

Environment, Food and Rural Affairs

Oral evidence: Scrutiny of the Agriculture Bill, HC 1591

Wednesday 17 Oct 2018

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Members present: Neil Parish (Chair); Alan Brown; John Grogan, Dr Caroline Johnson; Kerry McCarthy; David Simpson; Angela Smith; Julian Sturdy.

Questions 1-95

Witnesses

I: Caroline Drummond MBE, Chief Executive, LEAF (Linking Environment and Farming), Vicki Hird, Farm Campaign Coordinator, Sustain, Tom Lancaster, Vice Chair of Agriculture working group, Wildlife and Countryside Link, and Stephen Russell, Policy and Advocacy Officer, Ramblers.

Written evidence from witnesses:

[– Sustain](#)

[– Wildlife and Countryside Link](#)

[– Ramblers](#)

Examination of witnesses

Witnesses: Caroline Drummond CBE, Chief Executive, LEAF (Linking Environment and Farming), Vicki Hird, Farm Campaign Coordinator, Sustain, Tom Lancaster, Vice Chair of Agriculture working group, Wildlife and Countryside Link, and Stephen Russell, Policy and Advocacy Officer, Ramblers.

Q1 **Chair:** Welcome to you all. Would you introduce yourselves?

Vicki Hird: My name is Vicki Hird. I am the farm campaign coordinator of Sustain, an alliance for better food and farming of 100 non-governmental organisations.

Stephen Russell: I am Stephen Russell. I am the policy and advocacy officer at the Ramblers. We are Britain's largest walking charity, with over 100,000 members. Ultimately, our aim is to enable people to enjoy the outdoors.

Caroline Drummond: I am Caroline Drummond. I am the chief executive of LEAF—Linking Environment and Farming. Our ambition is to promote more sustainable farming and agriculture and engage the public in a better understanding of farming.

Tom Lancaster: I am Tom Lancaster. I am here as vice chair of the Wildlife and Countryside Link agriculture working group. I am also a principal policy officer at the RSPB, leading some of our work on agriculture.

Q2 **Chair:** Thank you very much. I will kick off with the first question, which is fairly general. Does the Agriculture Bill provide enough information about what will happen after EU exit? Who wants to jump straight into that one?

Vicki Hird: In one sense, the Bill itself does not, because one of our biggest concerns is about the fact that it is an enabling Bill rather than one that provides duties. It also does not outline the process for identifying long-term funding for the very good objectives that are within the Bill, but that would obviously need to be secured in order for them to be achieved.

Therefore, we are very pleased with some elements of the Bill, but very concerned at that particular aspect of it—that there is no obligation for the Secretary of State to deliver on a lot of it—and we are also concerned with some of the gaps. We understood that health was going to be a major concern of the Secretary of State, and it does not feature in the Bill at all. We would like to see some public health emphasis in there.

Q3 **Chair:** I know that when the Secretary of State was answering questions in Parliament, he was trying to say that that is for the Health Bill, but there is much more of a crossover than that, and we have an opportunity to really look at the types of food and how we produce it. Who else would



like to comment?

Stephen Russell: Essentially, from our perspective, there is a lot to commend in the Bill, but there are a lot of gaps as well—I echo that completely. From a public access perspective, what we had previously was a system of permissive agreements that could be entered into with landowners, and those were brought to an end in 2010 over a 10-year period. What we are starting to find now, and we are hearing from members of the public and volunteers equally, is that some of those once-permissive routes are coming to end. The wider public do not necessarily understand where those routes came from, and all of a sudden those options are perhaps no longer available to them. They will not necessarily understand the ins and outs of why that is so, so it may—

Q4 **Chair:** So you are saying that we have to look at the systems we have in place now to make sure that the good parts of those carry on, and then adjust others to suit a new world.

Stephen Russell: I think so. In our work over the last year, we have been talking to some landowners and farmers to get a better understanding of why public access is important to them, the opportunities it presents and the challenges. From their perspective, we have found that one of the challenges is community relations and getting an understanding among the community about why certain routes had come to an end. They were concerned about that lack of certainty, and the Bill does not provide any more—it does not solve that at all. That is one thought.

Q5 **Chair:** One of the problems we find with the Bill is that it is very much an enabling Bill; it talks about principles but does not really provide much detail. We are interested to find out from you all this morning the type of detail you would like. We have George Eustice coming in at a fairly early stage, so we can drill down on some of these questions. The Bill itself just establishes the principle of allowing the Secretary of State to largely do as he or she likes, really, in the future. That is why this Bill is important. The last Act was in 1947; I do not know if we are going to wait another 70 years before another one, but it is very important to get this right.

Caroline Drummond: As you say, it is a crucial opportunity to get this right. A lot of the spirit behind the Bill is very useful and very important, without a doubt—and of course the opportunity to focus on the environment—but the gaps are around things like, what is the responsibility for carrying it forward across other Governments, potentially, or across time? What are the actual priorities?

In terms of productivity, there is a huge gap as to the relationship between what is a proposed food strategy and obviously—well, what is termed an Agriculture Bill, but is principally an environmental Bill. How is that relationship going to happen? Some of the other gaps around are also in recognition and the need for research and development, the skills behind it, and, of course, some of the numbers, because actually having some clarity in terms of targets or objectives is going to be really critical. Those are some of the gaps.



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One of the big areas that came out of “Health and Harmony”, and in fact Dame Glenys Stacey’s report, is about the opportunity of what are seen as voluntary approaches, such as the farm assurance schemes, and how we tally those approaches alongside the regulation, legislation and inspection. That could be a really crucial enabling activity for taking things forward.

Tom Lancaster: From our perspective, there is a lot to welcome in the Bill. We have particularly welcomed the focus on public goods and public money for public goods. That is a reform that environmental organisations and others have been arguing for a long time. We also welcome a clear and defined transition. That is really important in terms of allowing farmers and land managers the certainty to plan ahead.

I am not sure I really agree with the idea that the Bill is more environment than agriculture. That seems to be based on quite a narrow reading of the first one or two clauses. If you read through the rest of the Bill, there is a huge amount to welcome that is really the bread and butter of agriculture policy. A lot of the stuff around data collection and transparency in the supply chain, particularly the potential to regulate the relationship between first purchasers of agricultural produce and farmers, is potentially transformative in terms of the place of farmers within the marketplace. We think, in terms of reforming public payments towards public goods, which is to be welcomed, enabling farmers to get a better return for the food they produce is also a really important part of the Bill that has probably been overlooked.

In terms of where the gaps are, I would agree with many of my colleagues on the panel on funding being a huge gap. There is nothing in the Bill on funding. We wouldn’t necessarily expect it to set out budgets in perpetuity, but some requirement or duty on Ministers to come forward with multiannual budgets or an assessment of the cost of meeting the purposes in clause 1 in particular is important. There is also the point about there being lots of powers but not many duties. We would like to see duties in the Bill, say, to actually have an environmental land management scheme, or to use those powers to improve transparency in the supply chain.

Q6 **Chair:** It is very difficult to bind the hands of successor Governments, but I think we need some sort of contract on the environmental schemes, so that people are given longer to deliver an environmental scheme than just one or two years or the length of a Parliament. Have you given any consideration to that?

Tom Lancaster: You can secure certainty for the individual farmer or land manager by giving them a five or 10-year contract. In its policy statement, DEFRA talks about doing that with its environmental land management scheme. We would like to see more certainty for the sector as a whole, so that if you are in a five-year contract, you know that the funding arrangements and stability around future policy are there, and that you can make changes to land use or land management, which you know will then be supported in terms of the further provision of public



goods through another five or 10-year contract in the future. A dual certainty is needed.

- Q7 **Chair:** Many upland farmers are quite concerned about the fact that, while the Bill does talk about agriculture and food production, it actually deals with the environment first. It gives them the impression that the environment is of overriding importance. When you get into the uplands, on permanent pasture particularly, you need that livestock. I am interested in how you see the Bill fitting in between. It needs to deal with a greater environment but it also needs to deal with the way we keep that livestock. I am not quite convinced it is there yet. I think perhaps we have different views. Does anyone want to comment on that?

Vicki Hird: I think the Bill, and the environmental land management schemes that were mentioned, potentially give a lot of flexibility to farmers to make the choices that would be most appropriate going forward—that could be, potentially, keeping the stock or reducing the stock, doing other things with the land, such as forestation or diversification into other activities such as tourism—and making sure that the tools are available for the farmer. Caroline mentioned a gap in terms of training and business advice. Farmers need to have training in how to do those things. They need to have available and affordable training in how to do that, and we would say that that is another big gap in the Bill—training, advice and skills development. Some resources will be needed to make sure that those farmers who will not have access to money to pay for it go forward. That would give them training not only in terms of the environmental opportunities presented by the environmental land management schemes—what they could do, and the flexibility, which, importantly, must include carbon sequestration and things like that—but also how that fits with business planning.

- Q8 **Chair:** In the past, it could be argued, especially when there were ewe premiums and suckler cow premiums, you perhaps had overstocking on the hill. I worry that with some of these plans now, we might actually get understocking. It is important to make sure that we have enough emphasis on keeping a good level of production. We can always argue about the exact levels, but do you have any problems with that approach, or not?

Caroline Drummond: Fundamentally, one of the other challenges is around the capability to trade and sell. The lamb market in particular is principally an export market. What ultimately drives farmers to produce is their capability to sell at market. There is a danger in that space, but I guess that it is really about the detail that comes out in the environmental land management scheme to help, support and supplement, and provide the right guidance and incentive for the public good and the capability in the market.

The trade negotiations are going to be crucial in this space. At the end of the day, so will the ambition, because the livestock sector is under pressure from all sorts of different areas. Vicki mentioned carbon sequestration. Our capability to understand better where livestock fit in

that whole carbon cycle is something that is not going to be very easy to define as a natural capital in the public good.

Chair: It is not.

Q9 **Angela Smith:** I represent an upland area in the Peak district. Do you think that the experience that we have had so far of pillar 2 spending in the uplands has helped to give us some of the answers on that key question? It is not as though we were starting with a blank page, is it?

Caroline Drummond: Exactly—I totally agree. I am thinking of some of our farmer members, principally in the fresh produce and arable sector. They are upland farmers who are committed to a more integrated approach, and it is a critical part of their income and often of their tourism. Without a doubt, we are seeing very ambitious and capable farmers delivering against that.

Tom Lancaster: I would echo that. I completely appreciate the concerns of upland farmers and those who represent them, because they tend to be the most economically marginal, and therefore perhaps the most exposed to change. Obviously that creates a lot of justified nervousness and anxiety, but if you look at the future, perhaps upland farmers are best placed to benefit from the public goods policy that the Government is putting forward. They are best placed to provide clean water or store carbon, and much of our most iconic wildlife is associated with the uplands. Public access is also a huge selling point for them, in terms of what it means for diversification into tourism activities and so on.

