

Health and harmony: the future for food, farming and the environment in a Green Brexit

Consultation response from Wildlife and Countryside Link
April 2018

Wildlife and Countryside Link (Link) brings together 48 environment and animal protection organisations to advocate for the conservation and protection of wildlife, the countryside and the marine environment. Link is the biggest coalition of environmental and animal protection organisations in England.

Our members practice and advocate environmentally sensitive land management and high welfare standards for livestock and wildlife. They encourage respect for and enjoyment of natural landscapes and features, the historic and marine environment and biodiversity. Taken together we have the support of over eight million people in the UK and manage over 750,000 hectares of land.

Link is working on the Agriculture Bill in partnership with the Greener UK coalition.

This response is supported by the following organisations:

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- Bat Conservation Trust
- British Canoeing
- British Mountaineering Council
- Buglife
- Butterfly Conservation
- Campaign for National Parks
- Council for British Archaeology
- CPRE
- Friends of the Earth
- Institute of Fisheries Management
- National Association for AONBs
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'Wildlife and Countryside Link is a unique coalition of voluntary organisations concerned with the conservation and protection of wildlife and the countryside.'

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1. Executive summary

Wildlife and Countryside Link welcome the Government's ambition in this consultation paper. It indicates a positive direction of travel away from the inefficient and inequitable Common Agricultural Policy (CAP), and towards a farming and land management system that is fair to taxpayers and that allows farmers to produce high quality, sustainable food to high standards of animal welfare whilst delivering the vital environmental and social benefits society needs.

We welcome the focus of the consultation paper on the principle of public money for public goods. Environmental enhancement, high quality landscapes, access to the countryside, and high standards of animal welfare are all things that the public want and need, but for which farmers do not necessarily receive a return on the market, hence these public goods should receive support in a future policy. Although there is a legitimate role for public policy in creating the conditions in which productivity improves, higher productivity in itself is not a public good (as the primary beneficiary is the producer). Therefore, we believe it should not be eligible for support with public money. To avoid differences in interpretation, a clear definition of public goods will be required in a future policy.

Recent research conducted with farmers suggests that they want the freedom and resources to deliver public goods such as healthier soils, clean water, public access and high standards of animal welfare. They are frustrated with the current system and want to see leadership from Government that allows them to make positive changes in their farming systems (see Box 2 for more detail on this research).

Ambitious and binding targets must be set to ensure accountability for delivering environmental enhancement and the other public goods identified in the consultation paper. We recommend that the overall CAP budget of around £3 billion should be maintained for at least a ten-year period from 2020 or 2022 in order to ensure a stable transition, and pump prime some of the environmental restoration envisaged by the UK Government's 25 Year Environment Plan for England. Research by Link members indicates that to meet existing environmental commitments through land management will require five times more funding (£2.3 billion) than under current agri-environment schemes. This figure is only a starting point, as it does not include essential costs such as those for advice to farmers, infrastructure investment or delivery of other public goods such as access to the countryside, high standards of animal welfare or tackling greenhouse gas emissions.

We welcome the recognition in the consultation paper that the uplands and remote farming areas are vital repositories of natural capital with the potential to deliver significant social and environmental public benefits. However, it is essential that Government recognises the unique situation in these areas, and manages the transition to a new policy with great care.

A new environmental land management policy must be underpinned by a strong regulatory baseline. We believe a set of basic rules should be applicable across all farmland to all land managers. Those who pollute should pay, and only those providing an additional environmental service above the baseline of refraining from polluting should be paid. To achieve this will require urgent investment in a fair and effective enforcement regime

Sound environmental land management is the single most important aspect of ensuring resilience in the sector and protecting the health of crops, plants, trees and bees. We recommend that training, advice, research and development are all predicated on compatibility with natural systems. There must be at least equal investment in low tech, low cost approaches that deliver both agronomic and environmental benefits as there is in new agricultural technology.

We strongly support the proposal to reduce and remove Direct Payments. However, Government must provide a thorough impact assessment of the different options proposed for doing so in the consultation paper. The transition from Direct Payments to the new Environmental Land Management system must be seamless to avoid a shortfall for those farmers who are managing their land in a beneficial way, and who need a steady income to continue doing so. An unsteady transition could lead to farmers resorting to harmful practices such as the ploughing up of wildflower meadows.

We recommend that the transition period to a new policy is limited to five years, with Government giving farmers and land managers certainty on the length of the transition period, and clarity on the nature of the new scheme, as soon as possible. This will allow them to use the transition period to make decisions about their business and begin to prepare for the new system.

For a public goods-focused policy to work, farmers and land managers must be able to secure a fair share of the profits from their produce. A properly enforced statutory code of conduct is required to ensure fair purchasing practices across the whole supply chain. Future trading arrangements must maintain, or allow us to strengthen, our environmental, animal welfare and food safety standards. No trade deal should expose UK farmers and land managers to unfair competition from imports produced to standards lower than those in the UK.

A degree of commonality is required between the UK Government and devolved administrations to meet the UK's international obligations, and to manage common resources sustainably. We propose a framework for future farming and land management policies that is significantly less prescriptive than the CAP, and instead provides for environmental (and other) commonality based on the three broad areas: a shared regulatory baseline, common objectives, and accountability mechanisms. Any common approach must respect the devolution settlement, and be developed and agreed jointly by the four nations of the UK via a shared and transparent process.

To ensure this positive direction of travel is maintained, Government must enshrine their ambition in legislation through the Agriculture Bill. The scope of the Agriculture Bill as set out in the consultation paper is clearly insufficient. The Bill must set out a broad purpose for public intervention in agriculture, binding targets and milestones, a regulatory baseline, and a review of the funding requirement to deliver the Bill's objectives every five years. We urge Government to expand the scope of the Bill so that it truly puts in place a framework for a farming and land management policy that is fit for the future.

2. Reform within the CAP

Wildlife and Countryside Link welcomes the Government's commitment to simplify the current CAP until a new Environmental Land Management scheme is introduced.

To make Countryside Stewardship more effective in the short-term, there must be –

- basic improvements to implementation, such as staffing and IT systems;
- better customer service for applicants, including timely processing of applications, agreement offers and payments;
- adequate resources for Natural England to deliver the required advice and support.

Please rank the following ideas for simplification of the current CAP, indicating the three options which are most appealing to you:

- a. Develop further simplified packages
- b. Simplify the application form
- c. Expand the online offer
- d. Reduce evidence requirements in the rest of the scheme

In terms of the four options above, our priorities for simplification of the current CAP are as follows –

1. Develop further simplified packages
2. Expand the online offer
3. Reduce evidence requirements in the rest of the scheme
4. Simplify the application form

The rationale for this order of priorities starts with the recognition that many of the choices made during the development of Countryside Stewardship were based on the need to address recognised flaws in the design of Entry Level Stewardship (ELS). Specifically, these were –

- the inclusion of options that absorbed much of the available budget but provided little additional benefit;
- free choice that allowed applicants to select the easiest and generally least effective options;
- a standard payment per hectare, meaning there was no incentive to select the more effective but onerous and expensive options;
- a lack of targeting, and inadequate advice and support to allow applicants to identify the relevant high priority interventions.

The design of the mid-tier of Countryside Stewardship (CS) sought to address these flaws, by –

- removing key low value options, such as basic hedgerow maintenance and low input grass;
- introducing targeting to direct applicants to the higher priority interventions for their land and competition to drive up the quality of applications;
- changing the payment structure to a per option basis, to establish the principle that the more an agreement holder did, the higher their payment.

It is also important to note that many of these changes were driven by a smaller budget, set against a wider range of policy objectives¹. Many of these design changes still stand up to scrutiny when examining the existing evidence base. However, CS has been beset by a variety of implementation

¹ URS (2014) Strategic Environmental Assessment of the Draft Rural Development Programme in England: Environmental report. Report for Defra.

challenges (primarily associated with a failed IT system), and disproportionate audit and control requirements, meaning that the scheme has never functioned in the way that was envisaged. These issues are earning CS a negative reaction with applicants, who are less likely to recommend wider adoption to less committed applicants.

We therefore welcome the focus in this consultation on addressing issues with process and implementation, as opposed to the core design of the scheme. We have welcomed the 'wildlife packages' launched in 2018 as a simple way of applying for CS that maintain the focus on evidence-based design.

How can we improve the delivery of the current Countryside Stewardship scheme and increase uptake by farmers and land managers to help achieve valuable environmental outcomes?

More important by far than the four proposed areas above however, is the need to improve the delivery of Countryside Stewardship (CS). Delays in responding to requests for applications packs, offering agreements and making payments, compounded by issues such as multiple requests for the same evidence and issues with mapping, have made applying for CS such a difficult experience that many have opted not to bother.

In turn, these poor levels of service risk undermining the very concept of agri-environment, and therefore the long-term credibility of Defra's proposed focus on environmental land management. It is therefore of the utmost urgency that Defra improve the delivery CS now, both for the short-term outcomes that scheme needs to provide, and the longer-term credibility of its policy agenda.

To do this, four things need to happen –

1. Payments to existing CS and Environmental Stewardship agreement holders should be made on time from now onwards. Farmers and land managers who deliver their end of the bargain can reasonably expect that Government will do the same.
2. Offers for agreements starting on 1st January 2019 should be made well in advance of this start date, not four or more months after.
3. When application packs are requested, they should be sent out within 10 working days.
4. Defra must improve the consistency of service that applicants receive, by addressing issues such as multiple requests for the same evidence, issues with mapping and the registration of land.

With the recent transfer of transactional functions from Natural England (NE) to the Rural Payments Agency (RPA), Defra will need to give the RPA stretching performance indicators against these three processes (applications, agreement offers and payments), providing percentage based targets by a given date for payments and agreement offers, and time bound targets for processing application requests.

Defra should also provide an assurance that resources transferred from NE to the RPA will not be diverted to other RPA priorities, something that would worsen the already poor experience many have when applying for CS.

In addition to these 'transactional' improvements Defra should –

1. Deliver against the 2017 Conservative manifesto commitment to "...help Natural England to expand their provision of technical expertise to farmers to deliver environmental improvements²." This will add credibility to the commitments in this consultation to increase

² Forward, together: Our plan for a stronger Britain and a prosperous future. The Conservative and Unionist Party Manifesto 2017. Available at <https://s3-eu-west-1.amazonaws.com/2017-manifestos/Conservative+Manifesto+2017.pdf>

the provision of technical advice. Recent research estimates that the cost of increasing the advisory presence in each of 50 priority catchments by an average of 1.5 full-time equivalent (FTE) roles would require an additional £3.2m investment per year³. NE must also be equipped to service the increased demand from expiring Higher Level Stewardship (HLS) agreements between 2019 and 2022 and beyond, and pilot and roll out a new environmental land management scheme.

2. Increase the opportunities for third parties to support the implementation of CS, especially the higher-tier. NE were able to process in excess of 2000 HLS agreements every year partly because this was a partnership between themselves and third party advisers such as agronomists, land agents, NGOs and Farming and Wildlife Advisory Groups (FWAGs), amongst others. Capacity for CS higher-tier applications is effectively limited to 500 for a variety of reasons, and increasing the opportunity for third parties to partner NE could help to address this bottleneck.
3. Increase investment in scheme promotion, training and 1-to-many advice. Learning lessons from Environmental Stewardship, NE have previously been highly successful and proactive in promoting agri-environment schemes. CS is a voluntary incentive that needs selling, not a purely transactional experience such as the Basic Payment Scheme.

The four areas of focus suggested by the question could help to improve CS. However, more important than these are some more basic improvements to implementation and ensuring that NE in particular has the resources to provide the advice needed to secure the target environmental outcomes.

In the medium-term, Defra will need to clarify how it intends to resource the implementation of an expanded environmental land management policy, both with regards to basic implementation issues such as staffing and IT, and also areas such as technical advice and facilitation.

³ Saving the Earth: A Sustainable Future for Soils and Water. Report by WWF-UK, Angling Trust, Rivers Trust. Available at https://www.wwf.org.uk/sites/default/files/2018-04/WWF_Saving_The_Earth_Report_HiRes_DPS_0.pdf

3. An 'agricultural transition'

Wildlife and Countryside Link welcomes the Government's recognition that Direct Payments are poor value for taxpayers' money and we strongly support their reduction and removal.

We recommend a 5-year transition period from 2020, with new policies piloted as soon as possible and the new Environmental Land Management (ELM) scheme implemented in this timeframe.

We urge Government to give farmers and land managers certainty on the length of the transition period, and clarity on the nature of the new ELM scheme, as soon as possible. This will allow them to use the transition period to make decisions about their business and begin to prepare for the new system.

