should consider whether its … assessment … may benefit from the closer examination which an oral hearing can provide' (Osborn at §81: Lord Reed). In considering whether to have an oral hearing it is relevant whether the decision falls into a category which 'it has been said' that the court or tribunal 'should scrutinise' the case 'more anxiously' (Osborn at paragraph 83: Lord Reed).

(5) Importance of Close Examination: Protection and Human Rights Cases6 UTIAC substantive appeals are a review jurisdiction (appeal on a 'point of law') which calls for rigorous scrutiny by the tribunal. That is because, even 'within th[e] limitations' of a court or tribunal exercising a 'power of review' in relation to a decision, and not resolving 'any issue of fact', it is appropriate for a court (or tribunal) to adopt a 'more rigorous examination, to ensure that [the decision] is in no way flawed, according to the gravity of the issue which the decision determines', so that 'when an administrative decision under challenge is said to be one which may put the applicant's life at risk, the basis of the decision must surely call for the most anxious scrutiny': R v SSHD, ex p Bugdaycay [1987] 1 AC 514 at 531F-G (Lord Bridge). This 'anxious scrutiny' principle is applicable in relation to protection claims (see eg. R (Brown) v SSHD [2015] UKSC 8 [2015] 1 WLR 1060 at paragraph 31: Lord Hughes) but also human rights claims (see eg. R (Razgar) v SSHD [2004] UKHL 27 [2004] 2 AC 368 at paragraphs 16 (Lord Bingham) and 69 (Lord Carswell)). In the context of a substantive appeal, 'the exercise of the right to be heard' for the individual affected 'may literally be a matter of life and death' (FP (Iran) v SSHD [20017] EWCA Civ 13 at paragraph 43: Sedley LJ). It is applicable to appellate processes. As it was put in the context of judicial review, of putative 'fresh claims' made by failed protection claimants, and of the 'overriding obligation' of non-refoulement of refugees to face persecution: 'The risk to an individual if a state acts in breach of this obligation is so obvious and so potentially serious that the courts have habitually treated asylum cases as calling for particular care at all stages of the administrative and appellate processes': R v SSHD, ex p Onibiyo [1996] QB 768 at 778C (Sir Thomas Bingham MR), and see 785A (referring to judicial review under the approach in Bugdaycay).

(6) Reactive Engagement/Effective Representations7 A hearing brings a dynamic engagement between those involved in the process and the decision-making authority. In a paper determination, 'written submissions do not afford the flexibility of oral presentations; they do not permit the recipient to mould his argument to the issues the decision maker appears to regard as important' (Goldberg v Kelly (1970) 397 US 254, 269 (Brennan J), cited in West at paragraph 31: Lord Bingham). 'It may often be very difficult to address effective representations without knowing the points which are troubling the decision-maker' (West at paragraph 35: Lord Bingham). A hearing will 'often' be necessary '[w]here it is maintained on tenable grounds' that it involves an 'encounter' which 'is necessary for … [a party] or his representatives to put their case effectively' (Osborn at paragraph 2(ii)(c), also paragraph 82: Lord Reed).

(7) The Power of Oral Argument8 A basic element of knowledge of our 'legal culture' is recognition of 'the central place accorded to oral argument in our common law adversarial system', for 'oral argument is perhaps the most powerful force there is, in our legal process, to promote a change of mind by a judge. That judges change their minds under the influence of oral argument is not an arcane feature of the system; it is at the centre of it' (Sengupta v Holmes [2002] EWCA Civ 1104 at paragraph 38: Laws LJ). Oral argument, through the 'engagement' of the hearing, can persuade a Judge to take a different view from one formed, or which would be formed, when considering papers alone. The 'benefit enjoyed by the court of listening to oral argument … is a fundamental part of our system of justice and … is a process which as a matter of common experience can be markedly more effective than written argument' (Sengupta at paragraph 47: Keene LJ).

(8) Importance of What is at Stake9 In the context of oral hearings, '[i]n considering what procedural fairness … requires, ***account*** must first be taken of the interests at stake' (West at paragraph 30: Lord Bingham). Generally, an oral hearing should be held 'wherever fairness … requires such a hearing in the light of the facts of the case and the importance of what is at stake' (Osborn at paragraph 2(i), also paragraph 81: Lord Reed). The 'importance of what is at stake' includes all of 'the interests at stake' and embraces the interests of an affected individual, but also important interests advanced by an arm of the State (West at paragraph 30: Lord Bingham).

(9) Better decision-making/the potential to make a difference10 One 'purpose of holding an oral hearing is … to assist [the court or tribunal] in its decision-making' (Osborn at paragraph 2(v), also paragraph 82: Lord Reed). That is linked to 'one of the virtues of procedurally fair decision-making' being 'that it is liable to result in better decisions, by ensuring that the decision-maker receives all relevant information and that it is properly tested' so as 'to improve the chances of the tribunal reaching the right decision' (Osborn at paragraph 67: Lord Reed). An oral hearing may 'guarantee better decision in terms of the uncovering of facts, the resolution of issues and the concerns of the decision-maker' where an oral hearing has 'utility … in assisting in the resolution of the issues' (Osborn at paragraph 66: Lord Reed). It is relevant that 'an oral hearing has the potential to make a difference', and whether the case is one in which 'that potential … exist[s]': Osborn at §81 (Lord Reed). However, it is wrong to consider that 'in determining whether an oral hearing [is] necessary, what [falls] to be considered [is] the extent to which an oral hearing would guarantee better decision making', and it is wrong to place 'the emphasis … on the utility of the oral procedure in assisting in the resolution of the issues', because 'the purpose of a fair hearing is not merely to improve the chances of the tribunal reaching the right decision'; there are 'other important values … engaged' (Osborn at paragraphs 66-67: Lord Reed).

