

PARLIAMENTARY DEBATES

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GENERAL COMMITTEES

Public Bill Committee

AGRICULTURE BILL

Third Sitting

Thursday 13 February 2020

CONTENTS

Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Monday 17 February 2020

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The Committee consisted of the following Members:

Chairs: SIR DAVID AMESS, † GRAHAM STRINGER

† Brock, Deidre (<i>Edinburgh North and Leith</i>) (SNP)	Jupp, Simon (<i>East Devon</i>) (Con)
† Clarke, Theo (<i>Stafford</i>) (Con)	† Kearns, Alicia (<i>Rutland and Melton</i>) (Con)
Courts, Robert (<i>Witney</i>) (Con)	† Kruger, Danny (<i>Devizes</i>) (Con)
Crosbie, Virginia (<i>Ynys Môn</i>) (Con)	† McCarthy, Kerry (<i>Bristol East</i>) (Lab)
† Debbonaire, Thangam (<i>Bristol West</i>) (Lab)	† Morris, James (<i>Halesowen and Rowley Regis</i>) (Con)
† Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con)	† Oppong-Asare, Abena (<i>Erith and Thamesmead</i>) (Lab)
Doogan, Dave (<i>Angus</i>) (SNP)	† Whittome, Nadia (<i>Nottingham East</i>) (Lab)
† Eustice, George (<i>Minister of State, Department for Environment, Food and Rural Affairs</i>)	† Zeichner, Daniel (<i>Cambridge</i>) (Lab)
† Goodwill, Mr Robert (<i>Scarborough and Whitby</i>) (Con)	Kenneth Fox, Kevin Maddison, <i>Committee Clerks</i>
† Jones, Fay (<i>Brecon and Radnorshire</i>) (Con)	
† Jones, Ruth (<i>Newport West</i>) (Lab)	† attended the Committee

Witnesses

Dr Nick Fenwick, Head of Policy, Farmers Union of Wales

John Davies, President, National Farmers Union Cymru

Huw Thomas, Political Adviser, National Farmers Union Cymru

Tim Render, Lead Director for the Environment and Rural Affairs, Welsh Government

Gareth Morgan, Head of Policy, Farming and Land Use, Soil Association

Public Bill Committee

Thursday 13 February 2020

(Morning)

[GRAHAM STRINGER *in the Chair*]

Agriculture Bill

Examination of Witnesses

Dr Nick Fenwick, John Davies, Huw Thomas, and Tim Render gave evidence.

11.30 am

The Chair: We will now hear oral evidence from NFU Cymru, the Farmers' Union of Wales, and the Welsh Government. Thank you very much for coming and welcome. We have until 12.15 for this panel. Would you introduce yourselves before we move to questions?

Huw Thomas: I am Huw Thomas, NFU Cymru political adviser, based in Builth Wells.

John Davies: I am John Davies, president of NFU Cymru.

Tim Render: I am Tim Render, director for environment and rural affairs in the Welsh Government.

Dr Fenwick: I am Nick Fenwick, head of agricultural policy for the Farmers' Union of Wales.

Q141 The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): Schedule 5 to the Bill makes explicit provision for Wales, and in particular gives the Welsh Government the power to amend, modify and improve the legacy common agricultural policy scheme. What would be your priorities for that simplification? What are your key concerns about the existing CAP, and, if the Welsh Government had a free hand to improve and simplify it, what would you like them to do?

John Davies: Thank you, Minister. Obviously, we await any announcements eagerly. We would look to amend where there are, we would say, unfair penalties for minor infractions. There are major improvements to be made there, for instance. There will be a need for more trees to be planted in future; where there are hedgerows or woodlands, at present, they are taken out of any calculation. There are minor adjustments to be done there that could reduce stress quite significantly in the interim period, I would suggest.

Dr Fenwick: We entirely agree with that. Penalties are a huge issue. It is widely recognised that they are very often completely disproportionate to things that have no impact on the wider environment or the general public. Things that may have cost Government, for the sake of argument, a few pounds, can incur fines of many thousands of pounds.

Greening is another issue. The 100 trees per hectare limit has had a very big impact and goes completely against the current thinking on the importance of trees. The way that it has been implemented in Wales—understandably, given the wording of the European legislation—seems counter-intuitive, given the priorities in terms of silviculture and agriculture co-existing.

Tim Render: From the Welsh Government perspective, we consulted on this question in our last document on ideas for taking farming policy forward and future farm support measures. We also identified that, as part of the transition, you would need to look at simplification. The four things that we flagged were very much penalties, as union colleagues have identified; some of the issues around cross-border payments and the single application rule; the basic payment scheme window for unvalidated beneficiaries; and how the environmentally sensitive permanent grassland rules operate. As I say, those are things that we consulted on. We are assessing the consultation responses at the moment and will make policy decisions on how to implement that when we have the powers, through the Bill, to implement—potentially from 2021.

Huw Thomas: One thing to point out is that the powers relating to Wales in schedule 5 are far more modest than those described for England in clause 9. The scope of the ambition for Wales is perhaps somewhat curtailed by that. In relation to England, you have far more powers to remove and reduce burdens, penalties, financial costs and so on; for Wales, the powers are a bit narrower in scope. That is just something to note.

Q142 George Eustice: What about the so-called greening rules? When those were introduced, environmental non-governmental organisations said that that was greenwashing and farmers said that it was green taping. Perhaps both were right, in that it has not delivered much, if anything, for the environment and it is responsible for about 50% of all the guidance that we have to issue. Do you take the view that it is better just switched off altogether, so that we do not have the crop diversity rule and do not have the ecological focus area rules, either?

John Davies: I would say that it is very difficult to farm in a prescriptive way. We have a real challenge this year with the weather, which will cause real issues around the three-crop rule, so we need to be flexible in our approach there, because it is simply not practical in some areas at some times. We need more flexibility.

Dr Fenwick: We agree entirely. Something that is aimed at certain types of farms has actually had an impact on the types of farms that it was not aimed at—I am talking about the impacts of greening. Indeed, that has been recognised across the EU. The European Commission is undertaking the same process of looking at greening and how it should be improved, and has taken steps in that direction. I think it is universally recognised as completely disproportionate.

