

Briefing Beyond 2020 New farm policy



Summary

Sustain presents principles and policies that would deliver better food and farming when we leave the European Common Agriculture Policy. We believe that a focus on high volume, low standard production is wrong for the UK farming industry. Nor do we want a relaxation in standards as the political trade-off for cuts in farm support.

Instead, new devolved farm policy should be based on a strong **commitment**, supported by the taxpayer and a well regulated market, for sustainable, resilient, nature friendly farming that can deliver healthy diets for all, ensure safe food and high animal welfare and which minimises negative global impacts. Financial and other support must be targeted and based on the

principle of public benefits for public investment. It should deliver diversity in production and farming and be underpinned by effective regulatory and enforcement systems, based on the precautionary principle, to protect people, the rural economy, environment and livestock. UK trade deals must not undermine the delivery of this vision in each devolved administration and should enable other countries to deliver their own food sovereignty.

The **policies** we propose would include a new, universally available Land Management Support scheme with three elements: a menu of outcomes; an organic scheme; and a whole-farm scheme. Specific LMS strands would be available to boost: agro-forestry; horticulture; new entrants and succession planning. There is a strong case for front loading and / or capping payments to use the support wisely. There

would be extra capital and short term infrastructure support with specific help for smaller businesses, and a new publicly funded programme of low cost advice and support for a farmer-to-farmer advisory network.

The **wider policy framework** needs to be reformed. This includes: maintaining and enhancing land based regulations to prevent harm; a strengthened and extended Groceries Code Adjudicator to protect farmers from unfair trading practices and policies to encourage retail diversity; maintaining the organic legal standards; new labelling regulations to ensure consumers drive up demand for food based on higher standards; reforms to the tenancy rules; strong labour regulations to value farm workers and enhance employment and reemployment; high public procurement standards and delivery; and trade policies which promote these commitments.

Introduction

This briefing has been developed in consultation with working party members drawn from the Sustain membership¹ and forms part of a wider Sustain programme on Brexit to deliver high standards for food, farming and fishing (including supporting a Policy Commission and promoting new legal frameworks). It summarises the principles and policies needed to deliver better farming in the UK (not including land based aquaculture). These are proposed as a contribution to the debate on policy after 2020 when the current European schemes and regulatory frameworks are due to end.

This briefing refers mainly to agriculture policy in England though many of the principles proposed are common across the UK. In terms of the devolved nations, there should be no top-down UK policy. Agriculture should continue to be fully devolved when we leave the EU. The nations could and should agree a consensual framework which maintains UK-wide structures where needed.

A new farm and land use policy

Brexit presents the opportunity but the need for change is clear. There is ample evidence that for the UK, policy needs to do more to ensure UK farmers can deliver a sustainable, healthy, ethical food system for UK citizens.² We know our farm and food system is broken: from adverse public health impacts, lost farmland wildlife and diversity, to farm income crises, animal health and welfare problems, rapid decline in smaller and family farms, and damage to the global environment. As we leave today's European designed system, so we should now take the chance to fix it.

We believe the following principles should underpin future farm policy:

1. A clear commitment to fair, healthy, humane and environmentally sustainable food, farming, fishing and land management for the UK after withdrawal from the EU, establishing agroecology as the underlying principle of farming. Any changes to the fiscal support and regulatory regime must contribute to environmental, social and public health goals³ including carbon reduction, biodiversity, rural livelihoods, and a reduction in obesity (estimated to cost the NHS £4bn).

2. Ongoing support for farming and sustainable land management

i.e. maintain a support level (such as the £3billion currently spent overall), set as required, to ensure sustainable land use and protection of our environment, food security, rural economy, the diversity of size and type of farms and a ladder for those who want to enter this industry. It should be sufficient to do this and provide an emergency safety net for extreme hardship only.⁴

3. Application of the public money for public good (or benefit) principle.⁵

This must be carefully defined and applied fairly to avoid commodification of nature and unintended consequences such as some goods or land types being neglected by both public policy and the market. Key to this will be rewarding farmers for adopting and maintaining agro-ecological approaches (including organic and agroforestry), resource (soil, water) protection, public access, maintaining and enhancing nature and biodiversity, conserving landscapes, High Nature Value farming⁶ and heritage features, high animal welfare and in ensuring a supply of sustainable healthy food where not supported by the market. It should include delivering on the industry commitment to reduce GHG emissions from agriculture by at least 3 million tonnes of carbon dioxide equivalent per year (3MtCO₂e) by 2022, climate adaptation, as well as priorities such as the National Pollinator Strategies.

