



Select Committee on Food, Poverty, Health and the Environment

Corrected oral evidence: Food, Poverty, Health and the Environment

Tuesday 3 March 2020

10.40 am

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Members present: Lord Krebs (The Chair); Baroness Boycott; The Earl of Caithness; Lord Empey; Baroness Osamor; Baroness Parminter; Baroness Ritchie of Downpatrick; Lord Whitty.

Evidence Session No. 12

Heard in Public

Questions 88 - 93

Witnesses

I: Philip Hambling, Head of Food and Farming Policy, National Farmers' Union; Rob Percival, Head of Policy (food and health), Soil Association.

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Examination of witnesses

Philip Hambling and Rob Percival.

Q88 The Chair: I welcome our witnesses to this evidence session for our Select Committee inquiry into food, poverty, health and the environment. Those of you who are observing have in front of you a list of interests that have been declared by members of the Committee. The meeting is being broadcast on the parliamentary website. A transcript of the session will be taken and will eventually be published on the parliamentary website. Witnesses will have the opportunity to make any corrections that they deem necessary. Before we move to the questions, I invite our two witnesses to introduce themselves very briefly for the record.

Philip Hambling: I am the head of food and farming for the National Farmers' Union. It is a policy department for the union, based in Stoneleigh in Warwickshire.

Rob Percival: I am the head of food policy at the Soil Association, an organisation that both certifies organic food and campaigns more broadly for sustainable food and farming.

The Chair: Thank you very much. Without further ado, I will start off with a very general question. As part of our inquiry, we are interested in sustainability, the environmental impacts of food, as well as its health implications, and how it relates to people who live in poverty. Would each of you tell us what you think sustainable agriculture actually is? What does it mean? What are the key challenges in producing food in an environmentally sustainable way? What are some of the pressures for food producers that prevent further progress towards sustainability?

Philip Hambling: The problem with sustainability is that it is generally used by most people as a term to define whatever they want when they are speaking, as opposed to a generally accepted definition. The traditional definitions cover three main areas. One is around environmental sustainability. With regard to the question, that would be producing food within environmental boundaries to sustain nature, and not eroding our capacity to produce food or eroding the natural environment. There are also nutrition and human health elements and social elements, which are the traditional three-legged stool of sustainability. They are about ensuring that we provide healthy, affordable food for the nation. The third important element is the financial element. Speaking on behalf of agriculture, we need a sustainable income for farmers and their families, who are producing food in that system.

Rob Percival: I might take issue with the word "sustainable" too. It is one of those horrible words that is overused. It implies just stopping doing harm and maintaining the status quo, whereas what we actually need is farming that puts value back into the system so that it replenishes our soils, brings wildlife back on to farms, brings more social value than it extracts and helps to resolve the climate and nature crisis and turn around the dietary ill-health trends that we have seen.

When we join the dots between all the different facets of the challenge, we arrive at a model of farming based around agroecology, minimising inputs of fertilisers and pesticides, farming in a more diverse manner, bringing biodiversity and wildlife back on to the farm, and doing so in a consistent manner across the system. The model of agroecology has been supported by the RSA Food, Farming and Countryside Commission, a recent examination of how we are farming and producing food in this country, and it has pretty broad international support. There are signs in the Government's Environment Bill and Agriculture Bill that this is the direction of travel in which we should be going, but at the moment the policy environment is not as conducive as it could be. Farmers face huge uncertainties in trade and so on, and are struggling to get a fair price for their food. We need agroecology, a consistent and predictable policy and trade environment, and clearer markets for farmers.

The Chair: Philip, do you agree with what Rob said about our needing to shift more towards agroecology?

Philip Hambling: I agree with quite a lot of what Rob said. We share a lot of common ground, particularly as regards some of the challenges that we see around trade policy and investment uncertainty. There is an area that has not been fully cracked as a challenge, which is trying to bring in externalities in the food system that are not necessarily covered by our traditional economic model. There have been a lot of attempts to try to bring those into the food system, whether it is their impact on the environment or in other areas such as animal welfare.

The direction of travel Rob talked about, which is making sure that we are farming with the future in mind, is something we need to get ahead of. We need to make sure that we are not undermined by trade policy and that investments, whether public or private, are protected in trade policy so that farmers both invest in the right things and get a fair return in the process.

The Chair: We will come back to trade policy and price later on. As you said, the externalities are not included in the price that people pay. Obviously, we are interested in people who live in poverty, for whom price may be a critical factor in determining whether they can afford to buy food.