Tim Render: We would be happy to look at that in the light of the consultation responses we get.

Q143 Daniel Zeichner (Cambridge) (Lab): Good morning, Mr Stringer, and good wishes to those on the Government side who may have a nervous day ahead—we wish you well. My question is one that we have put to other witnesses before. We are obviously very concerned about the potential threat to farmers if food is imported that was produced to lower health and welfare standards. What is your view on that and what do you think could be done about it in the Welsh context?

John Davies: We have a very clear vision and ambition to lead the world in producing the most climate-friendly food, and that is to be realised with proper policy and

proper support going forward. Obviously, it would be a disaster if that were then undercut by food production systems that are illegal in the United Kingdom, so we would be deeply concerned about the opportunity there and we would like to see that much more strongly identified in the Bill and ruled on.

We welcome the comments that a number of you made during the Second Reading debate. Also, Liz Truss, International Trade Secretary, said last week:

“In addition, nothing in any agreement will undermine the Government’s commitment to tackling climate change.”—[*Official Report*, 6 February 2020; Vol. 671, c. 15WS.]

We lead the world with our commitment to net zero by 2040, so we look to that being honoured. That is an absolutely key statement to us going forward.

Dr Fenwick: In clause 36, which relates to organic products, subsection (5) makes it clear that it is possible to restrict or prohibit the import of organic products. That will be legislated for once the Bill becomes an Act. We would have expected an equivalent paragraph or provision relating to other production standards to have been incorporated in the Bill. It is there for organic, yet it is not there for all these other issues and in particular the key issue that John raised—our environmental and climate change obligations.

Q144 Danny Kruger (Devizes) (Con): On that last point, I would be interested to know whether any of you have had discussions with farmers’ unions or equivalent bodies, or Governments in other countries, in anticipation of the new trade arrangements that might be put in place. Do you detect any appetite to break into the UK market and in particular any willingness to adapt farming practices abroad in order to access our market? We represent a very big market for these countries. Do you think those which currently produce food at standards we would not accept might be prepared to develop better practices so that they can access our market?

John Davies: If we take America to start with, there is real hunger to access the UK market, but they are pretty adamant that their standards are the standards and that they work on equivalence. Obviously, we would have deep concerns about that for a number of specific aspects. Other countries are more flexible and will look to change, I guess, but I think it needs to be written in absolutely, in black and white.

Dr Fenwick: It is clear from the leaked trade talks document that came out in November—which we assume are valid—that there is that appetite. It seems to provide evidence that that appetite is there. We also know that from the defensive position taken by scores of countries when the UK and the EU first agreed how certain issues would be balanced—in those few areas where agreement was reached—in terms of the splitting of our quotas as regards New Zealand lamb and Australian products. The objections submitted then to the World Trade Organisation by these countries make it clear how important we are as an existing trading destination for them and as a potential destination.

Q145 Thangam Debbonaire (Bristol West) (Lab): My question is about aspects of the agreement on agriculture. Clause 42 states at one point:

“The regulations may make provision requiring a devolved authority to provide information to the Secretary of State.”

Do you want a corresponding requirement for the Secretary of State to consult the devolved authorities on the operation of those provisions? This is about classifying domestic support in so far as it affects the agreement on agriculture and relates to our position in the WTO. It is a very specific question: do you think that Wales—and Scotland and Northern Ireland—should be consulted, as well as required to provide information?

Tim Render: That question is probably for me. This is an issue that we had extensive conversations with the Minister about regarding the equivalent text in the previous version of the Agriculture Bill. Yes, we would love a consent provision, but in the context of the last Bill we came to a bilateral agreement between the UK Government—the Department for Environment, Food and Rural Affairs—and the Welsh Government on how the provisions would be operated in practice. The Minister has confirmed to us that that agreement will be carried over with this Bill. We look forward to him making that statement again during this stage of the Bill or at a later stage in the House, about how we would work together on that, about the advice and about, were there to be disagreement, our opposition being formally presented to the House of Commons to be part of your decision-making process. We have agreed a way of working to ensure that that voice is heard effectively.

Q146 Thangam Debbonaire: May I get some clarification? You say, “We have agreed a way of working,” but it is not in the Bill. Where does it exist, this way of working?

Tim Render: It is not in the Bill, but I have the text in front of me. It is an exchange of letters that was published in the context of the previous Agriculture Bill. In our bilateral conversations with the Minister and DEFRA colleagues, we have assurances that that can be taken forward in the context of this Bill.

Q147 Thangam Debbonaire: I do not want to be indelicate—perhaps you are at a useful stage, and I acknowledge that the Minister is very co-operative on these matters—but do you think that there will be any harm in inserting an amendment to the clause, that the Secretary of State should also be required to consult the devolved authorities?

Tim Render: We would be happy with that, yes. That is essentially our way of working, but if it is written in the text, that would be even stronger.

Dr Fenwick: We would also welcome such an addition. It must be noted that this extends to far more than WTO issues, given where we are with our current financial ceiling; we are well below WTO limits. The WTO issue is absolutely essential to avoid disputes, but a key issue for us is the fact that we are moving from a very specific framework of financial ceilings for different areas of spending to one that is almost as liberal as it could be. It appears to us that there will be a single financial ceiling for agriculture expenditure in each of the devolved regions and in England.

For example, under EU legislation, we have multiple ceilings relating to how much we can spend on direct interventions in agriculture production and on young people, how much money can be diverted to rural development spending and so on. I am afraid that this area just screams divergence between nations at an unprecedented level, as do many of the other sections.

Q148 Fay Jones (Brecon and Radnorshire) (Con): My question is on the red meat levy. The Bill irons out an imbalance that has affected many of my farmers—I should say that it is a pleasure to see one of my constituents here this morning. Are you content with that amendment, or would you suggest further amendments to the scheme to improve traceability? That question is particularly for the unions. Mr Render, would you clarify the timetable for the Welsh Government's equivalent Bill or next steps?

Huw Thomas: On the red meat point, we are broadly content. We have been calling for this for a number of years. The issue of repatriating the red meat levy has been a bit of a running sore for a long time, so we welcome this. There has to be a will on the part of the parties concerned to use the new powers that they are about to have conferred upon them. It is all well and good to legislate, but the parties need to work together and find an equitable solution to this problem.