(10) Participatory interests (beyond utility): appearances, dignity and the rule of law11 A 'purpose of holding an oral hearing', distinct from it being 'to assist [the court or tribunal] in its decision-making', is 'to reflect the [party's] legitimate interest in being able to participate in a decision with important implications for him, where he has something useful to contribute' (Osborn at paragraph 2(iv), also paragraph 82: Lord Reed). One of the 'important values' which is 'engaged' by procedural fairness in the context of whether a tribunal should have an oral hearing - independently of whether the process 'is liable to result in better decisions' or 'improve the chances of the tribunal reaching the right decision' - is 'the avoidance of the sense of injustice which the person who is the subject of the decision will otherwise feel', the 'reason for [which] sense of injustice' is that 'justice is intuitively understood to require a procedure which pays due respect to persons whose rights are significantly affected by decisions taken in the exercise of administrative or judicial functions'; where 'respect' and the protection of 'dignity' entail that 'such persons ought to be able to participate in the procedure by which the decision is made, provided that they have something to say which is relevant to the decision to be taken': Osborn at §§67-68 (Lord Reed). That is why fairness can be seen to involve a hearing even where an 'omniscient' decision-maker does not 'require to hear [the person affected] in order to improve the quality of [the] decision-making': Osborn at §69 (Lord Reed, discussing God allowing Adam to 'make his defence'). Another of the 'important values'which is 'engaged' by procedural fairness in the context of whether a tribunal should have an oral hearing - independently of whether the process 'is liable to result in better decisions' or 'improve the chances of the tribunal reaching the right decision' - is 'the rule of law', for '[p]rocedural requirements that decision-makers should listen to persons who have something relevant to say promote congruence between the actions of decision-makers and the law which should govern their actions': Osborn at §§67, 71 (Lord Reed). This theme was discussed most recently in R (Pathan) v SSHD [2020] UKSC 41.

(11) Protection/human rights appeals: the highest standards of procedural fairness12 It is recognised as 'plain that asylum decisions are of such moment that only the highest standards of fairness will suffice' (SSHD v Thirukumar [1989] EWCA Civ 12 [1989] Imm AR 402 at paragraph 46: Bingham LJ). That principle was first articulated in the context of decision-making by the SSHD, in identifying appropriate standards for asylum interviews (Thirukumar). It was applied in the context of FTT protection appeals in R (Detention Action) v FTT [2015] EWCA Civ 840 [2015] 1 WLR 5341 at paragraph 27, where Lord Dyson MR referred to 'the importance of the principle that only the highest standards of fairness will suffice in the context of asylum appeals'. The Thirukumar principle has been recognised as applicable in principle to UTIAC substantive appeals (R (ILPA) v Tribunal Procedure Committee [2016] EWHC 218 (Admin) [2016] 1 WLR 3519 at paragraphs 17-20: Blake J). It was applied in the context of appeals to the AIT (the predecessor of UTIAC substantive appeals) in FP (Iran) where the then Arden LJ invoked Bingham LJ's Thirukumar principle in the context of AIT rules which 'balance the requirements for fairness, speed and efficiency'. This is congruent with Sir Thomas Bingham MR's own observation that 'the courts have habitually treated asylum cases as calling for particular care at all stages of the administrative and appellate processes' (Onibiyo [1996] QB 768 at 778C).

(12) Time and Trouble/Benefit of the Doubt13 The court or tribunal 'should guard against any temptation to refuse oral hearings as a means of saving time, trouble and expense' (Osborn at paragraph 2(viii): Lord Reed). It can be 'prudent' for a court or tribunal 'to allow an oral hearing if it is in doubt whether to do so or not' (Osborn at paragraph 2(xi): Lord Reed).

Conclusion based on these Key Themes14 There was little, if any, real dispute about the content of the principles identified in the case-law, the key themes from which I have identified in this Section of this judgment, and which I have numbered (1) to (12). Nor was there any real dispute as to their relevance to the question of whether guidance communicating an overall paper norm for UTIAC substantive appeals would be consistent with the basic requirements of common law procedural fairness, contextually applied. Ms Kilroy QC's case in this claim for judicial review is that it would not be. Mr O'Brien's defence of this claim for judicial review does not contest that point (§5.15 above). It is sufficient, having set out the key themes from the common law principles, as I see their essence, drawn from the authorities cited to me in this case, to say that I agree with both Counsel. Any conclusion, and any communication, that UTIAC substantive appeals can 'usually' or 'normally' be determined on the papers and without an oral hearing would not be consistent with the basic requirements of common law procedural fairness, because the features of the case law which I have summarised would not support it. That means it would not be consistent with the overriding objective. It would not be consistent with PPD4, correctly interpreted and applied, because it would misinterpret or misapply the Proviso.

Open Justice Principle15 One of the features within Ms Kilroy QC's Ground (2)(d), which she says is relevant to the exercise of the power to determine a UTIAC substantive appeal without a hearing is the 'open justice principle'. That principle is a fundamental constitutional principle which requires that hearings should be public rather than private, absent justification based on strict necessity. I have no difficulty accepting that the principle of legality and the overriding objective engage and must comply with the open justice principle. I can see that for the engagement between court/tribunal and the parties to be in the setting of a hearing may also tend to promote the open justice principle. I can see that the importance of a case together with the open justice principle could be a reason to hold a hearing rather than determine a case on the papers. But Ms Kilroy QC has not persuaded me that a paper determination of a UTIAC asylum appeal which otherwise satisfied the overriding objective and basic requirements of common law procedural fairness would be a departure from the open justice principle. There is no hearing being conducted in private. Access can be granted, as appropriate, to the written submissions. The determination will be published. I have not been persuaded that the open justice principle, important though it is, makes a difference to the analysis in this case. That is why it is absent from my discussion of the principles and the case-law.

Covid-dilution?16 I have explained how PPD4 introduced the contingent paper norm of paper determination during the pandemic, subject to the proviso. I have explained that the basic requirements of common law procedural fairness are contextually applicable. The Defendant did not submit that the principles arising from the case-law - which I have sought to encapsulate in this Section of this judgment - were to be taken as having been materially affected by the pandemic, so far as their substantive content is concerned. The Defendant did not maintain before me that an 'overall paper norm' was consistent with the overriding objective and basic requirements of common law procedural fairness, because of the pandemic. Had such an argument been advanced, it would have been necessary to give careful consideration to the availability of remote hearings - very well established under the UTPR 2008, and expressly recognised in the PPD and the PGN. To take an example from the case-law, I can see that the description of a 'face-to-face encounter … to put [the] case effectively' (Osborn at paragraph 2(ii): Lord Reed) readily becomes a 'hearing … to put the case effectively' in the context of appeal on a point of law. The hearing before me was a remote hearing, but with no lack of reactive engagement and the full force of oral advocacy. In the circumstances, I am satisfied that the principles identified above are and remain relevant to the question of paper determination and oral hearings within the Covid era.