Rob, you raised the question of agroecology. One of our witnesses in a previous session, Professor Andrew Balmford from Cambridge University, told us that, in the work that he has done, the most effective way of reducing the environmental impacts of food production is to farm very intensively on certain bits of land and leave other bits to nature—what is called the sparing model, as opposed to the sharing model. Can you give us your view on that?

Rob Percival: The Government's 25-year environment plan acknowledges that the use of pesticides has contributed to the decline of bees and pollinators in the UK in the past 50 years. Globally, we know that a third of insect species are threatened, with pesticides one of the

key contributors. We also know that the process of producing nitrogen fertilisers relies on a huge volume of natural gas, a primary fossil fuel, each year. Supply chains for phosphate fertilisers are tied into geopolitically unstable areas of the Middle East. They are mined in Western Sahara. Looking into the future, to a position where either we have resolved the climate crisis and achieved net zero or climate shocks are impacting the food system, we will have to move towards a more agroecological approach anyway.

We know that it can be done. We know that intensification is not the only option. Last year, a French think tank called IDDRI published a study looking at what would happen if the whole of Europe adopted agroecological approaches. It is an agronomic study—an academic exercise—so take it with it a pinch of salt, but it showed that we can farm in that way. While resolving the climate crisis, we can produce enough healthy food to feed a growing population, and do it while protecting our wildlife, but we have to eat and farm differently.

It means eliminating the food-feed competition that we have. At the moment, half the cropland in the UK is used to produce animal feed. Arguably, that is a wasteful use of land. We need to eat a bit less meat, to farm differently and to think more strategically about how we use our land. When you do that, I suggest that the land-sharing approach becomes the more desirable option. It is not true that we have to have a dichotomous view of farming versus nature. We can bring them together.

The Chair: Do you have a view on that, Philip?

Philip Hambling: There is a temptation to think that one approach is the solution. In many different areas up and down the country, there will be different approaches that will achieve the best outcome. A set, agreed vision of what we would like to achieve needs to be developed in public policy. Farmers can deliver whatever we want to deliver, with the right balance with nature, but I have yet to see a really good vision of what that actually looks like.

There is a lot of talk of restoration. I assume that does not mean restoration to the Palaeolithic period in the natural environment, so what are we restoring for? Having clear sight of what we actually want to deliver in biodiversity is really important. Then we have to think about the ways we get there, which should be targeted on the right circumstances and the right areas. In some circumstances, so-called land sparing may be the best use of that particular land. There may be better approaches for other parts of the country, where we have more productive countryside.

Q89 **Lord Whitty:** You have talked quite a lot about the relationship of food production to the physical environment: the ecosystems, biodiversity and so forth. One of our main interests is the impact on human health, mainly through food. The general view has been that there has been less in agriculture or food policy directing both primary producers and processors towards healthier food and a more balanced diet. How do you

think that producers can be empowered or encouraged to work to produce more food that is more conducive to public health and better diets?

Philip Hambling: Many farmers feel a bit too far away from the interface with consumers to be able to influence decision-making. Certainly, farmers have a role in producing a broad range of food types that are able to contribute to a healthy, affordable and, importantly, enjoyable food system. Very often, the role of enjoyment of food is overlooked in what drives consumer behaviours.

Having said that, there is a need to look at agriculture, in particular, as part of a global system. Very often, we look at it from a UK perspective, but we are part of a global food web. We need to think about how we invest and grow more of the food that we are good at. That is good both for people and for the planet.

We should think about our fruit and veg demand. We produce only about 7% of the fruit we need and about half of our vegetables, while importing from some of the most water-stressed areas of the world. Intuitively, that cannot be the right thing to do. If nothing else, from a purely commercial perspective, there must be an opportunity to look at import substitution and improving resilience.

Given that no single demographic in the UK is eating enough fruit, vegetables and starchy carbohydrates, maybe we should be thinking about investing in fruit and veg and, at the same time, investing in more homegrown protein, fibre and fruit and veg. There is no strategic oversight of that. We do not feel that there is any serious investment. We do not necessarily have the labour or the advancement in tech to help to make that change, but there is certainly an opportunity for UK agriculture and horticulture to be part of a solution to deliver healthy fruit and veg for the nation.

Rob Percival: I agree with a lot of what Philip has just said. We have to start with a clearer understanding of what constitutes a healthy diet. Some of the narratives coming out of Public Health England and our public health authorities are all about eating just a little less sugar, fewer calories and less saturated fat. The bigger picture is that in the UK we eat the most ultra-processed diet in Europe; 51% of family food purchases are of ultra-processed foods, compared with 13% in France and 14% in Italy. There is a strong correlation between the percentage of those foods in the diet and poor health outcomes, but Public Health England is focused largely on reformulation of those foods, taking out some sugar and calories.