We are glad to see this change, but we would not preclude collaborative working at a pre-competitive stage between the domestic levy bodies on things such as red meat, health and climate, which are not directly related to the market. Repatriating the levy is certainly something that we welcome.

Dr Fenwick: We recommended precisely this sort of action in the Radcliffe review, which was published in 2006. That is how long this issue has been running for. We very much welcome that this is there, but this is the first step—it simply opens the door. Given that lengthy period of waiting, and the imbalance in where the levy has been spent, this needs to be acted on once that door is open.

Tim Render: We welcome the clause on the red meat levy, and we are grateful to the Minister, who has put a lot of effort into working with the devolved Administrations to craft this, to resolve this long-standing issue. On the way the Welsh Government are looking to take things forward, we have said that we plan to produce a White Paper by the end of this year, which will set out the framework for a Welsh Agriculture Bill. Ministers have said that they want to take that forward early in the next Assembly term in 2021.

In terms of operational measures, we have already announced that we will effectively maintain the basic payment scheme approach in 2021 as well, so we have that package of measures to take forward in our own Welsh Bill. That would, I suspect, mirror and address some of the wider issues that this Bill takes forward but are not reflected in the Welsh schedule, as well as dealing with some wider things.

Q149 Ruth Jones (Newport West) (Lab): Mr Render, can I press you a bit further? You were saying that the legislation from Wales will have to be set in law. Yes, absolutely, but when will it actually be up and running? We accept that there will be a time lag, but it is important that it is as close as possible, because what we do not want is divergence, which you have already alluded to. We know that the border is porous, and that livestock and crops travel across it all the time. It is important that where key parts of the Bill do not apply to Wales, such as the environmental land management schemes, we make sure that Welsh farmers are not suffering detriment. I wondered what the panel's thoughts on that were.

Tim Render: Of course, agriculture is a fully devolved policy area, so we will be developing our own equivalents of the land management approaches that England is proposing. We have already issued two major consultation documents with a lot of detail on that. What we are looking to do through this Bill is to ensure continuity: to make sure that a lot of the important operational elements that mean the agricultural market can work effectively and we continue to have the powers to pay agricultural support to farmers, will be in place and can be maintained beyond the end of this year. From a Welsh perspective, the main thing this Bill does is give us those continuity and keeping pace powers.

However, what we have explicitly decided not to take through this Bill—this is a change from the previous Bill—are powers to make radically new types of payments, analogous to the ELMS in England. We discussed that with the Assembly, and they felt that it was potentially such a large change that they wanted to be able to influence that development of a Welsh agriculture policy, so we have not taken those powers to make major changes in the future; that is what we would do through a Welsh Bill. Obviously, this will depend on the Government after the Assembly elections in May 2021, but we would expect that to be taken forward fairly rapidly as a new Welsh agriculture Bill in that period. As I say, we will be setting out detailed ideas as to what would go in that Bill, particularly the new powers, building on the very detailed proposals we have already set out in consultation documents.

John Davies: It is vital that we take our time over this, because we still do not know what trading environment we will be operating in, and there is an awful lot of volatility out there. It is absolutely vital that we get this right and do it in a co-production way. If we get it right, there are real opportunities; it needs to be a co-operative model that we not only design with the industry, but across different Departments of the Welsh Government. Recently, the Welsh Government have announced that we have hit our target for food sales from Wales, which is £7.5 billion. If we get our “sustainable farming and our land”—that is the name of our new agricultural policy—and sustainable brand values right, we will have two gears meshing, which will really benefit our climate credentials and validity by being able to prove that what we do and how we do it are totally sustainable. It is vital that we get this right and do not rush it.

Q150 Alicia Kearns (Rutland and Melton) (Con): What assessment have you made of the impact of the Bill on food producers, particularly the agri-food supply chain, and are there any missed opportunities in the Bill that you would like to see us take action on?

Huw Thomas: Probably the biggest missed opportunity is the one about standards, which we have already covered, but there are certainly provisions in the Bill that we welcome. The food security provision, for example, is new and something we have been pressing for for quite a while. The requirement to report every five years is not especially ambitious; it should be every year. Especially as we are transitioning out of the EU and leaving those structures behind, we need to ensure we have a review every year. I would also suggest that the Bill does not impose any positive obligations on a DEFRA Minister—for example, in the light of an adverse finding in a report on food security. You could consider placing obligations on Ministers if we are found to be deficient in food security.

Dr Fenwick: From our point of view, it is about more than farming and food production per se; it is about the families that farm on the land. There are certain types of farming that continue, but effectively the communities do not. We see that in parts of England; thankfully we do not see it so much in Wales, if at all. We would say there has been a missed opportunity to include among key priorities the sort of ambition that is there at EU level in terms of the reforms that are going through, which relate to looking after farming families and communities and to laying out sentences explicitly in legislation.

I refer you back to what Tom Williams said about the 1947 Act, which was in place until it was superseded by EU regulations. He said it was based on providing

“adequate remuneration and decent living standards for farmers and workers”—[*Official Report*, 17 December 1945; Vol. 417, c. 931.]

with a reasonable return on capital investment. We would welcome that sort of aspiration being inserted into the Bill.

Deidre Brock (Edinburgh North and Leith) (SNP): The other day, we heard evidence from John Cross of the Traceability Design User Group and Simon Hall, who is the managing director of Livestock Information Ltd, which is a new organisation. I thought they were a little vague on details of the traceability service that they are setting up in England, and on how it will integrate or potentially even overrule existing traceability services in the devolved nations. I would be very interested to hear your thoughts on that.

Dr Fenwick: Having only had the time to look at this and go through it as thoroughly as I could yesterday, that clause did ring alarm bells for me. Compared with other systems, Wales has a very successful sheep traceability system that it took into public ownership, rather than farming it out to a private body. It works very well. It could work better, as is the case with all systems, but we hope to develop it into an improved system that will encompass more species. That is certainly the aspiration, and that clause of the Bill certainly raises questions about how those two things interact.

It certainly makes sense to have some form of central data collection point for the UK, given that we are a single country and that it is important for our trading arrangements with other countries. Nevertheless, it depends on how that functions. That part of the legislation would effectively grant powers to non-public bodies—boards that are given certain powers by the Secretary of State. That in itself raises questions; indeed, it is why you took evidence from the witnesses that you mentioned.