Ground (1)(b) or Ground (2)(a) or both?17 I set out an Explanation at the start of this judgment (§1.3 above) as to what, in my judgment, is the reason why it was unlawful for the PGN to communicate an overall paper norm. The reason has these components. (1) An overall paper norm for UTIAC substantive appeals would be inconsistent with the overriding objective and the basic requirements of common law procedural fairness which must inform the overriding objective. That is because it cannot stand with the contextual application of the key principles of the common law set out in this Part of this judgment. (2) That makes it unlawful for the PGN to communicate an overall paper norm, in circumstances where: (i) the PGN was describing the effect for UTIAC substantive appeals of a contingent paper norm directed by the PPD; and (ii) that contingent paper norm included a proviso which gave primacy to the overriding objective. As to the descriptive nature of the power, see §2.4(2) above. As to the proviso and the primacy which it gave to the overriding objective, see §3.4 above. On this basis, the PGN was 'ultra vires' (beyond the Defendant's powers), because it was not consistent with PPD4, in the light of applicable common law principles. The principle of legality is not necessary to the analysis, because the proviso in PPD4 (through the overriding objective) gives primacy to the basic requirements of common law procedural fairness. As part and parcel of this analysis, the inconsistency between the Guidance and applicable common law principles is another way of expressing the PGN's unlawfulness. In my judgment, they are - in the end - two ways of identifying the legal problem. Each is correct. It follows that Grounds (1)(b) and (2)(a) succeed.

Part 7. The Other Issues in the Case

Whether 'will not, without more' in PGN16 is unlawful1 This is Ground (2)(b) (§1.2 above). Ms Kilroy QC says that PGN16 is contrary to common law principles, with the consequence that (i) it is erroneous in law and/or (ii) it would, if followed, lead to, permit or encourage unlawful acts, in stating that:

The fact that the outcome of the appeal is of importance to a party (or another person) will not, without more, constitute a reason to convene a hearing.

This, says Ms Kilroy QC, is a case of Letts Unlawfulness (§2.5 above).2 In defence of this guidance, Mr O'Brien's core submission was crisply articulated in writing, as follows:

… the importance of the case, without more, is never sufficient reason to require an oral hearing.

In developing this core submission, the essence of Mr O'Brien's position ultimately resolved into these propositions. (1) An oral hearing can be required by reason of 'the facts of the case and … the importance of what is at stake' (citing Osborn at paragraph 81: §6.9 above). These, moreover, are 'not … separate criteria' but can be regarded as 'two sides of the same coin'. (2) The 'facts of the case' is a phrase which would include within it the affected individual having 'something to contribute'. The 'importance of the case' together with the affected individual having 'something to contribute' can be a sufficient reason to require an oral hearing (at least in a 'life and limb' asylum or human rights case). Moreover, the affected individual could be taken to have 'something to contribute' in any UTIAC substantive appeal unless (a) it had been conceded by the SSHD or (b) it had been identified as 'obvious' by a UTIAC Judge. (3) It follows that it is legally correct to say that 'the outcome of the appeal is of importance to a party (or another person) will not, without more, constitute a reason to convene a hearing', it being legally correct that 'the importance of the case, without more, is never sufficient reason to require an oral hearing'. There always has to be 'more'. Accordingly, PGN16 (i) is not erroneous in law and (ii) would not, if followed, lead to, permit or encourage unlawful acts, applying the principles of Letts Unlawfulness.3 In my judgment, the short answer to this issue is that Mr O'Brien's own points at (1) and (2) do not support his conclusions at (3). His analysis, in my judgment, runs into a number of difficulties, leaving his core submission and the impugned statement in PGN16 legally unsound.

4 I can start with the importance of a case given its facts. Mr O'Brien is right, in my judgment, to characterise 'importance of what is at stake' and 'the facts of the case' as ideas which can be seen as two sides of the same coin. The 'coin' is the composite, encapsulated in the idea of 'the importance of the case'. Thus, Mr O'Brien's 'two sides of the same coin' are 'importance' and 'the case', found within his core proposition, making it wrong. They are also found in 'the appeal' and 'importance', within the impugned sentence in PGN16, making it wrong too. The idea of 'importance' will never arise in the abstract. It will always arise in a particular case with particular facts. And 'the case' is 'this case', 'this case (with these facts)'. Mr O'Brien's core submission - that 'the importance of the case', 'without more', can 'never' be sufficient reason to require an oral hearing - is, in my judgment, wrong in law. The point can be tested by taking Sir Thomas Bingham MR's observations in Onibiyo (§6.6 above): he spoke of the 'risk to an individual if a state acts in breach of [the non-refoulement] obligation [in the Refugee Convention]' as being 'so potentially serious that the courts have habitually treated asylum cases as calling for particular care at all stages' including 'appellate processes'. Take a classic protection case (§§6.6, 6.12 above) where the issue is sufficiency of protection or safety of internal relocation. The 'outcome', if the protection claimant loses, means return to the country of putative persecution. UTIAC is, of course, trying to get the answer right. But the 'importance' to the individual of the 'outcome' of 'the case' is that if the individual loses the case and UTIAC got it wrong, the protection claimant is being returned to a place where they have a well-founded fear of persecutory ill-treatment from which they will not be safe. That is what 'is at stake' (§6.9 above). Sedley LJ encapsulated it in FP (Iran) (at paragraph 43), when he said that exercising the right to be heard in an asylum appeal 'may literally be a matter of life and death'. That is the 'importance' of the 'outcome' of 'the case'. The importance of the outcome of the case can, of itself, be a sufficient basis in law for an oral hearing.

5 Then there is the inherent importance of a contentious case. Mr O'Brien is right, in my judgment, to recognise that 'importance' together with 'having something to contribute' can be sufficient reason to require an oral hearing. He is also right to recognise that there can nearly always be taken to be 'something to contribute' in any asylum (or 'life and limb') case: 'important implications' and 'something useful to contribute' (§6.11). That is not because of anything particular about the case. It arises in the mainstream of cases. Mr O'Brien carves out sub-categories of cases which are 'non-contentious' or 'obvious'. But his logic is that in all contentious and 'non-obvious' cases, the importance of the case together with the inherent fact that the individual can be taken to have 'something to contribute' can be a sufficient reason to require an oral hearing. Once that is accepted, it is in my judgment misleading to say that the importance of the outcome will not 'without more' be a reason for a hearing. It is misleading, in my judgment, to say that the importance of the case 'without more' can never be a sufficient reason for a hearing. On analysis the 'more' is simply the fact that it is a mainstream substantive appeal (§2.10 above) which is neither conceded nor 'obvious'. In my judgment, there is an added problem with 'obvious', if it is intended to include a category of cases in which the UTIAC Judge is minded - having considered the papers - to decide the appeal against the individual and in favour of the SSHD. The problem with carving out 'obvious' is that it risks falling into the same error as did the Court of Appeal in Osborn: focusing on whether it is assessed that an oral hearing could assist the quality of the decision-making. The broader considerations identified in Osborn may be inherent in an appeal to UTIAC in which the case is important. Contribution to the process engages not just utility but the appearance of justice and the rule of law. For these reasons, I am not persuaded that Mr O'Brien is right to 'carve out' his sub-category of 'obvious' cases, as cases where the importance of the case and having 'something to contribute' could not of themselves be a reason to require an oral hearing.