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)

Wildlife and Countryside Link strongly supports the reduction and removal of direct payments but does not have a view on the specific approach taken to reduce direct payments. We believe it is difficult to select a preferred option in the absence of a proper impact assessment of the options proposed. While we note the percentages that will be affected, it is unclear to what extent the proposals will affect more vulnerable farmers and/or those most dependent on direct payments. We would encourage Defra to produce an impacts assessment as part of its response to this consultation, including assumptions and options for future policy, as well as the impact of changes to existing policies and payments.

In terms of conditions attached to direct payments during the 'agricultural transition', whilst cross-compliance has significant room for improvement, it does provide a deterrent effect with regard to non-compliance with domestic and EU law, and therefore an important layer of protection for the environment and animal welfare.

In the absence of more details, our preferred option of the above would therefore be (b) - Retain and simplify cross compliance rules and their enforcement, with a focus on more effective implementation. However, we wish to emphasise that simplification should relate only to making the rules easier to understand, not reducing what is required of them. Although greening has not been

particularly effective, we would not want it to be completely removed during the transition period as suggested in option (a).

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?

We are acutely aware that getting the transition from current to future policies, and potentially a new regulatory baseline, 'right' is a make or break issue, and one that therefore needs significant attention from Government and stakeholders alike.

Of the possible timeframes identified in the consultation paper, a five-year transition is our preference. Whilst the shortest available, this provides a realistic timeframe that balances the need for time to adapt with the other factors that we identify below. A seven or ten-year transition also presents the risk of drift, and the sense that change has been 'kicked into the long grass', therefore sending the wrong signals to the industry when timely action is needed to adapt.

The factors that should drive the profile are –

1. **Certainty.** It is important that farmers and land managers have certainty on the length and nature of any transition as soon as possible, but also, and even more importantly, what the system they are transitioning to will look like and offer. The principles and framework for the new environmental land management policy must be defined before the transition period so that farmers and land managers can use the transition period to make decisions about their business and begin to prepare for the new system.
2. **Environmental need.** Environmental declines present an urgent challenge, and a longer than five-year transition will create inevitable opportunity costs. To illustrate this, on current rates of decline, farmland bird populations may decline by a further 10-15% between now and 2024 without action⁴. A five-year transition with new policies implemented from 2022, as suggested by the consultation paper, secures a balance between environmental need and certainty for farmers and land managers.
3. **Value for money.** If change is not 'locked-in' within the current Treasury commitment to current levels of farm support, there is a significant risk that funding currently associated with the CAP will be redirected to other spending priorities. A transition that prioritises a shift to farming and land management spending that provides better value for money is therefore in the interests of the sector as a whole, as well as the taxpayer.

The transition should therefore be 5 years from 2020, with new policies piloted as soon as possible and the new system implemented in this timeframe.

With this in mind, our priorities for an 'agricultural transition' are therefore –

1. Early clarity on Defra's preferred approach to transition, with a focus on how the Department intends to deal with the inherent risks of this process, and how to manage the dependencies between old and new policies (e.g. how to re-deploy receipts from capping towards new environmental land management payments);
2. That the majority of capped payments go toward environmental land management in a way that is consistent with the Secretary of State's commitment that the primary public good in a future policy will be environmental enhancement. A ring fenced sum of money should also be set aside for animal welfare pilots;
3. Continued investment in Countryside Stewardship in the short term;

⁴ Based on a decline of 9% between 2010 and 2015.

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4. A new environmental land management system introduced from 2022, following pilots in the intervening period.

4. A successful future for farming

A resilient and healthy natural environment is essential to ensure a successful future for farming.

Wildlife and Countryside Link would urge Government to improve access to training and advice on practices that deliver both agronomic and environmental benefits. In particular, training and advice on low-tech and low-input practices should be at least as easily accessible as that on new technological approaches.

All research and development should be predicated on compatibility with and enhancement of the natural environment.

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)

Wildlife and Countryside Link does not wish to rank the options in the way requested. We instead provide overarching comments and recommendations on some of the proposals set out in the consultation paper.

There is a new realisation that the success of UK agriculture will depend as much on having a resilient and vibrant natural environment and a stable climate as on high tech equipment and techniques. More so than at any time in the past century, public attitudes are changing and the evidence suggests that unsustainable intensification of agricultural management has come at a huge price⁵.

A growing number of farmers recognise that what they have been advised to do to maximise production is implicated in the declining state of our soils and water and the transformation of our farmed and rural landscapes into hostile settings for nature.

As such, our recommendations for improving the take-up of knowledge and advice by farmers are as follows –

- **Farmer-to-farmer learning.** Much formal and informal sharing of insights and experiences already takes place between farmers and land managers, and Government can encourage those which best support knowledge-transfer. We strongly endorse grassroots farmer-to-farmer research and innovation approaches, such as the 'Field Labs' pioneered by the Innovative Farmers Network.
- **Advice.** We believe there is a need for a properly funded, well-coordinated and streamlined advice service that adheres to a set of clearly defined objectives set at a local level. This is critical to help farmers manage the change ahead and for the successful implementation of basic rules and environmental incentives. Advice provision should be separated from enforcement activities, and multiple advice initiatives should be rationalised to provide greater

⁵ Burns F, Eaton MA, Barlow KE, Beckmann BC, Brereton T, Brooks DR, et al. (2016) Agricultural Management and Climatic Change Are the Major Drivers of Biodiversity Change in the UK. PLoS ONE 11(3): e0151595.

coherence and ensure high standards. Advice should be coordinated at a local level, pooling skills and resources.

- **Agriculture education and training.** The agriculture education and training sector is not equipping the next generation of farmers with adequate knowledge on basic issues such as pollination and soil fertility, and training in techniques such as IPM. These issues are often afforded minimal focus, if any, on the agricultural college curriculum, which instead focuses on the kind of areas covered by the options presented in this consultation for ranking. For example, there is often an emphasis on Agri-Tech which has a place but includes some technologies that work against nature and exclude other proven methods.

Box 1. Integrated Pest Management (IPM)

Farmers are increasingly aware that advice on crop protection is closely linked to the sale of agrochemicals. This link should be broken and independent advice on Integrated Pest Management (IPM) made accessible and affordable to all farmers. The Government's proposal to work with the Agriculture and Horticulture Development Board (AHDB) should build on AHDB's research into sustainable farming techniques. It should ensure consistency by prioritising IPM and not only focus on resource efficiency and sustainable growth as suggested in the consultation paper. This must be part of a wider programme of research into sustainable farming practices. Case study 12 in annex A details the economic benefits experienced by wheat farmers who switched neonicotinoids for an IPM system.

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

Rising land prices (fuelled by land speculation and planning reforms) are a significant barrier to new entrants into farming and land management, as are up-front costs of adopting high-tech solutions and a lack of novel funding streams. Advice and support can afford smaller operators with low-cost solutions to improve performance, which can keep them actively managing the land and contributing to environmental outcomes.

Succession-planning is important to support new entrants in existing farming communities. Land can be made available to new entrants who can take on small land parcels for horticulture, small-scale production and incubator farms for training and learning.

What are the priority research topics that industry and government should focus on to drive improvements in productivity and resource efficiency?

Please rank your top three options by order of importance:

- a) Plant and animal breeding and genetics
- b) Crop and livestock health and animal welfare
- c) Data driven smart and precision agriculture
- d) Managing resources sustainably, including agro-chemicals
- e) Improving environmental performance, including soil health
- f) Safety and trust in the supply chain
- g) Other (please specify)

Our priorities for research topics identified above are –

- e) Improving environmental performance, including soil health
- d) Managing resources sustainably, including agro-chemicals
- b) Crop and livestock health and animal welfare

These areas have the greatest potential to complement the wider public goods and environmental land management focus of the consultation paper, will deliver public as well as private benefits, and are also likely to be relevant to the greatest number of farmers.

Compatibility with natural systems must be central to all research and development. This should include a focus on reducing inputs, and land management techniques that can have both agronomic and environmental benefits. This means not just a focus on high-tech equipment, but building into research and development the practicalities of using this equipment in real-world situations. Model farms which can host farmer visits are good examples of how this could work.

A focus on technological solutions can also cause Government and industry to overlook tried and tested low-tech methods of maintaining and building fertility and crop quality, including low-input practices such as green manures, agroforestry, minimum tillage, cover crops, companion planting and maximising the effectiveness of natural predators among others. With the right support, such techniques can deliver environmental outcomes faster, and on more farms, than some of the high tech solutions currently in development such as robotics. In its new settlement for farming and land management, Government must balance its support for new technologies with lower tech, often farmer-led approaches. Government must also take into account the risks and unintended consequences of new technologies, which companies promoting them are unlikely to factor into their assessment. See case studies 6, 11 and 13 in annex A for examples of how low-tech, low-input interventions can have significant positive impacts on a farm business.

Research and development that has a greater or at least equal focus on low-cost and transferrable approaches is therefore more likely to deliver benefits at scale within a shorter timeframe. Without proper attention, financial motivation and research capacity to disseminate learning on issues that are not currently regarded as cutting edge and sufficiently 'Agri-Tech', there will continue to be an imbalance and one that is overly dependent on high-cost solutions. The focus on investment in agricultural technology should be balanced with attention to and investment in other ways to raise efficiency, productivity and environmental performance, particularly agroecological approaches.

This has informed our choice of the above priorities.

5. Public money for public goods

Wildlife and Countryside Link welcomes the Government's commitment to putting the provision of public goods at the heart of a future farming and land management policy.

Underpinned by a strong regulatory baseline, a new policy should optimise the use of public money in delivering environment and animal welfare outcomes that are not rewarded by the market.

There is a legitimate role for public policy in creating the conditions in which productivity improves. However, higher productivity in itself is not a public good as the primary beneficiary is the producer, and as such should not be supported with public money.

We recommend that Government also recognise public health as a public good eligible for support in a future policy.

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

Wildlife and Countryside Link does not wish to rank the public goods that the Government should support in the way requested. We would argue that all six environmental outcomes are interlinked and should be afforded equal priority. It should in many cases be possible to deliver these outcomes simultaneously. For example, the planting of appropriately managed woodland in key locations will provide highly stable soils with low erosion risk, but will also absorb rainfall which helps to reduce flooding and provide valuable habitat for a variety of species, in addition to sequestering carbon from the atmosphere (see case study 9 in annex A). Incentivising strategic land use change as part of any future payments system will be key to achieving these outcomes.

Similarly, we do not think it appropriate to rank the non-environmental public goods listed in the consultation paper - each makes a significant positive contribution to society, and there will be circumstances in which Government intervention is needed to secure all to a greater or lesser extent. The one main exception to this is 'improved productivity and competitiveness', which although

important and subject to a range of market failures, is not a public good in the conventional sense, as explained below.

The 2016 State of Nature report⁶ highlighted that nature remains under pressure across England. Work to inform the report also identified that agriculture has been, and remains, the biggest driver of biodiversity decline across the UK. Declines in pollinators in recent decades have also been dramatic, and are already known to be affecting the provision of ecosystem services. The repercussions of continued declines in key groups of pollinators for agriculture and the health of our environment would be profound.

Beyond biodiversity, soil degradation in England and Wales costs £1.2 billion per year, and agricultural management is both the single biggest cause of pollution incidents in England, and the sector responsible for the greatest number of water bodies failing to meet Good Ecological Status. Agriculture is the source of 85% of ammonia emissions and accounts for a tenth of all UK greenhouse gas emissions. According to the Committee on Climate Change, the “...voluntary nature of the industry-led GHG Action Plan to reduce emissions in this sector and the lack of effective monitoring do not provide confidence of future abatement.” Agricultural management is also the single greatest threat to Ancient Scheduled Monuments, affecting 34% of the scheduled monuments on the risk register.

We believe the Government is right in seeking to put the protection and enhancement of the environment at the centre of a future policy, given the significant body of evidence that more sustainable land management delivers a range of benefits in terms of rural economic growth, ecosystem services and rural tourism.

Much of this is set out in the 2010 paper Making Space for Nature⁷, which identified the pressing need to create a more coherent and resilient ecological network by focusing on more, bigger, better, and joined up habitats in order to create more connected landscapes. Leaving the EU and reforming agricultural policy provides a clear opportunity to achieve these landscape-scale outcomes and the ‘step change’ identified.

The agricultural sector is associated with a wide range of public goods which are increasingly valued by society, and we welcome Government’s recognition that these public goods require support from the public purse. These public goods include heritage and cultural landscapes, diverse wildlife, clean and plentiful supplies of water, healthy soils, carbon sequestration, access and recreation, clean air, stable climate and flood management. These are a mix of social and environmental goods, which is not surprising given the fundamental interconnectedness of people and land. But farming also plays an important role in delivering broader social public goods such as vibrant rural economies, animal welfare and public health.

Annex A includes 14 detailed case studies demonstrating how farmers and land managers are already practising good environmental land management that is allowing them to deliver a wide range of public goods whilst running a thriving farm business.

