

## Lords Committee Stage of the Agriculture Bill: Briefing for peers

6 July 2020

### Summary

**This briefing outlines the rationale for priority amendments that Greener UK and Wildlife and Countryside Link are supporting at Committee Stage in the House of Lords. These amendments are:**

- Strengthening ‘public money for public goods’ (140)
- Securing long term funding and coherence with other policy (67, 129, 127, 134, 137, 139, 57)
- Securing safeguards on import standards (271, 273, 276, 279)
- Filling regulatory gaps and providing for a new regulatory framework (229, 230, 231, 236, 233, 296, 297, 103, 110, 111, 117)
- Providing advice to farmers and land managers (119, 122, 135, 234)
- Giving ministers duties not just powers (1, 118)

**We also identify some amendments we have concerns about and our reasons for concern. These amendments are:**

- Amendments widening the purposes outlined in Clause 1(1)
- Restricting payments to agricultural land (64, 106, 3, 15, 20, 23, 30)
- Limiting the scope of reporting (116)
- Delaying the start of the agricultural transition (143, 150)

### Greener UK and Link priorities

#### **Public money for public goods (140)**

Amendment 140 would ensure that all financial assistance provided from public funds under Chapter 1 of the bill supports the provision of ‘public goods’. Public goods are the goods and services society needs farmers to provide but which cannot be paid for through the market. This ensures value for money by avoiding subsidising activities for which there is, or should be, a functioning market.

Public goods include 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.

#### **Funding and coherence with other policy (67, 129, 127, 134, 137, 139, 57)**

These amendments plug key gaps in the policy making process and would provide greater coherence between the Agriculture Bill and England’s long term environmental goals. The Agriculture Bill provides for multi-annual financial assistance plans, including

identification of strategic priorities for assistance, regard to these strategic priorities when setting budgets, and monitoring of the impact of financial assistance given.

However, there are three significant gaps:

- 1 There is currently no structural connection between the Agriculture and Environment Bills, risking one set of policy measures undermining another as happened with the Common Agricultural Policy (CAP) undermining wider environmental ambitions. Amendment 129 would create a link to Environmental Improvement Plans. Amendment 67 would create a link with local Nature Recovery Strategies.
- 2 There is currently no duty to set out the budget for each multi-annual financial assistance plan, or details on how the budgets will be set. For the Agriculture Bill, the scale of funding provided will be a key determining factor in the success of public goods delivery. Amendments 127, 134 and 137 require a budget to be set, and provide that the Secretary of State must have regard to advice from public bodies on how much funding is needed to meet objectives. This provides a sound rationale for continuing funding.
- 3 Although there are welcome provisions in clause 6 of the Agriculture Bill to monitor the impact of financial assistance specifically, there is nothing in the bill at present that would require government to assess the impact of the entirety of the bill's provisions on the public goods purposes in Clause 1. Other provisions such as making regulations and providing support for productivity improvement and ancillary activities could and should support environmental recovery, but if they are designed or implemented poorly they could undermine public goods delivery, resulting in wasted public funds. Amendment 139 would ensure the impact of the bill as a whole on public goods delivery is monitored and reported on, helping to inform the revision of policy measures over time to maximise benefits. Amendment 57 would ensure that productivity payments contribute towards environmental improvement.

### **Secure safeguards on import standards (271, 273, 276, 279)**

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 ways 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, harmonisation 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 be amended to put the commitment to high standards in law 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.

### **Filling regulatory gaps and providing for a new regulatory framework (229, 230, 231, 236, 233, 296, 297, 103, 110, 111, 117)**

Only 14% of rivers in England are classified as healthy<sup>1</sup> and poor farming and land management practices are among the main causes.<sup>2</sup> Farming is the most significant source of ammonia emissions in the UK<sup>3</sup> risking human health, accelerating climate change and damaging aquatic and terrestrial ecosystems.<sup>10</sup> Greenhouse Gas Emissions from farms have been static since 2010, during which time the proportion of UK emissions that come from agriculture has risen to 10%.<sup>4</sup> Furthermore, Agriculture is the primary cause of 30% of Sites of Special Scientific Interest (SSSIs) in England being in an unfavourable condition.<sup>5,6</sup>

While the Agriculture Bill provides for the provision of public funding for delivering public goods, it is silent on the regulatory baseline which is vital to underpin environmental recovery. Without legislative action, the UK will lose environmental protections currently provided through the EU Common Agricultural Policy's cross-compliance requirements, such as preventing hedgerows from being cut during the bird breeding season. Furthermore, the environmental regulatory regime urgently needs improving with regards to agriculture so that environmental priorities including climate change and air pollution are addressed, and to implement effective compliance mechanisms.

- Amendment 229 would require the government to publish and consult on proposals for a new environmental regulatory regime for agriculture in England.
- Amendments 230, 231 and 236 would replace aspects of Good Agricultural and Environmental Condition requirements protecting hedges (GAEC 7a), small water bodies (GAEC 1) and soils (GAEC 4 and 5), which are not already contained in regulation and will be lost if cross-compliance is removed.
- Amendments 233, 296, 297 would amend regulations in order to reduce pollution from agriculture.
- Amendments 103, 110, 111 and 117 would strengthen the delivery of public goods by applying conditions to the receipt of public funding.

### **Providing advice to farmers and land managers (119, 122, 135, 234)**

The stepped transition set out in the bill must be matched with advice and support to help farmers through this period of 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. Amendments 119, 122, 135 and 234 would provide for this advice.

### **Giving ministers duties not just powers (1, 118)**

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>7</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. Amendment 1 makes it a duty to provide financial assistance for the purposes outlined in Clause 1(1) of the bill, and amendment 118 makes it a duty to make regulations on eligibility and conditions for receiving financial assistance.

