

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

AGRICULTURE BILL

First Sitting

Tuesday 23 October 2018

(Morning)

CONTENTS

Programme motion agreed to.
Motion to sit in private agreed to.
Written evidence (Reporting to the House) motion agreed to.
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

Saturday 27 October 2018

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The Committee consisted of the following Members:

Chairs: SIR ROGER GALE, † PHIL WILSON

| | |
|---|---|
| † Antoniazzi, Tonia (<i>Gower</i>) (Lab) | † Harrison, Trudy (<i>Copeland</i>) (Con) |
| † Brock, Deidre (<i>Edinburgh North and Leith</i>) (SNP) | † Hoare, Simon (<i>North Dorset</i>) (Con) |
| † Chapman, Jenny (<i>Darlington</i>) (Lab) | † Huddleston, Nigel (<i>Mid Worcestershire</i>) (Con) |
| † Clark, Colin (<i>Gordon</i>) (Con) | † Lake, Ben (<i>Ceredigion</i>) (PC) |
| † Davies, Chris (<i>Brecon and Radnorshire</i>) (Con) | † McCarthy, Kerry (<i>Bristol East</i>) (Lab) |
| † Debbonaire, Thangam (<i>Bristol West</i>) (Lab) | † Martin, Sandy (<i>Ipswich</i>) (Lab) |
| † Drew, Dr David (<i>Stroud</i>) (Lab/Co-op) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Dunne, Mr Philip (<i>Ludlow</i>) (Con) | † Tracey, Craig (<i>North Warwickshire</i>) (Con) |
| † Eustice, George (<i>Minister for Agriculture, Fisheries and Food</i>) | † Whitfield, Martin (<i>East Lothian</i>) (Lab) |
| † Goodwill, Mr Robert (<i>Scarborough and Whitby</i>) (Con) | Kenneth Fox, Anwen Rees, <i>Committee Clerks</i> |
| | † attended the Committee |

Witnesses

Martin Lines, Chair, Nature Friendly Farming Network and farmer

Patrick Begg, Outdoors and Natural Resources Director, National Trust

Thomas Lancaster, Principal Policy Officer, Agriculture, RSPB

Gilles Deprez, commercial farmer and Managing Director of Greenyard Flowers Ltd

ffinlo Costain, Director, Farmwel

David Bowles, Head of Public Affairs, RSPCA

Simon Doherty, President, British Veterinary Association

Public Bill Committee

Tuesday 23 October 2018

(Morning)

[PHIL WILSON *in the Chair*]

Agriculture Bill

9.25 am

The Chair: Before we begin, I have a few preliminary points to make. Please switch electronic devices to silent. Tea and coffee are not allowed during the sittings.

We will first consider the programme motion on the amendment paper. We will then consider a motion to enable the reporting of written evidence for publication and then a motion to allow us to deliberate in private about our questions before the oral evidence sessions. In view of the limited time available, I hope that we can take those matters without too much debate. I call the Minister to move the programme motion, which the programming sub-committee agreed yesterday.

The Minister for Agriculture, Fisheries and Food (George Eustice): I beg to move,

That—

(1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 23 October) meet—

- (a) at 2.00 pm on Tuesday 23 October;
- (b) at 11.30 am and 2.00 pm on Thursday 25 October;
- (c) at 9.25 am and 2.00 pm on Tuesday 30 October;
- (d) at 11.30 am and 2.00 pm on Thursday 1 November;
- (e) at 9.25 am and 2.00 pm on Tuesday 13 November;
- (f) at 11.30 am and 2.00 pm on Thursday 15 November; and
- (g) at 9.25 am and 2.00 pm on Tuesday 20 November;

(2) the Committee shall hear oral evidence in accordance with the following Table:

