

A FUTURE SUSTAINABLE FARMING AND LAND MANAGEMENT POLICY FOR ENGLAND



Wildlife and
Countryside



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The European Union (EU) has been the source of our agricultural policy through the Common Agricultural Policy (CAP) since 1973. Leaving the EU presents the opportunity to secure a decisive break from the CAP and establish our own ambitious and environmentally responsible policy.

Summary

Leaving the EU presents the opportunity to develop a farming and land management policy to replace the CAP that secures a sustainable future for agriculture and the environment, and a range of public goods for society. A future policy should focus on restoring our natural capital, whilst building resilience, and supporting production that is sustainable, innovative and humane. We envisage four key elements, with payments for comprehensive and targeted Environmental Land Management contracts, alongside measures to promote sustainable production. These would be underpinned by a foundation of effective regulation. A managed transition to a new policy is key. Government should use the Agriculture Bill to set a clear timeframe and direction of travel to provide clarity from the outset.

We have set out our **vision** for agriculture and land use after Brexit - a beautiful and healthy countryside alongside vibrant communities and a thriving economy. In this briefing, we set out the policy objectives needed to achieve this vision and set a sustainable direction for both farming and the environment for future generations.

The need for change

The CAP is outdated and over-complicated, and fails to properly support and reward farmers and land managers. Farmers are uniquely placed to play a vital role in protecting and enhancing the environment, yet payments for delivering environmental improvements through agri-environment schemes, are only a small proportion of all CAP payments. Instead, most of the CAP budget in the UK, around £2.5 billion per year, is used for direct subsidies, based on area of land. Subsidies are widely regarded as ineffective, inefficient and inequitable, and there is a strong public and political consensus around the need for major reform.



Impact of agriculture on the natural environment

Changes in agricultural practices, driven historically by CAP subsidies, continue to be the biggest driver of biodiversity decline across the UK - numbers of farmland birds have declined by 54% since 1970, whilst the populations of priority species overall have declined by 33% in the same time frame. Soil degradation in England and Wales costs £1.2 billion per year and poor agricultural practices are responsible for the greatest number of water bodies failing to meet minimum standards. Agriculture also accounts for a tenth of all UK greenhouse gas emissions. The Common Agricultural Policy has driven much of this degradation, and Brexit offers the opportunity to reverse these trends, and develop a policy that supports farmers and land managers to enhance the countryside, and restore the natural environment.

WHAT A FUTURE POLICY NEEDS TO DELIVER

There is a clear case for a future Sustainable Farming and Land Management Policy to focus on environmental land management, and the public goods and services that this will secure for society.

In addition, there is a legitimate role for Government to play in supporting a productive agricultural sector, resilient to external shocks. We therefore identify three high level objectives for a future policy:

1. Restoring our natural capital.
2. Building resilience and managing risk.
3. Promoting sustainable, innovative and humane production.

An ambitious new policy will help to secure and support:

- Opportunities for farmers and land managers to innovate, adapt and develop new income streams.
- A market facing sector, resilient to environmental change and external volatility.
- The protection and enhancement of natural services like clean water, flood risk management and healthy soils, on which the long-term future of farming depends.
- A reversal of the decline in wildlife seen over recent decades, helping once common species to recover across England.
- A farming sector which plays its part in climate change mitigation and adaptation.
- England's farming brand as one with high environmental and animal welfare standards at its core, to help build a brand that people can trust.
- The fabric and character of the English countryside, so important to our identity, and essential to key economic sectors such as tourism and recreation.