Q10 **Chair:** Would you agree that there has to be a different system of payment, though? At the moment it is just income forgone, but you cannot live on income forgone. If you took the basic farm payment away from a lot of those upland farms, their bottom line would not be much of a bottom line—in fact, I think it would be a zero line. That is the issue, isn't it? I incline to agree with you that the carbon is being held there and that they are doing much of the environmental work that needs to be done, but we have to find a better system of recompense. Some places may need less stock and others may need more, so it is about how we balance this. Unless we can keep those farms relatively profitable, soon they will not be there, or at least the livestock will not. That is the challenge for me, really.

Tom Lancaster: There are ways and means, which the UK Government and the devolved Administrations have generally not used in the past, to pay beyond income forgone—particularly where you are talking about securing public goods from farm systems that are inherently uneconomic. There is quite a lot of academic literature on this. You can look at the whole-farm system as a cost and pay for that, as well as the income forgone associated with specific interventions.

Chair: We talk about natural capital, and I understand the concept, but it is about how you transfer the value of it into what will be a commercial business. The smart system will be the one that can take the natural capital and translate that into a form of payment that also has economic

benefits. That is the bit where I want to see a bit more meat on the bones. In the Bill, we do not particularly have that. I think we will be looking for that detail. I will park that there.

- Q11 David Simpson:** Touching on what the Chair said, a recent survey said that if there was not any form of direct payment to the farming community, as they stand currently, more than 40% of them would be in a loss situation. As the Chair emphasised, it is important that we find a mechanism that supports the economic side of things.

The National Farmers Union believes that there is a balance to be struck between how much detail appears in the Bill and the delegated powers to Ministers. From your perspective, is there enough detail in the Bill? Are too many powers delegated? Does anyone want to answer that? I know you are all mad to get on it.

Chair: Let us bring Tom in first and we will go in reverse order this time.

Tom Lancaster: I would broadly agree that there are too few duties on Ministers. I think Vicki made that point earlier. We would like to see more duties, to effectively match the scale of the powers that Ministers are being given through the Bill.

- Q12 David Simpson:** What do you mean by duties?

Tom Lancaster: For example, it would be the duties to have an environmental land management scheme. In England, we have a 25-year environment plan. We do not think it is too unreasonable to require Ministers to bring forward an environmental land management scheme with the powers in clauses 1, 2 and 3, in order to meet the ambitions of that plan, and in so doing, to also provide the long-term certainty to farmers and land managers that shows that the Government are in it for the long term, in terms of their partnership with them.

- Q13 David Simpson:** You would like to see the date more specified and to know exactly what is taking place in the future.

Tom Lancaster: I guess I am undecided as to whether or not the Bill should prescribe how they develop an environmental land management scheme. It is more that they should develop an environmental land management scheme.

Vicki Hird: Currently, they may.

Tom Lancaster: Currently they may, but at the moment, a lot of future Ministers could just pick up the Bill, put it on a shelf and just forget about it.

Chair: Clare Moriarty yesterday said that there could be upwards of 100 statutory instruments coming forward after the Bill has been passed. Whether we are going to be able to monitor them is what interests us.

Caroline Drummond: Knowing what would be in a food strategy is going to be a critical area alongside the Bill. I would agree with Tom. It actually



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needs to be enacted. If it is going to happen, there needs to be security in the fact that it would be enacted.

- Q14 **David Simpson:** When you are talking about food, are you talking about food production? It is mentioned in the Bill, but there is not a lot of emphasis on food production. Is that what you are talking about?

Caroline Drummond: Yes. A specific food strategy has been proposed. Probably many of us around the table would like to see quite an ambitious one. Now is the opportunity, if we really wanted to take control of a good long-term food strategy, for it to start to embed nutrition as a value of the food we buy. We often sell and trade most of our farmed products as commodities. Here in the UK, 50.2% of the food we eat is ultra-processed, compared with 14% in France. The capability and the opportunity to really up the ante on a much healthier diet, relating to a healthier farming system and relating ultimately to a low-cost to the NHS, would be something that could create a very ambitious food strategy. If that could then be underpinned by the responsibility that farmers have as custodians of the environment, and of course a farming system that has the balance of a more sustainable system that is productive, economic, delivers against the environment and incorporates the social element, that would be good.

- Q15 **David Simpson:** There are those within the food processing industry who are sceptical, because we haven't really got a straight answer to a number of the questions that DEFRA and the Minister have been asked.

We are currently 60% to 65% self-sufficient in terms of what we produce. There are those sceptics that believe that because food production is not strongly within the Bill, the Government are quite happy with that level of production, so that if they are going to do trade deals and bilateral agreements, they will still allow imports—bilateral agreements by their very nature mean that trade will be both ways. People are a little bit sceptical that the Bill is not strong enough in increasing production.

Caroline Drummond: I would agree. It is absolutely critical that we do not end up in a situation where we are exporting our environmental activities.

- Q16 **Chair:** Could I press you on whether you have any ideas about a healthy-food amendment for the Bill? I am particularly interested in how we link healthy food and food production into the Bill. I do not know whether any of you have given any consideration to that—without trying to encourage you into bad ways.

Vicki Hird: I have got one ready-made.

Stephen Russell: In terms of the level of detail, it is fair to say that from a public access perspective, we are very happy that that is up there as a public good. The path network that we have is the primary means by which people access the countryside, and we have to remember that. It is infrastructure that is often overlooked. In terms of the detail within clause 1, that is great.



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I completely agree with Tom about the duty for an environmental land management scheme. If we are going to match the level of stated ambition around the Bill—this is the first opportunity for decades—and the aspiration set out in the 25-year environment plan, we need that duty. That is where our primary concern is.

We also have concerns about the details of a future regulatory baseline, which we may come on to later—I do not know. That is a key concern for us because so much of what the public use to access the outdoors comes down to landowners and farmers fulfilling legal obligations that exist already, and we know from our surveys and research that often where there is a lack of compliance there are issues with people accessing the countryside. They may seem quite trivial to some, but for a significant section of the population, issues such as overgrown paths and broken access infrastructure really impede their ability to enjoy the outdoors. I am not suggesting for a moment that that level of detail should go into the Bill, but there needs to be a provision for that. That is why we are keen to see some kind of reference to a regulatory baseline. At the moment—

Q17 Chair: Are you talking about complete open access or what? That is the bit that worries farmers.

Stephen Russell: No. Maybe in my opening remarks I should have commented that, for us, when we were consulting our volunteers about what we want to see from the Bill, the primary concern was getting what we have, better looked after. There are so many landowners and farmers who do a wonderful job of keeping routes clear, and we have been trying very hard to shine a light on that, but there are a minority who unfortunately do not. For us, you have 140,000 miles of rights of way in England and Wales, and that is a wonderful resource. Let us make sure that, through the Bill, we can ensure that people can continue to access the outdoors.

The other thing we want to see—this is where clause 1 comes in—is that farmers are rewarded when they go beyond that, which can be additional routes. There are places where there are deficiencies and we need to recognise that. Just because you are in the countryside does not mean that you have good access. Actually, if you are in the inner city, you might have better access to the outdoors and green spaces than you do if you are in the middle of Devon, and we need to remember that. That is why clause 1 is very important from a public access perspective.

Q18 Chair: You see, I think we could actually make some gains on access. If you take a footpath, very often, they used to be for people going to work or whatever, so they cut straight across the field. Many farmers would be quite happy for people to walk right round the field, and if it is much more of a recreation, there are a lot of ways that we can probably increase the access, but sometimes make it better from the farming perspective. Most people do not now go out to get somewhere in the quickest possible time; they usually go out to enjoy the countryside. That is where I would like to see some sort of flexibility.



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Stephen Russell: Absolutely. Natural England did extensive research on the success of previous permissive access agreements. Many were very positive, but some were quite useless, really. There could be quite creative ways to link town and country, and perhaps think about where new housing development is going. Are those places going to be within reach of the countryside? Can we enable that and reward landowners for the provision of access? Can we create more circular routes? As you say, things like that are perhaps more important than the long distance path from A to B. Those are the kinds of things we are thinking about. Of course, we would love it to be in the Bill, but we are not expecting it. The provision is there, and we want to see a duty to ensure it is done. We need duties relating to the regulatory baseline.

Tom Lancaster: On the regulatory baseline point, that is critical for access. Rights of way is a really good example, because, imperfect as it is, to date cross-compliance conditions have been really important for that. That is equally the case for animal welfare, food safety, landscape character, and wildlife and biodiversity protection. Things like the rules around not cutting hedgerows during the breeding season really only exist through cross-compliance. There are no powers in the Bill, let alone duties, to replicate that sort of regulatory baseline. Ideally, both from a practicality and an effectiveness perspective, we should improve on it, relative to cross-compliance.

Vicki Hird: I would agree with that last point. There is currently a major gap, and that would be the case for the devolved Administrations and the powers in the Bill regarding that. Everything we are saying about clauses 1, 2 and 3 would apply to all of the nations. We are pleased with what is in there, but we are very concerned to ensure that, for instance, clause 1(2), which is about productivity—the Welsh section is much longer, and there is a lot more in there—does not undermine the outcomes of clause 1. It feels like there should be some safeguard to ensure that does not happen. That would be the case for all Administrations. Money must not be wasted by being spent on that, only for it to be undermined by some productivity scheme is that is about high yields at any cost. The regulatory baseline should be there as well, but they all need to work together. Ideally, we are looking for a Bill—this goes some way towards that—that sets out a new vision of supporting farmers. As Tom was saying, these payments should be seen as support for farmers for delivering the goods.

We were talking earlier about uplands, and that reminded me of rural development and infrastructure, which is missing from the Bill. A lot of our members are very interested in local food supply chains and getting more regional and local infrastructure—processing and storage for abattoirs is the obvious one, but there are many more. Is there something in here that will make sure that payment goes towards that in any region to complement what is being done in clause 1, rather than undermine it? That would be key.

Our other point is about the public health clause. I don't know whether you want to talk about that here, but we have drafted one and run it by



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the drafting team. It is quite brief. I'm not sure this is the best place to put it, but we have suggested that in clause 1(1) there should be an additional subsection to add "supporting the delivery of improved public health outcomes". That is necessarily broad, but we have got a text, within the 50-word limit, for an MP to put forward. That covers issues relating to animal welfare schemes that will result in the reduction in antibiotic use and the enhancement of animal welfare.

We should provide support for farmers to diversify out of the production of sugar for human consumption, because that would align with our obesity strategy in a big way. I recognise that it is very difficult—we could talk about that.

The third one is increasing the availability, affordability and accessibility of fresh fruit and vegetables. We have got lots of quality ideas about how we can do that. We should reduce harm from the use of chemicals on farms and residues in food. Those are ideas for what the public health outcomes clause could do.

Chair: I see that you don't need any encouragement.

Vicki Hird: Sorry. You asked, so I thought I would go straight into it.