1 Sustain is an alliance of around 100 national public interest organisations working at international, national, regional and local level for better food and farming. It advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the working and living environment, enrich society and culture and promote equity. <https://www.sustainweb.org/membership/>

2 For example see State Of nature 2016, <https://www2.rspb.org.uk/our-work/stateofnature2016/> or SNH Agroecology report http://www.snh.gov.uk/land-and-sea/managing-the-land/farming-crofting/lupg/agroecology/http://www.risefoundation.eu/images/files/2017/2017_RISE_CAP_Summary.pdf

3 For instance via (a) targeting support to domestic supply of healthy foods including fresh fruit and vegetables to address the huge trade gap and replace unhealthy foods such as sugar and processed meat products; (b) Reducing the amount of sugar produced for consumption to match recommended levels of consumption of refined sugars, which contribute to dental decay and dietary diseases such as obesity and diabetes; and (c) recognition and reward of wider benefits of farm related environment for public physical and mental health and well-being.

4 The call for crop insurance programmes similar to those in the US or Canada is understandable but research consistently shows they are expensive and lead to growth in risky farming practices and negative environmental impacts. Schemes may help prevent rural jobs losses but are unlikely to lead to additional jobs.

5 A 'public good' is a product that one individual can consume without reducing its availability to another individual, and from which no one is excluded. We want to ensure a healthy and sustainably produced food supply as a public good, where markets fail and rural vitality based on sustainable development.

6 Low-intensity farming systems particularly valuable for wildlife and natural environment. See <http://www.highnaturevaluefarming.org.uk/>

4. A focus on targeting support

to ensure money goes where it is really needed and recognising larger farms gain economies of scale so may need less support to deliver the same outcomes. Aid could be provided to enable diversification in production and the transition towards livelihoods and employment in healthier, sustainably grown or reared produce (and away from current levels of, for example, sugar beet, and intensively reared industrial meat) as appropriate. Adequate funds must be available for monitoring and compliance verification to ensure value for money.

5. Protection and enhancement of farm diversity

– the mosaic of UK farming – is so vital for protecting landscapes and natural resources as well as rural economies and communities. The small and medium, family farm and mixed farm – which provide specific and often unrecognised environmental and social benefits – need specific policies to survive in a more liberalised market and deliver for a more diverse domestic and local marketplace.