Tim Render: To build on that, there are clearly some really important operational issues with the livestock identification systems. We are developing the livestock identification system that we already have in Wales, which works very well. It was co-designed with the industry for ease of operation. We also built it with expansion to different species in mind, so we are looking to turn it into a full livestock ID system, building on a proven IT platform and user interface. It is absolutely vital that we get the behind the scenes IT with what happens in England, Wales and Northern Ireland to have that interchange of data, because you have got cross-border trade and that is how you manage animal health issues, which do not respect borders. That is the

big piece of IT work that we are doing with colleagues in DEFRA and colleagues in the other Administrations around the livestock identification system. We will build our own front-end system for Welsh farmers to use, building on what the industry sees as a successful system.

John Davies: It is vital that we get this right. Animal disease does not respect boundaries well, and I concur with everything said in terms of the databases talking to each other. There is also an opportunity here to bring realtime information to purchasing decisions around animal health and the likes, and we need to get this right.

Dr Fenwick: If I may come back, to lessen the potential adverse impacts of clause 32, which amends the Natural Environment and Rural Communities Act 2006, there needs to be at the very least a duty to consult and reach agreements with Welsh Ministers, the Scottish Government and so on to ensure that this does not hand over an extreme power to, in effect, an English board.

Deidre Brock: It is the Agriculture and Horticulture Development Board.

Dr Fenwick: Yes, or it could be anyone, because it is only created with those powers.

Q151 Deidre Brock: How do the four different schemes and the devolved nations currently integrate?

Tim Render: At the moment, it is only sheep for which there is a full integrated electronic system.

Deidre Brock: In Wales.

Tim Render: In the UK. The other systems are much more primitive, it is fair to say. For instance, the British cattle movement service is not essentially an online realtime system. This is one area where we have what are technically called concurrent powers and we are in discussion with DEFRA about these powers and those around organics being subject to consent by devolved Administrations rather than just consulting, for the reasons that colleagues outlined.

Q152 Theo Clarke (Stafford) (Con): I want to pick up on the question of divergence. I realise that the Bill affects England, but there are plenty of farms around the border. How will they be affected and what can we do in the Bill to support them more?

Dr Fenwick: There are about 600 cross-border farms. Some are administratively answerable to England and some to Wales, depending on the proportion of land on each side of the border—I think that is how it works. Those guys have consistently been the last people to receive payments of any form for the last 15 years, since basic payments and what is generically called the single farm payment was introduced in 2005. They have a very tough farm and are placed at significant disadvantage.

Divergence will clearly be an issue for those farms. Conversely, some of the powers in the Bill would lessen the impact, allowing their payments to be released earlier by changing EU regulations that make it difficult when one payment authority is slower than the other at processing applications—because unless everything has been processed, payments cannot be released. The ability to change the rules is therefore welcome, but as things

diverge, as they may well do—it is difficult to see how they would not—a lot of thought and care needs to be taken regarding those impacts. It is not just divergence over payment systems and policies; it is also about standards. This provides an opportunity for Wales to, for example, have different assurance standards from England, yet we have a 300-mile-or-so border, which is effectively porous.

John Davies: As one of the UK NFUs, we have a fantastic working relationship. We met last week in Glasgow at NFU Scotland's AGM. Divergence is front and centre of all our minds, because it is vital that we do not diverge too greatly and create a different trading environment in the UK. That is really important. The key basis that we always operate on is that everything should be done through agreement, not imposition. That is our guiding principle.

Tim Render: Divergence is a consequence of devolution, in that you are making different choices to reflect different circumstances, although I have a lot of sympathy for Mr Davies' points about operating in a common market, and about standards and not diverging in some of those areas.

The issue of cross-border farms keeps me awake at night, as I think about how I move to develop a new policy. It is one of the really difficult issues. We do not have clear answers to it yet. We are working with the industry and DEFRA on what doing potentially quite different things in return for public support on either side of the border means for those 600-or-so farms that are potentially on either side of that. How we manage that is a tricky question. I do not have any answers to that, but it is something that we are working on with DEFRA and the industry, to work out what the most practical, simple and effective way of doing it is.

Dr Fenwick: When it comes to divergence, of course devolution implies divergence. We as a union supported devolution, so we have no problem with divergence, but it was divergence within boundaries. The current EU framework has strict boundaries in terms of flexibility within legislation and flexibility within financial limits. We are looking, potentially, at a complete liberalisation of those boundaries, so that they become far wider and the degree to which divergence can be market distorting becomes potentially far greater under what is happening at the moment.

Q153 Mr Robert Goodwill (Scarborough and Whitby) (Con): This question is primarily for Mr Render, but others may wish to chip in. In earlier evidence sessions, we heard some of the frustrations with the inflexibility of cross-compliance, such as the three-crop rule or rules on hedge cutting. In particular, farmers tell me that it can sometimes be frustrating that rules on the application of slurries and manures are based on the calendar, not on the particular climatic conditions of a season or the situation on a particular farm. Do you feel that the powers that you will have will allow you the flexibility—even in-year flexibility—to enable you to carry out those sorts of operations under the best conditions, and at the same time to understand your obligations in the way that we implement the nitrate regulations and water framework directive-type regulations that we take over? Do you feel that you can get the balance right between the flexibility and the obligations to the environment?

Tim Render: I think we can. The questions around water and diffuse agricultural pollution are live in Wales at the moment. In terms of our regulations under the various water rules, we are some way behind the rest of the UK, and we are looking to take action to ensure that we have effective measures for the management of agricultural pollution.

One of the things, looking to the medium term, is an ability to think about how we do some of the wider regulation: what conditions we attach to future payment regimes; how we link that to the regulatory floor; and things around earned autonomy for more flexibility, in return for clearer, authenticated and demonstrable actions that take account of flexibility while there are, at the same time, clear ways of ensuring and providing assurance that the necessary actions are taken. Those are some of the opportunities that we have in the medium term, adapting some of the regulations, but it is probably through more sophisticated regulation and earned autonomy approaches that we can really provide some of that greater flexibility.