6 Then there is the importance of an appeal, given features inherent in the appeal process. During Mr O'Brien's submissions, a question arose as to whether he accepted that: 'the importance of the case, together with the importance of the rule of law and the importance of the appearance of justice, could in combination be a sufficient reason to require a hearing.' On reflection, Mr O'Brien did not accept that proposition. In my judgment, it is a proposition which is correct, when the relevant common law principles are borne in mind (§§6.6, 6.11-6.12). Moreover, there are other features which are inherent in a UTIAC substantive appeal which could, with importance, be a sufficient reason for a hearing: for example, that the case involves what has been recognised to be an arguable point of law (§2.10 above) given the potency of engagement and oral argument (§§6.7-6.8 above). Once importance together with features inherent in a UTIAC appeal can be a sufficient reason to require a hearing, it is misleading to say that 'more' is needed than importance.

7 In my judgment, for all these reasons, PGN16 infringes Letts Unlawfulness. It is, in my judgment, erroneous in law. It would, at minimum, if followed, lead to, permit or encourage unlawful acts. The importance of the outcome of a case given its inherent facts, or given that it is a mainstream (contentious, or even a non-obvious, case) where the individual is to be taken to have something useful to contribute, or given features inherent in UTIAC substantive appeals, can all be reasons to require a hearing. They are all, on analysis, situations where the 'importance of the appeal' is sufficient, and where it is artificial to suggest that something 'more' is needed than is already a given or inherent. The elements which can require a hearing are necessary parts of the case or the importance of the case or the appeal process. They are aspects necessarily linked to the importance of the outcome of the appeal within this appeal process. I would reach the same conclusions if PGN16 had stood within guidance which did not otherwise communicate an 'overall paper norm'. In this PGN, however, the problems with PGN16 are part of what informs the conclusion that the PGN is communicating an 'overall paper norm'. The problems with PGN16 are, moreover, exacerbated by what is communicated elsewhere in the PGN. Ground (2)(b) succeeds.

Whether 'particularly complex or novel/important issues of law' in PGN14 is unlawful8 I have described this as Ground (2)(c) (§1.2 above). It was a pleaded point: that PGN14 is contrary to common law principles, with the consequence that (i) it is erroneous in law and/or (ii) it would, if followed, lead to, permit or encourage unlawful acts, in stating that 'The presence of particularly complex or novel/important issues of law may also be such as to necessitate a hearing'. It was not, however, advanced as a distinct aspect of Ground (2) either in the skeleton argument or in the oral submissions. The position is as follows. (1) This statement in PGN14 is one of the features which supports the conclusion that the PGN communicates an overall paper norm (§4.10 above): it is therefore part of the analysis under Ground (1)(b) and Ground (2)(a). (2) This statement in PGN14 is also bound up with Ground (2)(b), in that the inherent feature of a UTIAC substantive appeal - that there is an arguable point of law (§2.10) - which could combine integrally with the importance of the appeal to be a sufficient reason for an oral hearing (§7.6 above). (3) PGN14 is also bound up with Ground (2)(d), where it is said that the PGN is materially incomplete. (4) In all these circumstances, and given that the point was not in the event advanced as a distinct part of Ground (2), I will dispose of it by concluding that no separate issue arises and recording that it fails.

Whether 'making no mention of other relevant factors' is unlawful9 This is Ground (2)(d) (§1.2 above). It is that PGN14 is contrary to common law principles, with the consequence that (i) it is erroneous in law and/or (ii) it would, if followed, lead to, permit or encourage unlawful acts, because (as it is put in the Grounds for Judicial Review):

It makes no mention of a number of other relevant factors, including the right to an oral hearing as an aspect of procedural fairness, the importance of participation in the process, the power of oral argument in an adversarial system, in particular the ability to respond to the points troubling the decision maker and the importance of open justice as well as the need for the highest standards of fairness in asylum and immigration appeals…

10 Mr O'Brien submitted, in essence, as follows. (1) The PGN discussed a number of non-exhaustive factors. It did not purport to be, and was not required to be, a comprehensive description of the legal principles. (2) It gave prominence to the overriding objective which emphasises the importance of participation ('ensuring, so far as practicable, that the parties are able to participate fully in the proceedings'). (3) As to other matters relied on, although they are all accepted as relevant factors under the key principles of the common law, in these circumstances and since the Guidance Note was directed to expert UTIAC Judges who are perfectly well aware of such matters, it did not need to make reference to 'the right to an oral hearing as an aspect of procedural fairness, … the power of oral argument in an adversarial system, in particular the ability to respond to the points troubling the decision maker and the importance of open justice as well as the need for the highest standards of fairness in asylum and immigration appeals'. (4) It was not necessary to give guidance to UTIAC Judges on these matters, any more than it is to 'teach grandmothers to suck eggs': see Ewing at paragraph 24 (§6.3 above). (5) There was thus no error of law by omission and it has not been shown that the PGN would, if followed, lead to, permit or encourage unlawful acts.