Chair: That is good.

Vicki Hird: There is lots to be discussed. We have lots of policy ideas on that.

Chair: Angela has a supplementary question.

- Q19 **Angela Smith:** I should declare for the record, given the panel members, that I am a member of the Ramblers, the Wildlife Trusts, the Royal Society for the Protection of Birds and the Woodland Trust, and I am an honorary life member of the British Veterinary Association. Those of us who use the footpath network and access land know that there is a particular issue around the erosion of many of our amazing footpaths. The British Mountaineering Council is at the moment raising money to deal with some of that.

Stephen's point about the regulatory baseline is interesting. Surely we would not suggest that landowners should repair footpaths that are so badly eroded that they earn nicknames like "the bog of jeopardy" and "the bog of doom"?

Stephen Russell: No. We are keen to see the regulatory baseline being there simply so that landowners, as much as is possible, fulfil their existing legal duties. Those legal duties are quite straightforward. There are a host of reasons why landowners may forget them, or may not actually reinstate routes after ploughing and cropping and so on. However, those duties are integral to ensuring that the public can continue to enjoy their right to access the outdoors.



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We talked to some local authorities yesterday, and some of them were saying that half of their time is spent dealing with landowners who are not necessarily compliant with these existing legal duties. If you think about the public purse, that time and resource could be freed up for them to actually make the enhancements that they need to make in the public interest.

- Q20 **Angela Smith:** I understand the point, but surely there is a slight tension here, in the sense that if there is already a legal duty to do this, we should not subsidise the fulfilment of that legal duty.

Stephen Russell: No; I completely agree.

Angela Smith: I just wanted clarification on that. I am on your side.

Stephen Russell: I am sorry if that was not clear. We are not suggesting for a moment that there should be any kind of payment towards the fulfilment of that legal obligation. It is about having this as a sort of conditionality, if you like. We want to see payments to landowners who go above and beyond, but only where that is in the public interest and where those additional routes or enhancements would be of benefit to the public. There are lots of local groups and strategies at the local level that would help to identify where those interventions would be best made.

Chair: Can we leave that there for the moment?

- Q21 **Angela Smith:** Yes, that's fine. Very quickly, Vicki mentioned slaughterhouses. We know that there is a problem there. There are now only, I think, four slaughterhouses in the UK that take equines, which is a real issue. Small slaughterhouses are disappearing. However, we surely cannot allow a situation to arise in which commercial ventures are subsidised by public money. That is not right. We have market failure, but that is not the right way to address it.

Vicki Hird: But how do we correct the market failure? That is the problem.

- Q22 **Angela Smith:** Not by using public money, surely?

Vicki Hird: I don't think so. Well, it depends on the kind of money we are talking about—how do we slice the pie when we don't know how big the pie is? There is potentially a case for small scale, mobile abattoirs to be subsidised or given low-interest loans or capital grants, to ensure that small and medium enterprises, and particularly the small enterprises, can continue to operate under what will be a very different trading regime in five years' time.

However, I take your point. We are not necessarily advocating taking money away from the other objectives in this. We want to make sure that there is money, because there is a health and animal welfare issue here that should be dealt with by shorter slaughter travel times.

- Q23 **Chair:** I was thinking that some technology could be used. With cameras and things now, we perhaps need less veterinary inspection, with vets



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called in when needed. Perhaps there are ways around it.

Angela Smith: The small slaughterhouses that are left are indicating that regulation is the issue for them. I think there are tensions there. I am not sure I entirely agree—I think it is a mixed picture.

Vicki Hird: We are not advocating any lessening of the regulations on slaughter.

Chair: We will park that one there, then.

Q24 **Kerry McCarthy:** May I ask about public goods in a conceptual sense? There is no definition in the Bill as such, although we have some idea of what sort of ground would be covered. In the first instance, are you happy with the way it is covered in the Bill?

Caroline Drummond: As you say, the definition is absolutely critical within public goods. There is a huge mishmash in the use of the words natural capital, public good and metric indicators, all of which need to be clearly defined. There is a list of the areas that are potentially of benefit within public goods. Public access is one of those, as is looking after soil, water quality and things like that. From that perspective, the spirit of it is critical and really good.

The challenge will be around the definition of what farmers will be specifically rewarded against. I have done my job for 27 years, and we have been monitoring and evaluating farms since 1993. We had carbon copies back in those days; it is interactive online now. When it comes to the measurements, they will be so site-specific that to be able to effectively benchmark that and reward individuals on, say, a Breckland sand versus a peat even a few miles away will be a big challenge, but it is something that needs to be tackled.

When it comes to natural capital, it was interesting what you said around that. Most of the value of natural capital cannot be realised until you sell your farm, so that in itself is a failing. How, therefore, can farmers be rewarded if we are measuring it in this sense?

Q25 **Kerry McCarthy:** Some of the public goods might deliver quite quick outcomes, and you would be able to measure quite quickly. Something like soil improvement might be a longer-term thing. So there are questions about that.

In terms of the Bill, would it be better to just have something that makes it clear that a public good is, for example, something that people can enjoy and access and that is non-exclusionary? I think Michael Gove said something to that effect during the Second Reading debate. Do we need to spell out that it is not something for which the market would reward people? Speaking as a former lawyer, if you start listing things, you either have to be all-encompassing or there is a risk that if you have not mentioned something, it is deemed to not be covered. Where should the balance fall in terms of trying to pin down a definition or just trying to be as specific as possible?



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Vicki Hird: I cannot speak for everybody, but I am in favour of a definition. An economically narrow definition might miss some things if it is all about specific, measurable outputs. There are concerns about some prescriptive farm systems that are beneficial. They might have multiple outputs, but measuring them might be difficult. We are in favour of agro-ecological systems like organic. They have multiple outputs, but saying how we would be able to put a value on them based on the public good definition for each one of those as part of a new scheme would probably be unnecessary effort, whereas if you have a whole-farm scheme separately, and the prescription was made already in the scheme, like organic or pasture-fed, for instance, you would be able to say that that system of farming delivers public goods. We know it does. We do not have to measure it. So that would be one way, but a better definition would be good.

- Q26 **Kerry McCarthy:** Perhaps Caroline would like to come in on this. Some people have said that public goods could be about cherry-picking and could be piecemeal.

Vicki Hird: Yes, atomised.

- Q27 **Kerry McCarthy:** It could be difficult to monitor. I suppose the problem with whole-farm systems is that it is good for people who can operate that approach, but there will be other farmers, such as pig or poultry farmers, where it would not necessarily apply. Is there a way of putting whole-farm systems in the Bill?

Caroline Drummond: Yes, potentially. I have my little prop here. We operate through integrated farm management. So, this is something I prepared earlier.

- Q28 **Kerry McCarthy:** Is it a frisbee?

Caroline Drummond: It is a frisbee as well, but it can be used for engaging students and young people.

Kerry McCarthy: See if the Chair can catch it.

Chair: Will you describe it? Otherwise it won't be understood.

Kerry McCarthy: For *Hansard*, can you describe what you are showing us?

Caroline Drummond: The approach of integrated farm management is a whole-farm approach that provides a framework for farmers to balance.

- Q29 **Chair:** So, these are interlocking circles, are they?

Caroline Drummond: Yes, for every day. So, it is soil management, crop health, energy use, pollution control and water management, right through to biodiversity, community engagement and organisation and planning. It provides the capability for a farmer to balance the priorities, either those that the Government would define, because they are particular biodiversity or environmental goods, or those from a market



perspective, or how individual farmers operate their own business. We work very closely with the Soil Association and others.

One key area is public good, and we need to be able to define what we can actually afford, because our ambitions could be huge around improving soil. At the end of the day, as society and farmers, we are impacting the environment. It is, therefore, about getting the balance of those priorities that we want people to deliver against and what might be a specific, relevant priority to a particular place, as well.

That is one of the big challenges. It is doable, but it is not going to happen overnight. I guess, yes, the transition period is great, but it is about whether we will be at the right stage, either with the research or the capability to collect the data and balance it fairly. That is going to be quite a challenge.

- Q30 Kerry McCarthy:** Is there a problem? I know it came up on Second Reading that soil was not specifically mentioned, though we got reassurance that it is meant to be covered. If someone farms in way that means they have very good soil health at the moment, is there a danger that they would not be rewarded under this system, whereas somebody would be who starts with poorer soil? So this is about the way people have managed the soil, rather than their being somewhere geographically with poor soil. Is there a danger that the person who needs to improve can be rewarded but the person who has already done the right thing will miss out because they are not actually doing anything new?

Caroline Drummond: That would depend on how you set the metrics. With soil, if you said it is about an increase in organic matter status, and you take somebody on a Breckland soil, their capability to enhance the organic matter status of that is limited by the soil itself. If you are on peat land, again, trying to enhance a very high organic matter status soil is going to be complicated. Therefore, you look for different measures. It is having the capability to balance what are the, in effect, proxy measures for actually delivering against that. That may be cultivation choices, rotation, the introduction of livestock, cover crops and other areas like that.

- Q31 Kerry McCarthy:** That is partly about what you are naturally blessed with in terms of soil because of where you are based. If someone has good soil because of the way they have managed, I am concerned. We had that when we looked at water, where you end up rewarding people who clean up their water supply, as opposed to people who have always not polluted. Then you get into the whole regulatory baseline and compliance and ensuring people are not being rewarded for doing things they ought to do. If there are people who already farm in a very sustainable way that meets a lot of the public good definitions, will the system reward them in the same way as the people where it is being used as a bit of a carrot or stick to get them to change?

Caroline Drummond: It definitely needs to. That is where ELS and HLS were very welcomed by farmers because that gave recognition to those



farmers who were already doing good things. Within the metrics, if there were proxies and capable proxies that farmers were delivering as a good farmer—carrying out min till, good integration of rotations and so on appropriate to your soil type—that could be measured effectively.

Q32 **Chair:** May I bring Tom and Stephen in, as they have not said anything really?

Tom Lancaster: The financial powers in clause 1 around the list of public goods don't mean that you wouldn't use regulation and other mechanisms as well to achieve those purposes, and I think water and soil are classic examples; you wouldn't want to pay people not to pollute or not to erode soils. Similarly, if you have a farmer with a species-rich upland hay meadow, you would want to pay them to maintain that hay meadow. Just because they have it and they haven't improved it over the last few decades agriculturally, they shouldn't be penalised for having maintained it in a sort of species-rich state over that time.

I guess that a lot of those things would be almost policy considerations. Thinking about the Bill specifically, we are of the view that the purposes in clause 1 adequately capture a lot of the public goods that are non-rival and non-excludable, for which there is no market, but also—crucially—for which you would actually pay farmers to deliver.

So there are lots of things that are in the public interest more generally, but is paying farmers directly as individuals an efficient way of securing those outcomes? For us, that would be why we wouldn't want to see public health listed explicitly in clause 1, just because we think that addressing that as an outcome would be much better served through a holistic food strategy that looked at demand-side drivers like consumption and waste, and we could also use the tax system and other more strategic outcomes.