John Davies: Thank you, Mr Goodwill, for the opportunity to comment on this, because obviously regulation has been one of the reasons that Europe has had less favour. Nitrate vulnerable zone regulations are among the most prescriptive and least effective of those that have been implemented by Europe. Let us move away from that. Let us ensure that regulation, when it comes, fills the gaps and is effective. Anybody who thinks that they can farm by date will fail. It is vital that we farm by the ground conditions. We have a changing climate here, and we have to respond to that. We have to evolve, adapt and work effectively to reduce the number of incidents. It is coming down slowly, but we need to move more rapidly to reduce it. It is vital that we get on top of that through effective, proper, reasonable regulation.

Q154 Deidre Brock: I wish to reinforce the point that Mr Render and Dr Fenwick made. They basically made my point for me: the four nations already operate different policy and regulatory frameworks, within a common framework across the UK, and with certain common frameworks under the EU. That has been the case since devolution 20 years ago. I would hate to see any sort of imposition of a UK-wide situation that would affect that.

Tim Render: I agree with that. Equally, there are some measures that need to operate across the UK for trade and operators. The red meat levy is a very good example of something that needs to be applied at the UK level, but from a devolved Administration perspective, where some of those powers operate at a UK level, that needs to happen with our consent and agreement. Yes, let us agree a common approach to something—that is very often the best approach—but, for us, those sorts of concurrent powers need to be with consent.

Dr Fenwick: To give an example of the sorts of divergence at a very simplistic level that will potentially have an impact in the coming months, the Direct Payments to Farmers (Legislative Continuity) Act 2020 received Royal Assent the day before we left the EU. That effectively cuts and pastes EU payment regulations back into domestic legislation. However, one section of the Act allows devolved regions—this relates primarily to Scotland—to exceed those financial ceilings that are effectively derived from EU-set ceilings.

Within hours or minutes, effectively, of our leaving the EU, we have the potential for financial divergence that would increase the difference between the average payments received by a Scottish farmer and a Welsh farmer, which is already in the tens of thousands, potentially to far more. That relates to the Bew review, which has given lots of additional money to Scotland. Previously, that money could not be paid to farmers. The new legislation allows them to diverge—I go back to that word—from the ceilings that are set in the legislation.

John Davies: We have a very clear ambition for a policy made in Wales, where we see the productivity and the environment meshing together, underpinned by a stability pillar that will give us real opportunities. We are ambitious for the future. There is real opportunity out there to make policy in Wales, for Wales, by Wales.

The Chair: Order. I am afraid that we are at the end of the time allotted for the Committee to ask questions. On behalf of the Committee, I thank the witnesses for their evidence.

Examination of Witness

Gareth Morgan gave evidence.

12.15 pm

The Chair: We will now hear oral evidence from the Soil Association and we have until 1 pm for this session. Welcome to the Committee. Please introduce yourself.

Gareth Morgan: I am Gareth Morgan and I represent the Soil Association, a charity engaged in sustainable food and farming. We also run some certification of organic agriculture and sustainable forestry.

The Chair: The acoustics in this room are appalling. Can you speak up and project your voice?

Gareth Morgan: Yes, will do.

Q155 George Eustice: You know that in the new Bill, compared to the one in the previous Parliament, we have added an explicit purpose around soil quality. Will you describe for us how best to measure soil quality or soil health? What kind of management interventions should we encourage under the Bill's provisions?

Gareth Morgan: Unsurprisingly, we were delighted to see that addition, which we thought was a grave omission last time round. There was a rather arcane debate around whether soil health was a private or a public good. What matters is that we achieve better soils, because we know that there is a soils crisis. Indeed, Michael Gove highlighted that in some of his speeches.

The other problem, as you allude to, Minister, is that soil is highly geographically variable and contains many different parameters, from organic matter in terms of the ability to sequester carbon to soil biodiversity, productive capability and the rest of it. That challenge has made it very difficult to set standard provisions around soils for farmers to follow. I suspect that that side of it will probably be best developed through the 25-year plan in the Environment Bill, so in a sense the Agriculture Bill is the place where the tools for farmers to improve their soils can be placed, and where the provisions around what sorts of soils we need, and where, will need a lot of research and geographical specificity. Farmers will need

assistance to understand their soils, so a top-down approach to the same soils everywhere is probably not the right way to go.

One exception is that the concept of a steady increase in the carbon content of soils seems to be widely accepted. I think the UK is in the “4 per 1000” club on this, which is around a steady percentage increase of organic matter in soils. That will be a useful single aspiration for farmers and policy makers to coalesce around.

Q156 George Eustice: Soils have been around for a very long time and the human race has worked out how to grow crops on them, so I never understand why people say we need huge amounts of research when we know how soil works. Soil science is not new.

Gareth Morgan: The lack of knowledge should not be used as an excuse to not do anything. I agree with you that far. In terms of understanding at the field level what a particular farmer needs to do, I do not think I agree that that is always obvious. You might have shared the same train journey that I had today from Bristol. Going through Wiltshire and looking at the waterlogged soil-laden water lying on the fields, so that it is pouring into the River Avon at the moment, is a signal to me. That is not necessarily the fault of the farmer, but there is a gap between academic understanding of what soils should be like and what is happening in practice in the fields. There is a huge need for farmers to better understand what is appropriate on their farms. That will involve a fair bit of Government investment to help them in that process.

Q157 George Eustice: Some suggested as long ago as the 1930s—such as Albert Howard, who was seen by many as the father of the organics movement—that humus in soil is the key criterion to target, because that links to mycorrhizal activity and soil health more generally, carbon in the soils and the growth of various micro-organisms. Would you subscribe to that?

Gareth Morgan: Yes. The Soil Association is rooted in the philosophy that the essence of successful farming lies in the soil. There has been a welcome resurgence of interest in soil over the last few years. It is not an exclusive club; there are things such as minimum tillage, which is not necessarily an organic philosophy. A lot of farmers are increasingly focused on soil as the central organising principle of productivity, pest resistance, carbon sequestration and biodiversity, but that recognition still has a long way to go. I do not think organic is the only way in which that can be achieved, but it is one simple codified way of farming that we know builds on that understanding of soil and organic matter in soil.

