

Lords Report Stage of the Agriculture Bill: Briefing for peers

11 September 2020

Summary

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

- Securing legal safeguards on import standards (93, 101, 102, 104)
- Filling regulatory gaps (14)
- Securing join up with the UK’s environmental and health goals (31, 100, 58)
- Providing advice to farmers and land managers (29)
- Securing long term funding (30)

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

- Weakening amendments on import standards (94, 95, 96)
- Amendments widening the purposes outlined in Clause 1(1) of the bill
- Restricting payments to agricultural land only (26, 15)
- Delaying the start of the agricultural transition (36)

Greener UK and Link priorities

Securing legal safeguards on import standards (93, 101, 102, 104)

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 2019 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.

The Department for International Trade’s ‘Trade and Agriculture Commission’ falls well short of what is required:

- There is no clarity on how ongoing monitoring and review of import standards will be undertaken beyond the lifespan of the Commission. It will only exist for six months and lacks ties to legislation or specific negotiations, disconnecting it from the processes it is meant to inform
- It is advisory only, with no requirement for the government to even respond to its recommendations

- Its membership is far too narrow, lacking representation for environmental, animal welfare and consumer groups
- With no statutory basis the Commission may struggle to gain the resources and authority it needs to command public confidence

Two major improvements are needed through the Agriculture Bill. First, the manifesto commitment not to compromise environmental, animal welfare, and food standards in trade deals needs to be enshrined in law. This would be achieved by Amendment 93. The amendment does not prevent the UK from signing new trade deals. It simply requires the government to confirm to Parliament that the commitment not to compromise standards has been upheld in trade deals, with imported food and agricultural products having been produced to *equivalent*, rather than the *same* standards. It is for the government to set out how it will judge equivalence, something it would have to do in any case if it is to honour the manifesto commitment. Amendment 101, which we also support, would provide for the Trade and Agriculture Commission to carry out this assessment of equivalency of standards. WTO rules form a baseline for settling trade disputes in the absence of a bilateral or multilateral trade agreement. A trade deal agreed by two or more parties sets new common rules and the UK government could use these to agree bespoke approaches to regulating imports as outlined in Amendment 93.

Second, the Trade and Agriculture Commission needs to be dramatically improved to enable it to play a useful role in the process of upholding standards. Amendment 101 sets out a clear role for the Commission to make recommendations on how the government can honour the manifesto commitment, and to report to parliament on each new trade agreement prior to the agreement being signed. This is a vital scrutiny function which the current Commission lacks. Amendments 102 and 104 would specify certain groups which must be represented on the Commission, including environmental, animal welfare, and consumer groups. This is vital to ensure the Commission has the knowledge and expertise it needs to properly scrutinise and make recommendations on trade agreements. It also provides for representation of a wider set of interested stakeholders to ensure public confidence in the Commission.

Filling regulatory gaps (14)

We welcome the government's commitment to consult in the Autumn on proposals to create the 'best possible regulatory system' for agriculture.¹ However, as the government rightly acknowledges, there are aspects of current standards for Good Agricultural and Environmental Condition (GAEC) related to watercourses, hedgerows, and soils which are not contained in existing legislation other than cross compliance rules.² With 'de-linking' of direct payments from cross-compliance planned as early as 2022, these important environmental and productivity safeguards will no longer apply. Unless the new regulatory system is fully up and running by 2022 and includes these rules, there will be a gap in environmental protections.

Furthermore, the government has hinted that in future the voluntary Environmental Land Management scheme could be used to pay farmers and land managers to undertake activities that are currently treated as basic requirements under GAEC rules.³ Amendment 14 is a compromise position following stronger amendments on these issues discussed at Committee Stage, which would ensure the baseline requirements are maintained through the transition from the current system to the new.

Securing join up with the UK's environmental and health goals (31, 100, 58)

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 and public health 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 is currently no requirement to take the goals and ambitions of the 25 Year Environment Plan and the Environment Bill into account when setting strategic objectives for financial assistance.

This means it is entirely possible for the Secretary of State to set strategic priorities for financial assistance under the Agriculture Bill that have no relevance to the key environmental strategy that should be guiding all investment in the natural environment. This presents a risk to environmental recovery since the financial assistance schemes created by the bill, particularly the Environmental Land Management scheme, will be one of the main mechanisms for funding and achieving the goals of the 25 Year Environment Plan.