We have a sugar tax that has been hugely successful, but now we are all guzzling artificially sweetened drinks instead. We know that those interact negatively with the gut microbiome. If you are Irn-Bru or Diet Coke, you can even get a good choice logo on your product, endorsed by the Change4Life campaign. Our perception of healthy eating is a bit warped.

I echo what Philip said. At the production end, we need to invest in horticulture, making fresh fruit and veg much more readily available, with a clearer narrative that they should be the heart of a healthy diet. That could involve extra support for primary processing and support for new entrants to get into horticulture. Then we need to level the playing field by tackling the overspend on junk food advertising and increasing the spend on fresh food advertising. The Food Foundation's Peas Please and VegPower campaigns are a good example. We need to look at some more radical policies to rein in junk food, such as 9 pm watersheds and, possibly, plain packaging. It should all be squared around the understanding that a healthy diet is based on fresh and minimally processed foods.

Lord Whitty: How far is the fact that we have not done this the result of the economic system and government policy? It has been presented to us that we should be using the Agriculture Bill, for example, to specify agriculture's and first-line producers' commitment to producing healthy food. That does not appear very clearly in the Bill at the moment. At the end of the day, somebody has to make some money out of this. Is the problem that you will not make money out of fresh food or that what you provide to the processors leads to their creating highly processed food, rather than the healthier food you would like to produce?

Philip Hambling: We have to be very careful. Personally, I have some scepticism about the impact of advertising. The food industry is extremely good at delivering consumers exactly what they want, when they want it and in the format they want it. The strong motivating factor in all that is chasing the margin opportunity to deliver consumers food that they like when they want it. There is a challenge for the food industry generally to think about making food that we like very much healthier, the holy grail being a Mars bar that gives us our five a day. Maybe that is not very realistic, but there is a challenge for the food industry to deliver not just healthy food that we enjoy, but enjoyable food that is healthier, too. That is a big challenge.

Perhaps we will come on to the affordability point shortly, but there is a big difference between those who cannot afford a healthy, balanced diet and those who can and may not make the best or ideal choices for their health. There are lots of different reasons for that. Choosing particular food formats is not necessarily the right way forward. We should think about what motivates consumers and look at behavioural economics to help to deliver better public health outcomes in food choice. That is subtly different from the point about how we can engineer the supply chain to deliver a healthy, balanced diet.

Lord Empey: You referred to the high consumption of ultra-processed foods in this country compared with France and Italy. To what extent does our climatic situation have an impact on that? France and Italy have large areas where the climate is more helpful to the production of fruit and so on at different times of the year. To what extent is that a factor in our high consumption of processed foods?

Rob Percival: It is absolutely no factor at all. There is no reason that we could not be eating a diet far richer in fresh and minimally processed foods, including a higher proportion of foods produced in this country. The nature of supply chains does not mean that we are restricted to ultra-processed foods at certain times of the year, or even that the UK diet needs to be in any way skewed in that direction.

I think it is cultural. It is to do with a complex web of cultural factors, to do with the food industry, convenience, marketing, the direction the food in public institutions has gone in recent years and certain public health authorities neglecting to push the right messages. People are understandably confused about what constitutes a healthy diet and reach for a label that says low calorie, low sugar or low fat; it is still not good for them.

Lord Whitty: If this is entirely consumer driven, via the processing industry, is there anything we could do in policy, subsidy and regulatory terms, given that we are about to devise a replacement for the CAP, to change the nature of what is being produced—for example, to encourage more horticulture?

Rob Percival: Yes. The Agriculture Bill provides a huge opportunity for us to do things differently. The risk is that it does not provide the long-term reassurance that farmers need to invest in strategic changes. We need multiannual budgets and clarity about the long-term direction of travel in policy.

If we get the public money for public goods bit right, we can support farmers to make changes to their system that move them away from commodity-side crops and back to a more diverse mode of production. We can get the supply chains in place, with the right investments and the right thinking in the national food strategy that Henry Dimbleby is developing to support some of that market and supply chain development. It can be done. The pieces of the puzzle are all there, but they are not arranged in quite the right way yet.

The Chair: Do you want to add anything, Philip?

Philip Hambling: The Agriculture Bill presents an amazing opportunity to address a number of different factors. As Rob points out, multiannual budgeting is really welcome for long-term investments. Nothing in agriculture happens in a short space of time. That consistency is key.

To get food policy right, there are lots of different moving parts. One of them is how we invest in, protect and nurture primary production, feeding into a food system that covers a lot of different policy areas, one of them being social policy. If we do not get that right, no amount of regulation will solve some of the challenges that we have ahead of us.