Clearly there is a legitimate role for Government in supporting a productive agricultural sector, resilient to external shocks, and we envisage a role for public policy in these two areas. However, higher productivity in itself is not a public good, as the primary beneficiary is the producer. There is a role for public policy to create the conditions in which productivity improves, and investments such as loans, business advice and targeted grants can all play a role here. Investing in environmental public goods will also play a key role in securing resilience for future food production by ensuring farming works with nature, rather than undermining the services it provides.

⁶ Hayhow DB, et al (2016) State of Nature 2016. The State of Nature partnership.

⁷ 55 Lawton, J.H., Brotherton, P.N.M., Brown, V.K., Elphick, C., Fitter, A.H., Forshaw, J., Haddow, R.W., Hilborne, S., Leafy, R.N., Mace, G.M., Southgate, M.P., Sutherland, W.J., Tew, T.E., Varley, J., & Wynne, G.R. (2010) Making Space for Nature: a review of England’s wildlife sites and ecological network. Report to Defra

Previous analysis⁸, much of it by Defra, builds a compelling case for why the focus of a future policy should be on maintaining and improving the environment and the value of our natural capital. This would open up the opportunity to target public support on key environmental and social public goods, many of which are in undersupply from agriculture relative to the scale of societal demand. These public goods often contribute to securing a more sustainable sector and vibrant countryside, including supporting a diversity of farm sizes, particularly smaller and medium sized farms which are being lost at a worrying rate. See case study 5 in annex A for an example of how taking a natural capital approach to farm management can increase the provision of environmental and societal public goods whilst maintaining a profitable farm business.

In terms of prioritisation, we believe a good starting point should be the work of the Institute for European Environmental Policy (IEEP). However, we believe some of the more intangible public goods, such as rural vitality, will primarily be delivered through other means, such as the development of new markets and wider rural policy. Our own analysis points to a stronger intervention logic for environmental and animal welfare outcomes. This is strengthened further if we focus specifically on the high degree of market failure associated with environmental and animal welfare outcomes, the associated alignment with the Treasury Green Book, and the scale of need for environmental land management objectives (see table 1).

Table 1 - Outcomes for a Sustainable Farming and Land Management Policy, and strength of intervention logic assessed against a range of criteria (see Annex 1 for more details)		Criteria used to provide indicative strength of the intervention logic						
		Public goods	Market failure	Scale of need	Regulation or incentive?	Polluter Pays Principle	Strength of policy driver	Public-Private benefit
Restoring our natural capital	Biodiversity conservation & ecological networks	Green	Green	Green	Green	Green	Green	Green
	Landscape character & Historic Environment	Green	Green	Green	Green	Green	Green	Green
	Improved soil function	Green	Green	Green	Green	Green	Green	Green
	Better water quality	Green	Green	Green	Green	Green	Green	Green
	Flood risk management	Green	Green	Green	Green	Green	Green	Green
	Climate change mitigation	Green	Green	Green	Green	Green	Green	Green
	Climate change adaptation	Green	Green	Green	Green	Green	Green	Green
	Improved air quality	Green	Green	Green	Green	Green	Green	Green
Building resilience & managing risk	Financial risk management	Catastrophic risk	Green	Green	Green	Grey	Green	Green
		Marketable risk	Red	Green	Green	Grey	Green	Green
		Normal risk	Red	Red	Green	Grey	Red	Red
Promoting sustainable, innovative and humane production	Improved productivity	Red	Green	Green	Green	Green	Green	Green
	Skills & knowledge exchange	Red	Green	Green	Green	Green	Green	Green
	Research and development	Green	Green	Green	Green	Green	Green	Green
	Improved profitability	Red	Red	Green	Green	Green	Red	Green
	Improved animal welfare	Green	Green	Green	Green	Green	Green	Green

Table 1. This table summarises the high-level analysis we have undertaken. The interpretation against these criteria is based on the strength of the case for using public money to secure any given outcome. It is intended to provide a general overview of the intervention logic.

Green is given where, on balance, the public investment case against an outcome aligns strongly with a criterion. Where there is a degree of caution needed regarding the use of public money, the outcome is rated as amber, and where a criterion suggested limited or no role for public money, the outcome is rated as red. Where the criterion is judged not to be applicable to the outcome, this is coloured grey. As an example, an amber rating is given against the 'Regulation vs Incentive' criteria where caution is needed to ensure public money is not used to secure outcomes that should be met through baseline regulation. The analysis on which this is based can be found in Wildlife and Countryside Link's 2017 discussion paper⁹.

Some argue that food production should be the core basis on which the UK farming sector should be supported. While we recognise the importance of food production, we do not believe it should be the core basis of support under a future scheme. Subsidising food production is strictly constrained by World Trade Organisation rules and food is a good with distinct private characteristics: farmers already receive a return for producing it, so they should be better rewarded through the market, not

⁸ Defra (2013), RDPE Value for Money Assessment exercise – Summary of methodology and initial results. Unpublished

⁹ Wildlife and Countryside Link (2017), A future Sustainable Farming and Land Management Policy for England A Wildlife and Countryside Link discussion paper. Available at

<https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINAL%20Sep%202017.pdf>

through public funding. The production of food is an output driven by economics i.e. farmers produce food to make money. Food production is rivalrous and excludable in this context, as the consumption of food renders it unavailable to others and setting a price renders it unachievable by some. There is a role for public policy however to ensure that farmers secure a fair market return for their produce, and steps identified in Section 12 of the consultation paper such as the introduction of formal codes of conduct will be important.

On the issue of food security, this often becomes conflated and confused with the idea of self-sufficiency or 'food sovereignty'. Put simply, if the aim is food sovereignty, then the aim of policy should be to reduce food exports. If the aim is food security, then the policy should be to have a trade policy to support imports and international supply chains, but not at any cost. If food security is about the ability of the UK to respond to a global crisis that interrupts global food networks, then a more optimal approach might be to support farmers to deliver other outcomes during ordinary times - for instance farming for environmental results - but retaining their ability to increase production if a crisis were to emerge. However, the UK must also be mindful not to export damaging impacts of our food consumption abroad, so building a sustainable food and farming system whilst protecting and enhancing the asset base, like soil, pollinators and water, will be fundamental to retaining our ability to produce food now and in the future. Measures to address damage abroad, such as substituting imported soy animal feed for home-grown proteins would have the added benefit of creating new markets for UK-produced products, and increasing the diversity, and hence resilience, of agricultural rotations

We therefore believe a system is needed which optimises the use of public money in delivering environment and animal welfare public goods, aligning the needs of farmers and need for food security with good social and environmental outcomes: the more a farmer delivers for society beyond what the market provides, the more public support they should get. This is the best way of securing a long-term funding settlement and a sustainable future for the sector. A new policy framework should help with the introduction of new market-based mechanisms to complement and enhance the impact of such public funding.

Box 2. Farmers want to deliver public goods

Very little research exists at present on farmers' perceptions of delivering public goods through land management. In light of this, Wildlife and Countryside Link recently conducted a scoping inquiry with 36 farmers from a mix of arable, livestock and mixed farms across the UK. Two-thirds were conventional farmers and a third were organic – providing a wide range of farming experiences.

Despite this diversity there was a high level of unity on the messages that farmers fed back to us. The farmers that we spoke to said loud and clear that they are concerned about environmental decline and the impact this is having on their farms. In particular, farmers have major concerns over soil and water health. They aspire to preserve and improve the resources they rely on, but feel that current system is letting them down.

Environmental issues were far and away **the top problem reported** (unprompted) by farmers:

- almost half (47%) complained of soil drainage, compaction, or runoff issues;
- 28% reported problems with soil fertility and;
- one in five said weather volatility or climate change was negatively affecting them

No other issue was reported by more than 11% of interviewees despite issues like disease (11%), profit margins (11%), commodity volatility (11%) and labour turnover (6%) coming up in responses. For many of the farmers we spoke to, the environmental problems they face seem insurmountable, and change impossible, without additional access to capital through a new public goods-based system.

When asked **what was stopping farmers making changes** it was clearly a lack of access to funding - with 42% reporting a lack of access to capital through Government grants, bank loans or similar, and 36% complaining of the rigidity or bureaucracy of the current systems which are seen as complicated, inflexible and too short-term.

Farmers were asked what they felt the priorities should be for a future public goods-based policy - soil topped the list with 56% supporting this as a priority, followed closely by water quality at 47%. Hedges & margins (42%), Biodiversity (39%) and tree-planting/agroforestry (36%) were also strongly supported with a wide range of further environmental, public access and community engagement and animal welfare initiatives suggested.

Farmers we interviewed said:

“Soil is the absolute bedrock of any farming enterprise, so looking after it should be the top priority for future contracts. Help farmers to cultivate better soil, and all the other environmental benefits will grow from it.”

Exmoor sheep farmer, aged 33

“I’ve already seen the impact of climate change in the unpredictable weather patterns affecting our margins – and it is only going to get worse. But without the money, I can’t make the farm more sustainable by investing in renewable energy, reducing our own carbon footprint and mitigate against elements beyond our control.”

Mixed farmer, Suffolk, aged 62

“Water quality and flood risk are huge and growing issues for my farm. It is crazy that this only seems to be on the agenda when a flood happens or there’s a big pollution incident, rather than helping us to prevent it in the first place. Funding to plant trees could be part of the solution’ “

Beef and arable farmer, Gloucestershire

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

There are noticeable gaps in the list of public goods in the consultation paper, particularly around public health. What food we grow, and how we grow it, is an important factor in determining public health outcomes. Obesity, heart disease, diabetes and other non-communicable diseases are on the rise, caused by poor diets along with other lifestyle factors. The rise in industrial livestock production is causing serious public health risks through pollutants released into air and water via slurry and high levels of antibiotic use are exacerbating the public health crisis of antibiotic resistance.

Some key areas to address would be the promotion of sustainable healthy diets through, for example, public procurement for schools and hospitals, a transition away from support for unhealthy foods such as sugar, and a dramatic reduction in livestock antibiotic use. Much more should also be done to build opportunities for improving physical and mental health and wellbeing by spending time in the countryside.

To achieve these wider aims and more general public goods will require a genuinely cross-Government effort and unprecedented degree of coherence across different policy areas.

6. Enhancing our environment

Wildlife and Countryside Link welcomes the Government's commitment to making environmental enhancement the principal public good and the key focus of a new policy.

Securing the range of environmental outcomes we urgently need will require –

- a significant increase in funding relative to existing agri-environment schemes;
- a strong regulatory baseline;
- clear definitions of environmental public goods;
- well-resourced expert advice for land managers;
- targets and milestones to ensure accountability.

To achieve these environmental outcomes, we recommend that an Environmental Land Management scheme has universally available options to address widespread environmental issues, and targeted options for issues that require more complex management.

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:

- Recreation
- Water quality
- Flood mitigation
- Habitat restoration
- Species recovery
- Soil quality
- Cultural heritage
- Carbon sequestration and greenhouse gas reduction
- Air quality
- Woodlands and forestry
- Other (please specify)

What role should outcomes-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?

Wildlife and Countryside Link believes that there is a strong intervention logic for supporting the public goods and outcomes outlined in this list, as per the rationale set out in our response to Section 5 of this consultation. Specifically, we believe that (a) Recreation through to (i) Air quality justify public funding. Landscape character and quality should be considered as an additional outcome under (k) Other (see Figure 1).

In our 2017 policy discussion paper¹⁰, we use different terminology for habitat restoration and species recovery in 'biodiversity conservation and ecological networks'. By ecological networks, we refer to

¹⁰ Wildlife and Countryside Link (2017), A future Sustainable Farming and Land Management Policy for England A Wildlife and Countryside Link discussion paper. Available at <https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINAL%20Sep%202017.pdf>

habitat restoration, maintenance and connectivity, as per Lawton’s landscape-scale conservation principles. We interpret cultural heritage in our discussion paper as ‘landscape character and historic environment’. We do not include woodlands and forestry as in themselves they are not public goods – more a means by which public goods such as carbon sequestration and flood mitigation may be secured. Woodlands and forestry can also contribute to habitat restoration and biodiversity outcomes.

It is apparent from this brief analysis and comparison of terminology that Defra will need to adopt clear definitions for individual public goods as they are open to interpretation. Equally important is that the outcomes that are delivered through provision of public goods have associated targets and milestones.