TABLE

| <i>Date</i> | <i>Time</i> | <i>Witness</i> |
|--------------------|------------------------------|--|
| Tuesday 23 October | Until no later than 10.55 am | Nature Friendly Farming Network; National Trust; RSPB; Gilles Deprez |
| Tuesday 23 October | Until no later than 11.25 am | Farmwel; RSPCA; British Veterinary Association |
| Tuesday 23 October | Until no later than 2.30 pm | NFU; National Federation of Young Farmers' Clubs |
| Tuesday 23 October | Until no later than 3.00 pm | Country Land and Business Association; Tenant Farmers Association |
| Tuesday 23 October | Until no later than 3.30 pm | Food Standards Agency; Food and Drink Federation; Groceries Code Adjudicator |

| <i>Date</i> | <i>Time</i> | <i>Witness</i> |
|---------------------|------------------------------|---|
| Tuesday 23 October | Until no later than 5.00 pm | National Farmers' Union Cymru; Farmers' Union of Wales |
| Thursday 25 October | Until no later than 12.15 pm | Traceability Design User Group; Environment Agency; Rural Payments Agency |
| Thursday 25 October | Until no later than 1.00 pm | British Growers Association; Soil Association |
| Thursday 25 October | Until no later than 2.45 pm | Professor Erik Millstone, Professor of Science Policy, University of Sussex; David Baldick, Senior Research Fellow, Institute of European Environmental Policy; Vicky Hird, Sustain; Professor Terry Marsden, Professor of Environmental Policy and Planning, University of Cardiff |
| Thursday 25 October | Until no later than 3.15 pm | Unite; The Landworkers' Alliance |

(3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 22; Schedule 1; Clause 23; Schedule 2; Clause 24 to 27; Schedule 3; Clause 28; Schedule 4; Clauses 29 to 31; Schedule 5; Clauses 32 to 36; new Clauses; new Schedules; and remaining proceedings on the Bill; and

(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 20 November.

First, may I record our thanks to the Clerk who has attempted, at very short notice, to add some witnesses at the request of the Opposition? I should add that the National Federation of Young Farmers' Clubs, the Food and Drink Federation and the Groceries Code Adjudicator have said that they are unable to make it.

Deidre Brock (Edinburgh North and Leith) (SNP): I would like to make a point to the Minister about this. Regarding the witnesses, I was very disappointed to see that the National Farmers Union, Scotland had not been called in to give evidence. Given that the Bill is the subject of some dispute between the UK and Scottish Governments, it would have been appropriate at least to have Scottish Government officials down to explain some of the finer points of that.

George Eustice: The Scottish Government have not yet signalled that they wish to be part of the Bill. Indeed, our understanding is that they intend to pass their own Bill, which is why it was decided at the time that this Bill would not apply to Scotland. We now have a list of witnesses and a programme motion for the evidence sessions.

Ben Lake (Ceredigion) (PC): It would perhaps have been a good idea to have representatives from the devolved Administrations, given that the Bill will inevitably have an effect on each of the industries in turn.

Mr Robert Goodwill (Scarborough and Whitby) (Con): Does that mean, Chair, that when Scotland produces its Bill it will ask for evidence from English farming organisations? Is that the logic of what is proposed?

Deidre Brock: The point is that elements of the Bill affect devolved legislation and competencies, so it is appropriate that at least Scottish Government officials should be allowed to put those points across to us. As MPs, surely we want to get the full picture. The Bill is the subject of some dispute between the two Governments, so surely it is appropriate that we hear about that.

George Eustice: I do not really have anything further to add. The Bill is predominantly for English farmers and there is a schedule for Welsh farmers as well. There is a more limited schedule for Northern Irish farmers because the Northern Ireland Administration asked for a minimalist addition to enable them to continue to make payments.

As the Scottish Government have been clear that they do not intend, as things stand, to invite or ask us to add a schedule on their behalf, we have agreed the set of witnesses that we have. I have nothing further to add.

Question put and agreed to.

Resolved,

That at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*George Eustice.*)

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*George Eustice.*)

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room.

9.30 am

The Committee deliberated in private.

Examination of Witnesses

Martin Lines, Patrick Begg, Thomas Lancaster and Gilles Deprez gave evidence.

9.32 am

The Chair: I welcome witnesses to the first public sitting of the Bill. Before we start, do any Members want to make declarations of interest for the record?