POLICY DESIGN

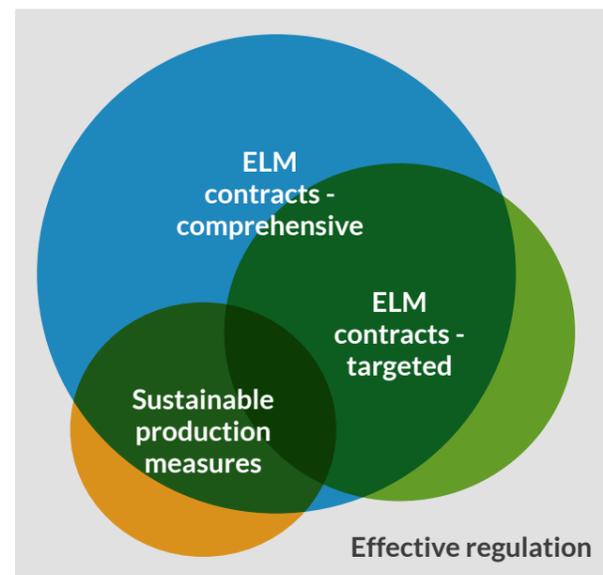


We propose four elements of policy design to deliver these objectives and outcomes:

- 1. Effective regulation:** a strong legislative baseline, providing an effective basis for public investment, which safeguards the environment and animal welfare, and protects the interests of society. Cross-compliance rules in CAP should be replaced with a more effective and proportionate approach which improves outcomes for the public whilst reducing bureaucracy for farmers and land managers.
- 2. Environmental Land Management contracts – comprehensive:** universally available payments to address environmental issues common across the countryside, such as soil degradation, declines of widespread species, diffuse pollution and public access, which often need relatively simple interventions. Payments would also support organic farming following certification, and continued support for conversion to organic.
- 3. Environmental Land Management contracts – targeted:** A range of measures to support more targeted action, ranging from proven interventions such as higher-level agri-environment payments to more novel and innovative mechanisms, including seed-funding for market-based Payments for Ecosystem Services (PES) schemes. Payments would secure a step change in land management through landscape-scale collaboration, securing public benefits such as the maintenance, restoration and creation of priority habitats including native broadleaf woodland, carbon storage, conservation of the historic environment and natural flood risk management.
- 4. Measures to promote production that is resilient, sustainable, innovative and humane:** A range of measures to support advice and training, and targeted capital grants and loans to support actions such as ‘above baseline’ animal welfare improvements, business diversification and resource use efficiency.

Key features common to all aspects of the policy include:

- **Contractual basis:** a framework that buys outcomes that wouldn't otherwise be provided by the market, rather than one based on ‘entitlements’.
- **Multi-year contracts,** varying in length as appropriate to the target outcome(s) of the contract.
- **Programmatic approach,** with targeting of all interventions to clearly defined objectives.
- **Coherence with other key sectoral policies –** trade, rural, food, environment, public health and planning. A joined up approach across sectors will be essential to improving the sustainability of agriculture, and effectiveness of public policy.
- **Simpler than the CAP,** through removing direct payments and taking a more proportionate approach to the control and verification of expenditure.
- **Integrated with other forms of funding,** e.g. PES schemes, and structured to pump prime new forms of investment.



POLICY IMPLEMENTATION

There are four elements to the implementation of a future policy that will provide the foundation for success:

1. Well-resourced and expert advice for land managers, from regulatory compliance and environmental interventions to business advice.
2. Investment in systems and processes, especially IT.
3. Partnership between land managers, the public and stakeholders at all stages of policy development and implementation to create relevant policies that have a genuine sense of ownership.
4. Investing in comprehensive monitoring and evaluation to check progress and ensure continuous and iterative improvement.

A national framework, led by one agency, would be responsible for securing national (and international) environmental and animal welfare policy outcomes and commitments. There would be significant scope within this for local leadership to determine local priorities and drive delivery. A variety of actors could take this forward, such as groups of farmers, National Parks and NGOs. To drive innovation, the lead agency would fund pilots and novel approaches, such as reverse auctions and direct commissioning of specific outcomes, in some instances devolving delivery to local partnerships.

TRANSITION



Assuming our departure from the EU coincides with the end of the Article 50 period in March 2019, we envisage an approximately five-year transition period to 2025, falling into three phases:

Phase 1 – Beginning of 2020 to end of 2021: use existing mechanisms and new primary powers to start the process of change. Redeploy the 30% of direct payments allocated to Pillar I greening measures to environmental schemes, and start phasing out direct payments from 2021. Begin pilots for all aspects of the new policy from 2020.

Phase 2 – Start of 2022 to start of 2025: introduction of a new policy, and the end of the transition away from direct payments. All funding associated with direct payments to be fully transferred to the new policy.

