

POLICY PROGRESS UPDATE

When it was introduced in September 2018, the Agriculture Bill was heavily criticised for having little on farming and food production. That Bill was lost with the Dissolution of Parliament and a new Bill introduced in January. Based on the previous version, there were some improvements to take account of the criticism.

The Agriculture Bill is a piece of enabling legislation, it gives powers to the Government to introduce new policies but has very little detail of what those policies might look like. To give some idea of the latest development, Defra has recently published 'Farming for the future - policy and progress update.' It is a wide-ranging document with many proposals floated giving an indication of how complex it is to develop new policy from a blank sheet of paper.

There is little further detail on the future of Direct Payments. We already knew that they would be phased out by 2027 with regressive payments each year from 2021. This year the Basic Payment will be paid as before but next year there will be a reduction of 5% of payments up to £30,000, of 10% between £30,000 and £50,000, of 20% between £50,000 and £150,000 and 20% thereafter. There is no indication of what will happen in future years as the percentage reductions increase.

It is proposed to 'delink' Direct Payments, perhaps from next year. That means that those entitled can claim without having to farm, own land or follow cross-compliance conditions. It may be possible for recipients to collect their remaining payments through to 2027 in one lump sum. This would enable farmers to use the money to invest or to retire with a nest egg.

There are proposals for projects and grant schemes to be introduced which give a sense of direction but the detail is still being developed. We know that Environmental Land Management, ELM, will be the main mechanism for providing public money for public goods. There are 42 trials currently taking place which will lead to a pilot to start late next year. The full scheme is due to start in late 2024. Until that time Countryside Stewardship will continue and any current HLS contracts from the previous Environmental Scheme will be extended on a year by year basis.

It is anticipated that ELM will be made up of three tiers. It is hoped that the majority of farmers will enter the lowest tier which will provide incentives for 'environmentally sustainable farming and forestry'. It is likely that many of the current options for conservation will be carried forward to the new regime. The mid-tier will concentrate on locally targeted environmental outcomes and will almost certainly involve collaboration between land managers building on the farmer clusters that have been so successful in recent years. The third tier will be for major projects, particularly those aimed at the net zero carbon target, such as restoration of peatland, wetlands and salt marsh and forest creation.

Regulation is to be reduced as recommended by the Dame Glenys Stacey 2018 'Farming Inspection and Regulation Review.' There will be co-ordination with assurance schemes so, wherever possible, inspections will be combined. It is

recognised that farmers will need advice on how to get the most out of ELM and other schemes but not clear where that advice should come from. There is emphasis on sharing ideas and information between farmers and establishing more widespread benchmarking.

There are several issues picked out for special attention. The first is plant and tree health, particularly relevant considering the aim to plant 30 million trees each year by 2025. There is already major concern about existing tree disease with the majority of ash being felled due to the Chalara fungus, larch with Phytophthora and other similar threats and it is highly likely that new ones will emerge. New grants schemes and policies will be developed by 2024.

Animal health and welfare is another priority with a three pronged approach. Firstly, there will be improvements to existing regulation to ensure the highest standards. Secondly, there needs to be better understanding by consumers that raising standards of animal health and welfare increases cost and thus they must be willing to pay more for the quality demanded. Thirdly, there will a grant scheme to encourage farmers to enhance animal health and welfare aimed at particular targets such as lameness, mastitis and the methane emissions of ruminant animals.

To help improve productivity and efficiency in food production, there will be a grant scheme building on the current Countryside Productivity Scheme. This will be aimed particularly at the adoption of new technologies. Innovation will also be encouraged by having better connection between research and the adoption of the results, for example in robotics, genetics or new husbandry techniques.

It is recognised that the fundamental restructuring of our food and farming industry will take time and management. Tenancy legislation is being reviewed to see how new entrants can be encouraged into farming and perhaps older farmers to bow out with dignity. Resilience will be encouraged by a thorough review of the way the food chain works following the work of Henry Dimbleby and his committee, especially in terms of contractual arrangements between farmers and multiple retailers.

The Government's ambition is to be applauded. It is hardly surprising that the details of new policies are taking a long time to emerge given the complexities of the entire food and farming system. There appear to be a plethora of new initiatives and grant schemes to be introduced over the next four years. We must hope that the bureaucracy is kept to a minimum and that HM Treasury can be persuaded to fund them all adequately.

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