Mr Philip Dunne (Ludlow) (Con): I draw the Committee's attention to my entry in the Register of Members' Financial Interests. In addition, I am a member and tenant of the National Trust and a member of the Country Land and Business Association, the National Farmers Union, the Countryside Alliance and the Woodland Trust, as well as of the Shropshire Wildlife Trust and the Small Woods Association. The Forestry Commission has a long-term tenancy of some woodland for which I have beneficial ownership.

Mr Goodwill: Similarly, I draw the Committee's attention to my entry in the Register of Members' Financial Interests, particularly my membership of the Country Land and Business Association and the National Farmers Union. I have a family farm in North Yorkshire of 250 acres, which we have farmed since 1850. We are currently engaged in a high-level environmental scheme on that farm.

Colin Clark (Gordon) (Con): Can I declare my interests? I am a farmer in receipt of the single farm payment. I am a member of NFU Scotland and an organic producer.

The Chair: I now ask the witnesses to state their names and the organisations they represent for the record.

Gilles Deprez: I am Gilles Deprez, the managing director of Greenyard Flowers. We are a farming operation in Cornwall specialising in the production of daffodils.

Thomas Lancaster: I am Tom Lancaster, principal policy officer at the RSPB. I lead a lot of our work on current and future agriculture policy.

Patrick Begg: I am Patrick Begg, outdoors and natural resources director at the National Trust.

Martin Lines: I am Martin Lines, UK chair of the Nature Friendly Farming Network and an arable farmer in Cambridgeshire.

The Chair: Before I call the first Member to ask a question, I remind all Members that questions should be limited to matters within the scope of the Bill and that we must stick to the timings in the programme motion that the Committee has agreed. We have until 10.55 am for this session.

Q1 Dr David Drew (Stroud) (Lab/Co-op): I welcome our guests. May I start with a general question—the most important one? What do you welcome in the Bill and in which areas do you think the Bill needs to be improved?

The Chair: I ask the witnesses to speak up, because the acoustics are not the best.

Patrick Begg: There is a lot to like in the Bill. There is a clear sense of purpose and a clear list of the kind of public goods that public money will pay for. There is plenty of intent and powers, but it is perhaps slightly light on duties—we might come back to that—such as the kind of things that we might want to see to nail some of the intent for the longer term. There is clear support for productivity during a transition, which farmers will need in spades as we make the adjustment to the new world of payment for public goods.

Generally, there is also a sense that we have a clear idea about what UK plc is contracting with our farming industry to provide for the long term, which is something that we have not had since about 1947 and the last Act. It feels like a positive step from my point of view.

Thomas Lancaster: I agree with a lot of that. We particularly welcome the intent to move towards a system of public money for public goods, for which we and others have been asking for a long time and which is integral in terms of meeting a lot of the challenges that we face—not just the environmental challenges, but the challenge of resilience in the face of environmental change, which will be essential for our long-term food security.

We also welcome a lot of the other clauses in the Bill, particularly around the powers to improve transparency in the supply chain. Better regulation of the supply chain and more transparency are essential to enable farmers to get a better return for the food that they produce. That is as important to this reform as the public money for the things that the market does not produce.

Similarly, we welcome the clear time-limited and defined transition. Again, that is really important in sending a signal to farmers about the change coming down the track so they have time to adapt to that. We would not want to see any extension to that transition because that would create further confusion as to what the future will hold.

Martin Lines: The overall direction of the Bill is very positive—public money for public goods is a great approach. Environmental goals and food production are not mutually exclusive but go hand in hand, and making farmers connect with the landscape and their food production joins the two together. We need a strong and transparent marketplace to reward us for the goods that we can produce, and we want strong direction from the Government and society about how they want to support farming and the landscape they want to deliver.

We have concerns about the details of the aspirations and how they will be delivered, and how we can ensure that farmers are rewarded for the environmental benefits and the practices that many have already been doing on their land and in their landscape. It is about setting the direction, with public support, of how that goes forward.

It is also about delivering basic environmental standards, and not just for those who want to receive what will possibly become the environmental land management schemes. How do we keep all farmland in good heart? That will deliver food security for the nation in the long term, so it is about having all our assets—our landscape—in good heart. Having higher environmental levels will give us food security for generations to come.