11 In my judgment, the answer to this issue lies in the way the PGN was written. The correct analysis is as follows. (1) The Defendant was not obliged to give guidance on 'what will happen' with regard to UTIAC substantive appeals (PGN3) in the light of PPD4, including an 'operative' section (Section D) in which the implications of key features (facts, law and importance) were discussed. The Defendant could have brought PPD4 to the attention of the UTIAC Judges. That would have been the equivalent of Ewing, grandmothers and eggs (§6.3 above). (2) Although UTIAC Judges would be fully familiar with oral advocacy, fact, law, importance, anxious scrutiny, high standards of fairness, open justice, such was the pre-existing practice of hearings in 'virtually all' substantive appeals that UTIAC Judges were not routinely applying Rule 34 to impose paper determination. As Steyn J pointed out (§3.4 above), PPD4 required that they consider Rule 34 and whether to have an oral hearing. (3) Parliament empowered the Defendant to give the UTIAC Judges 'guidance on a change in law and practice'. Parliament must have envisaged that Judges would rely on that help, even though it related to the meaning and application of a Practice Direction, viewed against the relevant legal principles. (4) General guidance is possible (§6.2 above). The Defendant did not need to write an equivalent of Part 6 of this judgment, produced with Counsel's assistance after a two-day hearing. Indeed, Ms Kilroy QC's summary (§7.9 above) is not co-extensive with the analysis that has emerged from the authorities in Part 6. The point is a different one. Having embarked on the process of writing guidance of this kind, and identifying key features known to the audience of Judges - fact, law and importance - and in each case described in a way which contra-indicated a hearing (§§4.9-4.12 above), the Defendant needed in my judgment either (a) to make some reference to other features (§7.9 above) which are positive indicators in favour of a hearing or (b) to make clear that there were (or even may well be) such indicators. (5) That is reinforced by the fact that it is an error of approach to focus on (a) whether there are disputed primary facts (West) (§6.4 above) or (b) whether the Judge considers that an oral hearing would be likely to assist the quality of the decision-making (Osborn) (§§6.10-6.11 above). In each case, that was a point which would have been apparent from the headnote of a leading case, but a leading case in an area of law which it could not be taken that UTIAC Judges would have encountered. (6) Ultimately, the problem is intimately linked to the question whether the PGN was communicating an 'overall paper norm'. There needed, at least, to be something which clearly explained that it was not doing so, and that there are a series of good reasons why a hearing (which could well be a remote hearing during the pandemic) might very frequently be necessary. (7) The PGN is not 'saved by the audience', for essentially the reasons I have already identified (§4.20 above). (8) Read as a whole, Section D of the PGN was erroneous in law. In any event, it means that Section D would, if followed, lead to, permit or encourage unlawful acts. It infringes Letts Unlawfulness (§2.5 above).

12 It is intellectually difficult, as well as rather artificial, to ask whether this ground for judicial review succeeds on a freestanding basis. I am clear that a Guidance Note could be written without referring to the matters about whose omission complaint is made. It is not difficult to think of overall messages which could have been communicated at PGN9 which would have solved the problem arising under this ground for judicial review, depending at least on what was then said about fact (PGN14), law (PGN14) and importance (PGN16). Ultimately, however, and in the context of this guidance and the exercise which it undertook in identifying key points - and even if I am wrong about the overall paper norm communicated in the PGN - Ms Kilroy QC has persuaded me that Ground (2)(d) succeeds as a further and freestanding ground for judicial review. A series of really important points were omitted from the discussion. That is not sufficiently explained by the fact that UTIAC Judges 'don't need to be taught to suck eggs' - they were being told about fact, law and importance. In my judgment, Ground (2)(d) is more than simply another way of expressing Ground (2)(a).

Part 8. Conclusions and Consequences

Conclusions1 For the reasons set out above, my conclusions as to the Grounds for Judicial Review (§1.2 above) are as follows. Ground (1)(b) and Ground (2)(a) (as different ways of making the same essential point) succeed. Grounds (1)(a), (1)(c) and (2)(c) fail. Grounds (2)(b) and (d) succeed. I will now explain the outcome in a more straightforward way, and without acronyms. I have concluded as follows:

(1) The President's Guidance Note, directed to Upper Tribunal (Immigration and Asylum Chamber) Judges, is unlawful because it communicated that appeals should normally be decided on the papers rather than at remote hearings during Covid. That position is inconsistent with basic common law requirements which inform the overriding objective of just and fair disposal, with which Judges are duty-bound to comply. That means the Guidance Note misdescribed the effect of the Senior President of Tribunals' Covid Pilot Practice Direction. [Ground (1)(b) and (2)(a)]

(2) Had the Guidance Note been consistent with those common law requirements, it would have lawfully described the effect of the Practice Direction and would have been lawful. [Ground (1)(a) and (c)]

(3) The Guidance Note is also unlawful because it said: 'The fact that the outcome of the appeal is of importance to a party (or another person) will not, without more, constitute a reason to convene a hearing to decide the relevant questions'. That is advice which (a) is erroneous in law and (b) would, if followed, lead to, permit or encourage unlawful acts. [Ground (2)(b)]

(4) Although relevant to the other issues, no separate issue arises from the fact that the President's Guidance Note said: 'The presence of particularly complex or novel/important issues of law may also be such as to necessitate a hearing'. [Ground (2)(c)]

(5) Because of the way the Guidance Note is written, it is also unlawful because it has omitted important factors recognised at common law which support holding a hearing. That also makes it advice which (a) is erroneous in law and (b) would, if followed, lead to, permit or encourage unlawful acts. [Ground (2)(d)]

Consequences2 It was common ground, as Mr O'Brien put it in his skeleton argument, that: 'were the Court to find any aspect of the paragraphs under challenge to be unlawful, … (absent agreement) the Court should consider the question of any relief in separate submissions after judgment'. One purpose of circulation of a judgment in draft is to elicit submissions regarding consequences to enable the Court to deal with the question of relief and other consequential matters, following an appropriate process, which a Court is then able to embody at the end of its judgment. Having circulated this judgment in draft and received submissions from the parties I decided to make the following Order, for the reasons I will explain below.

UPON hearing Leading Counsel for the Claimant and Counsel for the Defendant at a remote hearing on 21-22 October 2020 (Recital 1)

AND UPON the Defendant having decided to withdraw paragraphs 9-17 of his Guidance Note of 23 March 2020 (the 'Guidance Note'), and having undertaken to do so by 9am on 20 November 2020, for the reasons given by Mr. Justice Fordham in his judgment dated 20 November 2020 [2020] EWHC 3103 (Admin) ('the Judgment') (Recital 2)

AND UPON the Defendant having further undertaken that (Recital 3):

(i) In all cases of a UTIAC substantive appeal (as described in paragraph 2.10 of the Judgment) where, between 23 March 2020 and the date of this Order either (a) the appeal has been determined without a hearing and in favour of the Secretary of State for the Home Department ('SSHD') or (b) a UTIAC Judge has decided that the appeal will be determined without a hearing, the Defendant shall use all reasonable endeavours to bring to the attention of the person who is party to the appeal (and who is not the SSHD), in writing: (i) the Judgment (ii) this Order (iii) the statement: 'If you have not taken legal advice on your position, you are strongly advised to do so now'; and that

(ii) The Defendant will by 4pm on Friday 27 November 2020 file and serve a letter stating by what means and in what time-frame he is approaching the discharge of the undertaking at (i) above.

