

**HOWARDIAN HILLS
AREA OF OUTSTANDING NATURAL BEAUTY
JOINT ADVISORY COMMITTEE
19 APRIL 2018**

**DEFRA CONSULTATION PAPER - HEALTH AND HARMONY: THE FUTURE FOR FOOD,
FARMING, AND THE ENVIRONMENT IN A GREEN BREXIT**

1.0 PURPOSE OF REPORT

- 1.1 To receive selected details of the Government's recent consultation paper, released in February following the publication of the 25 Year Environment Plan in January.

2.0 BACKGROUND

- 2.1 In his Foreword to the Consultation Paper, Environment Secretary Michael Gove writes that "Leaving the European Union (EU) provides a once-in-a-generation opportunity to reform agriculture. This paper outlines how we plan to change the way we use the land, so as better to promote health and harmony."
- 2.2 The Paper contains many ideas about how this could be achieved, and seeks views from members of the public, industry representatives and stakeholder organisations on the best mechanisms for delivery. It makes clear that this is the start of a conversation, rather than a conclusion.
- 2.3 A summary of the key points of the Consultation Paper, prepared by the High Weald AONB Unit, is attached as Appendix 1.

3.0 KEY SECTIONS

- 3.1 The Paper covers a number of topics, with a correspondingly large number of questions about which options the Government might pursue to achieve its aims under each one. In that respect it is somewhat vague/over-whelming, due to the sheer number of potential options. The principal areas for discussion relevant to the work of the JAC, and the questions posed in the consultation, are outlined in the sections below.
- 3.2 It is not intended that the JAC should necessarily discuss all these sections in detail. However, agriculture is fundamental to the character of the AONB because of its inextricable link to sustainable land management. It is therefore felt that the JAC should have an opportunity to discuss and comment on those sections where it sees fit.
- 3.3 **Reform within the current Countryside Stewardship Scheme.** The Government has some flexibility within the existing EU rules and will continue to review opportunities to make it easier to apply for the Basic Payment Scheme, as well as reducing evidence burdens on the customer. It will also make it easier to apply for Countryside Stewardship and significantly improve the applicant experience, hopefully leading to increases in uptake and benefits to the environment. It will also use this opportunity to pilot new approaches to inform the development of a future environmental land management scheme. In 2018 it has already introduced four basic non-competitive 'packages' of options, as well as trialling an on-line application process for the Arable package. In 2019 it hopes to go further with the introduction of more 'packages', extending on-line applications and simplifying the application and evidencing processes.

- 3.4 **The 'agricultural transition' period.** This will last for a number of years after the formal Implementation Period, during which Direct Payments will gradually be phased-out and a new environmental land management system introduced.

Consultation questions:

What is the best way of applying reductions to Direct Payments? Please select your preferred option from the following:

- a) *Apply progressive reductions, with higher percentage reductions applied to amounts in higher payment bands **
- b) *Apply a cap to the largest payments*
- c) *Other (please specify)*

** please provide views on the payment bands and percentage reductions we should apply.*

What conditions should be attached to Direct Payments during the 'agricultural transition'? Please select your preferred options from the following:

- a) *Retain and simplify the current requirements by removing all of the greening rules*
- b) *Retain and simplify cross-compliance rules and their enforcement*
- c) *Make payments to current recipients, who are allowed to leave the land, using the payment to help them do so*
- d) *Other (please specify)*

What are the factors that should drive the profile for reducing Direct Payments during the 'agricultural transition'?

How long should the 'agricultural transition' period be?

- 3.5 **Farming excellence and profitability.** The Government believes that, across the industry, there are opportunities to go further and improve productivity, profitability and performance through research, adoption of best practice, investment in new tools and technologies and via the adoption of new business models. Individual business decisions are felt to be key to future progress and boosting the economic performance of farming, and the government wants to play its part and help to make that happen:

Consultation questions:

How can we improve the take-up of knowledge and advice by farmers and land managers? Please rank your top three options by order of preference:

- a) *Encouraging benchmarking and farmer-to-farmer learning*
- b) *Working with industry to improve standards and coordination*
- c) *Better access to skills providers and resources*
- d) *Developing formal incentives to encourage training and career development*
- e) *Making Continuing Professional Development (CPD) a condition of any future grants or loans*
- f) *Other (please specify)*

Consultation questions (cont'd...):

What are the main barriers to new capital investment that can boost profitability and improve animal and plant health on-farm? Please rank your top three options by order of the biggest issues:

- a) *Insufficient access to support and advice*
- b) *Uncertainty about the future and where to target new investment*
- c) *Difficulties with securing finance from private lenders*
- d) *Investments in buildings, innovation or new equipment are prohibitively expensive*
- e) *Underlying profitability of the business*
- f) *'Social' issues (such as lack of succession or security of tenure)*
- g) *Other (please specify)*

What are the most effective ways to support new entrants and encourage more young people into a career in farming and land management?