Baroness Boycott: This is not a simple question, but it sounds simple. Do you think that eventually consumers will have to pay more for our food, as we absorb the externalities of the food system, or could the

Government resubsidise the farmer at a lower level? Where is it going to come? As we are, we are slightly stuck.

Rob Percival: I am happy to offer a partial answer to that question.

The Chair: We will go back to food prices in a minute, so could you give a quick answer?

Rob Percival: Sure. Yes, we should probably be paying more for our food. That sounds like a counterintuitive thing to say in the context of an inquiry into food insecurity and food poverty, but, as I am sure you have heard from other witnesses, the cause of food poverty is poverty. The solution is a higher level of income and a more attainable level of living. We cannot invest in cheap food as the answer to food insecurity.

Philip Hambling: I agree with that mostly, except that price itself is not the issue. We are still among the top three or four most affordable countries for food in the world and we need to work hard to preserve that. At the same time, there is an element of investment in productivity and competitiveness that we can make, in a range of food types, to help to feed the eatwell plate that we all need to consume.

Competitiveness is a strong reason why we have some of the most affordable food in the world. It does not necessarily have to cost more. Food prices do not necessarily have to go up. We need to be respectful of those who are on lower incomes, but it is fair to say that we need to invest in the right horses to win, to help to make sure that we have the healthiest and most sustainable food in the world. We must link that to social policy so that people have the agency to be able to buy into the eatwell plate. Again, there is not just one factor. There are lots of different factors that stick together. Food price is often a bit of a red herring when it comes to solving the problems that we need to solve. We need to protect affordability and sustainable production at the same time.

The Chair: The Earl of Caithness would like to develop the argument about food prices.

Q90 **The Earl of Caithness:** I have some questions on the same theme. We talk quite a lot about having more fruit and horticulture. Our inquiry relates to England. What is the ability of England's soil to grow more fruit and horticultural products, given climate change, increased water shortages in the summer, excess water in the winter, warm weather and soil degradation? Secondly, does it cost more to produce a sustainable diet? If so, what should we be doing about that?

Rob Percival: You are absolutely right to identify our soils as being at the heart of the many challenges we face in the context of both climate mitigation and climate adaptation. We know that there are some rough times ahead.

The way we farm now has a mixture of impacts on the soil. Soil is the primary asset of any farmer, and every farmer cares about their soil, but we know that certain systems and practices are better than others at

nurturing soil health and soil organic matter and capturing carbon in the long run. This is where agroecology again comes into the picture. Organic is one form of agroecological farming. It is not the only one, but it is defined in law. We know that organic soils are richer in soil microbial life and have higher carbon levels. When we talk about a shift to agroecological farming, we are talking about a range of farming systems, all of which have soil health at their heart.

There is absolutely no reason that we cannot grow more fruit and veg in this country. Obviously, we must tailor production to the right landscapes and microclimates, but if we get the systems right, nurture soil biodiversity and nurture on-farm ecological health, we can produce a far greater volume and range of fruits and vegetables in this country.

Philip Hambling: On the specific point about fruit and veg, there are some lessons to learn from countries that have invested significantly in horticultural production. The Netherlands has a reasonably similar climate. Forgive me, but I have not brought the stats with me today; I am sure that I can share them with you another time. Public investment or facilitation of investment in horticultural production in the Netherlands and the rapid expansion in Spain show what could be done. The capacity in the UK could certainly be tapped into.

With a weather eye on climate change and driving water availability around the world, this has to be something we take seriously for the future. The availability of water up and down the country at the moment may not have escaped your attention today, a particular issue being that it is a bit too available for many of our farming members, but water scarcity and surplus will be a bigger challenge. One reason why we have called more recently for an integrated water management strategy from the UK Government is to help us to take a more strategic look at how we deal with both the excess and the shortage of water, not least to support a growing horticultural industry for the future.

The Earl of Caithness: Can I press you a little further on the costs? We are told that eating a more sustainable diet is more costly. Is there any way of reducing the cost of that to a level on a par with what we are producing now? Are we right to be rushing ahead with planting trees at the current rate if that is soil on which we will be able to grow vegetables?

Philip Hambling: There are two points that I would like to make in response to that question. The first is on cost. We have to bear in mind that a significant proportion of the cost to members of growing fruit and vegetables is labour. Labour is a particularly challenging area for public policy at the moment, as I am sure you are aware. We need to invest in technology that would help to reduce the labour cost, whether or not seasonal labour is available. That is a long-term ambition and something that we will not be able to turn around within five or, possibly, even 10 years. We need to take labour into account in our calculations.