**6. Maintenance and enhancement of standards and regulations**

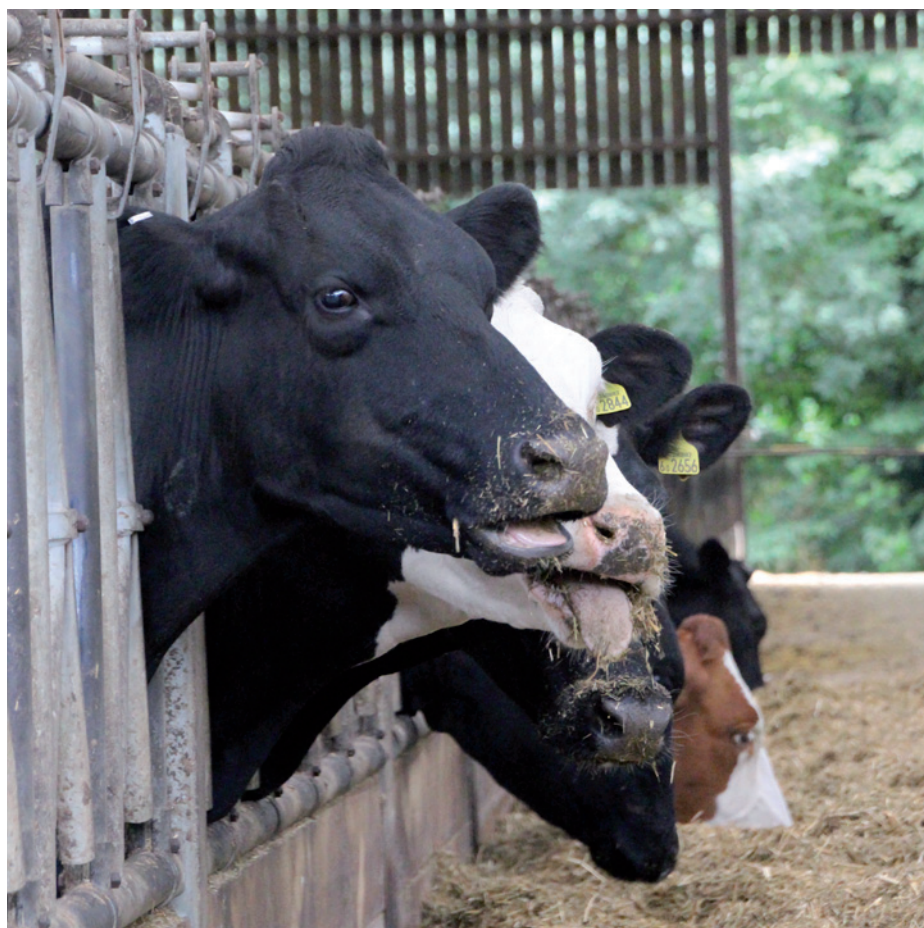
including food safety, organic standards, pesticide, environment, nature, employment, geographic indicators, and animal welfare. This should include a commitment to fully implementing the *precautionary principle* and hazard based approaches and responding to external markets e.g. changing European regulations. Policies should ensure supply chains become shorter and less complex reducing the risk of food fraud, hygiene risks and contamination.

7. Solidarity with the global south

– we must commit to reduce the adverse impact of UK farm and trade policy and practice on supply chains in the global south (small scale, agro-ecological, focussed on domestic markets and strong worker welfare) and change those policies and practices which harm biodiversity or contribute to climate change, hurting the poorest most.

8. Trade deals shaped by people's needs

not those of corporations and which allow countries to maintain and enhance standards and ensure farmers are not competing with producers using lower standards. We must not weaken food standards or protection to get favourable deals as part of a bargaining chip in trade negotiations which could result in costly food crises, contamination, threats to public health and potential for lost markets and trust. We must use trade impact assessments to ensure deals do not harm developing countries.



Farm policy from 2020 onward

The following three-part structure is proposed as a system of support to replace the Common Agricultural Policy (CAP) and as part of a wider policy framework to ensure market failures are avoided. It assumes that the government will phase-out the current system of direct payments (including large scale Bioenergy schemes), and provide short term transitional support where proven critical to avoid a cliff edge for farmers. The governance and monitoring structures – such as national versus local decision making, monitoring compliance, allocation of resources and prioritisation – needs urgent but careful work and we would welcome ideas and will facilitate debate on these issues.

A. Land Management Support (LMS)

A three pronged **scheme** covering both outcome-based and systemic delivery approaches which would be government-run i.e. it would be based on a contract between the farmer and the government, and well-established and independent assurance schemes could provide compliance administration:

1. A **menu or points and outcome-based scheme**, delivering public good outcomes. This would be available and accessible to all farmers and direct land managers above 1 hectare and would mostly be multi-annual.⁷ All payments would be for specific outcomes such as nature; carbon; water; flooding management; soil; landscape; historical features; high animal welfare; GHG reduction; rural regeneration. Lessons on efficacy and implementation can be learnt from existing schemes and pilots and a specific scheme should be delivered for statutorily protected features (SSSIs and SAMs) to support their high level management. Sustainability assessment tools or similar could be used to identify priorities on individual farms leading to farm specific agreements to get the greatest level of sustainability improvements.
2. A **systemic scheme for organic** – an improved and expanded version of the current system for organic conversion and maintenance payments – developed in partnership with farmers, organic certification bodies and other stakeholders.⁸
3. Development of a wider **Systemic Whole Farm payment** scheme – for other whole farm approaches, where based on standards that are demonstrably above baseline, and which are verifiable e.g. assurance schemes with accountable standards driven by sustainability principles and outcome measures.