Does existing tenancy law present barriers to new entrants, productivity and investment?

- 3.6 **Public money for public goods.** The Government proposes that their new agricultural policy should be underpinned by payment of public money for the provision of public goods. The consultation asks respondents to rank those public goods that they feel are most important.

Consultation questions

Which of the environmental outcomes listed below do you consider to be the most important public goods that government should support? Please rank your top three options by order of importance:

- a) *Improved soil health*
- b) *Improved water quality*
- c) *Better air quality*
- d) *Increased biodiversity*
- e) *Climate change mitigation*
- f) *Enhanced beauty, heritage and engagement with the natural environment*

Of the other options listed below, which do you consider to be the most important public goods that government should support? Please rank your top three options by order of importance:

- a) *World-class animal welfare*
- b) *High animal health standards*
- c) *Protection of crops, tree, plant and bee health*
- d) *Improved productivity and competitiveness*
- e) *Preserving rural resilience and traditional farming and landscapes in the uplands*
- f) *Public access to the countryside*

Are there any other public goods which you think the government should support?

- 3.7 **Enhancing the environment.** During an 'agricultural transition' period, the Government will prepare to move to a new system which puts environmental outcomes at the heart of government support. Throughout this period they plan to learn from the past and build on effective elements currently in place under Countryside Stewardship. They plan to work with farmers, land managers and environmental experts to trial new approaches, as well as investigating innovative mechanisms with the potential to improve environmental outcomes. They also indicate that no-one in an existing scheme will be unfairly disadvantaged when new arrangements come into force.

Consultation questions

From the list below, please select which outcomes would be best achieved by incentivising action across a number of farms or other land parcels in a future environmental land management system:

- a) *Recreation*
- b) *Water quality*
- c) *Flood mitigation*
- d) *Habitat restoration*
- e) *Species recovery*
- f) *Soil quality*
- g) *Cultural heritage*
- h) *Carbon sequestration and greenhouse gas reduction*
- i) *Air quality*
- j) *Woodlands and forestry*
- k) *Other (please specify)*

What role should outcome-based payments have in a new environmental land management system?

How can an approach to a new environmental land management system be developed that balances national and local priorities for environmental outcomes?

How can farmers and land managers work together or with third parties to deliver environmental outcomes?

4.0 RECOMMENDATION

Members' comments and views are requested on:

- a) Any specific points they wish to be input to a National Association for AONBs response.
- b) Whether the Committee also wishes the AONB Manager to submit a separate Howardian Hills AONB JAC response.



Information Note

Consultation on “Health and Harmony: the future for food, farming, and the environment in a Green Brexit” February 2018

1. Introduction

The Department for Environment, Food and Rural Affairs is inviting views on the Government’s proposals for future agricultural policy stating that *“leaving the European Union and the Common Agricultural Policy will give us the chance for reform.”*

The consultation closes at 11:45pm on 8th May 2018.

The consultation paper and the supporting documents can be found here:

<https://www.gov.uk/government/consultations/the-future-for-food-farming-and-the-environment>

The Government is requesting views on the policy ideas set out in the consultation paper on a new, post-Common Agricultural Policy domestic settlement for agriculture. This consultation is the first step towards a new agricultural policy outside of the EU with the intention of securing a *“bright future for farming and the environment.”*

2. Leaving the Common Agricultural Policy

The CAP has shaped approaches to farming for the last 40 years and some of the world’s first agri-environment schemes, which contributed to a range of improvements for the British countryside. Significant reforms shifted the CAP away from the ‘butter mountains’ and ‘wine lakes’ of the 1980s and the decoupling of Direct Payments from production has reduced some of the incentives to produce in an environmentally-harmful way.

Despite this, the Government believes the CAP remains flawed e.g. land-based subsidies undermine incentives for widespread productivity improvement and are bad value for taxpayers. Efforts to enhance our environment have failed to reward some public goods adequately, such as measures to improve water quality and soil health.

3. The Government’s ambition for farming and the environment

The Government is aiming for *“a more dynamic, more self-reliant agriculture industry”* and also *“a reformed agricultural and land management policy to deliver a better and richer environment in England.”* They believe this can be achieved by incentivising methods of farming that create new habitats for wildlife, increase biodiversity, reduce flood risk, better mitigate climate change, and improve air quality by reducing agricultural emissions.

The Government is expecting to achieve this by ensuring that public money is spent on public goods, such as restoring peat bog and measures which sequester carbon from the atmosphere; protecting iconic aspects of the rural heritage; and reducing disease by better monitoring of animal health and welfare.

