

Written evidence submitted by the National Farmers Union

Executive Summary

1. The NFU represents 47,000 farm businesses in England and Wales. In addition we have 40,000 countryside members with an interest in farming and the countryside. We welcome the opportunity to present evidence to the Committee. The NFU believes:
 - We should **be proud what has been achieved** through the Common Agricultural Policy and agri-environment schemes, but shouldn't assume that these are the only mechanisms that help protect and enhance the natural environment.
 - The **natural environment is much wider than biodiversity**.
 - Environmental delivery should **not be seen in isolation of our production** or our use of the countryside for food production.
 - In future, environmental delivery outside of Europe will be **shaped by the trade agreements** put in place.
 - The existing **policy framework for the natural environment will not disappear** as we leave Europe. International agreements and national legislation remain in place.
 - **Government should not be seen as the only source of funding** to support the natural environment.
 - Government should take this opportunity for **innovative thinking** on the future support environmental land management. It needs to be based on sound science and evidence and should recognise the role of voluntary environmental management.
 - **Rewilding risks the loss of our treasured cultural landscapes** most clearly seen in the national parks.

Introduction

- 2.1. Currently the NFU is consulting its membership on options to shape farming's future following the vote to leave Europe. The result will be available in October. This will inform our discussions with Government. The NFU recognises this is the start of much longer process to shape the future of farming and it is important that the principles are established first before discussing in any detail delivery approaches.
- 2.2. Agriculture has an important role in environmental delivery. After the vote to leave Europe the NFU Council established a policy framework. It included the ambition that future policies build on farming's environmental role, allowing all farmers to continue to care for the countryside and wildlife and mitigate climate change.
- 2.3. The vote to leave the EU presents an opportunity to review the mechanisms to protect and enhance the natural environment. The inquiry should take a holistic approach that encompasses the breadth of the natural environment beyond what has previously been delivered by the Common Agricultural Policy (CAP). It needs to acknowledge how humans rely on the natural environment as well as influences the environment.
- 2.4. Farming has shaped our environmental landscape. Many of our valued habitats depend on underlying food production system. Environmental delivery should not be seen in isolation of our production and use of the countryside for food production.

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Question 1a: What are the implications for UK biodiversity of leaving the EU, in particular the Common Agricultural Policy?

- 3.1 The British countryside is a farmed and a valuable amenity but critically it is a workplace. Farmers carry out a huge amount of work to encourage wildlife, to benefit soil and water resources and support farmland birds.
- 3.2 In terms of farming's contribution, the last decade has been one of improving condition for the natural environment and landscape. This is demonstrated by the substantial engagement with voluntary agri-environment schemes with 48,000 taking part, 270,000ha in voluntary management through the industry led Campaign for the Farmed Environment (CFE). Pesticide and fertiliser application rates have been reducing since the 1980s, yet crop yields have been maintained. Outside of Europe the British countryside will continue to be managed delivering products and services the public wants.
- 3.3 Leaving the European Union presents an opportunity for Government to set a clear vision for the future of the natural environment and establish fresh principles to support this vision. The vision should be holistic covering the natural environment, wider than biodiversity and CAP, and be implemented in such a way that food production and the environment go hand in hand.
- 3.4 The question posed by the Environmental Audit Committee is hypothetical when the outcome is heavily dependent on the outcome of the trade negotiations. The future protection and enhancement of the natural environment cannot be considered in isolation of the discussions on new trade arrangements with Europe and the rest of the world. The future vision should consider existing International commitments and the national policy framework. Only then will it be appropriate to consider future support for the natural environment.
- 3.5 Existing trading arrangements between Europe and other countries require the implementation of most European Directives. Norway has the most akin to current trade arrangements with the European Single Market and has to implement most European Directives. Norway has its own arrangements for habitats. Leaving Europe does allow for environmental measures to be designed to be more appropriate to our climate and farming systems.
- 3.6 The European Union (EU) is by far the largest market for British agricultural and food exports and the NFU expects this to be the case for the foreseeable future. Regardless of future trade agreements put in place, access to the European market will require exporters to abide by EU product standards.
- 3.7 In addition, Britain will retain the international environmental commitments the UK government has signed up to. For example, the UK is a signatory to the Convention on Biological Diversity and is incorporated into England's Biodiversity 2020 Strategy. The April 2016 Paris agreement on climate change was signed by the UK and the government remains committed to ratifying it.
- 3.8 Many European Directives are embedded into the national legislative framework. Leaving Europe does not negate that legal framework. For example, the Birds Directive is implemented through the Wildlife and Countryside Act 1981. Important wildlife sites that have been protected through the Habitats Directive remain protected outside Europe due to the national designation as a Special Site of Scientific Interest. Over a million hectares of terrestrial and freshwater sites have and will retain protection outside Europe.