For us, by contrast, paying farmers, say, to produce more salad comes at the wrong end of the hosepipe, if you like. It is better to increase demand for those products and then use the purposes that are already listed in clause 1—say, even the productivity clause—to enable farmers to better tap into that market demand. So, we are generally happy with clause 1 as it stands, and we would object to any broadening of those purposes.

Stephen Russell: In response to the original question you asked around the definition of public goods, I think the Bill would benefit from a definition being included somewhere. At present, we are broadly happy as well with the list that is there, but a definition would help in terms of providing some certainty about what could be added.

I say that because I know that during the Second Reading debate there was a lot of mention—understandably—of food production, but at the same time does that take us back to the direct payments? Is it another name for that? So I think that, as a sort of precursor to the list of public goods that are already in the Bill, it may be useful to have a definition.

As Tom said, there are other public interests that can be served through regulation; public access has already been mentioned, and it is one of

those. On public health, it depends on what outcomes you're trying to secure, but so many of the public goods that are listed here would—if actually delivered—lead to improved health outcomes as well. It is important to remember that.

So, as much as I understand why there is a concern about a lack of reference to public health specifically, there are some things that, if provided, would lead to that outcome.

Kerry McCarthy: I think we are coming on to public health a bit later, so we should probably let somebody else have a go for a while.

Q33 **Julian Sturdy:** I wanted to come back on this soil issue; Kerry has touched on some of it already. First, how important do you see soil health being environmentally going forward? I ask that because, obviously, Kerry has touched on the fact that it is not actually mentioned in the public goods, but it's talked about quite widely in the supporting documents, although not specifically mentioned. So, how important do you see soil health as being, if you ranked it?

Caroline Drummond: On a one to 10 scale?

Julian Sturdy: Just define how important you see it as being.

Caroline Drummond: Soil health is absolutely critical. It is crucial fundamentally, in terms of its contribution towards biodiversity and productivity, and in all the other natural capability it has for avoidance of flooding, erosion, etc. So soil health is core. I think it would be fair to say that it has come up the agenda dramatically, and farmers' capability, interest and contribution towards it is growing.

I think one of the biggest challenges is around the fact that—obviously farmers do not deal in climate, they deal in weather—if you have good soil management, you are capable of buffering some of the intense weather incidences we have.

Julian Sturdy: Yes. Bio-organic matter means more water retention.

Caroline Drummond: Exactly. You cannot buffer all of it, but it is absolutely critical.

Tom Lancaster: Looking at those purposes, as you say, it is not mentioned. However, it is absolutely critical to the protection of water courses, particularly against climate change, to have well-functioning soils that not only store but sequester carbon—both agricultural soils and also non-agricultural soils, which are as important, such as blanket bogs in the uplands and elsewhere. They are going to be absolutely critical to delivering against a whole host of purposes.

The support that the Bill might provide to farmers to improve soil function, points to the fact that embedded in a lot of the purposes that exist implicitly in clause 1 at the moment, is food security. Without improving our soil function, but also restoring populations of pollinators and



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improving water resource management, there is no long-term food security. As much as anything else, soil points to the need to use the powers in the Bill to restore and maintain natural capital more generally so that we can have a productive industry in the long term.

Stephen Russell: I have nothing to add—it is not my area of expertise. I don't see where I disagree.

Vicki Hird: I think it is a surprising gap, to be honest, given the attention, how much we know, what everyone has talked about already and how central it is. You could argue that it is covered in everything because it is affecting everything, but in the same way why not have a specific mention of it? It could have been put in any of these purposes, in a way. I would say it is a surprising gap.

There is also a risk that farmers are getting paid for doing things on one part of the farm or the edge of a field, but are not protecting the soils elsewhere. That is part of the regulatory process, but bringing it into this fold would make sense, in order to make sure it is part of the picture. That is why we always talk about public health. It is leaving it to a food strategy or a soil strategy that might come at some point. I have little faith at the moment that those kind of things will arrive very quickly.

Q34 **Julian Sturdy:** A soil strategy?

Vicki Hird: I don't know if we are going to get a soil strategy.

Q35 **Julian Sturdy:** There is pretty much wide agreement, then, that soil is absolutely integral to the environment—improving the local environment, productivity, water quality and so on. Vicki, you have sort of answered this, but I would ask the question to the others: do you think that soil should have much more prevalence in the Bill—that it should be actually in the Bill? Should the importance of soil be recognised in the Bill to make sure it is defined as a public good?

Q36 **Chair:** Can I have a direct answer to that? Time is going on. Yes or no, really.

Tom Lancaster: I think you could, but by the same token wildlife diversity is not listed there either, so we are, in some respects, relying on the explanatory notes.

Q37 **Julian Sturdy:** But surely soil defines and leads to all that? That is why I just cannot understand why it is not specifically defined in the Bill. There is so much good that is there, but it is underpinned by delivering on actually improving the soil, and the huge environmental benefits that flow from that.

Tom Lancaster: We wouldn't object.

Julian Sturdy: Sorry; I might have led you there.

Chair: Very quick answers across the piece, please.

Caroline Drummond: Yes.

Stephen Russell: I agree with Tom.

Vicki Hird: Yes.

- Q38 **Angela Smith:** In my view, the one definition that stands out from the rest is “mitigating or adapting to climate change.” We are not necessarily talking about just soil here. My upland peat bogs are amongst the most degraded in Europe, from 200 years of acid rain. The partnerships that are involved in restoring that moorland are very varied: European Union funding, National Trust, Peak District national park, water companies and farmers. If mitigating and adapting to climate change is top priority, I would suggest it would compete with soil.

Chair: They are almost complementary to one another, I would think?

Angela Smith: Almost complementary—I don’t want a competition—but mitigating and adapting to climate change in upland bogs in terms of carbon sequestration is incredibly important. They are emitting carbon at the moment. In terms of justifying the use of public money for that kind of work on the part of farmers, how do you think it will fare? Much of that land is used for grouse rearing, not for anything else, which makes it difficult, and the second point is the outcomes take years to deliver. I mean, that whole area is potentially going to take nearly a century if we want to bring it back to full health. How on earth do we go about making that a priority in a way that satisfies Governments, which generally want results very quickly?

Tom Lancaster: Restoration of blanket bog is one of our top priorities, certainly as LINK more generally, but also as RSPB. We see there is a real case for investing significant amounts of public money. It is an absolutely cracking investment.

Angela Smith: It is.

Tom Lancaster: Both in terms of the carbon that it stores, and the habitat that it creates and the water quality that it can help provide in terms of reducing oxidation of peat. We know that then reduces bills for the end consumer. A lot of the degraded peat, particularly in the south Pennines, is a result of industrial pollution.

Angela Smith: That is the area I am talking about.

Tom Lancaster: That is nothing to do with farmers or land managers. There is a case there to use public money to fund that restoration. Where I would agree with you is that it makes absolutely no sense to undermine that investment by allowing continued burning or continued drainage.

- Q39 **Angela Smith:** I am talking about use of money under this scheme. The question is how on earth that is going to work when Governments look for short-term outcomes. I am not going to get into the science and the debate about how we do it; rather, it is about the principle here.

Tom Lancaster: A lot of the discussion before the Bill came out was about covenants, and the extent to which you might be able to legislate



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through the Bill to enable Government to attach covenants—or maybe incentivise the uptake of covenants—to secure those long-term outcomes. So you invest in the restoration phase and secure that outcome through, ideally, a covenant in perpetuity.

Angela Smith: That is an interesting idea, because we are going to lose significant European Union funding. That is the issue here.

Q40 **Chair:** Are the rest of the panel largely in agreement with that?

Caroline Drummond: Yes. You highlight, though, a huge challenge around all the commitment to rural infrastructure per se. It is not just within farming; it is rural communities and the capital that has previously been potentially available, and is now not.

Vicki Hird: I absolutely agree with that. We say something about that in our suggestions about all the other funds—facilitation funds and others—that are available to make these things happen, but there is a special case for particularly crucial carbon and climate measures that should not cut into the budget for this. I agree with Tom on that.

Chair: Having seen your area, I had never realised this was happening. It is fascinating, with the acid rain over all those hundreds of years, and it will need some putting right. Can we park that one there? Alan, question 4, please.

Q41 **Alan Brown:** I think some of this has already been covered. If I have picked it up correctly, there seems to be a consensus that while the Bill contains lots of powers, there is some concern about the lack of duties. I am looking for some brief suggestions of what duties should be in the Bill if we were looking to amend the Bill to improve it.

Vicki Hird: I have just gone all the way through and changed the “mays” to “shalls”. That is a bit of a cheap way of doing it, but it is absolutely essential that a lot of these things happen.

We are particularly concerned about the fair dealing section, clause 25. That is not a duty yet, so it might not happen. In fact, George Eustice suggested yesterday or the day before that if there is evidence, this power might be implemented—or words to that effect. This power should be implemented for all sectors, and the suggestion is that they will start with dairy and then very slowly get on to red meat. That is not good enough. As Tom pointed out, all sectors need to know they can get a fair deal, so in that sense, the duties need to be there by changing “may” to “shall”, and they need to be obligated. I do not know what else we can say about that, apart from the budget—

Q42 **Chair:** Let us go across the panel, then. Stephen?

Stephen Russell: As has been mentioned already, there should be a duty for an environmental land management scheme, but I have also mentioned some introduction of the duty for the regulatory baseline. It is in the accompanying policy statement, and we understand that there is this current review of inspection regulation. That has been put to us,



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sometimes, as a reason why it is not in the Bill as published. I do not necessarily see that as a reason not to include it, to be honest—that principle of some element of conditionality. Those are the two key duties that we would like to see, to give long-term certainty to farmers and users of the countryside—people who enjoy the outdoors.

Caroline Drummond: I would echo Vicki's comments.

Tom Lancaster: I would agree with all those. Also, for us the big gap in the Bill is on funding. In our Second Reading briefing, as with LINK and Greener UK, we talked about a duty on Ministers to report to Parliament on the costs associated with meeting the purposes in clause 1 and other financial purposes in the Bill. Ideally we would also like to see a duty, after that report had been made, to have multi-annual budgets for future policies. Then there is an outstanding question about how funding will be allocated across the UK. There was an announcement yesterday of a review—but only to 2022—in terms of intra-UK allocations. I think all those sorts of issues will need to be discussed as the Bill passes.

Q43 **Alan Brown:** Tom, you have led me on to what I was going to ask you anyway about funding. You are saying the Government should be clear about funding. How would they become more clear about financial assistance that is going to be provided for each public good? I presume there would need to be some sort of framework that shows how they are going to prioritise that. How do they make such a framework equitable across the nations, covering the various geography? Some things are clearly going to be more appealing to some farmers and landowners, because they can do it more easily, so how do you get a framework that aligns the different geography, short-term and long-term objectives?