The Common Agricultural Policy (CAP) also failed to make this structural link to wider objectives, allowing it to undermine wider environmental ambitions. Moving away from the CAP presents a unique opportunity to rectify this failure. Amendment 31 would place a duty on the government to take into account the country's Environmental Improvement Plans (EIP) when setting priorities for financial assistance schemes, ensuring policy coherence. Environmental Improvement Plans will be created by the Environment Bill, and the first one will be the existing 25 Year Environment Plan.

The government clearly intends to design the new Environmental Land Management Scheme in such a way that it supports delivery of the 25 Year Environment Plan. However, the failings of the CAP highlight that good intentions do not always lead to the desired outcomes and that creating structural links between policy areas in law is important.

Amendment 100 would similarly link agriculture policy to the country's commitments and ambition to tackle the climate emergency.

Amendment 58 creates a link with wider food policy and increasing the sustainability, resilience, and health of food production and consumption. It requires the government to come forward with proposals on how to make food production more sustainable, improve local food supply chains, and improve people's dietary health. We strongly support the current focus in the bill on paying farmers for delivering environmental public goods. But agriculture and related land management exists in a wider food system, and the new financial assistance schemes created as a result of the bill are just one piece of the puzzle to improve this system for people, the environment, and animals. This amendment would fill in the other pieces of the puzzle, ensuring that joined up policy is created to address sustainability across the food system.

Providing advice to farmers and land managers (29)

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 in clause 1 of the bill. 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 29 would provide for this advice to be supported.

Securing long term funding (30)

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. Amendment 30 requires a budget to be set, enabling the farming and land management sector to plan ahead and play their vital role in environmental recovery.

Greener UK and Link concerns

Weakening amendments on import standards (94, 95, 96)

Amendments 94, 95 and 96 would weaken Amendment 93 by changing it to apply international rather than domestic standards when assessing equivalence of imported products. UK standards are also significantly higher than the 'international standards' recognised in the Codex Alimentarius, which are regarded by experts as the lowest common denominator for nations trading on WTO terms.⁴ Since all traded products should be meeting at least these standards already, this would render amendment 93 redundant and would clearly not achieve the manifesto commitment not to compromise on our current standards.

Amendments widening the purposes outlined in Clause 1(1)

We face a climate and nature emergency. Poorly targeted policy and regulation and market forces have meant that agriculture has been a significant contributor to this. 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, and it is right that farmers are properly rewarded for the public goods they deliver. 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 is a danger that Clause 1 could become a 'Christmas tree' onto which people try to hang too wide a variety of objectives that would be better achieved through other policy. Environmentally beneficial practices highlighted in amendments, including agroforestry, pasture fed grazing systems managed for biodiversity, and establishing whole farm agro-ecological systems can and should be supported by the new Environmental Land Management Scheme under the purposes already outlined in Clause 1(1).

Restricting payments to agricultural land only (26, 15)

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 maintenance. But these amendments are too restricting and could lead to many perverse outcomes, including those identified above.

Delaying the start of the agricultural transition (36)

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 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.

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Endnotes

¹ Lord Gardiner of Kimble, 23 July 2020. <https://hansard.parliament.uk/Lords/2020-07-23/debates/70188585-39D2-4D41-A353-38191DFDF4C1/AgricultureBill>

² Lord Gardiner of Kimble, 12 August 2020. http://data.parliament.uk/DepositedPapers/files/DEP2020-0500/Agriculture_Bill_Committee_Day_6.pdf

³ "Our Environmental Land Management (ELM) scheme will ensure farmers and land managers take action to improve the environment and are rewarded for doing so. This includes land management actions – such as hedgerow maintenance – that help deliver environmental public goods." http://data.parliament.uk/DepositedPapers/files/DEP2020-0500/Agriculture_Bill_Committee_Day_6.pdf

⁴ Will the UN's Codex Alimentarius make our food less nutritious?, The Ecologist, Aug 2010 <https://theecologist.org/2010/aug/10/will-uns-codex-alimentarius-make-our-food-less-nutritious>

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.

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