Question 1b: To what extent do initiatives to support biodiversity in the UK depend on CAP-related payments?

- 4.1 Agri-environment schemes may have a significant role in the future, but Government should take this opportunity to think outside the box and consider other funding options. Government is not the only source of funding to support the natural environment and the CAP is not the only way to support the natural environment. Government should be looking to unlock private sector funding and delivery and to encourage voluntary activity.
- 4.2 Twenty five years of agri-environment schemes led to 70% of agricultural land being in environmental stewardship. As a consequence of the schemes farmers' attitudes have changed. Agri-environment schemes have encouraged farmers to participate in environmental delivery alongside their farming businesses: they better understand how to manage environmental assets. The schemes have delivered for multiple environmental outcomes.
- 4.3 Government designed Countryside Stewardship scheme to be more targeted, reducing the overall number of participants and halving the area in stewardship schemes by half by 2020
- 4.4 CAP is not the only funding stream for environmental delivery in the UK. The Environment Agency has an annual budget of £211m for water level management bringing benefits to designated sites. The Heritage Lottery Fund is supporting biodiversity projects.
- 4.5 A way needs to be found to unlock payments for ecosystem services, creating funding opportunities through the private sector. For example, Severn Trent Water is offering grants to farmers to improve water quality.
- 4.6 Market incentives could be further developed. Improvements in farm efficiencies should be supported for their role in reducing greenhouse gases or improving soil condition.
- 4.7 More credit must be given to the voluntary work undertaken by farmers to support the environment, for example, through CFE.
- 4.8 Through CAP there are greening and cross compliance conditions that provide some environmental delivery. Through greening farmers provide crops for pollinators to feed on and protect water quality.

Question1c. What risks and opportunities could developing our own agri-environment policy and funding present?

- 5.1 Farming has shaped our environmental landscape: Many of our valued habitats depend on underlying food production system. Environmental delivery should not be seen in isolation of our production and use of the countryside for food production.
- 5.2 The indicators used to assess achievement should reflect the multifaceted role that farm businesses as land managers have for society; food producers, landscape custodians, conserving wildlife and renewable energy to name but a few. Indicators should look at broader measures that encapsulate our current landscape and environment rather than compare with a post war landscape, a landscape that has significantly changed in response to society's demands.
- 5.3 Britain's environmental policy needs to carefully balance the need to produce food to feed a growing population with environmental delivery. Our environmental ambitions should not lead to increased imports of food, creating environmental pressures in other parts of the world.

- 5.4 Across Europe the UK's agri-environment schemes were seen as the gold standard. However, the new Countryside Stewardship is too complex and is perceived as being driven by record keeping rather than delivery. Developing our own schemes will provide an opportunity to address these shortcomings and allow the scheme to return to being the gold standard it once was.
- 5.5 In developing our own policies for the natural environment we need to consider:
- How long term stability is provided. Habitat and species improvements take time to deliver;
 - The trading arrangements with other countries. Where environmental standards apply to our production those same standards must be adhered to by agri-food imports;
 - How new policies can be science and evidence based;
 - How to avoid unnecessary complexity.
- 5.6 One of the big challenges for future environmental policy is avoiding creating a culture where delivery of environmental management is dependent on the payments made. In the long term this is not a viable scenario.

Question 2a: How should future support for UK agriculture be structured in order to ensure there are incentives for environmentally-friendly land management?

- 6.1 To achieve high levels of participation in any land management scheme will require the scheme to be designed with farmers at the heart of the scheme's development. The scheme will need to be practical, fitting with farm practices to be a real business option.
- 6.2 Future incentives for environmental schemes will be constrained. Outside of Europe the World Trade Organisation (WTO) agreement will constrain environmental payments to the extra costs or loss of income through delivery. The WTO rules will apply regardless of the trade agreements put in place on leaving Europe.
- 6.3 The features for ambitious wider environmental delivery of farming could include:
- Recognition of the ambitions to increase growth in agricultural production, alongside protecting and enhancing the environment.
 - Recognition that the agricultural sector manages some three quarters of land in the UK, that farmers have a key role to play in the maintenance and further enhancement of the environment and the diversity that farming brings to the texture and diversity of our wildlife and landscapes.
 - Recognition of the contributions and improvements that farmers have made to the environment and our landscapes, particularly in the past 25-30 years, and continue to undertake has been achieved in the context of profitable business models.
 - Improvements in landscape character, soil management, water quality, wildlife and air quality are best achieved through efficiency gains, better use of resources, participation in agri-environment schemes and industry-led voluntary activity.
 - Acknowledgement of the importance of industry-led initiatives, such as the CFE, in addition to any work undertaken in agri-environment schemes.
 - Recognition that the environment can't be improved in every regard in every location – for example protecting water quality may require wildlife habitats or landscape character to be changed in appearance and location.
 - Recognition that there ought to be a hierarchy of environmental priority with features/resources of irreplaceable and international significance valued more highly than those of common place and replaceable features/resources.
 - Recognition that a range of mechanisms, and funding sources, should be deployed to achieve environmental gain. For example, through payments for ecosystem services, natural capital accounting and recognition of environmental standards through accreditation schemes.