Whilst not universally agreed, there is a strong case for **tapering** or **capping** of such a universal scheme with measures to avoid legal dodges. This would recognise the economies of scale for larger businesses and ensure that the money is not swallowed up by the largest farmers and land managers. Schemes may involve specific costs or income foregone, but this can be more easily managed in larger businesses. The level of front loading could ensure the majority of costs/losses incurred are covered and encourage uptake for smaller sized farms.

Specific LMS strands would exist for:

- **Agro-forestry** – loans or grants to support new tree planting to enhance yields, farm profitability and resilience and on-going maintenance covered by LMS. This would deliver additional environmental goods such as reducing soil erosion and enhancing on-farm biodiversity, including pollinators.
- **Horticulture** – specific loans or grants available to support and maintain new UK based sustainable horticulture enterprise and diversification into horticulture, to reduce the huge trade gap and loss of UK capacity, so create employment, improve wages and skills, marketing, processing and enhance home-grown nutrition.
- **New entrants and succession support** – specific short term support (loans, grants) for new entrants in recognition of the need for new entrepreneurs, and difficulty in finding information, land, housing and credit. Additional measures may be needed to encourage succession in favour of the coming generation.

⁷ The current 5 hectare limit unnecessarily excludes many small-scale enterprises

⁸ Organic certification is different from other assurance schemes because it already functions as a gateway to farm payments. Three key factors legitimise this arrangement: longstanding, independent and robust scientific evidence demonstrating the delivery of environmental and public benefits; the requirement of a detailed auditing process; and the underpinning of the standards in legislation - currently the EU Organic Regulation.

Crucial wider policy framework

B. Sustainable businesses and rural development support

We should provide support for demonstrably sustainable businesses such as marketing hubs or micro-processing units e.g. capital grants and maintenance, farmer innovation, facilitation funds for setting up cooperatives via capital grants, loans, and business advice. Special funds would be ring fenced for small/medium scale regional and local businesses for processing and supply chain innovation for sustainability.

C. Free advice and supporting farmer to farmer advisory networks

This would be core to delivering effective businesses, innovation, climate goals, agri-environment outcomes, organic conversion and farming advice, pollinator protection, integrated pest management and farm diversification. We need diversity in delivery and funding should be available to support farmer-to-farmer advice and demonstration and new training schemes.

Delivering coherent land management and sustainable farming requires more than the new farm policy outlined above. It demands a combination of protective regulations, the right support system, new and accessible advice, a strong research base to support new farming; and supportive public procurement and trading approaches.

Standards and Regulation

- **Strong land based regulatory framework** – underpinning farm support based on the polluter pays principle and given adequate verification systems and enforcement powers.
- **Supply chain regulation** – to ensure markets better support viable farming we propose the continuation of the Groceries Code Adjudicator (GCA), which regulates supermarkets behaviour with suppliers. We also support the extension of the Groceries Supply Code of Practice (GSCoP) and GCA's remit to promote fairer trading practices by all players in the supply chain not just the big 8 retailers.⁹ The current review of the GSCoP and GCA must be used as a key opportunity to ensure that risks and costs are shared fairly along supply chains rather than dumped on small producers. Farmers need to get a fairer share of the price paid at the checkout so we also support other ways, such as local competition and planning rules to achieve a fairer system including more diverse and community-led retail.

- **Organic** – We need to maintain the legal base for organic standards, ensuring alignment with the EU organic regulation and set targets and government policies in a coherent Action Plan to expand organic production and marketing.

- **Labelling** – introduction of mandatory method of production labelling which would provide citizens with accurate farm system information to help safeguard the future of high standard farming. Initial implementation, with outcome based assessments, in the meat and dairy sector would help drive up standards.¹⁰
- **Tenancy reform** – explore new measures for longer and more sustainable farm tenancies¹¹ to help tenant farmers' longer term planning, to encourage agroforestry, and help new entrants into farming.
- **Taxation** Fiscal approaches to incentivise or de-incentivise certain practices should be explored.

Research and Development

- **A new Research and development strategy** should replace the current agri-tech strategy to support the new LMS approach and provide primary and applied science to support the needs of agro-ecological farming. We should allocate a proportion of the current R&D budget to farmer led innovation.

