

1. Introduction

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

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

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

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

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

2. Leaving the Common Agricultural Policy

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

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

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

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

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

4. An ‘agricultural transition’

The Government states it will maintain the same cash total funding for the sector until the end of this parliament: this includes all EU and Exchequer funding provided for farm support of the current CAP. Once the UK has moved away from the CAP, there will be an *'agricultural transition'* period in England in the belief that this will give farmers time to prepare for new trading relationships and an environmental land management system.

5. The proposals for England

In England, Direct Payments will continue during the *'agricultural transition'* but in order to support farmers to prepare for change, the Government says it will need to free up funds. This will be done by: applying reductions to Direct Payments, starting with those receiving the highest payments; and funding *"pilots of environmental land management schemes and to help farmers unlock their full potential for sustainable production"*.

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

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

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

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

6. A new environmental land management system

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

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

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

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

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

7. Animal welfare

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

8. Plant and animal health

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

9. Smarter regulation and enforcement

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

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

10. Managing risk and volatility

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

11. Helping rural communities prosper

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

12. International trade

There is a proposal to build on the GREAT Britain campaign and develop a British brand to highlight the origin and the environmental credentials to consumers. The Government states it is

fully committed to maintaining high standards of consumer, worker, and environmental protection in trade agreements.

13. A skilled workforce

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

14. A new statutory framework

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