Tom Lancaster: We have been looking at whether there could be some reporting requirements in the Bill—not necessarily ring-fencing a pot of money for future policies, because that is perhaps not feasible, or ring-fencing even a pot for each public good, which some people have talked about, which seems too constraining. We are looking at reporting requirements on maybe a five-yearly basis, what funding is required to meet the purposes in the Bill, given that there are other mechanisms available, like regulation, to meet these purposes, and then how that should inform multi-annual budgets for the Bill—so, lifting it out of the spending review cycle in order to give certainty to farmers, but still based on an objective assessment of how much funding is required. How you then allocate that funding across the UK is a big P political issue that is quite hard for NGOs to get involved with.

Alan Brown: Not something I have ever raised a concern about.

Tom Lancaster: We have done an assessment, as the RSPB, with the National Trust and wildlife trusts, that looked at how much funding is required across the UK to meet current environmental land management aspirations and obligations. That very much supported the fact that it should not be allocated via the Barnett formula. That is about people, not



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land. So if you were to allocate along environmental need, that would more or less match the current allocation criteria used for the CAP.

Chair: I don't think there is anything, Alan, is there, in the report, about actually reporting back to Parliament? Basically it is a very flexible Bill, which I can understand to a degree, because we are moving away from a common agricultural policy to a completely new policy, but I think you are saying there needs to be a check and balance at least once a Parliament, if not more, in a way, because otherwise I just don't know how we keep tabs on what is going on. Sorry to interrupt, Alan. Any further points you want to make?

Q44 **Alan Brown:** No, that's fine. Obviously I would like to hear suggestions from the rest of the panellists as well.

Caroline Drummond: May I add something? Obviously we have a commitment nationally to report against the sustainable development goals and the Paris agreement. Some of that data is starting to be collected and collated. A lot of it relates to forestry rather than actually farm performance, and I think that potentially—unless we know what the agreement is between farmers and Government—in the long term the danger could be the Government having less information about agriculture in our land and how it is managed, and the crops that we produce in the future. Yes, the June census is still carried out, but the true collation of what we produce, how much we produce and what varieties we produce is becoming poorer, despite the fact that 90% of all the data that has ever happened and been made has been made in the last 18 months. There is more and more data. The issue is what the right data is for demonstrating the right goods. That is a big challenge.

Q45 **Chair:** Are there any other points that you would like to add, Stephen or Vicki?

Vicki Hird: We are moving from a period where almost every paperclip was measured for European Commission purposes to one where there is nothing, so I totally agree with what Tom was saying. It is absolutely essential that we have an assessment of need. We need a sort of baseline assessment now and then regular reporting. It is absolutely clear that we need to do that to know that we are getting value for taxpayers' money, and to know if we need to change emphasis. If the climate crisis is even more acute, or we are losing our forests or something, we need to know where that emphasis lies.

Q46 **Alan Brown:** That assessment of need makes sense. What would be your suggested timeframe for getting that needs assessment done and then allocating funding on that basis?

Vicki Hird: Ideally in the next couple of years. We have two years, in a way. We have the transition before the direct payments—

Q47 **Chair:** 2021 will bring in £150 million or something like that. It will then gradually up the amount of money that they have got to spend. You will be surprised how quickly the time goes.



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Vicki Hird: But this is operational spend, to actually do the assessment. We should use people on the ground to really understand what is going on. It is not just a matter of what we are producing, but what soil and all those kind of things.

- Q48 **Dr Johnson:** With the number of children that are overweight and obese having been shown in the last couple of weeks to be growing, many would say that it would be good for the public if we had a more healthy diet. Farmers, obviously, are producing the majority of the food that we eat. Do you think that food production should be included as a public good in the Agriculture Bill?

Vicki Hird: I don't know if you were here when I was outlining our suggestion for an additional clause around public health outcomes and improving public health, which is different from talking about food production, because it is about specific products that we might want to think about—

- Q49 **Dr Johnson:** The question is whether food production should be part of it. With the definition of agriculture as primarily a producer of food, is producing food a public good?

Vicki Hird: We get the sense that that would be very difficult to get through, to be honest, and is not particularly what we would be advocating. We are advocating public health as a public good. Others do not agree, but not to have it in there would have implications for certain measures that would help to address obesity and the terrible drop in consumption of fruit and veg, and antibiotics, and those crises in our health service, which should be addressed through the Agriculture Bill and, obviously, other Government measures. We are mooting that proposal. We are not advocating having food production per se as a public good.

Tom Lancaster: We would support that position. We would strongly object to food production being regarded as a public good, particularly if that manifested itself in clause 1. That is primarily because—

- Q50 **Chair:** Why do you object to food being a public good? I am fascinated by that. We need affordable food. We have lots of people who are struggling to buy food. "Food is not a public good"—I am not convinced by this at all.

Dr Johnson: Obese people are more likely to be poorer. If subsidising to some extent the production of fruit and vegetables makes them more affordable and more available, is that not publicly good?

Tom Lancaster: We would look at a much broader strategy to address those sorts of issues. Often it is said that there is no such thing as food poverty, there is just poverty, and paying farmers to produce food, regardless of what food that is, or how it is marketed or processed—

- Q51 **Chair:** But that is not the question, is it? The question is about healthy food and you are saying that food production per se is not a public good. That is the bit that I am challenging. You are just making it much broader. You have been asked a question about whether healthy food—



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more vegetables and all those things that we want to get into our diets—is not a public good.

Tom Lancaster: The question was about more general food production. If we take them in turn, in some respects, the basic premise of public money for public goods is where it is justifiable to pay farmers and use public money to incentivise farmers to do certain things where there is market failure. In terms of the Treasury logic around these things, food as a marketable commodity does not fall into that category, because it is inherently rival and excludable, effectively. It does not make sense to pay farmers public money once through the tax system and then again at the till. There is something inherently inequitable about that approach.

In terms of how we can incentivise the uptake and consumption of healthier food to address issues such as obesity, I would argue that the sort of food strategy that has been mooted but delayed a couple of times would be the best way to go about that in terms of looking at how you can use the tax system. We have a sugar tax, but is there a wider applicability there? Can we look at issues such as public health and information campaigns, which have been so successful with tobacco and other public health issues? But paying farmers specifically to produce food when there is no way then to determine how that food as a raw product is processed and ends up in the supply chain is not an efficient way of guaranteeing food supplies or of guaranteeing the supplies of certain types of food.

Q52 **Dr Johnson:** To look at it another way, if you have a farmer and he or she is thinking about whether they should create a footpath down the side of this field and make it open to ramblers, part of his or her calibration is the loss of privacy that he or she has over their land and the need to clean up after ramblers who are less responsible, who may have left dog mess, litter, cigarettes or rubbish lying around. There is an awareness of the need to protect themselves against the cost of having that.

If a farmer is offered money from the Government to do so, they have to decide whether that money is worth it or whether they would make more money from food production. If the schemes offer so much money for creating wildflower meadows, areas of woodland and areas of more footpaths or whatever the public goods are deemed to be—if we do that to the point where farmers might say, “What is the point of me farming this land if it cannot be productive and if it is better for me to go out and spend that money on greening measures than to spend on food production?”—then food production will fall and that will make food more expensive, which is not publicly good. It is publicly bad, and it will make poorer people less able to afford good food.

Tom Lancaster: I do not see a tension between paying farmers to deliver environmental and other public goods and their core role as food producers for the market. In fact, there is an increasing weight of evidence, say if you take arable farmers in a fenland area, that by putting in wildflower margins and taking measures to reduce soil erosion, you can enhance the productivity of that land. All the evidence suggests that at



most you would need about 10% of land under wildflower margins or other similar measures, and beyond that you are getting to a law of diminishing returns. I cannot see any Government, current or future, paying farmers to have all their land under a wildflower meadow, because certainly in an arable situation, it would not make sense—it would not be good value for money.

Actually, if they are well located—if you use nutrient mapping and yield mapping to determine where the lower yielding parts of your farm are—you can then put those measures in those places so you can perhaps not lose money on those areas but make money through a public good scheme. Then, through beneficial crop pests and pollinators, you can enhance the productivity and profitability of your operation. Particularly in an arable situation, the two go intimately hand in hand.

Q53 Dr Johnson: I should mention at some point that my husband is an arable farmer. Do any of the other panellists want to come in?

Caroline Drummond: I think there is a nuance in what you say. Where there is a market failure, it is around nutritionally enhanced or biofortified foods. Teenage children in particular face severe malnutrition issues relating to minerals and micronutrients. Part of that is because they tend to eat ultra-processed foods, which contributes not only to malnutrition around obesity but other dietary challenges.

Where I think there is a potential opportunity for food to be part of the public good is in encouraging that marketplace. Farmers currently sell on quantity, plus some specific quality factors for grain, milk or whatever. Nutrition is not embedded as a value for food, either for the marketplace or in terms of how farmers are producing their food.

There is some potential to start looking at what farmers can do to be part of the long-term solution to some of the health challenges. That can be done through breeding, improved soil management and taking the opportunity to grow more protein crops, or a broader selection and diversity of crops than are currently available. We are 60% dependent on three crops on a global scale—maize, wheat and rice—and 95% of our diet is made up of some 15 plants. When you start looking at the lack of diversity in our diet, which contributes to poor health, not to mention the lack of diversity in the marketplace for available-to-sell—yes, there are some nuances, but it is a real challenge.

That can be supported by looking at some examples. For people on support in America, stamps have double the value if they trade them for fruit and veg. That drives the market, it drives people's capability because they have supported it with cooking, it improves health and it lowers BMI.

There are opportunities for a more holistic approach to the health agenda. Farmers are a key part of the solution to driving healthy people, not to mention all the health and wellbeing aspects of being outside in the country and engaging with food and the culture of food. The intergenerational challenge of people not learning cooking and other skills

is another contributory factor to isolation, for both the elderly and the young.

Q54 Chair: Any last points on this question before I bring in Kerry and then Julian and Angela with supplementaries?

Stephen Russell: In answer to the question whether food production is a public good, at the Ramblers we disagree. As we touched on earlier, an up-front definition somewhere in the clause might be helpful, so that we can move away from that debate.

I understand entirely about the public health concerns. Public access, of course, delivers in terms of improving health outcomes. One thing that we have been advocating for is looking sensibly at where interventions to pay farmers for additional access would be beneficial to communities who do not currently have access to the outdoors.

There is the added dimension of enabling people to understand where food comes from. I have seen some great farms in the last six months that have gone to great lengths to explain what is growing in each field, really connecting people back with nature. That is a really important point for the broader public health agenda. Of course, there are other programmes and initiatives that can address that, too.

Fundamentally, we disagree with the public goods idea.

Vicki Hird: I have outlined the clause that we want for public health. I think Caroline made some good points. There are lots of other ideas for things we could do in particular sectors if we had a public health objective, like the scheme that is currently available in Europe to get fruit and veg into schools and hospitals.