Q158 George Eustice: If we tried to return to a general principle of more sustainable farming practices and husbandry, but recognising that the majority of farmers will probably want to stop short of becoming fully organic, could certain things be borrowed from organic production—traditional approaches to farm husbandry that could be deployed in more conventional farms? Or is it your view that nothing works unless you go the whole way to be fully organic?

Gareth Morgan: No, I would not say that. That is why there is increasing use of the term “agroecology”, to suggest that there is a more inclusive approach to sustainable

farming. Organic is a great codified way of doing that and guaranteeing to the farmer and the consumer that the farmer is following a particular practice, but agroecology is wider in the sense that it incorporates practices such as mixed farming, where there is a mixture, or ruminant livestock and arable so there is a natural fertility cycle. It incorporates a focus on reducing pesticides—it would be fantastic in the Agriculture Bill to have some target for the reduction of pesticides as an aspiration—and a focus on leguminous plants, to increase nitrogen naturally, to avoid the use of artificial nitrogen. We are going to have to wean ourselves off artificial nitrogen at some point if we are to meet our carbon targets, because we have not found an alternative way to make it. All those practices can be incorporated into conventional farming systems.

Q159 Daniel Zeichner: Since the earlier iteration of the Agriculture Bill, there has been wide acknowledgment that we face a climate crisis. As part of that, although clearly different in different parts of the country, there is a crisis around our soil, is there not? Could you say a little about how intense that is?

Gareth Morgan: There is a soils crisis, which is expressed in a number of different ways. It is probably slightly alarmist to talk about a certain number of years of soils left, which is quite graphic and gets people engaged in the topic, but that will be different in different places. Soil can regenerate, so we should not look at it as a one-way trajectory of decline; we know ways in which soil can be recovered. The decline in organic matter in soil is a key dimension of that crisis.

The other big element of soil health that has been neglected by the environmental side as much as by the farming side, is biodiversity in soil. I assume that is as simple as the fact that it is below the ground, and therefore you do not see it. I heard an interesting statistic the other day: in a typical sheep field, the weight of creatures underneath the field far exceeds that of the animals on the surface, whether as simple as worms or down to bacterial and fungi. The problem is that, because we do not see it, it is not that immediately obvious to us. It becomes obvious through things such as feeding birds in the winter—the number of lapwings on the fields. If there are no invertebrates in the fields, there will not be birds above them. Getting back to a sense of the biodiversity of soil will be a good way to re-engage with it.

Q160 Daniel Zeichner: I guess many of us would say that there is a need for urgency, but farmers find themselves caught in the middle, don't they? There is pressure to change—the Bill is part of that change—but is there not a danger that if we have food imported to lower standards, that will put farmers under even more economic pressure?

Gareth Morgan: I absolutely agree with the latter point. We may come on to the issue of trade equality later in the discussion, I imagine. There is simply no point in us exporting our production by forcing up standards here when we are importing products that are produced to low environmental and climate-change standards from other places. We urgently need to find a way to address that, because the tsunami of change that is about to hit farming in this country will not be able to withstand that, so we have to find a way of addressing that issue.

I do not think that should be used as an excuse for not starting to tackle some of these big crises, such as the soil crisis. It would be useful in the Bill, for example, for the food security provision to talk about things such as soil as part of food security. At the minute, it is very focused on economic factors. If we do not sustain the simple biological and physical nature of farming over this period, we will not have food security. That is one place where it would be useful to put this in the Bill.

Q161 Daniel Zeichner: What would you like to see put into the Bill, in terms of the imported food standards issue?

Gareth Morgan: I do not think anyone has found a simple solution to this, other than a protectionist model, which is what we are trying to get away from. The most interesting example I have heard is talk from Dieter Helm at the Natural Capital Committee about some kind of carbon border adjustment. It would seem ridiculous for us to import products from countries that are not signed up to the Paris treaty and may be subsidising fossil fuels for their farmers in order that they can produce cheaply, and for those products to be on the market in this country, going against products that properly factor in the carbon price. It is not going to be easy to get around, but we cannot duck it. A number of groups have put forward potential amendments to the Bill to try to address some of that, and that also needs to be reflected in the trade Bills. Just ignoring it, as is being done at the minute, is not satisfactory for our farmers or our environment.

Q162 Danny Kruger: I represent the waterlogged Wiltshire farms that you passed today. Given your point about different soils in different places, are you confident that, in the emerging policy about public good payments, we are getting the balance right between farming practices and outcomes? The detail is not all there yet, but are you concerned about getting that balance right?

Gareth Morgan: I think the Bill is a good step, in terms of providing the toolkit to give farmers the financial assistance to provide some of those public goods. The environmental land management scheme seems to have got quite bogged down over the past couple of years because it has been trying to get round this issue of working to more outcome-focused schemes, rather than just prescriptions for farmers, but there is a reason why we ended up doing prescriptions, although they are very frustrating for farmers to work to, because it is a list of rules that you have to follow and that is not a very creative way of doing things. The reason we do that is that you can audit them and specify them, even if it is a bit rough and ready, whereas saying to a farmer, “We would like to see 10 pairs of skylarks on your land. You decide how you do it,” is quite open-ended and not that helpful to the farmer. Hopefully, ELMS is the place where we will find a way of reconciling those two conflicting priorities.

Danny Kruger: That is helpful. Thank you.

Q163 Kerry McCarthy (Bristol East) (Lab): Where to start? Could you say a bit more about the whole-farm systems approach and the concern that the Bill might lead to farmers cherry-picking some of the public goods, but not to a transformation of farming, as would be possible if we were to go for a more holistic approach?

Gareth Morgan: One reason I joined the Soil Association—I was previously working at the Royal Society for the Protection of Birds—was the sense that you can do quite a lot for particular things, such as bird numbers on farms, without affecting the underlying sustainability of farming operations. I do not think the Bill deliberately plays into that, but it could be an unintentional consequence. There is a whole series of public goods that a farmer could choose to provide, but—particularly if we are going to lose things such as cross-compliance now, which is the basic way to encourage a farmer to look across the whole farm—there is a considerable danger that we will just focus on the easy or obvious bits, such as doing a flower margin or some skylark plots on a farm, and not really think about why the ecological operation of a farm is not satisfactory.

