

## Parliamentary briefing: Lords second reading of the Agriculture Bill

3 June 2020

### Summary

The Agriculture Bill is a once in a generation opportunity to move toward a more sustainable, agroecological food and farming system in England that is resilient to future change. Greener UK and Wildlife and Countryside Link priorities for the bill are:

- **Maintain the proposed focus on public money for public goods.** Rewarding farmers to provide public goods such as more wildlife, natural flood management and carbon storage will be crucial in our efforts to tackle the climate and environment emergency, and provide resilience for the future of farming.

To further strengthen the bill, we are seeking amendments in the following areas:

- **Secure safeguards on import standards.** It is vital that farmers in the UK are not undercut by imported food produced to lower environmental, animal welfare and food safety standards. An amendment is needed to provide this assurance
- **Guarantee long-term funding.** To provide confidence for farmers and match the timescale of the 25-year environment plan, the bill should be amended to create a robust framework for long-term funding for public goods
- **Provide powers for a new regulatory framework.** A new framework to better regulate farming and land management is needed to plug gaps that will emerge in the coming years and create a more effective, proportionate and better resourced system.

### Setting the agriculture bill in context

The Agriculture Bill is an unprecedented opportunity to revitalise the countryside in a way that meets the needs of people, farming, and the environment. Greener UK and Wildlife and Countryside Link believe in a food and farming system that encourages nature and landscapes to thrive and enhances access to them, supports livelihoods and local communities, ensures animal welfare standards, and has public health and wellbeing at its heart. If the UK is to develop both a long-term plan for both nature's recovery and farming, it must ensure both approaches are joined up and united around an ambition to protect and enhance the ecosystems that underpin sustainable farming - our soils, freshwater and natural habitats.

Covid-19 has shone an unforgiving light on the inequity of the global food system and its consequences for nature and people. In the context of an ongoing climate and environment emergency, it is likely that the shocks experienced by our food and farming system in the current crisis foreshadow further disruption in the years and decades ahead.

This crisis should accelerate the debate about how to build a food and farming system that is resilient, healthy and regenerative, for people and nature. The Agriculture Bill, and its proposed focus on **'public money for public goods'** will be a crucial part of this and is essential to meeting a range of environmental and animal welfare commitments. **Maintaining this core principle in the bill is a top priority** for our organisations.

However, the Agriculture Bill is not the totality of food and farming policy in England. Other strategies will be needed to fully address issues such as healthy eating, food poverty and food security. In this context, the **National Food Strategy should be fast tracked** to ensure action to address these and other urgent priorities, alongside the Agriculture Bill.

The Agriculture Bill though and a focus on public goods is the **right starting point**. It is one of the most important steps that the Government and Parliament can take to fight the climate and environment emergency, and in doing so, set farming and food production up to be resilient in the face of an uncertain future.

## Greener UK and Link priorities for the Agriculture Bill

### Payments for public goods

We face a climate and nature emergency. Agriculture has been a significant contributor to this<sup>1</sup>, but as the dominant land use in England and the UK, it is also a vital sector in restoring nature and helping the UK achieve net-zero by sequestering carbon. Establishing a new contract between farmers and society by reforming future payments to focus on 'public money for public goods' is one of the most important steps that the government and Parliament can take to fight the climate and environment emergency. It is also crucial to deliver higher standards of animal welfare and to enhance people's wellbeing through better access to nature, at a time when the natural world has proven such a source of solace to so many in the current Covid-19 crisis. Any dilution of this focus would jeopardise this effort and may fatally undermine the much-needed shift to a healthier, more sustainable and humane food and farming system.

'Public goods' are the goods and services society needs farmers to provide but which cannot be paid for through the market, including more wildlife, clean air and water, access to the countryside, high quality landscapes, high standards of animal welfare, and carbon storage and sequestration, amongst others. In some cases, farmers will be rewarded for managing their land in ways that benefit the environment that may be unconnected to food production, such as large-scale tree planting. In other cases, public money will pay for changes to the way that farmers grow food that produce wider public benefits, such as the adoption of regenerative and agroecological methods that benefit biodiversity.

Some farmers are leading the transition to tackle the climate and nature emergency, but this bill will enable more to do so. All farmers can provide public goods, from intensive arable farms sowing wildflower margins and planting hedgerows, to upland livestock farms maintaining traditional hay meadows, and creating new habitats such as wood pasture that will also help improve water quality, manage flood risk and sequester carbon.

