Direct Payments to Farmers (Legislative Continuity) Bill

20 January 2020

Context
This bill enables the continuation of direct payments to farmers in all four countries of the UK as, unlike most other EU law, the Direct Payments Regulation is not applicable in the UK during the transition period envisaged by the Withdrawal Agreement. As member states are reimbursed a year in arrears for the direct payments they make, to include the Direct Payments Regulation in the transition period would therefore have complicated the next (2021-2027) EU budget.

Direct payments make up around 80 per cent of all payments under the Common Agricultural Policy (CAP) in the UK, and form the bulk of ‘Pillar 1’ of the CAP. The majority of these payments in the UK are made based on the amount of land owned or managed by a farmer, not the amount of food they produce, or the environmental benefits that they provide. Direct payments are widely regarded to be an ineffective and inefficient use of public money.

Since the EU referendum, Greener UK has advocated for the reform of payments to farmers after the UK’s exit, with a shift from direct payments toward ‘public money for public goods’: the environmental, cultural and animal welfare benefits that society needs farmers to provide, but which are not provided by the market.

Key features of the Direct Payments to Farmers Bill
The Direct Payments to Farmers Bill brings the Direct Payments Regulation into UK law, and has the following key features:

- It is time limited: it applies to the 2020 scheme year, which is the last year of the current CAP
- It maintains the status quo for this period, with limited powers available to UK and devolved authorities to amend the associated regulations
- It provides legal cover for direct payments in 2020, and the associated rules
- It enables the implementation of recently announced payments allocations to each country, and the UK government’s response to the intra-UK allocations review (the ‘Bew Review’)

As a time limited, technical piece of legislation, Greener UK will not be recommending any amendments to the bill after second reading. The focus for Greener UK is the Agriculture Bill, which provides powers for future agriculture and land management policies, with a predominant focus on England.
Greener UK’s priorities for the Agriculture Bill

The Agriculture Bill is a once in a generation opportunity to move to a system of farming and land management in England that enables farmers to restore wildlife, fight climate change and improve the welfare of animals, whilst continuing to produce the food that we need. Greener UK priorities for the bill are:

- **maintain the core principle of ‘public money for public goods’,** this is essential to the reforms set out by this government, and to meeting a range of environmental and animal welfare commitments;
- **secure safeguards on trade standards,** to ensure that farmers in the UK are not undercut by imported food produced to lower standards;
- **build on the Conservative manifesto commitment to maintain funding,** with a long term funding framework in the bill, providing the certainty that farmers need to have confidence in these reforms;
- **introduce powers to better regulate farming and land management,** to build on our current standards, and secure better environmental protections; this is a major gap in the bill at present.

Members may wish to use the second reading of the Direct Payments Bill as an early chance to raise the above and following points about the bill:

- The commitment in the Agriculture Bill to a seven year transition starting in 2021 is welcome, and must be maintained to allow farmers to plan during a period of change. However, more details are required on nature of the transition, and the support available during this period.
- To secure the future of UK agriculture, any future trade deal must maintain the UK’s high environmental standards, and ensure that imports meet them.
- To ensure the success of the new system, farmers will need independent advice, which is currently absent from the government’s plans.

**Greener UK will produce a full briefing on the Agriculture Bill soon.**

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