On the second point, about planting trees, the unstrategic planting of trees—or planting trees for the sake of it—potentially has quite significant unintended consequences for biodiversity, soil health and even climate change. It seems to be readily accepted wisdom that we plant trees and, therefore, climate is somehow solved. Clearly, tree planting needs to be planned and properly managed to get the climate benefits we would like to deliver. Tree planting by numbers is potentially a terrible mistake.

Rob Percival: I agree with everything that Philip has just said. The climate crisis is a crisis and we need those trees. We need to plant trees, and we need to be enormously ambitious about the numbers in which we plant them, but, as Philip said, they need to be the right trees in the right places.

A false dichotomy often arises in the conversation about farming and trees. There is the idea that we need to free up farmland in order to plant trees, but many of those trees can be incorporated in farms, agroforestry systems and areas of farm and woodland. There needs to be a bottom-up move, where farmers are supported to integrate trees in areas where it makes sense to them. Huge investment in agroforestry systems could see us boost productivity, continue to produce food and get trees in the ground.

The Chair: Can I pick up on the Earl of Caithness's question about price? I was looking up some figures this morning apropos organic food prices. You mentioned organic as one possible form of increasing environmental sustainability. I read in one report that the average price difference is 89% higher for an organic basket versus a conventionally produced one. Another, from Sainsbury's, gave a 48% difference. The biggest differences seem to be in fresh fruit and vegetables. Longer term, do you see ways of narrowing that gap?

Rob Percival: Yes.

The Chair: What is the answer? How is the gap to be narrowed?

Rob Percival: Some of those margins are added by the retailer. If you cut out the middle man, you can have a fairer price for the farmer and a lower price for the consumer, through box schemes and more local supply chains. I am not suggesting that the grand solution is to cut out supermarkets, but part of the price differential is because a margin is being added.

We also need to look at the role that government policy plays in this. If we look around Europe at what other Governments are doing, organic plays a far more central role in their food strategies. In Denmark, 60% of all the food served in public settings is organic, and 90% in Copenhagen. The land area under organic is three times the size in Denmark than it is here, and it is about nine times the size in Finland. It is higher in Germany and in Spain. That is because government is invested in organic.

With regard to the specific question on the price of organic, once you reach a tipping point where it is more normal, the price differential is lowered. One way of creating that larger market is through public procurement. Obviously, there is a bigger question. Organic is not the beginning and end of sustainable food. It is how we join the dots between more labour-intensive and sustainable production and making the food available to the consumer. The price differential in organic can be lowered, and it is being lowered elsewhere.

The Chair: Do you want to add anything, Philip?

Philip Hambling: There is a difference between producing organic food and producing organically using sustainable practices. The margin, or perhaps the price differential to consumers, for organic certified product does not necessarily indicate that it is the only way to convey sustainability to consumers. Conventional farming very often adopts many principles applied in organic farming, such as reducing external inputs from the farmer, maximising rotation and preserving organic matter in the soil. There are many sensible principles that conventional farmers can adopt to improve sustainability in the round, as we understand it.

Very often, that is another trap that we fall into about there being a polarisation, or that somehow conventional and organic are two different ends of the spectrum. It is not always the case. Price differentiation and sustainability are not necessarily at odds with each other. Very often, many organic principles can help improve the financial performance of a farm too.

Baroness Boycott: Would it be a good thing for us to have a public procurement policy, as I know Italy has tried to do, such that X% of public procurement in schools, et cetera, came within a geographic region of, say, 50 miles of source? Would that be something that would seriously boost horticulture?

The Chair: Philip, would you like to respond briefly?

Philip Hambling: If I understood the question—

Baroness Boycott: A mandatory procurement standard that said X amount—say 20% or 50%—had to come within 30 or 40 miles of the school or the local authority.

Philip Hambling: If we could get a commitment from those in charge of public procurement to subscribe to the food values that we want to adopt ourselves in the UK, that would be a very laudable first start. There are particular challenges in drawing a radius around a particular area for sourcing food, not least the seasonal challenge. A very laudable first base would be to make sure that we source as much British product as we possibly can for our public procurement in our schools, hospitals and elsewhere. If not, we should certainly be ascribing the same values that we ascribe to production in the UK through trade and procurement policy.

Q91 Baroness Parminter: This is a question for Philip, in two parts. The NFU has set a target of reaching net zero greenhouse gas emissions by 2040. First, what do the Government have to do to help you achieve that? Secondly, rather worryingly, you called it a national aspiration. Unless there are metrics on farms, is that not meaningless?