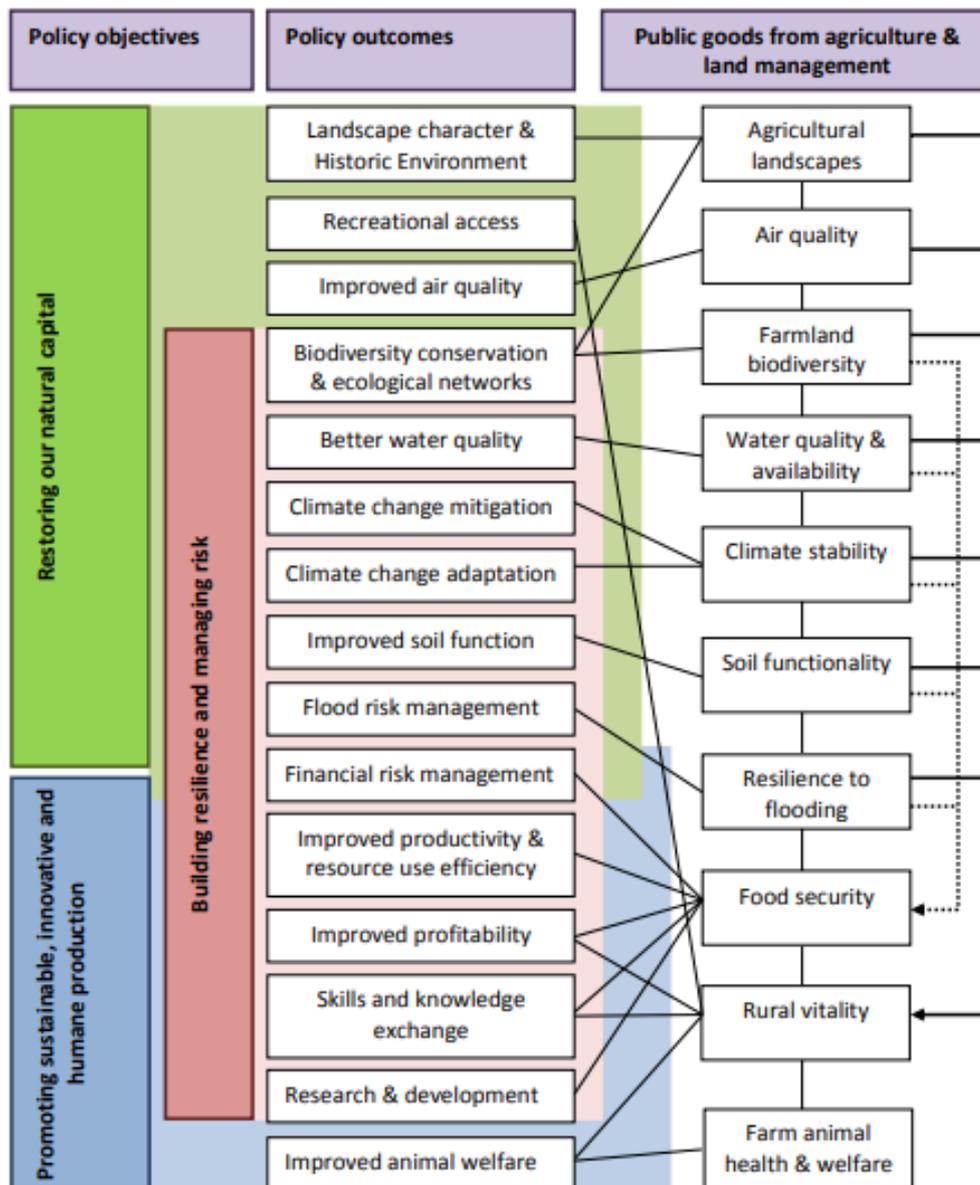


Figure 1 – Links between policy objectives, outcomes and public goods, from Wildlife and Countryside Link’s discussion paper, ‘A future Sustainable Farming and Land Management Policy for England’, p. 20¹¹ Achieving these outcomes will require incentivising action on individual farms, across a number of farms and across whole catchments or landscapes. Consideration will also need to be given to how outcomes can be achieved on common land, where supporting and incentivising collective action will be essential.

¹¹ Wildlife and Countryside Link (2017), A future Sustainable Farming and Land Management Policy for England A Wildlife and Countryside Link discussion paper. Available at <https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINAL%20Sep%202017.pdf>

In our 2017 paper, we propose how a new Environmental Land Management system might be designed and implemented.

At the individual farm level, widespread environmental issues such as declines of farmland biodiversity, air and diffuse water pollution and maintenance of landscape character and quality and the historic environment point to the need for similarly widespread action. These issues generally need small scale, relatively simple interventions, such as hedgerow restoration, or the creation of sown mixes, alongside some more demanding interventions such as the creation of wildflower-rich habitats. These issues also require a significant number of interventions, implemented by most farmers and land managers. Payments would also support organic farming following certification, for both conversion and maintenance, in recognition of the range of environmental public goods delivered.

To achieve the policy outcomes, targeted environmental land management interventions are required as well as comprehensive ones to address issues that need more complex management. Such interventions would include the maintenance, restoration and creation of priority habitats (designated and un-designated) including woodland, species recovery programmes, supporting strategic natural flood risk management and significant non-productive capital investments in support of land management outcomes. These issues by their scale and complexity may require collaboration between farmers and land managers and third parties (e.g. advice providers or water companies) to deliver environmental outcomes.

Building on the Countryside Stewardship Facilitation Fund, there should also be funding for landscape scale collaboration, spanning all aspects of the policy. We also encourage the government to examine the use of mechanisms such as reverse auctions, used effectively by Wessex Water to reduce nitrogen pollution, or funds to be used as 'seed-funding' to help pump-prime the establishment of private Payment for Ecosystem Service schemes or for the maintenance and enhancement of benefits once such schemes are established, as well as match-funding to draw in contributions from others, such as water companies, private businesses and local communities where benefits to be delivered are wider than those directly benefiting the companies involved.

As such, we see the targeted element of a future environmental land management system as using a combination of both results (or outcomes) and action-based payments, with flexibility and the ability to combine options and measures to maximise outcomes.

These targeted contracts are therefore perhaps best described as a selection of different tools. These would be flexible, outcome-focused payments designed to secure a variety of outcomes.

In terms of the balance between local and national priorities, we feel that it is important for there to be a consistent 'national offer', which is the reason why our proposals retain a national element building on established mechanisms. Continued public investment in technical advice will be essential in securing the target outcomes of any future environmental land management policy, in addition to designing these policies in a way that enables third party and commercial advice providers to also play a full and active role.

However, there is significant need to develop and pilot new approaches that can drive innovation in this area, to encourage new, local approaches and the use of novel mechanisms. One way to secure the balance mentioned above could be to allow areas to develop a 'local offer' to deliver against a range of local, national and international priorities that would be assessed by a national panel, and funded if it could be demonstrated to provide better outcomes than the established national policy.

Box 3. Governance will be critical

How England's new sustainable agriculture and environmental land management policy is governed and implemented will be critical to its success.

On pages 43-45 of "A future Sustainable Farming and Land Management Policy for England"¹², Link proposed a permissive, inclusive and experimental governance framework.

We further recommend governance that is "legitimate, transparent, accountable, inclusive, and fair and that also exhibits functional and structural integration, capability, and adaptability"¹³, and follows a "polycentric" approach¹⁴.

The legitimacy of the new policy will be aided by involving local environmental, social and economic interests in decisions, including the representation of silent stakeholders, such as future generations and biodiversity. Tools should be developed that effectively integrate the needs of all beneficiaries in decisions about land use.

Consensus about the best use of an area can be reached by the use of bridging agents, without vested interest in the outcome, and a well-facilitated decision processes.

For governance to work well, sufficient government resourcing will be needed.

Securing this range of environmental outcomes will also require a significant increase in funding relative to existing agri-environment schemes. In 2017, Link member organisations the RSPB, National Trust and The Wildlife Trusts commissioned an independent assessment of need to meet existing environmental commitments through land management, across the UK¹⁵. This found that the annual costs were approximately £2.3 billion per year across the UK, or £1.3 billion in England, based on management and opportunity costs (see Table 2 below).

Table 2. Summary of overall annual costs of meeting environmental land management priorities, based on adjusted costs (£m)

	England	Northern Ireland	Scotland	Wales	UK
Priority habitats	493	40	383	113	1029
Boundary features	226	44	63	42	375
Historic environment	41	3	33	7	84
Arable land	379	14	38	4	436
Grassland	170	75	73	39	358
Organic	17	0.5	3	5	26
Total	1,326	177	594	210	2,307

¹² Wildlife and Countryside Link (2017), A future Sustainable Farming and Land Management Policy for England A Wildlife and Countryside Link discussion paper. Available at

<https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINAL%20Sep%202017.pdf>

¹³ Michael Lockwood, Julie Davidson, Allan Curtis, Elaine Stratford & Rod Griffith (2010) Governance Principles for Natural Resource Management, Society & Natural Resources, 23:10, 986-1001, DOI: [10.1080/08941920802178214](https://doi.org/10.1080/08941920802178214)

¹⁴ Vlad Tarko (2013) Polycentric Governance: A Theoretical and Empirical Exploration. Available at:

https://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/9899/Tarko_gmu_0883E_10863%5B1%5D.pdf?sequence=1&isAllowed=y

¹⁵ Rayment, M. (2017) Assessing the costs of Environmental Land Management in the UK. Final Report. A report for the RSPB, the National Trust and The Wildlife Trusts

Although this represents a significant increase in costs compared to the existing agri-environment budget in England, the available evidence suggests that the cost:benefit ratio of this investment would be significant¹⁶. This amount is also within the current envelope of spending associated with the Common Agricultural Policy in England, as illustrated by Figure 2 below.

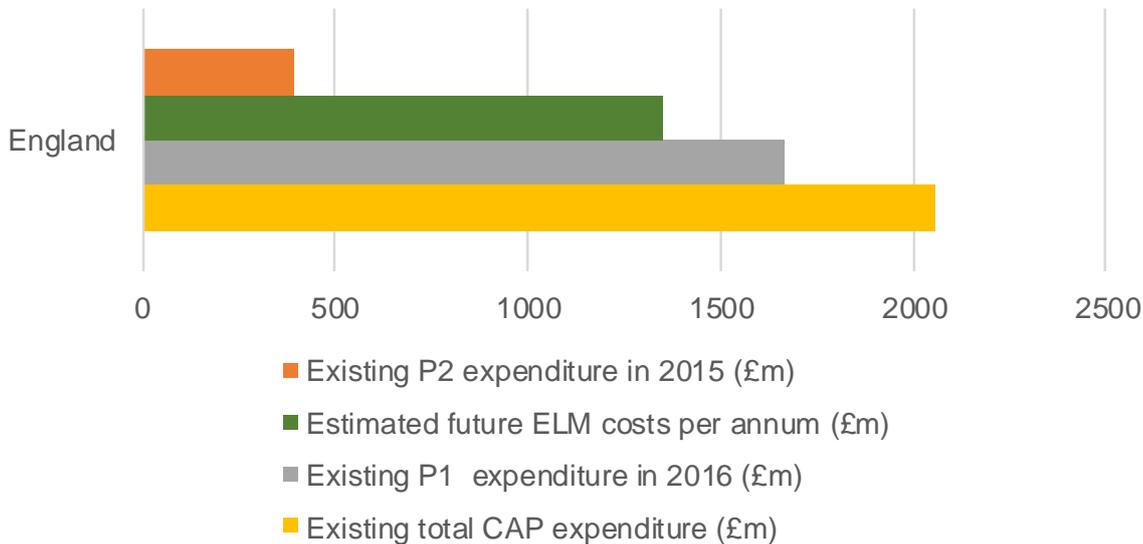


Figure 2 – Existing CAP funding compared to estimated environmental land management costs in England.

The costs of delivering these environmental land management interventions such as technical advice would be additional, as would any other costs associated with wider farming and land management policy, such as transitional investment and any funding required to meet animal welfare, public access and productivity objectives.

As such, we conclude that the evidence suggests the overall CAP budget of around £3 billion should be maintained for at least a ten-year period from 2020 or 2022, when a new environmental land management system is introduced, in order to ensure a stable transition, and pump prime some of the environmental restoration envisaged by the UK Government’s 25 year environment plan for England.

¹⁶ For example, Christie M, Hyde T, Cooper R, Fazey I, Dennis P, Warren J, Colombo S and Hanley N (2011) Economic Valuation of the Benefits of Ecosystem Services delivered by the UK Biodiversity Action Plan. Report to Defra

7. Fulfilling our responsibility to animals

Wildlife and Countryside Link welcomes the Government's commitment that animal welfare is a public good that should be supported under the new farm support system.

Although the market does deliver animal welfare benefits for some farming sectors, there are others where the market alone will not be enough. There is scope to address market failure through raising the regulatory baseline in some areas, but in other areas, we envisage a greater role for public payments.

We would urge Government to take a holistic, integrated approach to animal health and welfare, rather than viewing them separately.

Do you think there is a strong case for government funding pilots and other schemes which incentivise and deliver improved welfare?