## Greener UK and Link concerns

### **Amendments widening the purposes outlined in Clause 1(1)**

We face a climate and nature emergency. Agriculture has been a significant contributor to this,<sup>8</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 nature 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 during the current Covid-19 crisis.

We firmly believe that Clause 1(1) of the bill is fit for purpose as drafted to deliver the reforms needed. Any dilution of the focus on public money for public goods would jeopardise environmental recovery and may fatally undermine the much-needed shift to a healthier, more sustainable and humane food and farming system.

There are several amendments proposed to Clause 1(1) which highlight important activities and practices which should be supported by the new Environmental Land Management Scheme. These include integrated pest management, agro-forestry, pasture-fed grazing systems managed for biodiversity, delivering nature friendly farming, and establishing whole farm agro ecological systems.

These activities can and should all be delivered under the current set of purposes, since they clearly improve the environment, mitigate climate change, improve soil etc. However, in themselves they would not fit well into the list in Clause 1(1) because they principally refer to management practices rather than public purposes per se.

There are other proposed amendments to Clause 1 which would weaken the principle of public money for public goods. We would be particularly concerned about any amendments which enable a regressive return to payments directly in return for food production, an approach associated with market distortion, potential environmental harm and poor use of taxpayer's money. Legitimate concerns about food security, food poverty and access to food, healthy eating, and rural development are better dealt with elsewhere in the bill and through wider policy.

### **Restricting payments to agricultural land only (64, 106, 3, 15, 20, 23, 30)**

Several amendments to Clause 1(1), as well as amendment 106 to Clause 2, seek to restrict payments to agricultural land only.

Farmers and farm businesses rightly stand to be the primary beneficiaries of public goods payments. However, the funding provided through the new Environmental Land Management Scheme will be the principal mechanism for delivering many of the ambitions of the 25 Year Environment Plan. Limiting the scope to agricultural land only and not supporting wider land management would severely limit its effectiveness, including:

- Limit the restoration of non-agricultural habitats, such as blanket bogs, which will play a vital future role on climate change mitigation, and limit the potential to reduce water bills by improving raw water quality.
- Make it impossible to support non-commercial woodland owners, such as community woodlands, to plant more trees. This would have major implications for the ambitions

of the great northern forest and the associated public goods such a project would provide.

- Prevent local communities as a whole from engaging with any future scheme, such as using habitat creation or natural solutions to protect themselves from flooding.

Some restrictions on recipients are necessary, such as for public bodies or to avoid local councils using payments for local park upkeep. But these amendments are too restricting and could lead to many perverse outcomes, including those identified above.

### **Limiting the scope of reporting and transparency (116)**

Financial assistance under the Agriculture Bill will represent a significant long term investment of public money, in return for progress against a set of clear purposes as set out in Clause 1 of the bill. In order to secure adequate transparency in what the taxpayer's investment is buying, it is critical that a range of information is provided to the public.

The current reporting requirements, made available for all UK nations on the Defra CAP payments website<sup>9</sup> should be the minimum starting point, and in the future more information should be published as to what the financial assistance being provided to farmers and land managers is seeking to achieve. Some of this information is currently provided in England for Environmental Stewardship agreements on Defra's MAGIC mapping service. This level of transparency will ensure public confidence that their investment is providing public benefits, and also enable opportunities for farmers and the public to collaborate, for example with regard to citizen science initiatives.

This amendment, in seeking to limit what data is made available, would jeopardise this transparency and the opportunities that it would afford.

### **Delaying the start of the agricultural transition (143, 150)**

The agricultural transition describes the seven year period during which existing policies will be phased out and new policies under the Agriculture Bill introduced. This transition will begin in 2021, and it is vital that Defra puts in place the necessary support to enable a stable and just transition for the farming community. A key part of this will be support for business advice and skills training, time limited support for capital investment to sustainably improve productivity and wider improvements to connectivity in rural areas, such as rural broadband.

However, given the pressing nature of the climate and nature emergency, and the need to bring forward financial assistance under the bill to support farmers to tackle these, it is imperative that the current timescales are retained. We therefore oppose amendments that would delay (143) or reverse (150) the agricultural transition, and instead urge Peers to focus on what can be done during this seven year period to support farmers to adapt, and benefit from the public money for public goods schemes that will be available in the future.

For more information on behalf of Greener UK and Wildlife and Countryside Link, please contact:

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## Endnotes

<sup>1</sup> WWF (2017) The percentage of rivers at 'good ecological status' in 2016, provided by email on request by the Environment Agency

<sup>2</sup> Environment Agency (2015) Update to the river basin management plans in England National Evidence and Data Report. Available at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/514944/National\\_evidence\\_and\\_data\\_report.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/514944/National_evidence_and_data_report.pdf)

<sup>3</sup> Department for Environment Food and Rural Affairs (2018) Code of Good Agricultural Practice (COGAP) for Reducing Ammonia Emissions. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/729646/code-good-agricultural-practice-ammonia.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729646/code-good-agricultural-practice-ammonia.pdf)

<sup>4</sup> BEIS (2019) Final UK greenhouse gas emissions national statistics: 1990-2017. Available at: <https://www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-2017>

<sup>5</sup> UK Government (2018) A Green Future: Our 25 Year Plan to Improve the Environment. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/693158/25-year-environment-plan.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693158/25-year-environment-plan.pdf)

<sup>6</sup> State of Nature Partnership (2019) State of Nature 2019. Available at: <https://nbn.org.uk/wp-content/uploads/2019/09/State-of-Nature-2019-UK-full-report.pdf>

<sup>7</sup> For example, the introduction of a duty to introduce multi-annual financial plans, and to assess food security on a five yearly basis

<sup>8</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>9</sup> <https://cap-payments.defra.gov.uk/>

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