

Parliamentary briefing: Second reading of the Agriculture Bill

10 October 2018

Summary

The Agriculture Bill is the UK's first major domestic agriculture policy in 45 years. It is an unprecedented opportunity to revitalise the countryside in a way that meets the needs of people, farming, food and the environment, for generations to come.

Greener UK welcomes the broad direction of the bill, particularly moving to payments for public goods and ending subsidies based on the land area managed. But, as set out, it has weaknesses that could undermine the long term future of sustainable agriculture in the UK if they are not addressed.

For the Agriculture Bill to meet the government's ambition of a cleaner, greener countryside, the following amendments to the bill are necessary. It requires:

- a mechanism to secure long term funding for farmers and land managers so they can have confidence in the new system and sufficient support to deliver the public goods we all depend on, like unpolluted water and healthy soils;
- the introduction of duties on ministers, rather than the handover of powers, to ensure ambition set now is acted on in the future; these should include a duty to have an environmental land management scheme, and to use supply chain powers to ensure farmers receive a fair price for their produce;
- a reflection of government policy that public goods are the primary reason for public intervention, ensuring any productivity payments should contribute to the delivery of these goods;
- the establishment of a strong regulatory baseline with clear enforcement mechanisms to secure essential protections and underpin taxpayers' investment;
- ambitious and measurable targets to secure a stable and enduring policy, that restores the natural environment and enhances public access.
- safeguards to ensure future international trade deals will neither undermine domestic standards nor undercut farmers.

A new agricultural support system for the UK

As the UK leaves the EU it is vital that the Agriculture Bill establishes a new agriculture system in time, to provide the certainty that farmers and businesses need. In a sector which has to plan many years in advance, any delay or deferment of key decisions will negatively impact the whole farming industry and its wider supply chain.

For years, many farmers have struggled within a food and farming system that delivers little profit and few incentives to maintain a healthy environment and ensure animal welfare. The EU's Common Agricultural Policy (CAP) is widely regarded as inefficient and ineffective by all sides: farmers and land managers, conservationists and economists alike. It has failed to invest in farmers' businesses or the environment upon which farming relies, despite soil quality, pollinator numbers and water quality all continuing to decline as a result of poor land management. Without action, estimates indicate that some of our most fertile soils could be lost in less than 40 years.

The UK government has stated that it intends to reform agriculture policy in England, with a particular focus on 'public money for public goods'. These are the goods and services society needs farmers to provide but which cannot be paid for through the market and includes more wildlife, clean air and water, access to the countryside, high quality landscapes and carbon storage.

Given that agriculture is the dominant land use in England, such reform will be crucial if the government is to meet its objective to be the first generation to improve the natural environment and to deliver the requirements of its 25 year environment plan. The bill is an opportunity to deliver these objectives, at the same time as providing farmers and land managers with a secure income stream.

We believe that, with our suggested amendments, the bill could help to strengthen farm businesses, by properly paying them for the public services they provide, rather than paying for how much land they manage, as has been the case.

Such services should include enhancing public access and animal welfare, and improving the environment, which improves the long term resilience of the UK's food and farming systems. We support measures in the bill which give ministers powers to influence the supply chain. These reforms are essential to ensure that farmers receive proper payment for their produce, alongside public goods payments.

What the Agriculture Bill will do

The Agriculture Bill grants the government powers to develop post-Brexit farming and land management legislation and policies in England, with specific schedules granting equivalent or similar powers to the Welsh Government and Department for Environment, Agriculture and Rural Affairs in Northern Ireland. Specifically, it:

- grants powers to give financial assistance for a range of purposes largely relating to services under supplied by the market, such as environmental improvement, public access and climate change mitigation; in addition, to these, it provides similar powers for the purpose of improving agricultural productivity;
- grants powers to amend EU retained law, specifically relating to the CAP;

- outlines a time limited transition period of seven years for the withdrawal of direct payments, with associated powers to effect this transition;
- grants powers to collect and share data, and to set marketing standards;
- grants powers to improve transparency in the supply chain, through support to establish Producer Organisations and to regulate the relationship between farmers and first purchasers of agricultural products;
- outlines the exceptional circumstances that would justify market intervention, and the powers to do so;
- outlines the approach to meeting World Trade Organisation (WTO) rules associated with agricultural support, and mechanisms by which the UK will continue to meet these obligations.

What is missing from the bill

Although the bill generally provides the powers necessary to develop future farming and land management policies, there are some areas that require significant improvement, or gaps where important questions remain unanswered. The following proposals are fundamental to ensuring that the future management of the countryside works in the long term for farmers, our food system and the environment.

Amendment 1: secure long term future funding for the sector

The bill should place a duty on ministers to set multi-annual budgets that reflect the scale of financial need associated with relevant policy objectives, specify the timeframe over which these budgets would be set, and provide a means by which funding would be allocated between the four countries of the UK.

As a long term industry, farmers will need certainty over the funding available if they are to engage in a future policy with confidence. At present, the bill is silent on this central issue. Although multi-annual contracts with government may provide a degree of certainty for individual farmers and land managers, certainty is also needed for the sector as a whole. This funding should provide for good quality, consistent advice which is accessible to all farmers and land managers.