Philip Hambling: If I may, I will answer the second question first. We all have to start with a vision of where we want to get to. There may be lots of different ways to achieve it, but we have set out three pillars for our vision to deliver net zero in agriculture. One is around turbocharging our productive efficiency and helping to produce the same, if not more, with fewer inputs and hoping to save around 11.5 megatons of CO₂ equivalent per year.

We want to make sure that we maximise our renewables capacity, based in and around agricultural infrastructure, which would help offset about 26 megatons of CO₂ per year. We currently produce enough green energy to power the equivalent of 10 million homes in the UK. We would like to double that. There is no reason why we should not have that aspiration.

We have a detailed aspiration to capture more than 9 megatons of CO₂ equivalent per year through improving sequestration in our soils, through our grasslands, through peatland restoration and improving the size and scope of hedgerows, as well as strategic tree planting. I would argue that we have a reasonable amount to go on with our vision, and we certainly see the opportunities in the Agriculture Bill to wed them and help deliver those outcomes.

The Chair: Rob, do you want to add anything from the Soil Association perspective? In the organic sector do you have a target or an aspiration to reach net zero and, if so, by when?

Rob Percival: The ambition of reaching net zero by 2040 is hugely ambitious and hugely welcome. What we have to keep in view is that we have not just a climate crisis but a crisis in the financial world. We have to make sure that the avenues through to net zero also work for nature.

There are certain ways of getting to net zero that are not going to be good for the natural world. If we overinvest in bioenergy crops, for example, it could be bad for wildlife, bad for water and bad for soils. The climate change committee itself raised that in its recent report. Models of intensification that have already been mentioned—not necessarily the NFU model—imply heightened use of fertilisers and pesticides, which again could get us to net zero but might deplete our soils and pollinators.

In the context of a shift towards agroecology, the IDDRI modelling that I mentioned earlier shows that we can get to net zero by 2050 through the land-sparing approach where we cut out the use of fertilisers and pesticides, or at least curtail them significantly. In doing that, we both produce enough healthy food for a growing population and protect the natural world.

That is not to say that I necessarily disagree with Philip or with the direction of travel that the NFU has taken, but it is worth being aware that there are different routes to net zero and not all of them are going to be good for nature.

The Chair: Does the Soil Association have a specific target date in mind?

Rob Percival: We support the climate change committee's target of net zero by 2050. We are in discussion with it about the role agroecology can play in that. We are very welcoming of the NFU's ambition of getting there by 2040. It is absolutely essential that we try to bring that day forward in line with the NFU's ambition.

Baroness Parminter: To be clear, is that a no? They have a target and you do not, or do you support their target?

Rob Percival: We support the climate change committee's targets. We are keen to bring that forward, in dialogue with the committee, to the NFU's target. We have not plucked a date out of thin air. We are working on a model that works to 2050, but we recognise that there is evidence suggesting that we might need to get there a bit sooner. The ambition of getting there by 2040 is entirely welcome, and we will be exploring ways that agroecology can help deliver that.

The Chair: Philip, pillar one of your three-pillar plan is to increase production efficiency. From what I have seen, looking at the figures, production efficiency increase in the United Kingdom has fallen behind other European countries in the last few decades. Farmers have become more productive in, say, France, Germany and the Netherlands while we have tended to plateau. What has gone wrong? Why have we not kept up in the production efficiency race?

Philip Hambling: There may be a number of reasons. One is around investment uncertainty. We face a very uncertain trade environment at the moment. If I was a pig producer or a broiler producer, for example, I would be thinking very carefully about investing in new facilities and equipment that may require a 10 or 20-year investment, until there is a more certain trade environment in which to make that investment and have some degree of certainty of return.

There has been lack of vision by the Government and by the food and agriculture industry, which is why we are so welcoming of a national food strategy. We need a joined-up view of where we should be going in the future and where our food will be coming from, and joining all the policy dots up that we have described today. We need a clearer view about our role in the global food system, what we should be producing at home, and how we make sure that we have clear levers to encourage investment in the right place to deliver.

There is an opportunity to join up on skills as well as investing directly in productive efficiency schemes. There is talk about a grant scheme for boosting productivity in agriculture. We are starting to see some of the

details, but they need to be joined together in the overarching regulatory environment through the Agriculture Bill, not just through productivity grants. It has to be through policies that encourage investment to be made in helping to improve productivity in people and infrastructure.

There is a lack of joined-up policy in this space to help to ensure that productivity is on the right journey. It is a combination of factors: uncertainty in trade, and lack of vision and strategic investment in primary production. We need a much more joined-up view on how we link skills and people to businesses for the future. There is a big opportunity that we can seize. The Agriculture and Horticulture Development Board has a big role to play there, partnering with public policy.

