

CPRE (ABR0047)

CPRE campaigns for a beautiful and living countryside. As well as our national office in London, we have almost 60,000 members and supporters, 43 county branches and more than 200 district groups up and down England. Our members and supporters, including over 2,000 parish councils, are actively involved in working for the special landscapes and wider countryside where they live, including by getting involved in local planning inquiries, supporting local foods and carrying out work to restore hedgerows and other landscape features.

The importance of farming cannot be overstated. Around 70% of all land in England is farmed, and the valued and varied patchwork of landscapes, our countryside, has been created by farming over millennia. While farming produces food, it is also the main use of land and therefore has a major impact on the condition of many other natural assets - including soil, water bodies, landscape, space for recreation and wildlife - and the public benefits that flow from them. In 2016, CPRE published a report *New model farming: resilience through diversity*¹ which argues that the multiple purposes of farming need to be recognised and reflected in public policy.

The Government made it a central commitment of its 2015 election manifesto to be *'the first generation to leave the natural environment of England in a better state than that in which we found it.'* This was supported by commitments to:

'set out a long-term vision for the future of British farming, working with industry to develop a 25 year plan to grow more, buy more and sell more British food' and to

'spend £3 billion from the Common Agricultural Policy to enhance England's countryside over the next five years, enabling us, among other things, to clean up our rivers and lakes, protect our stonewalls and hedges, and help our bees to thrive.'

It is vital that the Government maintains a long-term commitment to the natural environment and the farming sector. It must use the opportunity presented by leaving the EU to reset agricultural policy to integrate agricultural production with good stewardship of natural assets and the sustainable use of natural resources. This should lead to improved delivery of public benefits and the removal of costs imposed by poor land management on wider society.

¹ <http://www.cpre.org.uk/resources/farming-and-food/farming/item/4347-new-model-farming>

Implications of Brexit

1. *What are the implications of withdrawing from the CAP for the management of the countryside and the agri-environment?*
 - a. *The Government has stated its intention to leave the environment in a better state than that in which they found it. Will this require a replacement for particularly Pillar II measures?*

While it has supported UK farmers' incomes and helped reduce the price of food at the point of sale, our membership of the EU Common Agricultural Policy (CAP) has been largely damaging to the country's natural environment. Attempts have been made during successive rounds of CAP reform to build in better environmental outcomes, most significantly via the agri-environmental schemes under Pillar II. Even today, however, only 15-20% of the total £3.5 billion that the UK agricultural sector receives annually in public funding is spent on supporting environmental management.²

The UK introduced its first agri-environmental payments as early as 1985. Since then British governments have pushed for pro-environmental reform in Brussels, with some positive results. Nevertheless, the benefits of this approach have been partial and have only slowed rather than reversed the decline of the natural environment in this country. For example, the 2016 *State of Nature* report painted a damning picture of deterioration in wildlife, largely due to agricultural practices: for instance, since 1970 (three years before our accession to the CAP) key wildlife species have declined by 67% in their abundance and 35% in their geographical distribution.³ Agricultural practices have also had negative impacts on landscape character and diversity, water, soils and climate.⁴

The UK is now able to develop an ambitious alternative to the CAP, one that builds on our strong national credentials on environmental policy. Continued public funding is vital, but it should be designed to deliver better value for money and be directed towards the benefits and goods which the public value. The Government should investigate innovative approaches such as generating new markets for non-food benefits, outcomes-based tendering processes, assurance schemes, and loans and grants to ensure good environmental management is integrated into

² CPRE, *New Model Farming*, 2016:11 based on Defra figures for 2014 – see footnote 32

³ Hayhow, D. et al. (2016). *State of Nature 2016*. Sandy, UK: State of Nature Partnership, p.8.

⁴ See CPRE, *New Model Farming*, 2016:8-9 and related footnotes and references

agricultural production. In the short term, a manageable transition following exit from the CAP may mean that an evolution of current rural development programme schemes is required. However, this transition must make good environmental stewardship a higher priority, and significantly raise the baseline of land management across the country.

2. *What are the implications of withdrawing from the CAP for the rural economy and rural development?*

a. *Would some farmers or areas of the UK be more affected than others?*

The implications of withdrawing from the CAP are entirely dependent on what policy and funding replaces the CAP and what trade deals are struck when the UK is outside the EU. If funding for farming were withdrawn the sector would need to make a dramatic adjustment.