We recognise that over the past two decades the UK has phased out some of the most intensive welfare farm systems: conventional battery cages for laying hens, veal crates for calves and sow stalls for pigs. We welcome recent moves to introduce mandatory CCTV in all abattoirs, to tackle live transport of animals to the continent, and to bring in a new assessment system for future farm laws to balance public benefit against farm animal welfare. However, the market can only deliver to a certain point and we agree with the Government that in certain sectors there has been a market failure to deliver the animal welfare public good and this needs to be corrected. This could be due to a number of issues, such as a lack of transparency in labelling for consumers or a lack of incentives for farmers to adopt higher welfare standards. We also agree with the Government that, in some sectors, health conditions such as endemic disease have had a significant impact on good animal welfare and industry productivity. Mastitis is given as an example in the consultation paper, but others could be included, such as lameness in dairy cattle and foot rot in sheep. By improving animal health we can improve animal welfare and improve productivity. For examples of how practices such as tree-planting and mob grazing can improve both animal welfare and productivity, see case studies 4 and 7 respectively in annex A.

The public support the delivery of better animal welfare through a revised farm support system. In 2005, 62% of the British public felt that animal welfare did not receive enough importance in the country's food policy¹⁷; in 2016, 55% said they would look for an animal welfare label when shopping¹⁸; and, in a 2018 poll commissioned by the RSPCA, 82% of respondents said they supported using farm subsidies to improve animal welfare¹⁹.

What type of action do you feel is most likely to have the biggest impact on improving animal health on farms?

Please rank your top three choices from the below list, in order of importance:

- a) Use of regulation to ensure action is taken
- b) Use of financial incentives to support action
- c) Supporting vets to provide targeted animal health advice on farm
- d) Making it easier for retailers and other parts of the supply chain to recognise and reward higher standards of animal health

¹⁷ European Commission, 2005. Eurobarometer – Attitudes of consumers towards the welfare of farmed animals Q12.

¹⁸ European Commission, 2016. Attitudes of Europeans towards animal welfare. Special Eurobarometer 442.

¹⁹ RSPCA/YouGov poll carried out between 4th - 5th March 2018. A weighted and representative sample of 1,643 GB adults (aged 18+).

- e) An industry body with responsibility for promoting animal health
- f) Research and knowledge exchange
- g) Transparent and easily accessible data
- h) An understanding of animal health standards on comparable farms
- i) Other (please specify)
- j) N/A – Cannot rank as they are all equally important.

Wildlife and Countryside Link does not wish to rank the options as requested. We are disappointed that the question only addresses animal health. As described above, animal health is a subset of animal welfare and the two should always be viewed holistically.

The three issues of agreeing new Free Trade Agreements (FTAs); strongly regulating for the five freedoms; and the post-Brexit level of funding to achieve improved animal welfare outcomes are interlinked. They will be crucial in determining how the UK achieves the gold standard it desires, as described in the consultation. The Government has already set out - and it is clear - that the CAP has not provided the right combination of regulation and support to our farmers in their drive to improve animal welfare standards²⁰. The Government is also committed to free trade that does not compromise on farm standards, but instead ensures that the UK becomes a world leader in farm animal welfare²¹.

Payments could contribute to covering additional costs and income foregone, therefore meeting the framework of the World Trade Organisation Agreement on Agriculture. Payments could help farmers with a proportion of the capital costs involved and, for a transitional period, could support a proportion of the additional running costs. In addition, payments could help farmers in transitioning to meeting the standards of a higher welfare scheme. Any payments should build from a strong baseline of legislative protections, and in some areas there is scope to strengthen these.

Long-standing welfare issues such as mastitis and lameness have failed to be tackled through the regulatory baseline or current payments. The incidence of mastitis, cited as the reason for dairy cow culling in 13–14 percent of the herd, has only slightly decreased in the past five years²². Foot rot in sheep is estimated to cost the sheep industry around £24 million annually and affects 10 percent of the flock²³, and again has not decreased markedly. Whilst these are significant welfare issues, the factors affecting the incidence of these conditions are much more complex and multi-factorial than can be explained to the public through simple production method labelling. It is in these areas, where market failure is clear and the public good is not being delivered, that funding for improving welfare may be justified, alongside more effective regulation, and improvements in farm practice.

Endemic diseases need to be more effectively addressed and benchmarking of key welfare issues across different farms should be a core part of the new framework. Higher welfare schemes should already be addressing some key endemic diseases and have welfare outcome assessments incorporated into their assessments and improvement strategies.

Should government set further standards to ensure greater consistency and understanding of welfare information at the point of purchase?

Please indicate a single preference of the below options:

- a) Yes
- b) Yes, as long as it does not present an unreasonable burden to farmers
- c) Perhaps in some areas
- d) No, it should be up to retailers and consumers

²⁰ Rt Hon Michael Gove SoS Defra Speech to Conservative Party Conference 2.10.17

²¹ Defra Questions 20.7.17

²² <http://beefandlamb.ahdb.org.uk/wp-content/uploads/2016/12/CHAWG-Third-Report-2016-051216.pdf>

²³ <http://beefandlamb.ahdb.org.uk/wp-content/uploads/2016/10/SHAWG-report-2016-17-181016.pdf>

e) Other (please specify)
*if you answered 'perhaps in some areas', please elaborate.

Wildlife and Countryside Link support option (a).

We agree that Government should mandate for the clearer understanding of welfare information at the point of purchase through mandatory method of production labelling. It has the support of many farm bodies, although further work needs to be done on the specific terms to ensure that they are clear, understandable, welfare-oriented and not misleading.

8. Supporting rural communities and remote farming

Wildlife and Countryside Link welcomes the Government's recognition that the uplands and remote farming areas are vital repositories of natural capital with the potential to deliver significant social and environmental public benefits. However, it is essential that Government recognise the unique situation in the uplands and remote farming areas, and manage the proposed transition away from direct payments with great care.

In order to thrive, upland and remote farmers must be able to harness a fairer share of profits through the supply chain. Rural communities more broadly must be better supported by wider Government policy including housing, transport and digital policy.

How should farming, land management and rural communities continue to be supported to deliver environmental, social and cultural benefits in the uplands?

We appreciate that Defra will set out a 'clear vision for the uplands' as part of a future agricultural policy. That vision will need to take into account fully the special circumstances of upland areas. This means in particular their natural and structural constraints such as climate and difficult terrain, but also access to key infrastructure and markets for farm produce. As important is the recognition that such areas are irreplaceable repositories of vital natural capital such as blanket bog, ancient woodland and high quality landscapes. As such, if properly managed and supported, they offer great opportunities to deliver increasing levels of public benefits through a future Environmental Land Management (ELM) scheme. These include provision of clean water, flood management, carbon storage, enhanced landscapes, public access and recreation and biodiversity. For instance, the uplands comprise 12% of England's land area but 53% of Sites of Special Scientific Interest and 86% of open access land. Similar plans and visions are needed for other areas outside the uplands where farming supports natural capital and where that natural capital is at risk when farm income subsidy payments are withdrawn e.g. Culm Grasslands in Devon and Cornwall. Case studies 3 and 8 illustrate how farming with the grain of the local environment in the uplands can deliver significant environmental and societal benefits and improvements in animal welfare.

There is a strong association, although not exclusive, between upland areas and areas where there is a high incidence – from 60 to 100% of land area - of farmland identified as being of High Nature Value (HNVf). Such areas feature high levels of semi-natural vegetation, low intensity agriculture, 'a mosaic of semi-natural and cultivated land and small-scale features' and support for rare species or important levels of species populations²⁴. Where there is HNVf, the quality of habitats, species survival and the overall character of the landscape depend on sympathetic management through appropriate levels of livestock for grazing, mowing of traditional hay meadows and cutting of rush. Such farms and forms of management will be vital for maintaining some of England's most important habitats and species – including upland hay meadows and breeding curlew – as well as iconic landscapes, such as the North Pennine Dales. At present, not all upland areas are managed in ways that are sympathetic to wildlife, landscape or wider public goods. The move away from direct payments and towards a public goods model should be designed so that targeted payments enable restoration of natural habitat in the uplands with lower levels of grazing, and other measures including grip blocking and rewetting of degraded peatland to restore blanket bog and regeneration of native woodland.

As noted in the compendium of evidence, in many cases these systems will be economically marginal with very low levels of income from agricultural production. Grazing livestock had the lowest average farm business income by farm type in four of the past five years with only lowland livestock

²⁴ Chaplin, S., et al. Natural England Research Report NERR068. Developing a measure of High Nature Value Farmland (HNVf) for the Rural Development Programme for England, Natural England, June 2017

farms earning less than those in Less Favoured Areas in 2015/16. Just over a fifth of English farms (22%) made no Farm Business Income in 2015/2016, many of which were upland livestock farms²⁵.

It is therefore essential that in upland areas the proposed transition away from direct payments should be managed with great care and that the approach to future funding for the provision of public goods receives special consideration.

Reduction of direct payments will need to be progressive and over a sufficient time to provide the stability and confidence so that all farms are able to adjust, invest and develop their businesses, including securing succession for the next generation. In chapter three, we suggest a transition period of five years. Although we make no comment on the method by which direct payments should be reduced, we must highlight that the low incomes of many upland farms means that a reduction in one source of funding with no corresponding increase in another could spell disaster for many farmers. Non-intervention could also lead to a loss of public benefit – either as farmers go out of business, or as they seek new income streams through intensification which could have detrimental impacts on many public benefits.

The uplands will potentially benefit most from a change to a public goods based support system but the current lack of clarity on what this may mean in practical terms is likely to cause confusion. Public goods delivered by upland management should be identified, agreed among beneficiaries and paid for from the public purse where necessary. The governance principles set out in Box 3 should be applied to the development of public policy to support sustainable upland management. It is also important that payments adequately reflect the costs of securing public goods in an upland context, which is likely to require a different approach to the way in which current agri-environment payments are calculated. A 2011 study for the Land Use Policy Group provides some options for securing public goods in the upland, and other non-economic farming systems²⁶.

We believe there is also much scope for the uplands in particular to benefit from new market approaches based on private investment in environmental restoration. A payment for ecosystem services (PES) model provides opportunities for rapid inception with a growing evidence base from Defra PES pilots and existing industry models (e.g. Wessex Water N-Trade). A range of Government actions will be needed to support their development, as identified in our 2017 discussion paper²⁷.

We also recommend that Government recognise the particular relevance of commons to upland areas and their huge importance in the delivery of public benefits. The commons present a unique and complicated situation requiring a dedicated package of tailored and deliverable policies and funding mechanisms to support environmental outcomes. Currently agri-environment schemes can be for ten years rather than five, which is very welcome, but there is currently little flexibility regarding local options and a limited range of outcomes. The application process can be more complex as all commoners have to agree which can make or break a scheme. We strongly recommend that at least one pilot of the new ELM system takes place on an upland Common.

There are a number of challenges facing rural communities and businesses.

Please rank your top three options by order of importance:

- a) Broadband coverage
- b) Mobile phone coverage
- c) Access to finance
- d) Affordable housing

²⁵ Defra, Agriculture in the UK 2016, 2017 table 3.3 and 3.4. Available at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672119/AUK-2016-08jan18.pdf

²⁶ Barnes A.P., et al (2011), Alternative payment approaches for noneconomic farming systems delivering environmental public goods. Report for the Land Use Policy Group.

²⁷ Wildlife and Countryside Link (2017), A future Sustainable Farming and Land Management Policy for England A Wildlife and Countryside Link discussion paper. Available at:

<https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINAL%20Sep%202017.pdf>

- e) Availability of suitable business accommodation
- f) Access to skilled labour
- g) Transport connectivity
- h) Other, please specify

With reference to the way you have ranked your answer to the previous question, what should government do to address the challenges faced by rural communities and businesses post-EU Exit?

We do not wish to rank the options above in the way requested. We do not discount the importance of a) to g) but under h) we draw attention to the need for both Government and private sector support - through the food supply chain - to deliver the types of land management we need and for farming to support thriving rural communities. Much upland farming may continue to be economically marginal unless farmers are able to harness a fair share of supply chain profit.

Government policy should acknowledge the role of the supply chain in the economics of upland farming and support the development, and where absent, provision of local facilities particularly for livestock such as abattoirs and cutting plants to reduce travel costs and enable local sales. Such support would be of much value to producers and the local economy with the additional advantages of providing employment opportunities and training and contributing to improved animal welfare through shorter journey times to slaughter.

We support the continuation of LEADER type approaches to rural development, particularly earlier iterations which allowed animation to develop projects, revenue and project funding, all with a bottom up approach and flexibility. There are many local food and product initiatives which have begun and are still flourishing due to LEADER intervention. For instance, Cumbria has an exemplary track-record of delivering high quality and ambitious projects²⁸. Future policy should recognise the value of the local and regional food supply chain to upland farmers to secure producer incomes, contribute towards innovation, product development, and distinctive and diverse produce and tourism.