Gilles Deprez: I am not as knowledgeable as the other people here, but it is interesting to look at the focus on soil in the Bill. I am passionate about that, and it is crucial for us as farmers. I would not call myself a daffodil farmer; I would call myself an energy farmer who tries to capture as much energy from around us as possible and store it in the soil. The soil is a type of battery for us, so I very much encourage and like the focus on soil in the Bill.

What is also important for us—I am talking from my own experience as a farmer, which is limited compared with a lot of people—is that farming is a competitive industry. It is important to highlight that we are in a highly competitive industry. We are competing with a lot of people—not only in Britain, but in the rest of the world. There are very thin margins, and it is very important that we look at that.

One of the other things that I also saw in the Bill is innovation, which is maybe not highlighted enough. Innovation is crucial for the future: without it, we cannot go further. I have always been told at home that the knowledge that we have today is a culmination of experience from the past, but we need to look at what we will have tomorrow. We need to work on innovation in all different areas: in understanding the biology and

chemistry of the soil—I am not an organic farmer, but chemistry is very important—and in automation, mechanisation and other things. IT is also crucial for farmers. Innovation is very important.

We also need to ask how the Bill will work. It is very difficult for me to understand the Bill—it is the first time that I have done this—and the detail of it is not clear. I assume that that is normal for a Bill. In the Netherlands, we have certain systems where Government, research institutions and the industry are working together to find creative solutions, which is very interesting. If you look at the system where a small farmer or small holding company needs to make money to survive at the end of the day, it is very difficult to apply for certain schemes or to access all those things.

I think a way of working together with research centres, universities, Government and industry is quite interesting for the farmer. There are a lot of promising things about what the future could bring for trying to protect and regenerate our soils and building our natural capital. Without our soils, farming cannot flourish.

Q2 Dr Drew: I have one further question that follows up on that. Is it clear how the idea of public moneys for public goods is going to work in practice?

Thomas Lancaster: The Bill does not necessarily set out clearly how it works in practice as a framework Bill. We would like to see, for example, a clause that sets out much more clearly how public money will be provided for public goods in the long term. We think that the Bill needs to provide much more certainty about the funding cycle, how the quantum is arrived at, and how the funding is allocated between the four countries of the UK—that is a key area where we will look to improve the Bill.

In terms of how a public goods scheme could operate, we have in the UK 30 years' experience with agri-environment schemes. The first schemes were developed in Norfolk and then rolled out throughout Europe through the common agricultural policy. We are world leaders at developing agri-environment schemes, which are the blueprint for the public goods scheme that the Bill proposes. There is a huge amount of debate to be had over the next two or three years about how best to design the scheme in a way that works for farmers, the environment and the taxpayer.

Martin Lines: We understand it to be a framework Bill: much of the detail about how it will be delivered to farmers will come later. We in entry level stewardship and higher level stewardship know that we can deliver great stewardship. Some of the reward for that is not great. There are a whole load of assets on our landscape that many farmers can actually get better rewarded for—it is not just about how we manage the food production side, but how we manage our landscapes. Some farmers can get rewarded more for the landscape side and then get the food production from that, because they have limited capacity within that landscape to get financial rewards. It is about having a joined-up approach.

Patrick Begg: Tom makes a good point about the mechanisms that need to underpin this, which are around multi-annual payments. It is about being able to see something that goes beyond the political cycle. That is one thing that the common agricultural policy has actually delivered—some certainty and confidence in the farming industry in what they need to invest in. That is one of the things that we really need.

If we think about duties rather than powers, duties to create those multi-annual systems seem to me critical. There is also another obvious question, because a lot of this does come back to money, in terms of the quantum. We have done research that has demonstrated that just to deliver the kind of public goods that we have listed here would take at least £3 billion a year across the UK, and that was just updating what the Land Use Policy Group did about 10 years ago. There is a strong evidence base for the quantum, so it would be very useful if the Bill gave a duty to produce an independently assessed sense of resources needed, and if those were linked into multi-annual contracts.

There is also something about targets. It is a truism across loads of corporates, and non-governmental organisations—anyone—that you manage what you measure. If we can see some way in which these can be quantified, and some really stretching targets that could tie resources to those, that would be incredibly helpful. That sends a very strong signal to farmers about the confidence that Governments have in the things that we are asking them to do. It is all about setting that sense of confidence and clarity about purpose.