⁹ Our submission is available. The BEIS Review is here - <https://www.gov.uk/government/consultations/groceries-code-adjudicator-extending-its-remit>

¹⁰ See <http://www.labellingmatters.org/> for work on livestock labelling

¹¹ <http://www.tfa.org.uk/tfa-media-release-1705-tfa-calls-on-the-chancellor-to-use-fiscal-levers-to-achieve-longer-term-farm-tenancies/>

Protecting Workers

- **Labour standards and availability** – valuing farm workers is key and all workers should be paid the Living Wage¹² as a minimum. We need a new agricultural worker collective bargaining body for England and a reversal of the cuts in enforcement agencies¹³ which protect workers from abuse. We must ensure access to seasonal farm workers, and strong regulation of gang-masters through enforcement.
- **Market regulation and changes to taxation and trade policy** must prioritise ensuring livelihoods and jobs in farming and community food businesses so they can afford to pay real living wages both to themselves and their employees.
- **Prioritise redeployment schemes** – Where jobs are in sectors diminishing due to de-emphasis in national policy support (such as in nutritionally undesirable, high sugar, fatty, salty food, processed meat, etc.), greater automation, or for certain farming systems, just transition and diversification plans for redeployment are vital.

Food Procurement

- **Public sector procurement standards for schools, services and hospitals** should specify healthy and sustainability criteria (e.g. Eatwell Guide), the use of high standard UK farm produce and attract greater budgets in recognition of the public benefits gained.
- **Local programmes** to support farmers to meet public sector requirements, and help with the tendering process, would also be needed. Such support was common in the 2000s following recommendations of the Curry Commission,¹⁴ but largely disappeared as Regional Development Agencies were replaced with Local Enterprise Partnerships.
- **Measures to shift the public to more sustainable diets** will be needed.¹⁵

Better Trade

- **Trade deals** should strengthen delivery of high standards of production. Government must insist on the inclusion of a clause in trade deals to require imports to meet UK production standards, for example, on animal health and welfare, farm antibiotic use, pesticide controls, whilst also having the ability to apply differential tariffs on products produced to lower standards or to prohibit unacceptable sources of goods such as soy or palm oil from deforested areas.
- **We should be demanding mandatory method of production labelling** for the food trade to drive up health, livestock, environment and labour standards. Imports that do not conform would be subject to tariffs that are sufficiently high to safeguard UK farmers; imports that meet UK standards would benefit from a low or zero tariff.
- **Impact assessments** – Any trade deals between UK and other developed countries must be assessed on the impact that they may have on developing countries.

¹² <http://www.livingwage.org.uk/what-is-the-living-wage>

¹³ Including the Health and Safety Executive (HSE) the work related health regulator; Her Majesties Revenue and Customs overseeing income legislation and National Minimum Wage (HMRC); the Gangmasters and Labour Abuse Authority (GLLA) which investigates labour abuse and exploitation across all aspects of the UK labour market; and Employment Agency Standards Inspectorate.

¹⁴ <http://webarchive.nationalarchives.gov.uk/20100807034701/http://archive.cabinetoffice.gov.uk/farming/pdf/PC%20Report2.pdf>

¹⁵ Some are outlined here http://www.eating-better.org/uploads/Documents/EB_policybriefing_2016.pdf



What needs to happen next

Our diverse membership – which includes UK farmer, worker, environmental, development, consumer and public health organisations – is clear that the above principles should be paramount in reform discussions and present these policy ideas as the basis for debate. We also propose:

1. Pilots to test any new universal system of farm support before implementation after 2020.
2. Stakeholder and public discussions – as near to communities as possible to facilitate engagement by all stakeholders not just those with time and resources to leave work, discussing what is meant by public goods, and testing various scenarios for acceptability and views on whether these would achieve desired outcomes.
3. An adequate period of review which allows stakeholders to comment and a transparent and accountable process for taking views into account, with government publishing a report on how it has listened and used stakeholder insights to shape policy.

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See Sustain's website for more information on our work:

- Farming - www.sustainweb.org/foodandfarmingpolicy
- Brexit - www.sustainweb.org/brexit

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Sustain: The alliance for better food and farming, advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the living and working environment, enrich society and culture, and promote equity. It represents around 100 national public interest organisations working at international, national, regional and local level.



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