There is a big gap there. Buying standards and all sorts of things have been done in terms of procurement. Caroline is absolutely right about diversity. For farmers to diversify into top fruit, soft fruit and vegetables would be a huge boost to our capacity to feed ourselves. Helping farmers to do that in the short term would be a good thing.

Q55 Kerry McCarthy: Between them, Vicki and Caroline have covered a lot of things that I was going to try to tease out, but could I quickly ask about the supply chain measures, which I do not think the other questions have covered? Caroline was talking about farmers being able to sell more locally and perhaps somehow ensure that the food does not go into these ultra-processed products. Are you happy that there is a bit of tightening up in the Bill of some of the supply chain stuff, or do you think it could go further in protecting farmers?

Vicki Hird: We have very specific, small amendments to make to that to ensure that it covers all sectors, that there is a duty to do it and that it allows for secrecy. The culture of fear for farmers is very strong. Obviously, it also ties in with the budget. We would need to be able to supply an enforcement body with the ability to penalise where there was abuse, covering the fair dealing point. What you are talking about is also a



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broader capacity to deliver at the local food level, to deliver fresher food and to have peri-urban farms—all those kinds of thing are a vision for providing fresher, more diverse diets for people. That could be delivered through support. It could come through a better productivity clause that included providing support for sustainable rural development.

- Q56 **Kerry McCarthy:** I am thinking about shorter supply chains. There is scope in the Bill, but it would need amending.

Vicki Hird: It would need amending. For us, the section on productivity is far too loose at the moment. It could be enhanced to deliver on those things, so long as it was clear about sustainable production.

Caroline Drummond: This is obviously complicated, and with regard to the Groceries Code Adjudicator, her powers are relatively limited on this issue. You start looking at the complexity of the supply chain, and the margins are now so, so tight, even in the fresh produce sector. It is not just the retailers. There are numerous processors right across the board. Getting the detail in that is—

- Q57 **Kerry McCarthy:** I suppose that is what I was trying to get to in terms of making it more economically viable to sell to people locally, rather than to the supermarkets, but I do not know, because that becomes market interference. It is difficult, but perhaps there are ways that you can assist that and make farmers able to participate in those supply chains.

Chair: It could be enabling, too.

Vicki Hird: The cost transparency measures, which again are enabling and not a duty, could help with that by identifying where costs are going now, who is benefiting most and who is profiting most. They could ensure that farmers were aware of other opportunities. That goes back to the point on training and business advice. As Caroline said, it is complicated.

- Q58 **Julian Sturdy:** I want to look at the importance of food production in a slightly different way. I want to play devil's advocate on this, if I may. The Bill focuses heavily on the environment, and rightly so, but my view is that we should be doing that in a way that maintains our food production. Tom has touched on that, and I think there are ways we can do it. The UK is 61% self-sufficient, and that number has been falling. Do you think there is a measure or something that we could put in the Bill to look to maintain that, at the very least? If our self-sufficiency dropped to 50% but there were improved environmental benefits, would you accept that trade-off?

Tom Lancaster: I prefer DEFRA's measure on self-sufficiency and looking at the food that we can produce, which is about 75% or 76%. The NFU often refer back to 1980 as the baseline for their self-sufficiency stuff. That was a point where coupled payments were driving over-production to the point where we had chronic environmental degradation and surpluses that were dumped on the developing world, crippling their ability to produce food in their own markets.

- Q59 **Chair:** The point that Julian is raising is that he is talking about the



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figures now, not the figures in 1981. How do you consider the figures now? I am not convinced that you see the need to produce food, particularly. Is there a baseline? This is what worries us, if you just drive back food production. We are not talking about the 1980s; we are talking about 2017.

Tom Lancaster: Food production is absolutely central; it is farmers' first occupation. I don't think there is anything in the Bill that would hinder farmers' ability to produce food. As I said earlier, the public good stuff at the front of the Bill has been dismissed as being predominantly about the environment. Actually, maintaining the natural resources that food production depends upon is a first-order priority if we want to maintain our capacity to produce food into the future. The other clauses in the Bill on data collection, the supply chain and market intervention set out powers that you would need to develop a modern, market-facing agricultural sector that is supported to deliver public goods that the market does not provide and is able to produce significant quantities of food for the home and export markets.

Q60 **Julian Sturdy:** Can I come back to something very quickly? If we delivered all the environmental benefits that are talked about in the Bill—there is huge support for trying to do that—but they caused food production in the UK to drop, would you see that as a trade-off? Yes or no?

Tom Lancaster: No, I don't think so, because I don't think that trade-off necessarily has to come to pass. At the moment, we have the opportunity to do something that almost no country has ever done, which is to demonstrate that you can effectively have your cake and eat it. You can have a wildlife-rich countryside and restore your soil while producing lots of food.

Q61 **Julian Sturdy:** I personally agree with that. Saying that, do you think there needs to be something in the Bill to make sure that is protected, so you can deliver both and protect against what I would class as unintended consequences—things that are done for the right reasons but have unintended consequences?

Tom Lancaster: I would have to give it some more thought. We wouldn't want to see a crude target for self-sufficiency, because I don't think that necessarily reflects food security more broadly, and it could lead to a lot of perverse outcomes.

Chair: I will bring in Caroline very quickly, because it was her original question, and then I will bring in Angela after you have answered the rest of Julian's question.

Q62 **Dr Johnson:** This relates to Julian's question, really. Do you accept that if we reduce our food production here, people are still going to eat, so that food will be produced somewhere else? I think that adding environmental standards is the right thing to do in this country, but if food production reduces, that means that food may be produced to the detriment of the environment elsewhere.

Chair: We will go across the panel now. We have given Tom a fair battering, so we will give you a rest for a moment.

Dr Johnson: To conclude, what can we do to protect the industry in the UK against the import of such produce?

Vicki Hird: What we are asking for—we have drafted a clause on this as well, and I think others are very much in agreement—is the import of produce of a lower standard not to be allowed. That is a very difficult one, but we have all been saying it. Every MP has said it in the House, and it has been said at every party conference. We need a clause that does that. It is going to be difficult to do, as we don't yet have a trade Bill, but it is absolutely essential to have something like that.

Q63 **Dr Johnson:** If you were looking at animal welfare standards, I am sure you could find meat that could be produced to that standard, but how would you get crops and fruit and veg that were produced in the same environmental conditions?

Vicki Hird: Do you mean how would we stop them coming in?

Q64 **Dr Johnson:** If we put environmental conditions on our farmers, such that we take, as Tom suggested, 10% of land out of production into other measures—that may have positive benefit for the soil, so production may not fall by the full 10%—how will we make that back up again, given that people still have to eat, without undermining what we are doing for the environment in this part of the world by undoing it in another part of the world?

Vicki Hird: As I said, you would need that safeguard, and not to allow imports. You would have to put that into trade deals and make sure it was part of that, which is very hard. As Tom said, the assumption that these measures aren't related to growing food is wrong. Whether we need a separate safeguard or a check against unintended consequences is an interesting point. As Tom said, we need to look at that, because we are all very nervous that something like that, or something like a self-sufficiency target, would give a Secretary of State the ability to reintroduce systems that we know have failed in the past. What we want is a new vision, a new way of supporting farmers that really is fit for purpose and that has the budget it needs to ensure that farmers can survive and protect their resources, which also help them survive. You could maybe argue that we should do that after a year or two, if we have a dramatic loss of production of a particular crop or in a particular sector. The reality is that we already have that for fruit and vegetables, and we haven't done anything about it.

Chair: Can we keep the answers a bit tighter?

Stephen Russell: I can be very quick. This is not my area of expertise, so I'm not going to pretend that I have an answer. It is a very valid question.

Caroline Drummond: We run a farm assurance scheme called LEAF mark. Some 36% of UK fruit and veg is LEAF mark certified, and we operate in 34 countries. Standards of fruit and veg that are imported meet

the same requirements. We are ISEAL-accredited with independent external verification. There are ways of doing it—there are farm assurance schemes that can help support in that space when the criteria are set specifically. It is going to be incredibly interesting to see and work out how effectively approaches such as the farm assurance schemes fit against the delivery of inspection and legislation, because without a doubt it can be done.

Dr Johnson: If we are following the EU rulebook, we will not be able to alter those standards, because they are agricultural goods.

Caroline Drummond: Definitely. Part of the Bill, and part of the ambition, aims to drive innovation and capability in our productivity—we must not forget that. This isn't "business as usual", and it is not creating a farming system from 20 years ago. It is about the future farming system. On a global scale, our farmers are some of the best farmers in the world, and it is wrong of us to deny them the capability to enhance their productivity. That is not to say that we should not be smarter at integrating that within the environment and at being more precise in how we effectively manage the environment and the ways that we have done precision farming on our own farmed land. We need to be incredibly careful not to deny our capability of ambition for production in the farming sector.

Part of this also has to be around the fact that we need to set targets. There are no numerical objectives. A lot of ambition, particularly in southern Ireland, has been driven by a strong drive from Government to say, "Look, this is where we are going." Our ambition now is to have a world-leading farming capability that is fit for purpose in the long run—delivering against the environment, delivering against global objectives and delivering for our farmers.

Chair: A very good point.

Q65 **Angela Smith:** I am very sympathetic to the idea of having a duty to balance the environment and production, because I think the industry—particularly agronomists—are already trying to do that. I want to challenge the entanglement of the issue of public health and food with that ambition, which I believe is problematic.

I particularly want to challenge Caroline. The things you mentioned about stamps in the US, cooking skills and so on should surely be delivered in a food strategy rather than by focusing on farmers. Farmers can produce more grain for flour, but the flour can go into cakes rather than bread. Soft fruit can go into apple crumble rather than into a bowl on a table. On the point that Tom made about processed food, let's face it: the market here means that the interventions almost certainly lie elsewhere, because people will still buy processed products that use ingredients produced by other farmers. Surely it is right to focus on overall Government strategy on food health rather than start with the fields and farmers at the beginning of the supply chain? I don't see how putting public health as a duty in the Bill will deliver any of the things that you are talking about.



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Caroline Drummond: I agree that it has to be an integral part of a food strategy, but it is actually about ensuring that there is a link in capability in the long run to be able to deliver against that. That is one of the challenges.

Angela Smith: But how can farmers do that? Farmers can produce more vegetables, but they will go into pizza rather than being steamed and put on the plate. It is difficult to deliver on this. It is the wrong place to start, surely.

Chair: Angela, it might be the wrong place to start, but it needs to be within the overall approach to food. You are arguing whether we are starting at the right end with farming.

Angela Smith: I am not sure it should be in the Bill; that is the point.

Vicki Hird: But we have never managed to do that with agricultural policy so far.

Q66 **Angela Smith:** But it is not the role of agricultural policy to deliver it.