## Why change is needed now

For years, many farmers have struggled within a 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<sup>2</sup>. It has failed to invest in farming businesses or the environment upon which farming relies, despite soil quality<sup>3</sup>, pollinator<sup>4</sup> & farmland bird<sup>5</sup> numbers and river & water body health<sup>6</sup> all continuing to decline as a result of changes in agricultural practices and land management.

We need to move away from the CAP and reject any moves to delay the transformation of our farming sector. 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, deliver the aims of its 25 year environment plan and achieve net zero greenhouse gas emissions by 2050. The bill is an opportunity to deliver these objectives, at the same time as providing farmers and land managers with a secure income stream and securing the natural capital that future food production depends upon.

## Key amendments needed

Despite welcoming the broad thrust of the Agriculture Bill, it is clear that several improvements are still needed. In particular the bill needs to: ensure high standards in future trade deals and that UK farmers are not undercut by low standard imports; provide greater clarity on the long-term funding framework and how budgets will be set and; provide for the development of a new regulatory framework for farming and land management in England.

## High standards trade policy

In order to increase the resilience and sustainability of UK food and farming, and achieve environmental and animal welfare goals, it is vital that farmers in the UK are **not undercut by imported food produced to lower standards**. In some cases imported products may have been produced in way which would be illegal in the UK, creating unfair competition and limiting the capacity of UK farmers to deliver public goods such as healthy soil and climate change mitigation.

The Conservative manifesto promised that the government would not compromise on the UK's high environmental protection, animal welfare and food standards in trade negotiations, and ministers have since repeated these assurances. However, there has been no detail on how this commitment will be upheld in practice. It is clear from the negotiating mandates of both the US and EU that they both seek to harmonise environmental, animal welfare and food standards with the UK. In the case of the US, and some other non-EU countries with which the UK is seeking trade agreements, harmonization of standards would result in a lowering of standards. We currently have no information on how the government plans to assess standards and avoid their lowering.

The Agriculture Bill should **put the commitment to high standards in law** with an amendment to require imports of **agri-food products into the UK market to have been**

**produced to equivalent environmental, food safety and animal welfare standards** as those in the UK.

## Securing funding for farmers and nature

Building on **the Conservative manifesto commitment to maintain funding** for the duration of this Parliament, a long-term funding framework should be included in the bill, providing the certainty that farmers need to have confidence in these reforms. Although the addition of ‘multi-annual financial plans’ to the bill when it was re-introduced in January 2020 is a welcome step, these do not require a budget to be set for the associated financial assistance schemes. Instead, they require Ministers to set strategic priorities for financial assistance for the duration of the plan period, and to have regard to these priorities when determining what financial assistance to give, but do not require the setting and publication of budgets.

Any **budgets for these multi-annual financial assistance plans should reflect the scale of financial need** associated with the climate and environment emergency, including the aims of the bill, targets in the Environment Bill and Environmental Improvement Plans, and targets deriving from the Climate Change Act. Analysis commissioned<sup>7</sup> by the RSPB, National Trust and The Wildlife Trusts in 2019 estimated that the total costs of environmental land management alone to be over £2.9 billion per year across the UK, maintained at this level for at least ten years.

## A new regulatory framework

A strong set of baseline environmental, animal welfare and public access standards that are universally applied by farmers and land managers is needed, so that activity above this baseline can be rewarded as ‘public goods’, and to secure vital protections across the board. **The current regulatory regime is not fit for purpose**, and without legislative change, important elements of it will be lost now the UK has left the EU, such as protections for soils and hedgerows. Furthermore, long-identified gaps in regulation, namely ammonia emissions and climate change, need to be filled.

As the resources available to regulators have been reduced over the last decade<sup>8</sup>, Defra has become reliant on ‘cross-compliance’ checks – the system of basic standards that farmers need to meet to secure CAP direct payments – to enforce environmental and other regulations. Cross-compliance will be removed as direct payments are phased out<sup>9</sup>, meaning a new regulatory framework will be required. If there is a gap between old and new systems of regulation, **large gaps in environmental protections will emerge**<sup>10</sup>. For example, the cross-compliance restrictions on cutting hedgerows in the bird breeding season are not covered explicitly anywhere else in domestic or retained EU legislation, similar to standards that control soil erosion.