Phase 3 – 2025 onward: bed-in new policy arrangements as business as usual and complete the transition of all land managers to the new policy framework.

The Government should use the proposed Agriculture Bill to:

- set out a time-limited transition period to allow farmers and land managers to plan;
- provide a statement of intent that places the environment at the heart of future policy;
- set out timescales for the implementation of future policy.

INNOVATIVE FINANCE

Public policy will remain essential in the long-term, but Government cannot be expected to pay for everything.

For some public goods, such as water quality and flood risk management, new markets can be developed. To progress market-based solutions, a mix of actions is needed including:

- Introduction of long-term objectives for environmental restoration to facilitate market creation.
- Better understanding of the quality and extent of natural infrastructure assets.
- Investment programmes for more joined up catchment and landscape-scale work.
- Providing land managers with the confidence that investment in nature will be recognised.
- Giving potential buyers—such as developers, utilities and local authorities – confidence in the product they are buying.

The Government can address these needs and facilitate market development by taking steps such as: providing the derogations and licences required to trade; increasing research and development grants (e.g. for natural flood management); brokering a new Sustainable Food Pact between food sector companies; introducing incentives to support private investment into natural capital; and using smart regulation to establish units of measurement, trading periods, certification, and responsibilities on polluters that can help create demand.



DEVOLUTION

The CAP currently provides a common framework for policy across the UK. Although these proposals are for England, establishing a new framework to maintain a degree of coherence within the UK will be important.

We believe that a common framework should be developed through agreement and mutual consensus with devolved administrations, and propose four criteria. This framework should:

- a. Set ambitious common standards that are at least as high as those set out in existing EU law, at the same time as retaining an appropriate degree of flexibility to allow implementation to be tailored to the specific environmental and legislative context in each nation.
- b. Prevent competitive deregulation but not prevent any nation from introducing higher standards.

- c. Be developed alongside a new set of fair and transparent funding arrangements that replace the loss of EU funding streams and enable effective implementation.
- d. Include robust shared governance arrangements (e.g. clear monitoring and reporting obligations and associated enforcement mechanisms) as a means of holding all four nations to account and resolving disputes following the loss of the functions currently carried out by the EU institutions.

Whilst building on these principles, a common framework for agriculture and land use must also recognise that individual policies will have to reflect the different cultural, political and environmental contexts in each country.

TRADE & WTO RULES

Trade policy will play a major role in determining the economic context and regulatory environment in which the sector operates.

We strongly believe that the future of farming in England and the rest of the UK lies in quality and high standards – there is no mileage in a race to the bottom. To support the objectives of a Sustainable Farming and Land Management policy, trade policy should ensure that imports to the UK are expected to meet these high standards, and UK farmers are not placed at a competitive disadvantage.

World Trade Organisation (WTO) rules will inform how the UK governments develop and structure agriculture policy in the future. Some have suggested that they present barriers to basing policy on public goods. However, we believe that this suggestion is based on a narrow interpretation of the rules, focusing on just one aspect. 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.



ABOUT WILDLIFE AND COUNTRYSIDE LINK



Wildlife and Countryside Link brings together 46 environment and animal protection organisations to advocate for the conservation and protection of wildlife, the countryside and the marine environment.

Wildlife and Countryside Link members have the support of over eight million people in the UK and manage over 750,000 hectares of land.

This briefing is a summary of our detailed paper: **A future Sustainable Farming and Land Management Policy for England.**

These policy proposals have been developed by Wildlife and Countryside Link with the Soil Association, in consultation with Greener UK and Sustain. Together we represent the environment sector's position on the future of farming and land management in England.

Leaving the EU poses a range of questions, challenges and opportunities for both farming and the environment. If there is consensus anywhere though, it is around the need to reform and reshape agriculture policy, particularly to secure a wider range of public benefits and significantly improved value for money.

These proposals are intended as a constructive, pragmatic and ambitious contribution to the debate, and will form the basis of future conversations with farmers and land managers, Government and other stakeholders in the months and years ahead.



These policy proposals were developed and are supported by the following organisations:



Wildlife and Countryside **LINK**

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