Q92 **Baroness Ritchie of Downpatrick:** What should be the Government's key priorities for future agricultural trade negotiations? We have already heard some references to that, and we have already had some evidence, particularly from the NFU.

Philip Hambling: Our No. 1 ask for policy on trade at the moment is making sure that, where we have trade agreements in play, we should always be cognisant that we want to avoid exporting our problems to other parts of the world. We need to make sure that, where we have values in food production—the things that we regulate here—we make sure that we hold the same calibration to food importers as well.

In basic terms, that means that food that it would be illegal to produce here should not be imported to the country. We should be making sure that we hold our trade values to the same food values that we prescribe ourselves. Somewhere in the region of 100 million tonnes of Ukrainian oilseed rape has been imported since we brought in the neonicotinoid ban last year, which has taken off about £94 million-worth of value to UK farmers.

What we saw there was quite significant hypocrisy in trade policy, where we took a decision to remove a product in the UK in order to protect bees, but we seemed to think that, by virtue of our trade policy, it is okay to damage Ukrainian bees. That hypocrisy cannot continue. It may be something that exists today, but I do not think that is a reason why we should allow that trade hypocrisy for the future. It is one of the reasons why we have been calling for a standards commission to help navigate some of the complexities in trade policy for the future.

Rob Percival: I agree with everything that Philip has just said. We need non-regression food farming, animal welfare and environment standards. We should insist that binding climate requirements are built into any trade deal, that all signatories adhere to the Paris Agreement and that there is no provision in the trade agreement that could undermine domestic ambition to tackle the climate crisis. Beyond that, I agree with everything that Phil has just said.

Baroness Ritchie of Downpatrick: Philip, the NFU mentioned in the submission to us good and robust animal welfare standards. Could you

elaborate on that?

Philip Hambling: In how we should encourage those in trade deals?

Baroness Ritchie of Downpatrick: Yes.

Philip Hambling: We have a very strong position on that. As Rob suggested, it is non-regression and we should be working as an industry for continuous improvement in animal welfare. As we saw in the 1990s, when we moved to ban sow stalls, almost immediately there was a decimation of our pig sector because all we did was import product from other countries that did not ban sow stalls. That parallel could equally stand alongside our commitments and the progress we have made in animal welfare for the broader sector, and for the egg-laying sector.

It is a complicated area, which is one of the reasons why we have been calling for the standards commission. Some of the welfare drivers may be different. The parameters for space allowances and that sort of thing may be different in different countries, depending on climate and temperature. We need to focus on what is right for the animal, not necessarily on what we think is right from a human perspective. To navigate those complexities, whether it be on environment or animal welfare, we need to make sure that we have a panel of experts to help inform our decisions when striking trade deals around the world.

Baroness Ritchie of Downpatrick: In view of that, do you think that trade deals will be more difficult to do because of the need for robust environmental and animal welfare standards?

Philip Hambling: I have no doubt that they will be more difficult, but I have rarely seen the right thing to be the easy thing to do.

Rob Percival: To state the obvious, everyone on the Committee will be aware that, although animal welfare issues primarily relate to the life of the animal, they have huge dimensions for human health. The hormone-treated beef that we could be bringing in includes one known carcinogen and five hormones that are of unknown safety. The chlorine on chlorinated chicken can mask nasty pathogens. If it is coming in on a low-cost basis, there will be inequalities in who is eating that. It is worth being aware that there are multifaceted concerns with various dimensions of the trade deal.

The Chair: I would like to go back to the question on targets for reaching greenhouse gas net zero by 2040 or beyond. Another point that has been put to us in that context is that perhaps there should be some kind of mandatory reporting regime for the agricultural industry on environmental performance, and perhaps other matters such as price and standards. Rob, do you think there should be a mandatory requirement for environmental standards reporting?

Rob Percival: Yes. The Environment Bill, the Agriculture Bill and the design of the ELM system are a perfect opportunity to put those necessary requirements in place, perhaps making universal baseline

payments to farmers contingent on various bits of data gathering to do with soil health, wildlife, greenhouse gas emissions, soil carbon and so on. You need to get the metrics right; you need to make sure that it is practical and achievable with no extra burden on farmers. Looking down the line and trying to track progress against the targets in the Environment Bill or against the climate ambition of reaching net zero, we need that data. We need to make sure that the data is used to support farmers to invest in the right things and plan long term; so yes.

The Chair: Would it be an extra burden of bureaucracy on farmers?