4. An ‘agricultural transition’

The Government states it will maintain the same total cash funding for the sector until the end of the current parliament: this includes all EU and Exchequer funding provided for farm support under the current CAP. The UK will formally leave the European Union in March 2019. The government anticipates that it will agree an implementation

period for the whole country with the EU lasting for around another two years. Once the UK has moved away from the CAP, there will be an *'agricultural transition'* period in England of a number of years to give farmers time to prepare for new trading relationships and a new environmental land management system.

5. The proposals for England

In England, Direct Payments will continue during the *'agricultural transition'* but in order to support farmers to prepare for change, the Government says it will need to free-up funds. This will be done by: applying reductions to Direct Payments (either by capping or via a percentage reduction across the board); and funding *"pilots of environmental land management schemes and to help farmers unlock their full potential for sustainable production"*.

The Government believes there is a huge opportunity for UK agriculture to improve its competitiveness by developing the next generation of food and farming technology, adopting the latest agronomic techniques, reducing the impact of pests and diseases, investing in skills and equipment, and collaborating with other farmers and processors.

It wants future agricultural policy to create the conditions to ensure farmers improve their productivity and add value to their products, so they can become more profitable and competitive. To do this, the Government proposes to reduce and phase out Direct Payments in England completely by the end of the *'agricultural transition'* period.

Some sectors may find it more difficult than others to adapt – for example, those located in the most remote, wild, and beautiful parts of England, and the Government appears to recognise this together with the environmental and cultural value of rural landscapes and traditional ways of life. It says it will explore possible options on how to best support such areas.

The Government is looking at how to simplify existing schemes – such as Countryside Stewardship schemes and cross-compliance - during the *'agricultural transition'* period, as well as exploring the removal or reduction of *"current ineffective greening requirements"*, before it moves to a new regulatory regime.

6. A new environmental land management system

The main proposal is a new agricultural policy to be underpinned by payment of public money for the provision of public goods, which could include environmental enhancement and protection, better animal and plant health, animal welfare, improved public access, rural resilience, and productivity.

The Government believes this new environmental land management system will help it deliver its manifesto commitment to be the first generation to leave the environment in a better state than it inherited it and that farming is crucial to achieving the goals set out in the recently published 25 Year Environment Plan.

The new environmental land management system will pay farmers and land managers for environmentally beneficial outcomes and ensure an effective application of the *'polluter pays'* principle.

It will be underpinned by natural capital principles (i.e. the benefits the natural environment provides for people and wildlife are properly valued) and these will be used to inform decisions on future land management.

The Government is proposing it will consult with others on the design of new and ambitious schemes and pilot them in preparation for the introduction of the new system.

7. Animal welfare

Rather than significantly increasing legislation, pilot schemes that offer targeted payments to farmers who ensure higher welfare are proposed.

8. Plant and animal health

There is a recognition that preventing and tackling pests and diseases in trees, plants and animals has wider benefits for productivity, the environment, tackling climate change and public health, and the Government wants to see a substantial reduction in regular disease outbreaks within localised areas.

9. Smarter regulation and enforcement

The Government believes that parts of the current enforcement system impose disproportionate penalties or provide insufficient scope for farmers to remedy under-performance, so they propose a new enforcement system whilst also maintaining a robust approach. A review of the inspections regime will be undertaken.

Also proposed is support for industry initiatives to improve animal and plant health, including through better information-sharing and by funding innovative approaches to improving farm animal welfare.

10. Managing risk and volatility

The Government states that the best way of improving resilience in the farming sector is to support increases in farm productivity, promote better animal and plant health, and make sure farmers have access to the tools they need to effectively manage their risk. It will consult on the wider development of insurance schemes, futures contracts and other risk management tools, and how government can encourage their adoption. It will also consider how to improve the government response to major crises.

11. Helping rural communities prosper

The Government acknowledges that agriculture exists within broader rural communities and economies and that businesses in rural areas (including farms) face particular challenges, which include reduced physical and digital connectivity. It proposes to work on improving rural broadband and 4G and on the design of the UK Shared Prosperity Fund to support rural businesses.

12. International trade

There is a proposal to build on the GREAT Britain campaign and develop a British brand to highlight the origin and the environmental credentials to consumers. The Government states it is fully committed to maintaining high standards of consumer, worker, and environmental protection in trade agreements.

13. A skilled workforce

The Government says it will stimulate a forward-thinking agricultural industry that invests in the future through innovative practice and automation and that it wants to attract more graduates and a higher proportion of the domestic workforce into agriculture, food processing and forestry.

14. A new statutory framework

The Government states the farming industry needs a new statutory framework to allow it to deliver many of the reforms set out in the consultation paper and it will introduce an Agriculture Bill that sets out a long-term domestic policy.

A High Weald AONB Partnership information note, March 2018