In other sectors, funding for transport infrastructure, international aid and, most recently, social housing, have all been set and guaranteed beyond the lifetime of the current parliament. If the government is asking farmers to invest in a new scheme, it must follow this precedent and provide the certainty and security of long term funding.

Amendment 2: set duties not just powers

The bill should include duties for ministers to:

- **have an environmental land management scheme; under the CAP, there is a legal obligation for each country of the UK to have an agri-environment scheme; the Bill should build from this starting point, and require ministers**

- to use the powers in the bill to develop an environmental land management scheme for England by a set date;**
- **actively use supply chain powers to strengthen the position of farmers in price negotiations, with obligations applicable to all agri-food supply chains and to the widest possible extent of the supply chain.**

Although the Bill includes a wide range of powers, there are very few duties or requirements on ministers with regard to how these are to be used, or if they are to be used at all. This is a major flaw that fails to reflect the ambitious policy prospectus set out by the government, or the urgent need for progress in developing future policies.

Amendment 3: give priority to public goods

The bill should reflect the government’s ambition for future policy, with clear objectives, and make it clear that the list of ‘public goods’ in Clause 1(1) is the priority for funding and that any payments for productivity contribute to their delivery.

The government has made a welcome commitment that future policies will be “underpinned by payment of public money for the provision of public goods”. Clause 1(1) of the bill lists these, but does not ascribe priority to them over other purposes for which funding may be provided. If farmers and land managers are to take steps to provide public goods, they need a clear signal from the government that it is committed to its ambition to leave the environment in a better state for the next generation.

Amendment 4: establish a strong regulatory baseline

The bill should provide a requirement, and the powers necessary, to secure strong regulatory protections for farming, the environment and access to the countryside.

Although recognised as of crucial importance in the policy statement published by the Department for Environment, Food and Rural Affairs (Defra) alongside the bill, there is no provision for the necessary powers to secure a strong regulatory framework for farming and land management. Without a strong baseline of properly enforced regulatory standards, any public investment will inevitably be undermined, regardless of the receipt of financial assistance.

Amendment 5: set targets to drive policy long term

The bill should require ministers to develop and report on measurable targets relevant to those purposes set out in Clause 1(1).

To provide a framework for future investment, and security for farmers, ambitious and measurable targets are needed to contribute to the delivery of relevant national and international targets and goals. The bill should include targets for existing commitments as well as the new ambitious targets needed for nature’s recovery

and a healthy environment, reflecting the aspirations of the 25 year environment plan. This would drive policy ambition in the future and not simply rely on ministerial goodwill. Such targets, with milestones, have proved effective in relation to bodies such as the Committee on Climate Change.

Amendment 6: ensure that international trade deals will not undermine domestic standards

The passage of the bill offers an opportunity for ministers to provide essential assurances on how the government intends to ensure that animal welfare and environmental and quality standards will be maintained in any future trade deals.

Importing poor quality produce, with low animal welfare and environmental standards, as a result of international trade deals after leaving the EU, poses a fundamental risk to UK agriculture. Without safeguards against cheap, low quality food, international trade deals could undercut British farmers and undermine domestic environmental progress in the UK by exporting degradation elsewhere, generating a race to the bottom in food production and safety standards.

Food policy, food security and supporting farmers

The bill should not be seen as the totality of government food and farming policy. Other strategies are needed, particularly to address issues such as healthier eating, food poverty and food security, including via the Food and Farming Sector Deal, national action plans such as that for pesticides, and consideration of public procurement and research and development in the sector. Similarly, it is vital that the final Brexit withdrawal agreement does not harm UK farmers' ability to export to European Union countries.

Maintaining food security

There are a number of steps the government should take to help the UK to achieve food security after Brexit. These include:

- guaranteeing a long term funding settlement for farmers via payment for public goods that allows them the security they need to continue to produce food for the market place;
- strengthening and using the powers in the bill to intervene in the market and ensure farmers receive a fair price at the farm gate to better ensure economic viability for the long term;
- securing trade deals that protect British farmers from being undercut by imports that do not meet UK standards.

Assisting farmers through the change

The stepped transition, set out in the bill, aims to prevent a dangerous cliff edge for farmers but it must be matched with advice and support to help them through the change.

Small farms are just as well placed as larger farms to provide the goods that the bill lists in Clause 1. Large farms are, however, more likely to have access to business planning resources and expert advice; the bill must, therefore, include the provision of advice to help smaller farms adapt to the new system.

Greener UK recognises that, under the current system, certain sectors such as upland farmers, are typically highly reliant on basic payments. However, these farmers are also well placed to deliver public goods, such as improving water quality, enhancing landscapes and managing upland streams to improve water quality and reduce flood risk but will need dedicated help to move from the current system.

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Greener UK is a coalition of 13 major environmental organisations united in the belief that leaving the EU is a pivotal moment to restore and enhance the UK's environment.

Greener UK is working in partnership with Wildlife and Countryside Link.

Together, Greener UK and Wildlife and Countryside Link members have the support of over eight million people.



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