IT IS ORDERED THAT:

1. The Claimant's claim is allowed for the reasons set out in the Judgment.

2. It is declared that paragraphs 9-17 of the Guidance Note of 23 March 2020 are unlawful.

3. The Defendant is to publish the Judgment and this Order on the [*www.judiciary.uk*](http://www.judiciary.uk) website as soon as possible following receipt of the sealed Order from the Court.

4. Liberty to the parties to apply on notice in writing for further order or directions regarding the discharge of the undertakings at (i) and (ii) of Recital 3 above.

5. The Defendant pay the Claimant's costs, to be limited to the costs of the Claimant's Counsel team at Attorney General's civil counsel panel rates in accordance with the Order made by Steyn J on 17 August 2020, those costs to be subject to detailed assessment if not agreed.

Withdrawal of PGN9-17 (Recital 2)3 As regards Recital 2 recording the Defendant's decision and undertaking regarding withdrawal of paragraphs 9-17 of the PGN, the terms of this were offered by the Defendant and agreed by the Claimant. Ms Kilroy QC asked me to include within the main body of the Order 'liberty to apply to enforce the Defendant's undertaking', to ensure an enforcement mechanism 'supplementing the inherent and implicit liberty to apply to enforce the terms of the main Order'. Judicial review operates on the basis of mutual confidence and respect between defendant public authorities and the Courts and there is no reason whatsoever to suppose that the Defendant will not promptly do what he has decided and undertaken to do. Moreover, I accept Mr O'Brien's submission that there is 'no need for a liberty to apply provision to enable enforcement of an undertaking'. I resolve this dispute in favour of the Defendant.

Paragraphs 1-3 and 54 As regards paragraphs 1-3 and 5 of the Order, these were agreed between the parties subject to the following points. Ms Kilroy QC asked me to include within paragraph 1 (the claim being allowed), but not paragraph 2 (the declaration), text which repeats §8.1 above (using added wording '… namely, as summarised in paragraph 8.1 of the Judgment: (1) the Guidance Note is unlawful because … [etc]'). This is linked to a point with which I will deal below, as to those affected being 'promptly informed of key findings in the judgment in a format which is accessible and easily comprehensible to them'. I accept Mr O'Brien's submission that it is sufficient that the Order 'refers to the reasons set out in the Judgment' and 'the Judgment and Order will be published together on the [*www.judiciary.uk*](http://www.judiciary.uk) website'. That website location is identified in the Order itself (paragraph 3). The reasoning at §8.1 and the other reasoning in this judgment can be readily found. There is no need for more. Ms Kilroy QC asked that publication should be on the website of UTIAC, but I accept Mr O'Brien's submission that 'the appropriate website' is [*www.judiciary.uk*](http://www.judiciary.uk), that being 'where guidance of the Chambers of the Upper Tribunal and First-tier Tribunal is published' including the PGN itself. I resolve these disputes in favour of the Defendant.

Notification (Recital 3 and paragraph 4)5 As regards what became Recital 3 and paragraph 4 of the Order, the position was as follows. Ms Kilroy QC submitted that it was appropriate for this Court to order: 'The Defendant is to promptly notify the Order and Judgment to all those appellants or respondents who have been party to paper determinations made since the publication of the [PGN], informing them that the Judgment may have implications for their appeal determination and that they should seek legal advice'. Mr O'Brien submitted that no such order should be made, relying on various concerns including: 'the extremely onerous nature of the task, the deeply problematic precedent it would set, the availability of more proportionate methods of bringing the Judgment and Order to the attention of the public, and the fact that such novel and disproportionate relief was not even pleaded …' It was necessary for me to resolve that dispute, which I did, circulating the reasons set out below (§§8.6-8.8) and communicating what I proposed to order (§8.9 below).

6 In considering the submissions made (§8.5 above) it is necessary, in my judgment, to focus on three key aspects: principle, precedent and proportionality. I deal first with principle. Ms Kilroy QC submits that it is appropriate to take steps aimed at 'ensuring individuals affected by the unlawful Guidance in the period since 23 March 2020 are promptly informed of key findings in the Judgment, in a format which is accessible and easily comprehensible to them, together with an indication of the possibility it may have implications for them and the need to take legal advice'. Mr O'Brien, rightly in my judgment, does not dispute that (a) this Court has jurisdiction to make an Order of this nature (b) that the judgment may have implications for appeal determinations and (c) that it is appropriate for those affected to know that and be encouraged to take legal advice. Judicial review courts have, for example, directed that judgments be brought to the personal attention of a Minister (R v SSHD, ex p Sanusi [1999] INLR 198), and to those bodies concerned with supervision and training of magistrates (R v Feltham Justices, ex p Haid [1998] COD 440). In the present case it is agreed that paragraph 3 of the Order should be made - which directs publication on a website - the agreed purpose of which is to communicate so that those affected can come to know what this case has decided and consider or take advice on its implications for them. The agreed paragraph 3, moreover, is accepted to be appropriate notwithstanding that it was not pleaded in the grounds for judicial review. Provided always that the Court is satisfied - as I am - that has been a full and fair opportunity to address the question of relief, and no party has been unfairly taken by surprise, the Court may 'select one or more of those … forms of relief' put forward by the parties or 'craft a different remedy of its own' (R (Thornton Hall Hotel Ltd) v Wirral Metropolitan Borough Council [2019] EWCA Civ 737 [2019] PTSR 1794 at paragraph 47). The judicial review grounds, as is good practice, included: 'Such further or other relief as the Court sees fit' (other common formulations include 'such further or other relief as is necessary to give effect to the judgment of the Court'). I have to focus on what is necessary, and proportionate, to do justice in this case. The key question is whether the agreed paragraph 3 of the Order goes far enough. Three points made by Ms Kilroy QC, in my judgment, have particular resonance and Mr O'Brien is right not to have taken issue with any of them.

(1) The first relates to what was said in this case when interim relief was sought. In refusing interim relief, Andrews J accepted that if the claim succeeded and 'the procedure turns out to be unfair…there may then have to be reconsideration of these appeals' (interim relief judgment 2 July 2020 [2020] EWHC 2056 (Admin) at paragraph 24).

