



Environment, Food
and Rural Affairs
Committee

22 January 2025

Rt Hon Steve Reed OBE
Secretary of State for Environment, Food and Rural Affairs
London

By email

Subject: Strategy and vision required to improve farming confidence

DEAR STEVE,

I would first like to place on record our gratitude for the appearance of the Permanent Secretary and officials before my Committee on 14 January. The session focused on the Farming and Countryside Programme, including the National Audit Office's report into the value for money provided by the Programme and developments since the publication of the report in July.

The stakes are high for the environment, food security and the viability of the farming sector. To achieve the Programme's objectives, many farmers will need to transform the way they farm; Defra's modelling shows the extent of productivity improvements that are needed for farm businesses to remain viable. During the hearing, Officials laid out their expectations for the industry to make improvements, such as by moving into agri-environment schemes and greater diversification of businesses. To date, however, changes to the Environmental Land Management schemes (ELMs) have largely followed an iterative process in a seemingly ad hoc manner, making it difficult for farmers to plan for the future and keep up to date with the changes.

It was heartening to hear the Department is focusing on improving productivity in the sector and is monitoring the viability of different types of farms. **My Committee would like to see this data published, alongside an assessment of whether the sector is on track to meet the necessary productivity gains within the timeframe needed.** We heard that, so far, schemes put in place by Defra have resulted in a one per cent increase in productivity. Yet with the schemes being competitive and oversubscribed, my Committee has serious questions about

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whether enough is being done to help farmers to achieve productivity gains. We have noted reports of businesses cancelling machinery and infrastructure projects due to uncertainty over productivity grants. **We would be grateful if you could set out your Department's plans for future productivity grants in response to this letter.**

It is, of course, concerning to hear that the Department expects some businesses to become unviable as a result of the agricultural transition. What is more concerning, however, is the limited understanding of the number and nature of actual farms that will be affected, and the apparent lack of support for those farmers. We understand that there are trade-offs to be made and that farming businesses should seek to remain viable in order to survive, but **the Government must be clearer about how it intends to support land managers during this period of change.** Some farms, particularly in the uplands, are in particular need. When your Department highlights the opportunities that diversification can bring, it must consider that this is not an option for all, and especially for those operating tenanted businesses.

It is my Committee's view that Departmental officials were not sufficiently alive to the urgency of providing certainty for farmers who must necessarily plan many years ahead. We note that greater certainty may be provided after the publication of a Land Use Framework, the Environment Improvement Plan review, the 25-year Farming Roadmap and the next Spending Review.

However, the volume, nature and accumulation of these documents, combined with the cross-departmental responsibilities that are contained within them, are at serious risk of overburdening those working in the sector with an overwhelming array of initiatives and plans. To avoid this, **the Government must set out a coherent and signposted plan for change with details of the risks posed and the support available to farmers.** We, and most in the sector, are supportive of the Programme's aims but **we urge you to set out the Programme's direction of travel as a priority, and at the latest before harvest 2025.** This would significantly improve industry confidence in the Government's approach to the sector and chart a course



through this Parliament. Any plan for improving profitability must also include measures to reduce farming input costs, such as fertilisers and pesticides.

Officials were clear that the SFI and increasing scheme take-up have been Defra's priorities. This is understandable, but as part of its long-term vision, a plan is needed to combine mutually reinforcing actions, target spending and encourage more farmers to adopt higher impact actions such as those under Countryside Stewardship. The Department should be focused on tangibly improving outcomes for farmers, food security and the environment, rather than prioritising process.

During your speech at the Oxford Farming Conference, you acknowledged the need to move businesses from the Higher Level Stewardship (HLS) schemes into Higher Tier Countryside Stewardship agreements. Access to the new funding is particularly important for those with expiring HLS agreements, including upland businesses. In your response to this letter, **could you set out your detailed plan for achieving that outcome, and your assessment of whether Natural England is sufficiently staffed to meet the forecasted demand for Higher Tier Countryside Stewardship applications.**

My Committee is pleased to hear that progress has been made on creating a better evaluation scheme for the Farming and Countryside Programme, focused on more SMART objectives. Transparency is essential and officials suggested a willingness to publish more information. In your response, please provide answers to the following.

- **When will the Department commit to publishing its finalised objectives for the programme?**
- **When will the Department publish data to track progress towards these targets and help stakeholders understand 'what works'?**
- **How will these metrics help stakeholders understand what "nature friendly farming" looks like?**

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The Department rightly recognises the importance of the Farming Advice Service. However, we still hear that gaining robust, independent, on-farm advice is a challenge. Please also set out:

- **how the Department is assessing the effectiveness of the Farming Advice Service;**
- **how many on-farm consultations it has offered since its creation;**
- **how you are measuring its impact; and**
- **whether the Department has learnt from advisory services and other peer-to-peer networks offered across the United Kingdom.**

You will be aware that the farming unions recently wrote to the Prime Minister calling for the technical consultation on the inheritance tax reforms contained within the Autumn Budget to be broadened to hear the wider impact of the changes on family businesses across the United Kingdom. That request does not presuppose an outcome to any consultation, but would be an important step in regaining the confidence and trust in the Department.

We would be obliged if you could provide a response to the detail requested above by 7 February.

Yours sincerely,

Yours ARAF
Alistair

Rt Hon Mr Alistair Carmichael MP
Chair, Environment, Food and Rural Affairs Committee