Gilles Deprez: For me, the Bill and the law are not very clear, so my honest answer to your question is probably, no, I don't know how it will work. I also do not have enough experience of the previous way of working with the common agricultural policy. What I do see from my limited experience is that we have different types of environment in the UK. For example, in west Cornwall, where I am, my average field site is about four acres. If I need to put, for example, buffer strips in my field around my hedges, I will not have any productive land left.

You cannot compare, for example, Cornwall with Lincolnshire or Scotland. It is very difficult to understand how it will work in practice. You are asking a lot more from a system than what it is used to in a certain way, to become more targeted and specific, so I think it will be a very big challenge to see how it will work in practice. That is my honest opinion.

Q3 George Eustice: The premise behind the Bill is that the long-term end stage should be that we move away from a system of arbitrary area-based subsidy payments to something where we first correct the causes of low profitability in farming, through things such as improvement in the way in which the supply chain operates, grants to invest in new technology, research and development, supporting structural change where necessary, but also properly rewarding farmers for the work they do for the environment. That is not necessarily on an income-forgone principle but on something that is genuinely rewarding that does not begrudge them making a margin in the way that the current pillar two schemes do.

I would like to know your views on whether you believe that is deliverable, if we rewarded the environmental outcomes properly to ensure that we had a viable model. What would that look like? What is your view on natural capital principles, in terms of pricing those options? Are there other things that you would like to do? Or do you believe that income forgone should be the basis on which we operate payments in future?

Martin Lines: It is a positive move forward. We know most farms have been doing some kind of stewardship and have had frustrations with the system, and that puts

a lot of people off. What we have got to think about with this scheme is can we deliver it in nine or 10 years' time, when it is fully rolled out, and add the focus of what we want in 10 years' time, and how we have got time to adjust to it.

Payments at the moment are attached to land. As someone who rents land, I give payments straight to my landlord; it is included on top of my rent, so it stresses my business. I often pay it out 12 months before I receive it from Government, so giving it to the farmer for the work he does, such as my stewardship work, rewards the farmer for his best practice, and keeps it within the farming industry, which can then use it in local communities, with contractors and various other parts. It cycles it round the local community in a better way.

Patrick Begg: I am definitely a fan of moving it towards a more outcomes-based system. In fact, we have been working for a couple of years with a group of our farm tenants in Wharfedale in Yorkshire to understand exactly how we might establish an outcomes-type measure. It comes with a bit more risk, because some things are lag rather than lead, so it takes a while to mature your outcomes. We have to relax into that and understand that if people are doing the right thing, good things will flow at the end of it. That requires us to have a really good system of land management planning locally, but the critical thing we learned from our outcomes project in Wharfedale was about the quality of conversations and the sense of shared endeavour. If you set a destination, allow a farmer really to have agency over the route for getting there, and give them flexibility to do things differently, try things, and work with the skills and rhythms of their farming business, you get a much better sense of engagement.

It takes time and requires individuals who have trusted adviser status. For example, if ecologists talk to farmers, they learn about each other's world and then they come up with a good answer, which makes a massive difference. That relationship has a huge gearing effect on the quality of the stuff you get at the end of it.

There are technical, mechanistic things that we have learned about what kind of measures work for pollinators, soil, etc. It is now perfectly possible to measure them and account for them. The trick, without this becoming massively bureaucratic, is for the people managing the land to have a sense of delegated agency. We use the farm tenants as our eyes, ears and monitors, and get them to report back. It really turns them on. We have had enthusiasm and a sense of joy creating the kind of things that we as a conservation organisation were looking for. It really worked within the framework of their developing businesses with extensive livestock in some quite sensitive upland areas. I am a great fan. I think it is perfectly possible, and we have got lots of evidence about how it can be done.

Thomas Lancaster: On the point about income forgone and payments, we regard income forgone and costs as a good starting point, but it is flawed in that it does not adequately incentivise the most profitable businesses, and it does not adequately reward the least profitable businesses, particularly in terms of farmers farming in places such as the uplands, which are inherently economically marginal. We encourage Department for Environment, Food and Rural Affairs to start there, then look at where we need to go in terms of building in that reward—that adequate incentive or fair return, which is how some officials talk about it.