Vicki Hird: But agricultural policy has driven the production of things and contributed to where we are now, like with sugar and intensive livestock.

Q67 **Angela Smith:** Surely it is the marketplace and food manufacturing that has driven things.

Vicki Hird: They absolutely are part of the solution, but so is how we support farmers to produce food and deliver it into the marketplace. That is part of the role of development in food systems.

Q68 **Angela Smith:** Vicki, can I challenge that? Let us say that farmers produce less sugar. The processing industry then buys in the sugar from abroad. That is the problem. That is why I do not think it will work.

Vicki Hird: So we need to tackle that as well.

Q69 **Angela Smith:** So we stop processors importing sugar, do we?

Vicki Hird: Yes. At some point we need to encourage those countries to diversify out of sugar.

Q70 **Chair:** For me the argument is not about a sugar tax; it is very much about reducing the amount of sugar in the processed product. The argument is: do we start with the farmers or do we start at the end? I don't believe in taxes on food because the poorest people pay those taxes. They do not necessarily change their diet. Processed products have changed over the years. Lots of them have less sugar and less salt, so then you can actually change people to different diets. But you can do lots of things in the meantime. I don't think this blunt sugar tax idea works at all.

Kerry McCarthy: That goes for a lot of people.

Vicki Hird: It has big implications, but we were talking about whether we should subsidise farmers to produce sugar, which is a very different thing. It doesn't make sense.

Q71 **Angela Smith:** Exactly, but Neil is right. If the processors can be



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incentivised to change formulations, that will drive differences in agricultural practice rather than starting at that end of the chain. I just don't think it will work that way round.

Vicki Hird: They need to work together. It needs to be an integrated public health and agricultural strategy, and that goes for fruit and veg as well, and antibiotic use.

Q72 **Angela Smith:** So what would you put in the Bill to make that work?

Vicki Hird: I outlined it earlier. I can provide you with the specific wording.

Chair: We will look at it. We are all roughly on the same page. It is just how we get there, and we are arguing about that at the moment. Julian, very quickly, please.

Q73 **Julian Sturdy:** On that point, surely the key area has to be within education.

Vicki Hird: That is one of the areas.

Q74 **Julian Sturdy:** Is there anything that we can put in the Bill that requires better education? I don't know whether there is. I don't know whether it is statutory. The GCSE in agriculture, for example, is one of my hobby-horses.

Vicki Hird: Some of our members are proposing that farmers provide access to schools to come on the farm and learn about how food is produced. That seems eminently sensible.

Q75 **Chair:** Certainly there are links between schools, food production, agriculture and the environment. We will think about that one.

Caroline Drummond: We run a Farm Sunday. Over 13 years, 2.2 million people have gone out to farms, and we have merged recently with FACE, so we now have an education portfolio. It is absolutely critical. To a degree it is supporting people's enjoyment. In the nuances of the detail, education is absolutely key.

Chair: The Bill is enabling. It is directional in many respects. Perhaps, Julian, we can put something in there for a direction towards education and healthy food. It is something we need to think about. The Secretary of State could argue that you cannot be too specific, but on the other hand the whole Bill is about a general direction, so perhaps we will look at the amendments and give them some real thought.

David Simpson: It has been suggested that financial assistance should be provided for animal welfare activities that go beyond the minimum requirement or normal practices. What types of activities could be included? Should financial assistance be provided at all, or should it just be improved through better regulation?

Vicki Hird: Okay. We have covered the regulation point. I would agree with what my colleagues on the panel were saying on that. There are a lot of systems to do with housing, husbandry, breed management and stocking levels—all those things where farmers might be taking decisions that are going to cost them in the short or longer term—which you could

argue would be beneficial if they were happening across the country to provide higher welfare assistance. Those are the kinds of things that Compassion in World Farming and the RSPCA are talking about when they are advocating support for higher welfare systems.

There obviously needs to be a baseline and any farmer that is breaking the law should not get any support until they are farming within the law again. There are those kinds of checks and balances. Higher animal welfare will have knock-on effects on things like antibiotic use as well, which we are advocating, so it is definitely a beneficial public good.

Q76 David Simpson: But should there be financial assistance, then, in your opinion?

Vicki Hird: Yes.

Caroline Drummond: I am married to a dairy farmer. When you look at the animal welfare record here in the UK, it is exceptionally high. We are No. 4 on the global scale. Trying to define what is the marginal additional public good is going to be quite hard, unless it is with the specific requirement of the environment in mind, perhaps, in terms of some breeds for particular areas, or around housing. We are going to be having to amend our farming systems against different weather and against the introduction of different innovations. Locally to us, farmers have introduced robots. Or, perhaps you have had a housing unit that you thought your cows could cope with for about eight months of the year, but suddenly they may be in there for 12 months a year, although they obviously have the choice to go outside. There is an infrastructure cost to the business associated with changing that to avoid respiratory diseases. The challenge around the use of antibiotics is that we could go antibiotic-free, but we have to be careful that we don't compromise the health of the animals. It is going to be quite a difficult area to define what the marginal additional public good is.

Tom Lancaster: The original "Health and Harmony" consultation paper talked about piloting to see where payments would add value beyond the sort of current regulatory standards that we have, which are quite high. We have been very successful in driving improvements in animal welfare through regulation, which then also opens up markets for farmers. Free-range eggs is a classic example of that; improvements in welfare have actually led to a better market return. A lot of that has been achieved through regulation, so we need to be careful not to pay for what is current legal best practice or legal requirements.

There may be scope to look at how we can, particularly in terms of the capital investment needed, go even further in improving animal welfare and see whether or not there is a role for public funding. That might be in the form of part-funding. There are lots of parts of the current rural development programme where farmers can receive 40% or 50% in recognition that there is some private but also some public benefit to that investment. The Bill also allows for loans as well as grants. Is there a role



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for financial instruments like loans or loan guarantees in order to mainstream better animal welfare throughout the industry?

- Q77 **David Simpson:** It has been suggested by some on the farming side that there needs to be a linkage with the supermarkets on welfare. At one stage they want bedded houses, then they want rubber mats on the slatted houses—it is all over the place at times, and something changes. That has an implication for farmers and their investment and how they change the whole mechanism. There needs to be a closer partnership with the retail side.

Stephen Russell: Again, on the general principle of payments going beyond a regulatory base—

- Q78 **David Simpson:** As long as we can keep walking, you are happy.

Stephen Russell: Yes, essentially! But there is that general principle. There should be a regulatory baseline and payments for going beyond that, when that is in the public interest. Absolutely.

Vicki Hird: And we need the trade Bill.

- Q79 **Chair:** The trade Bill is where it is important because, to play devil's advocate, I want very high welfare standards—I want higher ones if we can get them—but in many ways we are saying, "Do not interfere with the market over food," and then immediately we are doing so. I think we have to be very careful because Sweden has pushed up its welfare standards vastly, which is good for its animal welfare, but now it produces much less food and imports a lot more under lower standards. You have to be careful not just on the environmental point that Caroline was making about growing food in other parts of the world, but about how that food is produced—that is the balance.

Vicki Hird: And the mandatory labelling of food—

Chair: Also you have to be careful, if it did work very well for the market—especially in the highly productive areas of pigs, poultry and others—you could quite quickly get overproduction as well. The whole thing is right in some ways but fraught with difficulties if you are not careful.

Tom Lancaster: That goes to the point about piloting, so that we can actually determine what is—

Chair: That is a very good point.

- Q80 **Angela Smith:** Are you concerned about the lack of clarity over funding beyond 2021, and if so, what further information should the Government provide?

Vicki Hird: I think we would all have said "Yes" then.

Angela Smith: There are two parts to that question, in terms of the global amount and how it is being used.



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Caroline Drummond: It is about the long-term commitment, what the transition period would look like in terms of support and what the drivers would be. As has been suggested, pilots are going to be an incredibly important thing and so there is actually going to be a need for additional support for piloting, for additional funding for research and additional funding for the collation of data and the effective management of the data and reporting. There has to be some level of commitment.

Q81 **Angela Smith:** The Government have estimated that in 2021, up to £150 million could become available for that kind of work. Do you think that is enough?

Caroline Drummond: No, that would not be sufficient.

Chair: I think, Angela, that it is very difficult to bind one Parliament to another on expenditure. That is where, if at all possible, we could get cross-party support for a forward policy, which would probably be the best solution. *[Interruption.]* Yes exactly, but that is why we have to sit down and talk, because in reality, Michael Gove is right that it is very difficult to bind the next Parliament. If we have a direction of travel that is roughly agreed by the main political parties, there will be less difference. For all the rights and wrongs of the CAP, it did roll on and you knew where it was going—whether you liked the direction was another matter. I think we are going to be in a different world now, don't you?

Angela Smith: I think Gove is playing a rhetorical trick, though, because no Government can bind another's hands on money, even when they put their spending plans in place—another Government can come in and change their spending plans. He could say now what his Government would do if it continued in power, Neil, and our side would do that as well. It does not need a cross-party sign-off.

Q82 **Chair:** Also, to a degree, if you put forward a reasonably sensible policy to support agriculture and environment, it is very difficult for a Government of whatever colour to change it. It is a bit like the health service; it would be very difficult for someone else to come in and say, "Actually, we are not going to spend any money on the health service." That is not going to happen in reality.

We asked you at the beginning about contracts and so on. Do you have any ideas for binding Governments in?

Tom Lancaster: We have spoken already about reporting requirements in the Bill to determine how much funding is needed to meet the purposes and over what period of time. Those budgets could be calculated or perhaps those reporting requirements should cover it. As much as anything, that would be to give Parliament the information that it needs to hold Government to account on whether there is funding available for those purposes. There are very practical implications if you are building a public goods policy. The Government have talked about—and we welcome this—rolling out an environmental management scheme from 2021, through pilots, and then having it fully operable from 2025. You do need, though, to know what sort of scale of funding would be channelled through that when you start designing that policy, because a lot of considerations



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about policy design—particularly in the past, with agri-environment schemes—have always been about, “Well, we could have this scheme if we have this much money, or this scheme if we have this much money.” That is one of the critical factors in designing future policy, so if there is no clarity over how much funding is going to be available and over what cycle that funding is going to be made available, Government—and civil servants in particular—will find it very difficult to design a policy looking out to a three or four-year timeframe, which is the period of time over which you need to develop infrastructure, like IT systems.

Q83 Angela Smith: And they may last for decades, or should be designed to last for decades. There is a delegated power there as well, which allows the Government to extend the transition period. There is sort of a safety net. Do you think that is required, and is it a good idea? Is it necessary?

Tom Lancaster: I can see why the power to extend is there, but I do not think it is a good idea, because it will just create confusion and undermine the certainty that providing that initial timeframe provides.

Vicki Hird: We would agree with that. Clearly, if something happens, that ability to extend needs to be triggered, but it is much better that we phase down one system and phase up the other pretty soon. I totally agree with what Tom is saying about the budget, and frankly, we should be very worried about this.