At the moment, there are two distinct dangers. First, some farms might opt into the public goods system while other farms will decide to farm to the market, especially if they are competing with foreign imports produced to lower standards. Secondly, even on individual farms, a farmer might be tempted to look for a particular thing that can be done that will be good for the environment, but neglect what is happening on the rest of the farm, for example the state of the soil across the whole farm. The whole-farm approach should be at the centre of the Agriculture Bill, but it is not at the moment.

Q164 Kerry McCarthy: Meeting net zero is a public good, looking at climate mitigation and adaptation. Do you feel the Bill could be stronger on that? My concern is that while in a sector like transport it is quite easy to make big policy moves that shift us, say, to electric vehicles, because there is only a small number of car companies, in agriculture there are lots of different types of farmers with a large geographical spread. How do you get them all working towards that net zero goal, and could the Bill be a mechanism to do that more effectively? I have not heard much from the National Farmers Union about the road map for getting there.

Gareth Morgan: It is fantastic that the NFU has taken the position of committing to an early net zero target for the agriculture and land use sector. That has shifted the debate enormously. Establishing the route map by which you do that is quite difficult. I am not entirely sure that a net zero clause in the Bill is the right way to go about it.

In several sectors—such as transport and energy generation—we have a clear idea about what that route map needs to be. Land use will be much more complicated. We do not know all the answers yet—for example, in the current argument about red meat, we are veering a different way each month. Setting a clear trajectory in farming to net zero in law could be counter-productive. The easiest way for us to go net zero in terms of land use in the UK is to stop farming and plant trees everywhere and import food off our balance sheet. That would be madness, but it could be an inadvertent consequence if we get the wrong sort of legal fix into law. I think the Bill could be more explicit about net zero and the need to achieve it, but we need to be careful about the way in which we phrase that.

Q165 Mr Goodwill: Conversion to organic farming is quite an expensive process, because during that conversion period one cannot sell organic products. Do you think

there should be more incentives for farmers to switch to organic production and, if so, how can we ensure that we do not flood the market with organic food and therefore undermine the whole economic basis for organic farming?

Gareth Morgan: That is a well-made point. In food, demand and production need to be balanced. That is true not only of organic produce; it is a general point.

One key point is that it would be helpful if the Bill recognised the specific contribution that organic farming can make against a whole range of public goods. Rather than inventing a complicated system in parallel with organics—for example, saying, “If a farm satisfies the carbon criteria, the biodiversity criteria, the rotations and the rest of it, then we will make a payment”—let us just cut to the chase and say that it makes sense for there to be some kind of organic maintenance payment to recognise additional public goods that are there but cannot be recovered through the market. I think that would in some sense help with the conversion issue, because if farmers are clear that if they move to an organic model they will be rewarded, both by the market and for the public goods that they provide in the longer term, then that will give them that level of certainty.

Regarding conversion, you are right—I think there needs to be caution around doing that, because in the past we have had examples of where there has been over-conversion to organic ahead of the market being ready to be there. So I think the focus on some sort of organic maintenance payment in ELMS is absolutely vital.

There is a role for help with conversion, but it may not be in terms of straightforward payments during that period. It may be through things like the ancillary productivity payments or some of these other issues that are acting as a barrier to conversion. For example, bringing livestock back on to arable farms will be quite a difficult operation, and most people who convert to organic would need to do that if they are an arable farm. So help with the process of establishing those things might be the way that one could assist in that process.

Q166 Abena Oppong-Asare (Erith and Thamesmead) (Lab): As you know, clause 1 provides financial assistance for protecting and improving the quality of soil and, as you mentioned earlier, soil is highly variable and it is difficult to set the standards equally across all the farmers. You mentioned something about tools for farmers—being given specifically, I guess, for the 25 years that you mentioned. Are there any specific measures that you would like to see mentioned in relation to soil health?

Gareth Morgan: At the end of the day, there will have to be some sort of whole-farm planning process. I am sure the Minister has thoughts about this: there is an aspiration to reduce our transaction costs, around the amount of advice and so on that schemes involve. I think there is a limit to how far that can go, so at the end of the day I suspect that any farmer who is receiving substantial public good payments will need to have some kind of system of working with an adviser around a whole-farm plan, which will enable them to put the measures into place, particularly for something like soil.

There are general measures that are great for wildlife and the environment, like having flower margins around fields, having rough grass margins and the rest of it;

they will be useful anywhere. With something like soil, I cannot really see how that can be done without the support of an agronomist, or a specialist, or someone helping the farmer and working on the nature of the soil on that particular farm. That need not be done by Government advisers; it could be done by certifiers, or private suppliers and so on. But without that level of support being built into the system, it is quite hard to see how farmers will be able to make the transition that they might want to make on their farm to things like sustainable soil management practices.

Q167 Miss Sarah Dines (Derbyshire Dales) (Con): Mr Morgan, in your written submissions you criticised the Bill as it is currently drafted for not having clear targets for soil health. I represent the Derbyshire Dales area, which has a massive variation of soil qualities from the flats to the higher land. How can you possibly fairly have targets, and how would you measure them, to make sure that those of my farmers who put a lot of effort in to improve the soil, but who will get a lesser result because of the nature of the soil they have, can be fairly rewarded for providing a public good improvement?

Gareth Morgan: I am quite pragmatic about where those targets should lie and if it is not in the Agriculture Bill, there are other places; I have already alluded to the potential for both the Environment Bill and the 25-year plan to be the place where those targets and metrics could reside. It is disappointing that at the moment the Environment Bill does not have a soil chapter, because it would seem to me logical for that to be the place where, say, a target for increasing organic matter in soils at a national level would reside.

Regarding the targets for an individual farm, clearly it would not be sensible for those to be iterated in this Bill, because they might have to be done farm by farm. However, some provision for making sure that farmers are clear what they are working to on the soils on their farm over a particular period will be vital. I do not know whether some provision can be made in the Bill for there to be that level of assessment before public good payments are made on a particular farm, for example, because you are right: unless the farmer is clear about their current resource or what the expectation is about where they will be going, it is going to be quite—and this may be one of the reasons why soils were not previously itemised in the Bill, because of this precise problem about that geographical specificity.