(2) The second relates to the practical position of those affected. Ms Kilroy QC submits:

Given that the appeal to the Upper Tribunal (UT) is in practice for most individuals the last avenue of appeal …, a significant percentage of the many individuals whose protection and human rights appeals were refused by the UT following paper determination in the 8 months since 23 March 2020 will have become 'Appeals Rights Exhausted' (ARE) and lost their protection against removal contained in section 78 of the Nationality Immigration and Asylum Act 2002. Some individuals may already have been removed from the UK in circumstances where they have not had a fair hearing of their appeal. Others may be at risk of imminent removal. Many will also, following the conclusion of the appeals process, be without legal representation, or easy access to representation, and some will be in detention in prisons or in removal centres. An unknown proportion were litigants in person from the start …. It is clearly essential to ensure these individuals are promptly and accessibly informed of this Judgment and Order, of the potential it has consequences for them and of the need to seek legal advice, so they can realistically benefit from the principle of open justice, the rule of law …, and they can have access to a process whereby the fairness of their appeal can be assessed before they are removed from the UK, in potential breach of their fundamental rights, and the UK's international obligations. It cannot reasonably be assumed that individuals whose appeals were determined on the papers will become aware of this Judgment otherwise.

(3) The third relates to the way in which this case engages the public interest. Ms Kilroy QC submits (cross-references are to this judgment):

In this case the Claimant has brought a claim for the express purpose of protecting the 'interests of those individuals and families involved in UTIAC substantive appeals' (see §1.4 above). Its standing to do so on this basis was not contested (see §1.4 above). The acceptance of the Claimant's standing, the grant of permission, and the grant of a cost-capping order … all confirm that this is a claim which the Court has allowed to proceed because a judgment on the issues it raised was accepted to be in the public interest … It is in the public interest in large part due to its impact on the interests of individuals involved in substantive appeals but also because it involved procedural fairness and thus the rule of law. Further the Claimant sought interim relief expressly to protect the interests of those individuals pending the outcome of the claim … That application failed, not because those interests did not require protection or because the Court did not have jurisdiction to grant the relief, but because the judge concluded the balance of convenience lay against it. In reaching her conclusion on the balance of convenience Andrews J assumed it would be possible to take corrective action after Judgment if the claim succeeded (see [2020] EWHC 2056 paragraphs 23-24) … [W]ithout [orders such as are sought] there is a real risk that those directly affected by the Judgment may not become aware of it until it is too late, and the public interest for which permission was granted will be seriously undermined.

I am persuaded, based on these submissions, that – in principle and subject to the points below as to precedent and proportionality – this Court should ensure that appropriate steps are taken so that those who are affected will come to know what has been decided. I am not satisfied that paragraph 3 of the Order goes far enough to be sure that this is achieved.7 I deal next with precedent. Mr O'Brien submitted that: 'an order requiring notification not simply of a particular public authority but a very large number of potentially affected third parties is without precedent in the reported cases'. Mr O'Brien added: 'The Defendant understands that even in the case of R (Detention Action) v First-tier Tribunal [2015] 1 WLR 5341 (where the result of the litigation was that all the relevant immigration appeals had been decided by an unfair process) the Court of Appeal did not order a remedy of the kind proposed by the Claimant'. This was a powerful submission. Mr O'Brien's reference to Detention Action is a compelling one because it was a judicial review challenge by a non-governmental organisation protecting the interests of those affected by an approach to hearings of appeals in the context of basic requirements of common law fairness. Yet, says Mr O'Brien, the Court of Appeal did not consider steps from within the FTT to notify those affected to be appropriate. In my judgment, based on materials provided by Ms Kilroy QC, the Detention Action illustration is a strong parallel, but it does not assist Mr O'Brien. The Court of Appeal decided that case on 29 July 2015, upholding the judgment of this Court (Nicol J) on 12 June 2015 which held (in essence) that the fast-track rules for asylum appeal decision-making were incompatible with basic requirements of common law procedural fairness. At a hearing on 17 June 2015, Sullivan LJ referred to 'the prospect of the first tier tribunal … having to go back and look at all of the cases which it unlawfully considered under an unlawful process', as well as the prospect of those affected 'seeking permission to appeal on the basis that [they] have been tried by an unfair process'. What happened next was the SSHD - the other party to all of the appeals and an interested party in the Detention Action case - wrote to those awaiting a fast-track appeal. The Home Office letter stated:

DETENTION ACTION JUDGMENT

You may be aware of a challenge brought brought by the Non-Governmental Organisation, Detention Action against the lawfulness of the Detained Fast Track (DFT) process. As part of this challenge the High Court has ruled that the Fast Track Rules (FTR), which govern the conduct of appeals within the Fast Track process, were enacted unlawfully and should not continue to apply. However the High Court has granted a stay on its judgement. It is our understanding that, as a result of the stay, the First-tier and Upper Tribunal are continuing to process appeals under the Fast Track Rules pending a decision by the Court of Appeal.

In the meantime Detention Action has challenged this stay and has been given permission to appeal to the Court of Appeal. Whilst the stay on the High Court's judgement will remain in place until the Court of Appeal makes a ruling, it has been decided that, until then, no removal action will take place in your case.

In light of this development, and as part of the ongoing active management of your case, your detention has been reviewed in line with general detention criteria taking ***account*** of your individual circumstances. Your claim for asylum has already been refused and you are appealing against this decision. [CASE SPECIFIC CONSIDERATION UNDER CHAPTER 55]. Your continued detention is therefore deemed appropriate and lawful.

If you have not yet taken legal advice on your position, you are strongly advised to do so now.