Generally however, rural areas need to be much better served by policy in general, including housing, transport and digital policy areas such as broadband. One of the perverse characteristics of the CAP was that it nested rural policy within an agricultural policy. We now have the opportunity to reverse this, and ensure that agriculture and other sectors of the rural economy have the necessary infrastructure and policies in place to thrive in the future. This will only happen if all Government departments significantly improve the way in which policy supports and is tailored for rural areas.

²⁸ <http://www.fellsanddales.org.uk/supported-projects.html>

9. Changing regulatory culture

We believe a set of basic rules should be applicable across all farmland to all land managers. Those who pollute should pay, and only those providing an additional environmental service above the baseline of refraining from polluting should be paid. To achieve this will require urgent investment in a fair and effective enforcement regime. There is a working model for effective enforcement operating in Scotland, which the Environment Agency should be properly funded to emulate in England.

How can we improve inspections for environmental, animal health and welfare standards?

Please indicate any of your preferred options below.

- a) Greater use of risk-based targeting
- b) Greater use of earned recognition, for instance for membership of assurance schemes
- c) Increased remote sensing
- d) Increased options for self-reporting
- e) Better data sharing amongst government agencies
- f) Other (please specify)

We support streamlined inspections using greater risk-based targeting, increased remote sensing and better data sharing amongst government agencies. However, streamlining inspections must not compromise on ensuring compliance with regulation which must be achieved on all farms to deliver environmental outcomes. An element of random selection in identifying sites for inspection will also remain important.

Which parts of the regulatory baseline could be improved, and how?

Regulatory measures alone will not enable us to reach aspirational and statutory environmental targets, but if implemented effectively, will make an important contribution.

The point at which the line should be drawn between ‘polluter pays’ and ‘provider gets’ should be addressed as part of any new policy. This line should be consistent and fair to farmers, taxpayers and beneficiaries of environmental services that arise from farmed land. There are many reasons why this is of critical importance –

1. All farmers and land managers must be on a level regulatory playing field - many farmers adhering to environmental regulatory requirements express frustration that they ‘do they right thing’ whilst their neighbours ‘take short cuts and get away with it’. This does not make for a cohesive sector and it is unfair on the vast majority of farmers who are keen to protect the integrity of their industry. In some cases, where current measures are insufficient to achieve statutory conservation standards, geographically specific regulation such as Water Protection Zones are likely to be needed.
2. In order for the principle of ‘public money for public goods’ to work, a clear dividing line is required between what is minimum good practice and what should be paid for over and above this minimum threshold. For example, farmers adhering to slurry spreading regulations should not get paid public money, but those taking active steps to improve water quality through land management such as the creation of wide buffer strips or areas of woodland should.
3. For the establishment of private sector funded schemes to deliver ecosystem service outcomes from farmland to flourish, the private sector needs a clear dividing line between the ‘polluter pays’ and the ‘provider gets’. It is unlikely that their customers, shareholders and stakeholders will sanction expenditure on farming activities whilst poor practice continues.

4. On the political level, taxpayers (the ultimate funders of public sector payments) legitimately want reassurances that they are not subsidising poor environmental practice.
5. Effective and well-enforced regulation will be important to ensure that those who choose not to engage with a future environmental land management system are unable to manage their land in a way that creates negative effects for neighbouring farmers, local communities or society more generally.

We believe any set of basic rules or requirements should be applicable to all land managers. This means that those who pollute should pay, and only those providing an additional environmental service above the baseline of refraining from polluting should be paid.

The 'Farming Rules for Water' which specify mandatory requirements for the management of nutrients and soils, including the timing of fertiliser applications and other agricultural operations represent a statutory set of basic requirements. However, modelling suggests that only a small percentage reduction in phosphorus losses will be achieved²⁹, contributing only a very modest improvement to our freshwater environment. These rules are a good start but must be strengthened and be properly enforced if they are to have an impact on pollutant loads. At present these regulations only apply to soil, nutrients and water - requirements covering a broader set of environmental objectives need to be established.

As with any set of basic rules or requirements, clear guidance is needed so that farmers understand what is expected of them, and so that the rules are not too onerous to enforce. For example, there are a number of terms within the 'Farming Rules for Water' that require clear definition such as 'reasonable', 'waterlogged' and 'significant'.

How can we deliver a more targeted and proportionate enforcement system?

The effective enforcement of basic rules or requirements is critical. Existing protocol is that enforcement officers will respond reactively to an incident but it is not common practice to undertake systematic checks to identify farmers contravening the rules. Recent data obtained by WWF highlights that the Environment Agency's current resources only allow for visits to 0.5% of farms each year³⁰. Without a concerted enforcement programme, only a small proportion of farms will change their practices in response to any set of basic rules or requirements.

We believe there is already a working model for enforcement of basic environmental measures, as demonstrated in Scotland with the Scottish Environmental Protection Agency (SEPA) regulation of the General Binding Rules. This more collaborative 'advice led approach' consists of proactively identifying problem farms, followed by a process of advice, cautions and fixed penalty notices as a last resort –

- Undertake a thorough baseline assessment of compliance, using this to target enforcement and assess uptake;
- Issue warnings to polluters and encourage them to take advantage of free advice to correct problems, followed up by a repeat visit to ensure compliance;
- Civil sanctions or prosecution incurred for failure to address issues, repeat or serious offences;
- Good practice rewarded with fewer inspections.

Of note, SEPA's approach is regarded as equitable and balanced by farmers in Scotland³¹. This model would meet the recommendations developed by the Independent Farming Regulation Task

²⁹ New basic rules for farmers to tackle diffuse water pollution from agriculture in England. Consultation Document 2015. Available at: <https://consult.defra.gov.uk/water/rules-for-diffuse-water-pollution-from-agriculture/>

³⁰ Freedom of Information request sourced by WWF – Autumn 2017

³¹ Feedback provided by Stephen Field, Land Unit Manager, SEPA

Force³², established in 2011 by the coalition government. However, to achieve a similar approach in England would require a significant increase in the resources available to the Environment Agency. A recent WWF, Rivers Trust and Angling Trust report estimated it would cost £5.8m per year for a five-year period to match the on-the-ground enforcement presence in Scotland³³.

Case study 10 in annex A describes the more effective, advice-led approach to enforcement taken by the Wye Catchment Partnership in collaboration with the Environment Agency as part of the Safeguarding Soils Project.

³² The report of the independent Farming Regulation Task Force. Striking a balance: reducing burdens; increasing responsibility; earning recognition. A report on better regulation in farming and food businesses May 2011

³³ Saving the Earth: A Sustainable Future for Soils and Water. Report by WWF-UK, Angling Trust, Rivers Trust. Available at https://www.wwf.org.uk/sites/default/files/2018-04/WWF_Saving_The_Earth_Report_HiRes_DPS_0.pdf

10. Risk management and resilience

Wildlife and Countryside Link disagrees with the assertion in the consultation paper that the best way to improve resilience in the farming sector is to increase productivity. Resilience is best achieved by ensuring productivity is underpinned by a healthy natural environment.

What factors most affect farm businesses' decisions on whether to buy agricultural insurance? Please rank your top three options by order of importance:

- a. Desire to protect themselves from general risks (e.g. – revenue protection)
- b. Desire to protect themselves from specific risks (e.g. – flooding, pests or disease)
- c. Provision of government compensation for some risks
- d. Cost of insurance
- e. Complexity and administrative burden of insurance
- f. Availability of relevant insurance products
- g. Other (please specify)

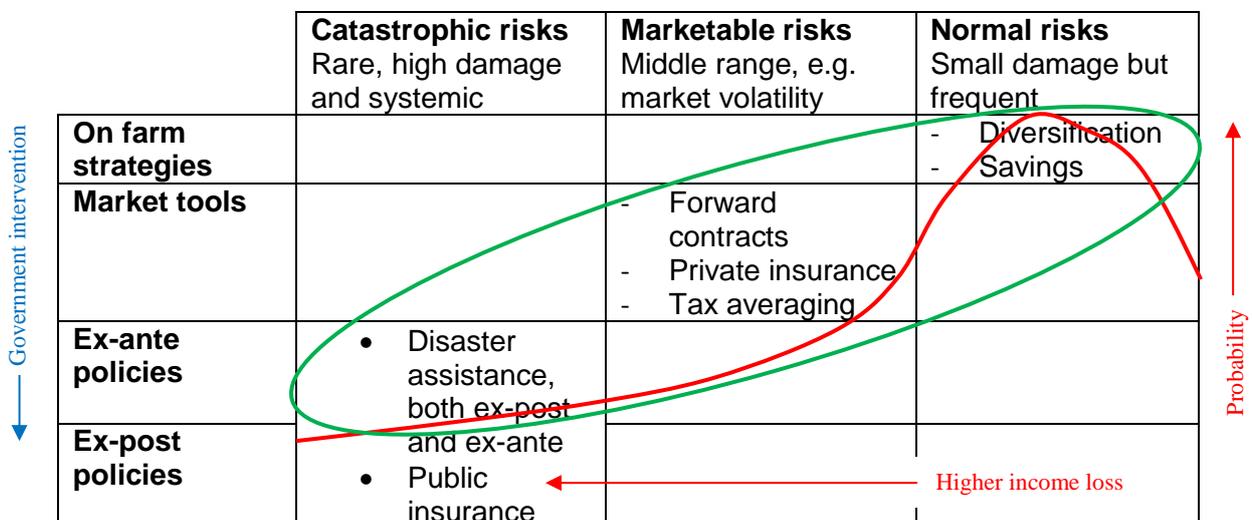
What additional skills, data and tools would help better manage volatility in agricultural production and revenues for (a) farm businesses and (b) insurance providers?

How can current arrangements for managing market crises and providing crisis support be improved?

We do not have a view on the specific factors that affect whether or not to buy agricultural insurance.

Risk management has been the subject of active debate with regard to the future of the CAP, as well as the future of agriculture and land management policy in the UK post-Brexit. In the proposals that we published for a Sustainable Farming and Land Management policy in September 2017, we concluded that whilst the role for public intervention to manage catastrophic risk is potentially significant, the intervention logic for other forms of risk management is limited. Figure 3 provides more information on examples of risk within each of these types, and suggests the interventions that could be used to address these, including both public and private.

Figure 3 – Optimal pattern of risk management strategies and policies (in green oval) (from OECD 2011³⁴)



³⁴ OECD (2011), Managing risk in agriculture: Policy assessment and design, OECD Publishing. <http://dx.doi.org/10.1787/9789264116146-3-en>

Building on recent analysis by Erik Mathijs³⁵, this suggests that financial risk management as a specific outcome should not be a primary focus of a future policy, and we therefore welcome the direction provided by Defra in the consultation paper. It is important to note though that interventions against other objectives and outcomes mentioned above will have significant co-benefits for risk management. For example, improved soil function will create more resilience to drought and disease, and payments for environmental goods and services will provide a business income independent of market volatility.

In developing insurance products, we would strongly caution Defra to avoid the insurance models used in North America. These are administratively complicated and expensive for Governments^{36 37}, bureaucratic for applicants and potentially interventionist from a market perspective. They require significant amounts of data, which the UK does not currently hold³⁸. It is also important to recognise - as the consultation paper does - that the tax system in the UK already provides significant reliefs for agriculture, which will presumably continue to play a significant role in enabling farmers to manage risk. Specifically, the introduction of five-year income tax averaging for farmers from 2016/17 will help to manage volatility. This comes in addition to existing capital allowances, that can be used to manage risk, and significant expenditure associated with Agricultural Property Relief and exemptions from Business Rates. The former cost £495m in 2015/16³⁹, and whilst it does not explicitly provide a risk management function, will help to insulate farmers from risk in a similar way to direct payments. There may be scope to better use the tax expenditure associated with these reliefs to help farmers manage volatility in the future.

Risk management tools such as crop insurance also have some significant drawbacks, such as moral hazard. This refers to cases where farmers may adopt higher risk behaviour, knowing that their losses will be covered. This can lead to environmentally damaging behaviour, such as locating high risk crops in areas that are vulnerable to soil erosion, which risks undermining the effectiveness and coherence of broader public policy. Commodity specific insurance can also encourage specialisation, which may in turn lead to negative environmental impacts, and increase exposure to climate and market volatility and risk⁴⁰.

There are examples where insurance can deliver environmental and agronomic benefits, and we recommend that Defra and farming organisations investigate options like this that have worked for farmers and contributed to environmental outcomes. For example, in Italy maize farmers cut insecticide use by implementing Integrated Pest Management methods and paid into an insurance scheme to cover them in the event of any resulting pest damage. Farmers found this to be a lower cost solution and were able significantly to reduce pesticide use, finding that the previous prophylactic use of insecticides had been costly and unnecessary⁴¹. In this case the scheme was run by a collaborative group of farmers, suggesting that the role for Government here may simply be advisory.

³⁵ Mathijs, E (2016) Managing volatility and risk in the CAP. A report for the RISE Foundation.