Philip Hambling: The principle of managing through measurement is sound. The challenge is making sure that we have a clear line of sight about what we are trying to get to in the end. There is a thirst and demand from our members and beyond for understanding farm carbon budgets, which is one of the reasons why we as an organisation have attempted to help farmers get into that space.

It would be a worthy ambition to have standardisation in some of the metrics, as well as having a clear view about what we actually want to deliver and the cost and burden on farms in measuring it. Something in the region of 50 or 60 carbon models exist at the moment in the private sector, and some of those look particularly at individual enterprise. You can carbon footprint your beef enterprise, but of course it may well be part of a larger farm system. Very often, the budgeting or allocation of carbon to those enterprises can be very difficult to do.

Something we want to do more of is encourage farmers to understand carbon better. There is a role for public investment in that area, to provide the right expertise to help make sure that the right information can go into many of the models. There is a very high degree of professional expertise going into understanding the information coming out as well. It is all very well delivering a set of farm KPIs, but if you do not understand how to influence them in the right way, which makes sense for the business, it can have perverse outcomes on the environmental impact.

Some of those areas need a degree of consideration and standardisation. There is still quite a low degree of agreement on what constitutes soil health. We are developing metrics to agree on how to have some kind of indicator. We know what some of the elements are—organic matter, pH and those sorts of things—so we are helping to provide a framework for farmers continuously to improve. There is still a lot of work to be done in that space.

In principle, it is not necessarily a bad idea. It needs to be easy. It needs to be low cost. The advent of technology in the internet of things and farm-based technology gives us a big opportunity in that area, but we need to make sure that we join all the dots together rather than just giving people a clipboard to tick boxes or write numbers in. It needs to be done much more strategically than that.

Q93 Lord Empey: This is a question that we ask everybody who comes before us. What would be your key policy ask to ensure that a healthy and environmentally sustainable diet can be accessible to everyone? At the end of the day, that is the essence of what we have to boil down in our final report. We ask everybody who comes before us the same question. What is your key ask?

Rob Percival: I am outrageously going to suggest two. The first is that the national food strategy should commit to a 10-year transition to agroecology, as was recommended by the RSA Food, Farming and Countryside Commission, which received widespread support. We need to make sure that all the bits of legislation are lined up with that. The Agriculture Bill needs to support whole-farm agroecological systems. The Environment Bill needs to include a pesticide reduction target. We need to make sure that there is the right investment and infrastructure to support farmers on that journey.

Secondly, we need to harness public procurement to get more British and more sustainable and local food on the plate. The Food for Life programme at the Soil Association shows that it is possible. There are kids in Oldham and in Tower Hamlets, and in some of the most deprived areas of the country, eating meals made with organic and locally produced ingredients. It can be done.

Bits of the policy landscape are in place. Defra has a tool called the balanced scorecard, which is a procurement framework. It is not used very well or very often, but it could support caterers and procurers to get more sustainable food on the plate in public settings.

Philip Hambling: If I may, I shall also be outrageous and offer two points, following my colleague. We have to get trade quality right and we have to get a standards commission in place. That is absolutely imperative so that we do not outsource our problems, whether they be ethical, through modern-day slavery and human exploitation, environmental, animal welfare or antibiotic use. All those things need to be properly taken into account when striking new trade deals around the world.

The second point is really important and strikes at the heart of what was asked earlier about affordability. It is not my lane to talk about it, but we have about 2,000 food banks up and down the country, and that seems to me like a sign of failure for public and social policy. There is absolutely no doubt that they do amazing things in the community, but I am fairly sure that every single user of those food banks would prefer not to use them. Unless we make sure that we have social policy that gives those people the agency to ascribe the same values that we ascribe ourselves, I am not sure that we will ever square the circle.

Baroness Boycott: This is about trade. Given that we are going to set all these standards on our own farmers, what should we do about imports and the carbon price of imports? Do you see, not necessarily now but in the future, that there has to be a proper carbon tax on an avocado and

therefore we pay a proper price? At the moment, we do not count that as part of our bill.

Philip Hambling: If I may, I will answer that very briefly: yes.

Baroness Boycott: Maybe we can discuss it further at some point.

The Chair: Thank you very much. In drawing this evidence session to a close, I thank both of our witnesses for their very interesting and helpful comments. As I mentioned at the beginning, there will be a transcript of the evidence session and you will have an opportunity to comment on it, and make any corrections you wish to make, before it is published on our website.

If there are any points you would like to follow up in writing with us, please feel free to do so. I know that you have both submitted written evidence, but you may have thought of other things as a result of today's session. We are always keen to hear more. Thank you very much indeed.