After the Court of Appeal's judgment (29 July 2015) the President of the FTT (Immigration and Asylum Chamber) on 4 August 2015 (in eight appeals including AA/09953/2014) decided to use the tribunal's power to set aside its previous determination on grounds of procedural irregularity and in the interests of justice, and annexed a 'draft letter which further appellants and/or their representatives may wish to use' inviting a similar course in other cases. In my judgment, the precedent of the Detention Action case in fact exemplifies a recognition of the importance of proactive communicative steps to ensure that the outcome of judicial review, brought by a non-governmental organisation regarding appeal procedures and procedural fairness, is brought to the attention of those affected. Nobody in that case thought that publication of the judgment and order on a website was enough. The fact that the Court of Appeal did not make an order for practical action in no sense means Detention Action stands as a precedent against this Court doing so, where satisfied that steps being put forward do not go far enough.8 I deal finally with proportionality. I accept that proportionality and practicality are extremely important considerations. Mr O'Brien's submissions tell me that there have been 'over 300' paper determinations in the relevant period. He submits that the Claimant's real concern must be 'about individuals who have lost their appeals, or were unsuccessful in appeals brought by the SSHD'. He reminds me that the SSHD can be taken to be aware of these proceedings. He says that brings the relevant number down by approximately half. I accept those submissions. Ms Kilroy QC's formulation was too broad - although it was also, in my judgment, in one sense too narrow: it is necessary to consider those in respect of whom pipeline appeals have been identified for paper determination but not yet determined. I proceed on the basis that the numbers are, in aggregate, over 150 cases. Mr O'Brien points out that many appellants may have legal representatives and some appellants will have consented, or failed to object, to paper determination. These are not, in my judgment, indicia of lack of proportionality in ensuring that the notification of the outcome of this judicial review (the purpose of the agreed paragraph 3 of the Order) is effective and inclusive of all those who may be detrimentally affected. I do not accept Mr O'Brien's submission that for this Court in this case to require notification entails a 'logic' that any judgment of any court which may affect any third parties is required to be communicated to them all. Nor can I accept that ensuring notification in this case, to the extent I have identified, is something the Court should refuse on grounds that it is 'extremely onerous' or sets a 'deeply problematic precedent' or would be 'disproportionate relief'. These are individuals whose cases have been within the care of the tribunal system, whose cases have been determined, and whose contact details are held within the system. They are cases which have continued to be dealt with, with the PGN maintained, after pre-action correspondence (1 May 2020), the commencement of this claim (18 June 2020) and the grant of permission for judicial review (6 August 2020). What is needed in this case, in my judgment, is a letter, which can be short, communicating what has happened and where the judgment and order can be found and referring to the appropriateness of legal advice (the phrase used by the Home Office in the Detention Action letter was excellent and I have adopted it). That is proactive action, as were the steps by the SSHD and the President of the FTT in the context of Detention Action. It is needed, in order to ensure that justice is practical, effective and inclusive. That is as far as I am going to go. I am satisfied that it is entirely appropriate to leave latitude to the Defendant to consider how best to achieve the outcome. I can think of a number of ways it might be achieved: one option would be for UTIAC to deal with the matter; another would be for the Claimant to write a letter which is then sent by UTIAC to those affected; another option could involve the Home Office (as in Detention Action). These are all matters for the Defendant to consider, not for this Court to prescribe. As a consequence of allowing for that appropriate latitude, I will however also provide a mechanism for the Claimant and this Court to be informed and approachable (through liberty to apply) if either party considers there is some remaining matter needing ironing out. For all these reasons, I will include paragraphs 4-6 within the Order (§8.9 below). They accept Ms Kilroy QC's submissions as to why the agreed paragraph 3 of the Order does not, in the circumstances of this case, go far enough. But they are more tailored, and allow the Defendant greater latitude, than did the order which Ms Kilroy QC asked this Court to make.

9 For those reasons, I communicated to the parties that I was proposing to order as follows:

4. In all cases of a UTIAC substantive appeal (as described in paragraph 2.10 of the Judgment) where, between 23 March 2020 and the date of this Order either (a) the appeal has been determined without a hearing and in favour of the Secretary of State for the Home Department ('SSHD') or (b) a UTIAC Judge has decided that the appeal will be determined without a hearing, the Defendant shall ensure that there is brought to the attention of the person who is party to the appeal (and who is not the SSHD), in writing: (i) the Judgment (ii) this Order (iii) the statement: 'If you have not taken legal advice on your position, you are strongly advised to do so now'. 5. The Defendant shall by 4pm on Friday 27 November 2020 file and serve a letter stating by what means and in what time-frame he is approaching the discharge of paragraph 4 of this Order. 6. Liberty to the parties to apply on notice in writing for further order or directions regarding the discharge of paragraphs 4 and 5 of this Order.

10 Having received my reasons (§§8.6-8.8 above) giving my ruling on the disputed point (§8.5 above), and having received the draft of the order which I was proposing (§8.9 above), the Defendant through Mr O'Brien did two things. The first was, correctly, to point out that the word 'ensure' (§8.9 above) was inappropriate as it was not an outcome that the Defendant was in a position to achieve and did not reflect the appropriate degree of latitude which I had described: appropriate wording would be 'shall use all reasonable endeavours to bring to the attention …'. Ms Kilroy QC did not oppose that revision and I was quite satisfied that the Defendant was right about this improved wording. The second was, very properly, to state that the Defendant was 'naturally prepared to undertake to use all reasonable endeavours to achieve the result envisaged by paragraph 4 of the [draft] order, which is a realistic and appropriate requirement of him'. Ms Kilroy QC made some observations but was ultimately neutral as to whether the Court should make an agreed order (as with paragraph 3 of the Order) or accept an undertaking. I was quite satisfied that the appropriate course was to accept a further undertaking, offered in response to reasons circulated by the Court (cf. §8.3 above). I therefore made the Order in the terms I have set out (§8.2 above).

ORDER

UPON hearing Leading Counsel for the Claimant and Counsel for the Defendant at a remote hearing on 21 -22 October 2020 (Recital 1)

AND UPON the Defendant having decided to withdraw paragraphs 9-17 of his Guidance Note of 23 March 2020 (the 'Guidance Note'), and having undertaken to do so by 9am on 20 November 2020, for the reasons given by Mr. Justice Fordham in his judgment dated 20 November 2020 [2020] EWHC 3103 (Admin) ('the Judgment') (Recital 2)

AND UPON the Defendant having further undertaken (Recital 3) that:

(i) In all cases of a UTIAC substantive appeal (as described in paragraph 2.10 of the Judgment) where, between 23 March 2020 and the date of this Order either (a) the appeal has been determined without a hearing and in favour of the Secretary of State for the Home Department ('SSHD') or (b) a UTIAC Judge has decided that the appeal will be determined without a hearing, the Defendant shall use all reasonable endeavours to bring to the attention of the person who is party to the appeal (and who is not the SSHD), in writing: (i) the Judgment (ii) this Order (iii) the statement: 'If you have not taken legal advice on your position, you are strongly advised to do so now'; and that

(ii) The Defendant will by 4pm on Friday 27 November 2020 file and serve a letter stating by what means and in what time-frame he is approaching the discharge of the undertaking at (i) above.

IT IS ORDERED THAT:

1. The Claimant's claim is allowed for the reasons set out in the Judgment.

2. It is declared that paragraphs 9-17 of the Guidance Note of 23 March 2020 are unlawful.

3. The Defendant is to publish the Judgment and this Order on the www. j udiciary.uk website as soon as possible following receipt of the sealed Order from the Court.

4. Liberty to the parties to apply on notice in writing for further order or directions regarding the discharge of the undertakings at (i) and (ii) of Recital 3 above.

5. The Defendant pay the Claimant's costs, to be limited to the costs of the Claimant's Counsel team at Attorney General's civil counsel panel rates in accordance with the Order made by Steyn J on 17 August 2020, those costs to be subject to detailed assessment if not agreed.

**Load-Date:** November 24, 2020

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