³⁶ Office of Inspector General (2016), Federal Crop Insurance Corporation/Risk Management Agency's Financial Statements for Fiscal Years 2016 and 2015. United States Department of Agriculture.

³⁷ OECD (2007), The Implementation Costs of Agricultural Policies

³⁸ <https://blogs.worldbank.org/psd/files/agricultural-insurance-data-15sept2015.pdf>

³⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/579720/Dec_16_Main_Reliefs_Final.pdf

⁴⁰ Soil Association (2017) Soil Association Policy Briefing: Lessons to learn from Crop Insurance programmes worldwide

⁴¹ Furlan, L., Contiero, B., Sartori, E., Fracasso, F., Sartori, A., Vasileiadis, V.P., Sattin, M. (2015) Mutual funds are a key tool for IPM implementation: a case study of soil insecticides in maize shows the way. IPM Innovation in Europe, Poznan 14–16 January, Abstract book, 159.

https://www.researchgate.net/publication/272823066_Mutual_funds_are_a_key_tool_for_IPM_implementation_a_case_study_of_soil_insecticides_in_maize_shows_the_way

11. Protecting crop, tree, plant and bee health

Wildlife and Countryside Link strongly supports the aim for land managers to understand and implement sustainable and resilient land management practices that work to protect against pest and diseases. Developing sustainable management techniques that produce a resilient crop should be the first stage in all land management practices.

The Government role in this area should be firmly related to the impact on public goods and should include advice and guidance on best practice, brokering landscape scale action to aid recovery, investing in secure border controls and implementing existing pest and disease and invasive non-native species legislation.

Where there are insufficient commercial drivers, how far do you agree or disagree that government should play a role in supporting:

- a) Industry, woodland owners and others to respond collaboratively and swiftly to outbreaks of priority pests and diseases in trees?
- b) Landscape recovery following pest and disease outbreaks, and the development of more resilient trees?
- c) The development of a bio-secure supply chain across the forestry, horticulture and beekeeping sectors?

The balance between trees, pests and pathogens is fragile and vigilance is needed to monitor and correct for imbalances where they occur before they reach an irreversible state. Equally invasive non-native species and pests can be at an advantage in new environments where trees have not evolved alongside them and developed the necessary biological defences or cultivated the necessary predatory species. Where this happens the results can be devastating, economically and ecologically.

We strongly support the aim for land managers to understand and implement sustainable and resilient land management practices that work to protect them against pest and diseases including through diversifying crops and species used or altering rotation length and diversity, maximising natural predation, and adopting different harvesting techniques. Developing sustainable management techniques that produce a resilient crop should be the first stage in all land management practices.

Biosecurity measures are already an integral part of managing animal welfare on farm holdings and these practices should be extended to the import of any plant material or non-farm animal eg bees. There may be a need to improve guidance and training to support this development.

Resilient farming systems, which are reliant on healthy soils, diverse vegetation, and preservation of the food web with an abundance of natural predators, must also be underpinned by effective regulation of practices such as pesticide usage. This provides a solid basis for public investment, safeguarding the environment and protecting the interests of society. Cross compliance rules in CAP should be replaced with a more effective approach which improves outcomes for the public whilst reducing bureaucracy for farmers and land managers. Please see comments in section nine.

While there will be a need to use pesticides to control some invasive non-native species, the default option should be to develop resilient habitats supporting beneficial invertebrates and, where possible, to use approved natural controls such as rust fungus for Himalayan balsam.

Human agency is often the cause of pests and pathogens or invasive non-native species moving to new areas. International trade in live plants and wood products without sufficient controls has been

largely responsible for a number of the threats our native flora and fauna face. Each of these threats either has or will cause billions of pounds of damage to the UK economy even before the ecological or environmental costs are counted. This is not a problem that can be dealt with through a land management policy on its own and there must be better link up between actions through sister legislation such as pest and disease regulations. If we are to respond effectively to both known and future threats, such as *Xylella fastidiosa*, then we need to invest in proactive biosecurity approaches that stop these threats at the border.

- a) When public goods, such as public safety, biodiversity, clean air and water or carbon sequestration, are threatened, government should play a role in supporting collaborative action to deal with the effects of a pest and disease outbreak.
- b) While we believe that the Government should play a role in supporting landscape recovery after a pest and disease outbreak the development of more resilient trees remains a commercial responsibility. Only where public goods such as biodiversity are threatened should the Government look to provide support for ongoing research such as identification of resilient genotypes of ash following ash dieback.
- c) The key Government role in development of a bio-secure supply chain across the forestry, horticulture and beekeeping sectors should be to invest in proactive biosecurity approaches that stop these threats at the border and a regulatory framework that is effective in implementing existing pest and disease and invasive, non-native legislation.

Where there are insufficient commercial drivers, what role should government play in:

- a) Supporting industry, woodland owners and others to respond collaboratively and swiftly to outbreaks of priority pests and diseases in trees?
- b) Promoting landscape recovery following pest and disease outbreaks, and the development of more resilient trees?

What support, if any, can the government offer to promote the development of a bio-secure supply chain across the forestry, horticulture and beekeeping sectors?

Where there are insufficient commercial drivers, the Government's role in any pest and disease outbreak should be in providing research and evidence to support best practice guidance and to broker collaborative action to tackle the impacts and prevent further spread. Potential landscape recovery actions should already be accounted for in any targeted environmental land management scheme such as tree planting to replace diseased trees for biodiversity.

As outlined above there is a key role for Government to support farmers to manage their land in a way that prevents pest and disease build up, and manages any remaining pest and disease problems using non-chemical means of control wherever possible.

Imported bees – honeybees and bumblebees - can spread disease to indigenous bees. Commercial bumblebee importers claim that their stock is disease-free, but a recent published study by the University of Sussex has shown this to be incorrect⁴². Using locally bred, indigenous bees would avoid this problem, as a first step much higher standards of biosecurity on bee imports would reduce the risk⁴³.

⁴² Graystock, P., Yates, K., Evison, S. E. F., Darvill, B., Goulson, D. and Hughes, W. O. H. (2013) [The Trojan hives: pollinator pathogens, imported and distributed in bumblebee colonies](#). J Appl Ecol, 50: 1207–1215. doi:10.1111/1365-2664.12134

⁴³ Goulson, D., Hughes, W.O.H. (2015) [Mitigating the anthropogenic spread of bee parasites to protect wild pollinators](#). Biol. Conserv. 191, 10–19.

12. Ensuring fairness in the supply chain

Farmers must be properly and fairly rewarded for delivering the quality of produce, healthy countryside and standards of animal welfare that we need. A properly enforced statutory code of conduct is required to ensure fair purchasing practices across the whole supply chain.

How can we improve transparency and relationships across the food supply chain?

Please rank your top three options by order of importance:

- a) Promoting Producer Organisations and other formal structures?
- b) Introducing statutory codes of conduct?
- c) Improving the provision of data on volumes, stocks and prices etc?.
- d) Other (please specify)?

What are the biggest barriers to collaboration amongst farmers?

What are the most important benefits that collaboration between farmers and other parts of the supply chain can bring? How could government help to enable this?

We do not wish to rank the options in the way requested. Both Government and private sector support - through the food supply chain – is required to deliver the types of land management we need and for farming to support thriving rural communities. In our publication *Farming Fit for the Future*,⁴⁴ we called for ‘all businesses across the supply chain (to) enjoy good working relationships and secure a fair share of the profits’ and for ‘more transparent, local and shorter food supply chains’. Farmers need to be properly, and fairly, rewarded for delivering the quality of produce, healthy countryside and standards of animal welfare that we need.

The Groceries Code Adjudicator (GCA) has an important role in transparency, standards, fairness, and in ensuring that markets better support viable farming including by regulating the behaviour and standards of major retailers in relation to direct suppliers.

The decision by the Department for Business, Energy and Industrial Strategy (BEIS) not to extend the Groceries Supply Code of Practice and the GCA’s remit to promote fairer trading practices across the supply chain, not just the largest retailers, means that farmers and small food businesses selling into supermarkets via intermediate suppliers will continue to suffer. This decision is likely to have several consequences including –

- Bankruptcy among smaller farmers and food producing businesses less able to withstand cost and risk impacts, leading to more concentration and less diversity in the supply chain;
- Less investment in business growth and product development;
- Less investment in food safety, food quality and minimising environmental harms;
- Poorer working conditions as workers food and farming are placed onto precarious contracts;
- More food waste; and,
- Less transparency for consumers.

Voluntary codes of practice have not worked in supply chains whether for farmers and producers, smaller businesses or consumers. The Agriculture Bill should therefore introduce a properly enforced statutory code of conduct to ensure fair purchasing practices across the whole supply chain. This code of conduct must be properly enforced and ensure fair treatment for all suppliers in the UK and abroad regardless of which sector they work in.

⁴⁴ Wildlife and Countryside Link. *Farming Fit for the Future*, September 2015. Available at: https://www.wcl.org.uk/docs/farming_fit_for_future_vision.pdf

Alongside this, Government should also commit to improving local competition and planning rules so that they support a fairer, transparent system including more diverse and community-led retail such that more farmers obtain fairer shares of the price paid at the checkout and consumer trust is supported. Equitable trading between producers and retailers leads to a better balance of power between the two, unlike with major retailers where producers are generally price takers.

New measures are also required to ensure that risks and costs are shared fairly along supply chains rather than falling on small producers. Enforcement powers such as around price transparency should be included in the Agriculture Bill.

13. Devolution: maintaining cohesion and flexibility

A degree of commonality is required between the UK Government and devolved administrations to meet the UK's international obligations, and to manage common resources sustainably.

A common framework must be developed and agreed jointly by the four nations of the UK via a shared and transparent process. We recommend that the three components of a common framework between the UK and devolved governments are a shared regulatory baseline, common objectives (including environmental), and accountability mechanisms.

With reference to the principles set out by JMC(EN) above, what are the agriculture and land management policy areas where a common approach across the UK is necessary?

What are the likely impacts on cross-border farms if each administration can tailor its own agriculture and land management policy?

We are concerned that debate between the UK Government and devolved administrations about the need for common frameworks has focused too much on intra-UK and international trade, and not other JMC(EN) principles, specifically compliance with international obligations and management of common resources.

We regard the environment as 'essential' in the context of commonality of agriculture policies across the four countries of the UK, on the basis of two key factors relating to the JMC(EN) principles –

1. Agriculture, and therefore future farming and land management policies, will be central to the ability of the UK to meet international obligations associated with biodiversity, climate change and sustainable development.
2. Similarly, many environmental factors do not respect national boundaries. Ensuring sustainable management of common resources, particularly biodiversity and water quality, will be essential in securing a common level of environmental ambition, and reducing the scope for one part of the UK to gain a short-term competitive advantage based on policies that encourage unsustainable use of natural resources, to the detriment of environmental outcomes and long-term productivity.

Any common approach however will need to respect the current devolution settlement, and be developed and agreed jointly by the four nations of the UK via a shared and transparent process. Any Westminster legislation, including an Agriculture Bill, that includes aspects relevant to the whole of the UK, will need the full support and consent of the devolved administrations.

Using this as a starting point, we propose a framework for future farming and land management policies that is significantly less prescriptive than the Common Agricultural Policy (CAP), and instead provides for environmental (and other) commonality based on the three broad areas –

1. A common understanding of the regulatory baseline for future payments
2. Common objectives for future policies, including a range of environmental objectives relating to biodiversity, air and water quality and climate change, amongst others
3. Mechanisms to ensure accountability, allowing citizens to hold the UK Government and devolved administrations to account

This framework would not prescribe policy design in the way that the CAP does, and would therefore meet the JMC(EN) agreement to significantly increase the decision-making powers of devolved administrations. Figure 4 below provides a graphic illustration of our proposed model.