Although cross-compliance has served a purpose, it is widely recognized as bureaucratic and unwieldy. We now have an opportunity to develop a new, better framework for farm regulation in England. Although we do not agree with all its recommendations, the Government commissioned Farm Inspection and Regulation Review (FIRR) undertaken by

Dame Glenys Stacey did identify the need for new legislation, and the Government should now **introduce powers to protect the environment and animal welfare** and better regulate farming and land management, building on our current baseline standards. In addition, an effective **enforcement regime that is properly resourced** needs to be put in place urgently, both to protect the public interest and to be fair to the many farmers who already 'do the right thing'. These are major gaps in the bill at present.

## Other Greener UK and Link priorities

### Sustainable productivity

Ministers should ensure that all spending on productivity measures contributes to the provision of public goods, securing win-wins for farming and the environment, and contributing toward more sustainable, humane food production. To not do so risks replicating the incoherence and inefficiency of the Common Agricultural Policy.

### A fair, resilient and transparent supply chain

It is vital that the Agriculture Bill improves fairness in the supply chain. There have been welcome changes made to the bill to broaden the powers on supply chain transparency and fair dealing. An amendment is now needed to place a duty on Ministers to actually use the powers in the bill that would better regulate the relationship between farmers and the purchasers of agricultural products

### A just transition

The stepped transition set out in the bill must be matched with advice and support to help farmers through this change. Small farms are just as well placed as larger farms to provide the public 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.

### An ambitious National Food Strategy

The bill should not be seen as the totality of government food and farming policy. The whole food and farming system needs urgent reform and the Agriculture Bill should be only the start. Defra are in the midst of developing a food strategy, which should seek 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, consideration of public procurement, and research and development in the sector. These broader food and farming policies should seek to promote healthier, more sustainable and nutritious food. Support through the Agriculture Bill for organic and other regenerative forms of agriculture will be an important part of this, but the bill alone will not be enough.

## **Duties not just powers**

The Agriculture Bill is an enabling bill, with few duties compared to the range of powers that it makes available to Ministers. Although new clauses introduced to the second iteration of the bill in January 2020 do rebalance this to a certain extent<sup>11</sup>, further duties are still needed. For example, there should be a duty to provide financial assistance for the public goods purposes in clause 1(1), a duty to have an environmental land management scheme and a duty to improve transparency in the supply chain, not just powers to do so.

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## Endnotes

- <sup>1</sup> Burns, F. et al (2016), Agricultural Management and Climatic Change Are the Major Drivers of Biodiversity Change in the UK. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0151595>
- <sup>2</sup> Matthews, A. (2017) Why further reform? [http://www.risefoundation.eu/images/files/2017/2017\\_RISE\\_CAP\\_APPENDIX\\_1.pdf](http://www.risefoundation.eu/images/files/2017/2017_RISE_CAP_APPENDIX_1.pdf)
- <sup>3</sup> Cranfield University (2011) Cost of soil degradation in England and Wales. Report for Defra.
- <sup>4</sup> <https://jncc.gov.uk/our-work/ukbi-c6-insects-of-the-countryside/>
- <sup>5</sup> <https://jncc.gov.uk/our-work/ukbi-c5-birds-of-the-countryside/>
- <sup>6</sup> Environment Agency (2018) State of the environment: water quality [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/709493/State\\_of\\_the\\_environment\\_water\\_quality\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709493/State_of_the_environment_water_quality_report.pdf)
- <sup>7</sup> Rayment, R. (2019), Paying for public goods from land management: How much will it cost and how might we pay? <https://www.wildlifetrusts.org/sites/default/files/2019-09/Paying%20for%20public%20goods%20final%20report.pdf>
- <sup>8</sup> According to the [interim report](#) of the Farm Regulation and Inspection review, of 10600 staff at the Environment Agency, only ~40 inspect farms. This equates to just a one in two hundred chance of being inspected by the EA in any one year
- <sup>9</sup> Defra have stated that they intend to 'de-link' payments from land at some point in the next few years. This would effectively remove the need to have land in order to claim residual direct payments, and also remove the land-based conditions (cross-compliance) associated with the receipt of direct payments. In order to maintain and improve environmental protections, it is therefore essential that a new regulatory framework and enforcement regime is in place before this occurs.
- <sup>10</sup> Baldock D and Hart K (2020), Risks and opportunities of a post-EU environmental regulatory regime for agriculture in England, IEEP. <https://ieep.eu/uploads/articles/attachments/382e1f08-fa94-412a-9314-bbbfcf194d53/Post%20EU%20exit%20Regulatory%20Framework%20-%20Final%20-%20Jan%202020.pdf?v=63747936653>
- <sup>11</sup> For example, the introduction of a duty to introduce multi-annual financial plans, and to assess food security on a five yearly basis.

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