Caroline Drummond: Without a doubt, the power should exist, but people—particularly farmers—need some certainty in terms of introducing new practices and new ways. The other challenge is about the governance itself: the way of working between the Government and the private, public and NGO sectors, and what the partnership approach will look like in the future. It is going to be incredibly important to make that really work, to take things in an ambitious and dynamic way.

Q84 Angela Smith: I have one other, cheeky question, Chair.

Chair: You only have one cheeky question? That is a bonus. Off you go.

Angela Smith: If, by any chance, the UK decided to remain—not to leave the European Union—do you think that all the work that has been done on this Bill should not be wasted, but rather should be used to try and engage in a reform process of the common agricultural policy itself? In other words, is this the right kind of scheme, or is it something that we have developed out of expedience? Are the principles of it the right way for Europe to go, never mind the UK?

Caroline Drummond: The discussions at European level—

Chair: Can I say that this question is hypothetical?

Angela Smith: It is hypothetical, but it asks an important question about principles.

Chair: You may answer.



Caroline Drummond: Those levels of discussion are now going on around public goods. Our European counterparts are talking about public goods and public good delivery. What we are perhaps missing—because we are responding and trying to make sure we take things forward—is the discussion that is going on around the circular economy, which the Dutch in particular are advancing, and which is potentially a very logical framework and approach for driving change at so many different levels. The question would be whether this would be fit for purpose to fit into some of the discussions that are happening in that space.

Chair: My experience of 10 years in the European Parliament, and two years chairing the Agriculture Committee of the European Parliament, is that it is not easy to try to change things with 28 countries. In this instance—whichever side you are on in the argument about whether we should or shouldn't leave—I think there is a real bonus in designing our own policy. I disagree with Angela; I do think we are leaving, and I don't think we will be remaining, but I know where she was coming from, which is why I accepted the question. Caroline, you wanted to ask one last supplementary on this, and then I will deal with the last question.

- Q85 **Dr Johnson:** It was a quick point, going back to what we talked about with certainty and binding the hands of future Governments. You cannot bind the hands of future Governments when they make decisions on spending, because they can obviously change their mind—although the PFI contracts that we are stuck with are an example of the fact that, to some extent, you sometimes can. It is my understanding that some of the environmental schemes that the Secretary of State is going to develop for public good will involve contracts of five or 10 years, or even more. To some extent, by binding in a contract with a farmer, that would surely provide certainty and, to some extent, require the Government to provide the ongoing support for it, even if the Government were to change in party or mind over time. Do you think that is a good thing?

Vicki Hird: That would be a good thing, but there will be some farmers who will not want long-term contracts. They will want some of these measures to be shorter term. You would not want to make it only long-term contracts.

- Q86 **Chair:** Environmental schemes and stewardship schemes in the future will have to be some form of contract, surely, because otherwise nobody will want to enter into them for a few years. They have got to be 10 years, really, have they not—most of them? If you are improving your soils and that type of thing, a lot of that will have to be quite long term. There will have to be some form of contract, I think. But you are not particularly keen on that.

Stephen Russell: It depends on the outcome that you are trying to secure, obviously. We touched on that earlier on. From an access perspective, which you would expect me to talk about, that certainty is really important for people to understand what it is that they should expect when they go out into the countryside, and to reduce those tensions when changes are made in the outcomes being delivered, which



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can lead to local tensions. We have often heard about that from many members of the public and from farmers. They are the ones having to manage this kind of expectation. That certainty is really important. Before an agreement is made, getting an understanding of how long it is going to be in place and how long you can expect it to be around is critical—and getting the public to understand that too.

- Q87 **Dr Johnson:** For ramblers, it would be particularly confusing if a footpath was available this year, but not next year and the year after—for two years. If a farmer makes a footpath available this year because it is financially rewarding for him or her to do so, and the following year the scheme is withdrawn, and the footpath becomes unavailable and private land again, that yo-yo would be very confusing.

Stephen Russell: It is confusing. I am not sure if you were around at the beginning, but what we were hearing from some members of the public was, “This farmer had been providing something.” But some farmers are providing these routes without any financial payments, for various reasons, and when the decision needs to be taken to change that for land management reasons, that can lead to these tensions, because people do not necessarily understand why. That certainty is very important, and it can help to reduce that local conflict that puts people off providing access again in the future.

- Q88 **Dr Johnson:** That and the issue around the responsibility of sticking to the footpaths, not traipsing across the fields, not making a mess and not littering a place with plastics—all that sort of thing that develops a bad reputation.

Stephen Russell: Absolutely. Responsible access—I should always use the word “responsible” whenever I say access—is a message that we advocate. There are certainly campaigns that we will be running in the future around that, and I know that Natural England has been hamstrung in the promotion of the countryside code, which I grew up with and I remember hearing all about—I am not sure that that happens to the same extent today.

Angela Smith: The countryside code?

Stephen Russell: Absolutely. We do not hear anything about that any more, and I feel that that may be because Natural England is unable to address that. It is something that needs to be addressed in the context of all this going forward, so that people really understand their place and the countryside as a working environment.

- Q89 **Chair:** Could I ask you a very direct question? This goes back a long time, and ramblers may have changed their position. When I was on Somerset County Council many moons ago, whenever we wanted to change a footpath, you ramblers always put in an automatic objection. The question is quite direct really. If we enter into a negotiation with you as a ramblers association, so that you can move a footpath to actually give greater access, but it may be around the field rather than across the field, can that be done? *[Interruption.]* No, like I said, that is always



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something that stuck with me, because I am a great believer in having public access, and in having greater public access, but when you can actually change a route of a footpath, we should be able to do so. So I am just asking you a question—that is all.

Stephen Russell: That is a fair question. The way we operate is to delegate that decision to our local associations, which is the right thing to do, because they know what is necessary locally. They have good relationships with landowners. I think we have some statistics, from a year or so ago, that show that 80% of changes to the path network go unopposed by our local groups. So it may be that, in your particular area, you had a set of unfortunate circumstances, but generally it's not the case that we oppose, because I think people are reasonable; they understand the need to take into account the needs of others.

Q90 **Chair:** I am happy to work, and I think we do work well, across the piece, but it's just something from all those years ago—20-odd years or nearly 30 years ago now. However, it's still stuck in my mind that sometimes there is an automatic objection, which I think is the wrong way to go. We need to work out why there's an objection, which is fine, but an automatic one isn't fine. I think that's where we can actually get greater access. I accept that not every landowner or farmer will negotiate, but a lot will, especially in the present environment, and they will negotiate probably a lot better than they would have done 30 years ago, in fairness. That was just an inadvertent question.

Stephen Russell: That's fine.

Q91 **Chair:** The final question that I have here is about the fact that the Bill is a sort of enabling Bill and is quite flexible in many ways; we could argue that it is almost too flexible. Therefore, should there be strings attached to delinked payments, so that farmers are obliged to spend them in specific ways? If so, should the Bill reflect that? Or should the system remain as it is? We'll bring Tom in; he's had a rest for a while, so we'll bring him back in.

Tom Lancaster: First off, Wildlife and Countryside Link doesn't have a specific position on delinking, so I will just talk more generally, probably from an RSPB perspective.

In general, we see delinking as a sort of high-risk, high-reward strategy. It has some big upsides potentially, particularly for proponents of reform. It locks in a sort of trajectory of reform towards a new policy, but importantly that then creates impetus and momentum for Government actually to develop policy. Without that impetus, there is a real risk of drift. It also creates a sort of cost-neutral transition fund for farmers to invest in their business, or—potentially—to open up opportunities for new entrants.

As for us, I'm not sure that the big risk is necessarily about how those lump sums or those payments are then used. If you tried to attach too many conditions to them, you'd wrap yourselves in knots, which would undermine the purpose of the policy. The big risk for us is around not

having, or losing, the regulatory protections currently provided by cross-compliance if you delink from land.

So we think that delinking has some potentially large benefits, but we would want to see a sort of comprehensive, two-way—

- Q92 **Chair:** It's also regulatory on the outcomes, isn't it? I mean, if you've got outcomes from the policy, then they will have to be checked at some stage, won't they?

Tom Lancaster: Yes, but we would want to see a comprehensive regulatory framework in place before the point of delinking, with adequate resources to enforce that but also to advise farmers on it as well.

- Q93 **Chair:** Okay. Is that broadly the position of the panel?

Vicki Hird: We have suggested that there could be particular ways to have safeguards so that delinking does not mean that land is abandoned, or goes to the kind of outcomes that the Secretary of State has suggested in the policy statement—diversification or investment.

We'd like to see sustainable investment obviously, not further intensification of any sort, and making the land available for new entrants. Some of our members are doing work on that; we'll be doing a briefing on that. One suggestion—as Tom said, it is not our policy—was that you could have a way of making sure that the reductions in payments could be amended, according to what you're doing with the payments. So you could have a lower reduction in the payment if you are definitely encouraging new entrants or diversifying into something that is a public good. We've not worked on that, but it is a possible way of using delinking.

However, there is an additional risk of delinked payments in terms of public acceptability, because we are potentially talking about many hundreds of thousands of pounds going to some very large landowners, and the public will find out about that—it will get publicity—so it could undermine the rest of the Bill's good things, potentially.

- Q94 **Chair:** Stephen and Caroline—do you have anything to add to that?

Stephen Russell: No—just the regulatory baseline point. It goes back to what we are really about on this Bill; it's about getting what we've got better looked after. I say that because you started at the beginning by saying, "Do you want the right to roam through this?" and actually that's not what we're aiming for. We just want to get landowners to do what they should be doing, and most of them do. That ensures a level of fairness.

Caroline Drummond: I would principally agree. The reward does have to be substantial because, in fact, pillar 1, the cross-compliance, does actually support a lot of very good farming practices, and has ensured that farmers really go further. If we are not careful, the support mechanism may not be sufficient either to encourage a farmer to go into it or actually help to support farmers, because the price of food or the reward is still relatively low.



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Q95 **Chair:** What you are saying is that we want some good-quality checks and balances that actually work. There is an argument for a lightness of touch but, of course, the reverse of that is that you have got to have some sort of, not control, but need to monitor what is happening, don't you?

Caroline Drummond: Yes.

Tom Lancaster: I would add briefly that a lot more detail is needed from Government on how they will achieve that managed transition. Delinking could be an effective way to do that but, as I said, there are some big risks. During that transition, we would like to see an active state, in the words of the Prime Minister, in terms of providing business skills and advice to farmers if they want to exit the industry or invest in their business, and perhaps to new entrants as well so that you get renewal rather than just consolidation.

Chair: Those are some very good points. We will raise those with George Eustice and the Secretary of State when they come in. I thank you all for the very good evidence this morning. That will be part of our inquiry into the Bill, and then we will look at the various amendments that come forward and see what we can support. Thank you for your evidence this morning.