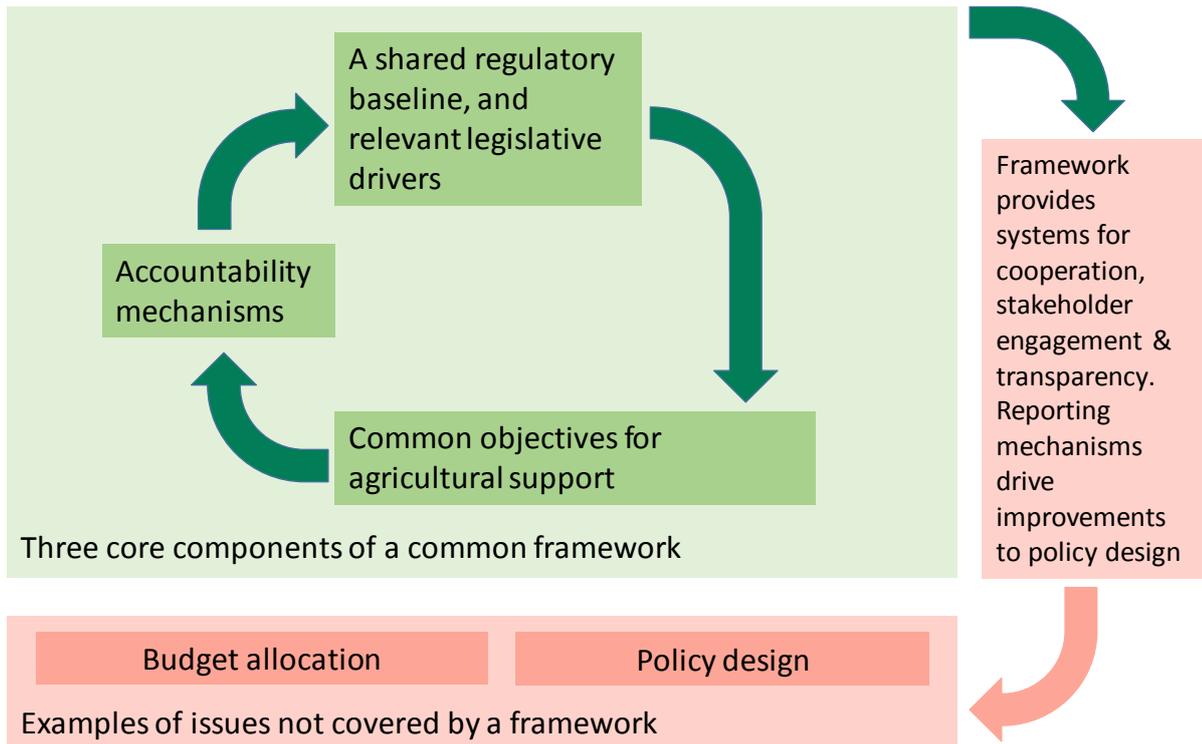


Figure 4. A common framework for future farming and land management policies

However, to ensure accountability against common objectives, specifically environmental performance, it is important that this framework is legislated for. There is also read-across to the debate about the 'governance gap', and policy proposals to address this either at a UK or four country level.

14. International trade

Leaving the EU presents the UK with the opportunity to build a UK brand based on high quality and robust environmental and animal welfare standards.

To achieve this, Government must –

- secure a Free Trade Agreement (FTA) with the EU;
- transfer into its own trading arrangements the 65 FTA it currently has through the EU;
- insist on the inclusion of chapters on animal welfare, sustainability impact assessments and on the environmental sustainability of production and processing methods when negotiating new FTAs (including with the EU);
- ensure payments under the new farming and land management policy are in the WTO Green Box.

How far do you agree or disagree with the broad priorities set out in the trade chapter?

How can government and industry work together to open up new markets?

How can we best protect and promote our brand, remaining global leaders in environmental protection, food safety, and in standards of production and animal welfare?

Wildlife and Countryside Link welcomes the importance given in the consultation paper to maintaining high environmental, animal welfare and food safety standards. However, there is no clarity on how this will be achieved in the context of prospective trade deals with third countries that have different and in some cases demonstrably lower environmental and animal welfare standards – this is of significant concern.

We would like the Government to make a clear commitment that all new trade deals will contain robust provisions guaranteeing that domestic environmental, animal welfare and food safety outcomes will not be weakened via exposure of UK farmers and land managers to low-standards imports.

We agree with the Government that the UK's new post-Brexit trading relationships provide an opportunity to build a UK brand based on high quality and robust environmental and animal welfare standards, and that there must not be a race to the bottom. As the UK exits the EU, it will be important to ensure that higher welfare products, and those produced to higher environmental and food safety standards, are not undermined by imported foods produced to lower standards. Granting access to UK markets to products produced to lower standards would risk undercutting UK standards and damaging the environment both domestically and internationally. For example, it could potentially lead to significant pressure on domestic standards from industry sectors concerned about competitiveness implications as well as resulting in environmental degradation overseas due to increased UK demand. To avoid unfair competition and ensure a level playing field, it is essential that safeguards are in place to ensure that products imported under any future UK trade deals meet at least equivalent standards as domestic producers.

The UK must also be mindful not to export damaging impacts of our food consumption abroad, such as large scale deforestation, and consequent greenhouse gas emissions and biodiversity loss. Measures to address this such as substituting imported soy animal feed with home-grown proteins would have the added benefit of creating new markets for UK-produced products, and increasing the diversity, and hence resilience, of UK agricultural rotations.

How the UK achieves this will be different in the main four areas it has to agree trade deals.

Firstly, we agree that it is important to secure a tariff free relationship with the EU as the EU-27 is the most important export and import market for all farm sectors. The EU and the UK currently enjoy broad equivalence on welfare and environmental standards, zero tariffs on agricultural trade and follow similar rules regarding non-tariff issues that could impede trade and agreements on areas such as veterinary equivalence. We also have the same Rules of Origin (RoO) which allows the unimpeded trade in livestock and meat products without customs controls between the UK and the EU-27. As the UK is not expected to be in the Customs Union, it is inevitable that the EU-UK FTA will have to agree new RoO agreements and new veterinary equivalence agreements to ensure that there is minimal hold-ups at the border. There is also a need for clarity on how the environmental equivalence will be maintained in any EU-UK FTA.

We also agree that the UK needs to transfer into its own trade arrangements the 65 FTAs that the EU currently has agreed with third countries. Two of these (South Korea and Chile) contain animal welfare chapters ensuring that there is mutual recognition of the importance of animal welfare. It is essential if these are re-negotiated that these chapters remain or are strengthened.

When negotiating new FTAs, including that with the EU, it is vital that the Government insists on the inclusion of robust chapters on animal welfare and environmental sustainability, including language on equivalence, and that all future negotiations are subject to democratic oversight and robust impact assessment. The UK should also keep the non-tariff animal welfare barriers it currently has, including a prohibition on importing beef produced using hormones, beef and pork injected with ractopamine, beef treated with BST and chicken washed in chlorine. Indeed if this is part of the EU FTA it would be potentially impossible or at least impractical for the UK to agree different standards when agreeing other FTAs with third countries.

Finally, as regards farm payments, if the UK wants to reduce the likelihood of any challenge in the WTO regarding its payments, it may prefer to place them in the Green Box (defined as minimal trade distorting and with a minimal impact on production) so they are not subject to payment ceilings. In order to achieve this, these payments must be given through a government-funded scheme, must not be linked to production nor provide price support. Clearly, payments awarded to producers for training, infrastructure and regional assistance would be allowed; they are specifically mentioned under the Agreement on Agriculture (AoA) and are not linked to production. Payments for programmes involving support for ongoing costs are permitted, providing payments are limited to loss of income involved. Although rules associated with environmental programmes are limited to income foregone and costs incurred by the AoA, some people and organisations have overstated the extent to which this will constrain the ability of a future public goods policy to provide sufficiently high payments. Where necessary, it should be possible to interpret any loss making agricultural activity that is needed to deliver a public good as a 'cost'. Using this approach, outlined in a 2011 study for LUPG (mentioned previously)⁴⁵, it would be possible to provide payments to non-economic farming systems, or those with low levels of profitability, that go beyond the conventional interpretation of income-foregone and costs-incurred used to date.

Our approach to this issue is predicated on the need to ensure payments are sufficient to secure a given management action or outcome, but defensible to the Treasury and the taxpayer. This study, and other precedents, provide sufficient confidence that this is possible to achieve within the parameters of the WTO Green Box. In fact, the WTO framework provides significant scope and flexibility for innovative approaches. Whilst they are therefore a consideration for policy development, they should not be a constraint in the development of an effective and attractive farming and land management policy that is focused on the provision of public goods.

For payments for improved animal welfare, the European Commission has shown it is possible to reconcile these with WTO rules. Since 2007, the Commission has approved more than 50 schemes that reward higher animal welfare in two RDP periods (2007–2013, 2014–2020) and has submitted

⁴⁵ Barnes A.P., et al (2011), Alternative payment approaches for noneconomic farming systems delivering environmental public goods. Report for the Land Use Policy Group.

all these schemes to the WTO as being Green Box compliant⁴⁶. No challenge has ever occurred.

⁴⁶ www.ictsd.org/bridges-news/bridges/news/eu-reports-trade-distorting-farm-subsidies-unchanged-for-2013-14-marketing

15. Legislation: the Agriculture Bill

Wildlife and Countryside Link would urge Government to expand the scope of the Agriculture Bill set out in the consultation paper to include the following –

- A broad purpose for public intervention in agriculture
- Binding targets and milestones
- A review of the funding requirement to deliver objectives every five years
- The regulatory baseline
- Accountability mechanisms

How far do you agree with the proposed powers of the Agriculture Bill?

What other measures might we need in the Agriculture Bill to achieve our objectives?

We agree that the proposed powers of the Agriculture Bill are necessary. However, at present the scope and ambition of the Bill is insufficient.

In addition to the powers set out in the Bill, we believe that there is a need to include the following –

1. **A broad purpose.** The Bill should set out parameters for future policies on the face of the Bill. This should reflect page 15 in the consultation paper, which summarises the role of Government in relation to agriculture as –
 - a. "...the regulatory baseline to protect our high environmental, plant and animal health and animal welfare standards and creating a level playing field for farmers and land managers."
 - b. "...encouraging industry to invest, raise standards and improve self-reliance..."
 - c. "...rewarding farmers and land managers to deliver environmental goods that benefit all. Our aim is for public money to buy public goods. In 25 years' time, we want cleaner air and water, richer habitats for more wildlife, enhanced landscapes and an approach to agriculture and land use which puts the environment first."
2. A requirement on Ministers to develop and adopt **targets and milestones**. These should be driven by the 25 year environment plan, noting the central importance of a future environmental land management system in securing the target outcomes of the plan. Alternatively, the Bill should create a structural link to existing and future environmental legislation and associated objectives and targets.
3. A requirement on Ministers to commission a **review of funding** every five years. Long-term stability will be essential to the success of future policies. In order to hold Government to account, Parliament will need evidence. Ministers should therefore be required by the Agriculture Bill to commission a review of funding requirements every five years from an independent body, with the findings presented to Parliament.
4. **The regulatory baseline.** The Bill should set out how the baseline for future payments is to be interpreted, to ensure consistency and value for money, and clarity on what Defra means by 'a more effective application of the polluter pays principle'.
5. **Clarity on accountability.** We expect clarity on how the Bill will enable citizens to hold Government to account. The Bill should include specific provisions, or Defra should clarify the extent to which a new environmental governance body will be able to scrutinise the environmental performance of farming and land management policies, and require improvements where targets are not being met.

Any common framework for future policies across the UK – developed collaboratively between the UK Government and devolved administrations – should include a shared, high level of environmental

ambition, as set out in our response in Section 13. With the full involvement and consent of the devolved administrations in the drafting of relevant clauses, this framework should be legislated for through the Agriculture Bill.

These measures will be necessary if the Bill is to reflect the ambition set out in the consultation paper, and provide citizens, stakeholders and Parliamentarians with the tools necessary to hold current and future governments to account against their commitments. They will sit alongside, and have to dovetail with, the other areas of the Government's current and future legislative programme, including a policy statement on environmental principles⁴⁷, legislation to create a new watchdog⁴⁸ to close the 'governance gap' and a potential Environment Act, suggested by the Secretary of State⁴⁹ in April this year.

⁴⁷ Michael Gove (Secretary of State for Environment, Food and Rural Affairs), November 2017. Available at: <https://www.gov.uk/government/speeches/environment-secretary-sets-out-plans-to-enhance-environmental-standards>

⁴⁸ See ref. 47

⁴⁹ Michael Gove (Secretary of State for Environment, Food and Rural Affairs) evidence session: Environmental Audit Committee 25 Year Plan inquiry, April 2018. Available at: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environmental-audit-committee/25-year-environment-plan/oral/81893.pdf>

Annex A – Case studies

1. [Hope farm](#) – farming for food, profit and wildlife
2. [Seeds for change](#) – How a commercial silage crop can provide a diverse range of grassland flowers
3. [Tarnhouse Farm](#) – farming with the grain of the local environment
4. [Trees mean better business](#) - Planting improves hen welfare, boosts production and benefits wildlife
5. [Wimpole Estate](#) – Taking a Natural Capital approach
6. [Whitehall farm](#) – Planting to improve economic returns
7. [Trees provide fodder and boost production](#) – improving the welfare of dairy herds
8. [Mob grazing and hedgerows for livestock](#)
9. [Shelterbelts can protect soils from erosion](#)
10. [A more effective approach to enforcement](#) in Herefordshire
11. [Farm's self-imposed insecticide ban leads to healthier crops](#)
12. [Farming wheat without neonicotinoids](#)
13. [Farming oilseed rape without neonicotinoids](#)
14. [Public access goes hand in hand with productive farming](#)

For more case studies, see also:

<https://www.agricology.co.uk/>

<https://www.innovativefarmers.org/>