Whatever the shape of the new policy, CPRE is particularly concerned about the impact on small to medium-sized farms in England. There are many benefits that derive from a high level of diversity in farm scale. Economically, as in any other sector, diversity facilitates competition and innovation, widens consumer choice and provides opportunities for new talent to enter the workforce. In addition, farmers play a vital role in rural communities, both formally (e.g. by serving as parish councillors) and informally (through networks of mutual and community support that often span large, sparsely populated areas). Further rapid consolidation of farm businesses would put these (often unquantifiable) benefits at risk.

Smaller farms in England are continuing to disappear at an alarming rate under the CAP⁵. This is something that CPRE are currently examining in more detail. The Government should be pressed on what action it will take to address this decrease in farm numbers and the resultant loss in opportunities for new entrants, reduction in rural social capital and homogenisation of the countryside.

The Government's own data shows that the Pillar I single farm payment in 2015/16 made up a large proportion of Farm Business Income across

⁵ Figures for England show a fall of a fifth in just a decade: from 132,400 farms in 2005 down to 104,200 in 2015, or over 28,000 farms under 200ha. *Structure of the agricultural industry in England and the UK at June England results by size of farm*
<https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june>

most types of qualifying farm, with a particularly large contribution to businesses involved in cereals, general cropping, dairy and LFA (i.e. upland) and lowland grazing livestock⁶. Therefore if public investment was suddenly reduced post 2020, it would force rapid restructuring upon large parts of the farming industry. This is likely to have significant negative implications for the countryside, in particular for upland areas which have highly sensitive landscapes. Given the reliance of many farm sectors on public investment via the CAP we would urge the Government to consider how, over the long term, farming can become a more viable sector and farmers can receive a fair share of income generated through the supply chain.

Public goods and ecosystems services

3. What, in your view, are public goods or ecosystems services in the context of agriculture and the rural environment? What distinction, if any, can be drawn between the two approaches?

There is some confusion over the different terminology used surrounding the benefits that agriculture provides, with policymakers, farmers and environmental stakeholders often talking at cross-purposes. It is important that the Government:

- is clear about the meaning of different terms and uses terminology that the public can understand. This will help ensure greater transparency to the public that public funds are being used to support benefits that the public value and which are justified; and
- recognises that the public benefits farming provides are broader than environmental ones; other benefits include rural social capital, access to the countryside and public understanding of food production.

4. Should farmers provide such public goods or services on farms? If so, what types of public good or ecosystems services should the agricultural sector provide?

Farmers provide many public benefits as a result of their work, some rewarded by public funding and others not. CPRE believes that a new

⁶ Department for Environment, Food and Rural Affairs (2016). *Farm business income by type of farm in England, 2015/16*. London: National Statistics, p.7.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562946/fbs-businessincome-statsnotice-27oct16.pdf

agricultural policy should both extend existing support for the delivery of public benefits and provide new support where it does not already exist.

While there is a strong case to be made for continued targeting of support and funding to areas of high environmental sensitivity or wildlife value there is a risk that the wider countryside and areas which are freely accessible to large sections of the population close to where they live are overlooked. In particular, funding could also be made available to enhance areas close to large centres of population, such as the Green Belt and urban fringe, as a way of ensuring that the majority of people benefit from the goods and services on offer, thereby delivering value for money⁷

We would urge Government analysis of those goods or services needing support to be broad and include consideration of less tangible benefits such as the contribution of a diverse farming sector to social capital and the character of rural areas, as well as landscape character, preservation of heritage assets and recreational access to the countryside.

5. The Minister of State has indicated support for subsidising farmers who deliver ecosystems services. In your view, how might that affect rural development and the countryside?

a. What public goods or services currently delivered through CAP payments could be at risk in such an approach? Conversely, which could be bolstered through a new regime?

See previous answers with regard to agriculture and public benefits.

With regard to wider rural development, currently only a small proportion of CAP funds are used to support rural development beyond farming. To date the debate about what succeeds the CAP has focused mainly on the impact on agriculture, but the Government needs to consider the wider rural economy and rural communities as well. Government support for broader rural development should continue after the UK has left the EU, but the Government should be clear about the objectives of such support and examine how it can be improved to better integrate the different aspects of development and deliver better value for money.

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⁷ CPRE, *Our Green Belt: worth investing in*, 2016 . <http://www.cpre.org.uk/resources/housing-and-planning/green-belts/item/4451-our-green-belt-worth-investing-in>