Question 2b: What are the positives/negatives of current schemes (e.g. Countryside Stewardship) that should be retained/ avoided?

- 7.1 Following the launch of Countryside Stewardship the NFU conducted a survey of 650 members. This highlighted the difficulties applicants faced with the scheme: the scheme was too complex, the guidance confusing, options did not fit with farm businesses and the risks of participation were too high.
- 7.2 To engage farmers in environmental delivery future schemes need to be:
- Simple to understand and participate in.
 - Suitable to be delivered alongside a productive farm business.
 - Farmers must be engaged in scheme development to ensure it is practical and can be delivered on the ground.
 - Have proportionate record keeping. Participation in the scheme should not be dominated by burdensome record keeping to the expense of delivery.
 - Flexible providing a suit of activity that can deliver across the varied habits and landscape found in the UK.
 - Clear that the actions required on farm link to the expected environmental outcome
 - Voluntary to participate in.
 - Have reduced risks for participants. Applicants have been deterred from participation in Countryside Stewardship due to the high risks of breaching scheme rules and the severe penalties that follow.

Question 3: How should future UK agri-environment support be administered, and what outcomes should it focus on?

- 8.1 Any new agri-environment scheme supported by Government should build on farming's environmental role, allowing all farmers to care for the countryside and wildlife and mitigate climate change. To be successful farmers need to be at the heart of scheme design and it needs to fit with farm practices. It will need to address the issues identified in question 2.
- 8.2 In designing a new scheme there needs to be recognition that:
- A range of mechanisms, and funding sources, should be deployed to achieve environmental gain. Environmental delivery is not the sole responsibility of Government. Government needs to unlock the potential of payments for ecosystem services and other private funding. Market incentives could be further developed to support the environment.
 - Improvements in farm efficiencies should be supported to reduce greenhouse gas or improve soil management.
 - Government needs to value the voluntary management that is already underway.
- 8.3 There needs to be recognition that there ought to be a hierarchy of environmental priorities with features/resources of irreplaceable and international significance valued more highly than those of common place and replaceable features/resources.
- 8.4 There are a wide range of environmental objectives a new scheme could deliver against. It will be important that scheme design makes best use of resources and, where appropriate, activity should aim to deliver against multiple environmental objectives.

Question 4: What are the prospects and challenges for future environmental stewardship schemes in the devolved administrations? How much divergence in policy between the nations of the United

Kingdom is likely? How can divergence be managed?

N/A

Questions

5a: What are the future risks and opportunities to innovative land practices, such as managed rewilding?

5b. What evidence is there to support the incentivising of such schemes in any new land management policies?

- 9.1 The NFU supports the opportunity for individual or groups of farmers to get involved with schemes to improve the natural environment. Across the country, there is already a diverse range of examples of this. These have been most successful when a scheme is simple and clearly links to the environmental goal and where a scheme works alongside existing farming practices.
- 9.2 It must be remembered, however, that agricultural land constitutes part of a rural business. Agricultural land feeds a growing population, which is expected to reach 77billion by 2050. It is unsustainable and undesirable to rely further on food imports.
- 9.3 Future innovation to support environmental land management needs to be ambitious and think outside the box. For example, there are opportunities to improve the environment through more efficient farming.

Question 5c. What role can rewilding play in conservation and restoration of habitats and wildlife?

- 10.1 Rewilding as a concept appears to be interpreted differently by different parties and is not a clearly defined. For many rewilding is perceived as total abandonment of any management. For others it means reducing the intensity of human management to reinstate ecological processes. For rewilding to become a realistic way forward there needs to be a better understanding of the concept and the risks inherent with this approach.
- 10.2 Rewilding has unpredictable outcomes. It is already recognised that many of our valued landscapes require active management to achieve desired environmental outcomes. Moorland management requires livestock grazing to maintain the unique range of habitats.
- 10.3 Rewilding risks the loss of treasured cultural landscapes. Many of our protected habitats are in remote locations that people may naturally think are suited to rewilding, for example, our national parks. Rewilding of those landscapes would lead to the loss of the very habitat that has been protected because it is deemed nationally or internationally significant. For example, 53% of our upland areas are designated SSSIs.
- 10.4 In considering innovative approaches the risks and trade-offs needs to be reconciled. In the case of our upland areas rewilding would lead to the loss of farmers who manage the iconic landscape as we currently know it. These farming businesses underpin the rural economy in these areas. This would be in addition to losing the very habitats that the public value as demonstrated by the designation as SSSIs, National Parks or Areas of Outstanding Natural Beauty.

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