Q168 Miss Dines: That would be a huge piece of work, would it not—like a national survey of each individual farm. If you want to set targets as you suggest, are you saying that that is realistically what the Government have to look at? Can there be a more pragmatic approach?

Gareth Morgan: I think a soil organic matter target nationally is realistic. I think there is a fair consensus that increasing organic matter in soil ticks so many boxes that that is something that would be useful. That does not necessarily help the individual farmer to know what needs to be done on their farm. There is a good national soil survey, so there is good spatial information about soils that we could be using as part of this process, so it does not all have to be done from a base of no knowledge.

Q169 George Eustice: I just wanted to come in on this point about targets. I know they are the tool that people often reach for—they say we should just have some

statutory target—but you said yourself at the beginning that it varies considerably from soil to soil, it is hard to measure these things, and an enormous amount of research is needed. I have sometimes been told it will probably take eight years to do that sort of research.

Given the complexity of the issue, is there not a danger that if you are waiting to try to identify the target, you end up effectively delaying action—the worst of all worlds? Does it perhaps matter less that there is some sort of prescribed target, and more that you encourage and incentivise good soil husbandry from year one as best you can with the knowledge that you have? You can measure trends. You can get a sense of whether the trends that matter are moving in the right direction from the interventions you are doing. Is not that perhaps a better way to approach these things than some kind of prescriptive target?

Gareth Morgan: I think you are right, in the sense that the best must not be the enemy of the good, and there is plenty that can be done on soils tomorrow. I do not think I agree that the absence of a target is something that we should be content with in the long term, particularly at the Government level. Targets have been useful in focusing the attention of policy makers on results. The farmland bird recovery target, although the bane of many people's life, was useful in terms of focusing attention on what could be done to reverse the decline of farmland birds.

I think national targets around soils would be helpful in terms of focusing and attracting funding. Ultimately the Treasury is going to come and say, "I can see you are doing lots of interesting things on your farms; what, actually, are you benefiting, in terms of the natural capital account for the country?" Unless we can go back to the Treasury and say, "This investment of £2 billion or £3 billion has achieved the following things over this period," I suspect the money will dry up pretty quickly.

Q170 George Eustice: There was another area of the Bill that I wanted to ask your view on. It is further on—there is the clause relating to organic, principally marketing, standards. That is, in essence, the primary powers that we would need to amend the organics regime that we have inherited from the EU and that itself is about to change.

Are you content with the revised organics regime that we are about to inherit from the EU, as it stands, or would you be interested in us using these powers to make specific changes that might make the future UK organics regime work better?

Gareth Morgan: That is a little bit off my area, so I will not speculate too much. The Soil Association is only one part of a very broad organic movement, so there are a number of players who, I think, will want to come back. I think the general feeling was that the provisions in the Bill provide the right enabling starting point for creating a domestic structure around organic regulation.

The one concern that I have heard expressed is that, given we have quite a collaborative model for developing organic standards and lots of players in this country, building that level of engagement with the various players and consultation into that process will be important. At the European level, the International Federation of Organic Agriculture Movements, or IFOAM, has been

involved in the ongoing development of organic regulation. We will clearly need to have something similar at a domestic level to ensure that everyone, from the farmers to the certifiers to consumers, has a stake in the development of the regime.

Q171 Daniel Zeichner: Two questions: first, in some of your evidence you have suggested that there should be a public health aim within the Bill, and I wondered whether you could tell us a little more about how you think that might work. Secondly—you have touched on this a bit in some of your contribution—who do you think is best-placed and qualified to negotiate and administer the new environmental land management schemes? Are there any potential conflicts of interest in that set-up?

Gareth Morgan: Taking the first point, it does feel that there is still a gap in the policy and legislative architecture in agriculture. We have “Health and Harmony”, which sets out a good, new, broad trajectory for agriculture, and we have quite a technical, nitty-gritty enabling Bill here in terms of saying, “Here are the tools that can be deployed to achieve things.” At the moment there is not anything knitting all that together to say, “What are food and farming for? Do we have any sense of what the right model might be?” I suspect that is perhaps a bit of a legacy from having had the CAP, which was a prescriptive and sometimes flawed model of European farming. We have almost moved away from that to being afraid to say we have any preferences at all. We have a series of tools and a broad aspiration that farming should be good for the environment, and then the market does the rest.

The reason for putting down a marker on public health was to say that food and farming are not just about a commercial transaction; it is of huge national importance whether people have secure and healthy food supplies and access to the right sort of food and whether the farmer is able to get a just return from the market. Some of those things are touched on in the Bill, but it almost feels like there needs to be something right at the front of the Bill to say what all this is for, as opposed to, “What should we pay farmers for and how?” It feels a bit too fast. That does not necessarily have to come in the Bill, but it has to come somewhere, to our mind. Again, that is where we would say that a presumption in favour of a move to a more agroecological

way of thinking about farming probably would sit. Equally, it is the place where the national food strategy would fit in to say that food is more than just a market transaction for consumers.

Q172 Daniel Zeichner: You said a little about the environmental land management schemes, but who is best placed to administer and deliver those?

Gareth Morgan: I would tread very warily in that minefield.

Daniel Zeichner: You do not have to answer if you do not want to, but the fact that you are treading warily tells us what we need to know. Thank you.

Q173 George Eustice: On that point, you made a reference earlier to the need for advisers. You will be aware that the concept behind the future policy is that there will be an individual agronomist—possibly from the private sector, possibly from groups, perhaps even from your group or the Wildlife Trusts—who would be accredited by the Government to help farmers put schemes together and to walk to the farm and sit down around the kitchen table to do that. I think I am right in saying that the Soil Association already accredits organic producers and growers, probably under a similar model. I wondered if you might explain how that process works. How many clients—for want of a better term—can an accredited Soil Association adviser look after in a typical year?

Gareth Morgan: I should first say that other certifiers are available—for example, our colleagues in Organic Farmers and Growers. It is a competitive market. I am not from the certification side of the organisation and so I will follow up with written evidence on that point, if that is acceptable.

The Chair: Thank you. If there are no further questions from the Committee, I thank you, on behalf of the Committee, for giving your evidence, Mr Morgan.

Ordered, That further consideration be now adjourned.—(James Morris.)

12.49 pm

Adjourned till this day at Two o'clock.