On Wharfedale, the uplands and the public goods that those non-economic farming systems can provide, rather than just look at the cost of an individual intervention, such as managing a hay meadow or some other species-rich grassland, do you look at the whole-farm system as a cost? Rationally speaking, it is a loss-making business, and it would not necessarily be rational to run it without some form of public support. If we want to keep that sort of marginal farming going to secure outcomes for curlew, black grouse and other species that depend on it, we will need to look beyond income forgone, in terms of building an adequate and fair return for those environmental outcomes.

Like Patrick, we are big supporters of results-based and outcomes-based payment schemes where they can be shown to work and be proportionate. We think there is scope for continuing action-based payment schemes, where you pay based on the action. Similarly, we are big supporters of natural capital, particularly in assessing the benefits that a future policy based on public goods can provide. We know from previous economic studies—one looked at sites of special scientific interest—that for every pound spend on investing in SSSIs, you get £8.56 back. There is huge benefit to investing in the natural environment not just for society but for farmers, in the benefits you can get from pollinators, crop pest predators, arable systems and more resilient grassland management in lowland and wet grasslands. The places that were managed more extensively in Somerset after the floods recovered much more quickly than other more intensive systems. We are really evangelical about the benefits of a public goods approach, not just for society but for farmers, and a payment system that builds in a fair return will be a key part of that.

Gilles Deprez: The practicality will not be easy. It will be a long journey. It will depend on the people; every farmer, or land manager, has a different mentality on implementing it. To give an example of one of the things that we are trying to work on as an operation, because we are also a tenant, we are fortunate to have the Tregothnan estate, where we are working, as one of our landlords. One of the questions was, do you think that you should value natural capital? We are working on that. We are working on a tenant agreement, which is in place at the moment, where natural capital has a financial value.

It is a bit difficult to define it, because what is natural capital? You need to take a very holistic approach. At the same time, it needs to be very simple. We brought it back to soil, because it all starts with soil. We tried to value the difference between good and bad soil. We are still working on the exact parameters of what it means, but the moment that something has a financial value, people respect it. That was the idea that we had. We are still in a very early stage, but it is quite promising to see what is possible.

If something has a financial value you can create an asset with it. At the same time, you can create a liability for whoever is doing it. The whole principle is that the landowner has the asset of the land, but everything that we are trying to do in terms of increasing the natural capital on that farm is our property, because I, as the farmer, did it—I tried to increase it, or decreased it. It is a very difficult concept because of the competitiveness of farming. We need to ensure that that model is not breaking farmers, because farming is very competitive.

You have to find a fine balance. With the Tregothnan estate, we tried to develop it further, but in a very down-to-earth way, so that we are not breaking the idea or the system. It is probably too early to implement it today, but there is potential.

It will require a lot of effort, and many farmers will need to be part of that transition. It is not something that you do overnight. If you take on a farm that is depleted, or where the soil has gone, it takes years, and a massive amount of capital, to rebuild it. That is very hard in a very competitive environment where you need to have a good crop again next year, and a margin to reinvest in your farming operation. It needs to be built over a longer period, and you need to have that long-term strategy as a farmer to do that, which is not always easy—far from it.

Q4 George Eustice: My second question is linked to that. It is about tenant farmers, and their ability to access the scheme. Obviously this is an agriculture Bill. Although the first clause is predominantly about payment for public goods in the environmental sense, the objective behind the Bill is to encourage more sustainable farming. We want to ensure that tenant farmers who may have shorter tenancies are able to access that.

I wondered what your thoughts were about the design of that. Mr Begg, obviously at the National Trust you are a big landlord. I know, Mr Lines, that you run schemes now on tenanted land. Mr Deprez, you are a very large agri business that rents lots of land. I wondered whether you had thoughts on how the schemes should be constructed to ensure that tenant farmers can access them.

Martin Lines: They have to be done in a way that works with the landlord. The landlord's best asset is his soil and his fields. I entered into countryside stewardship, with my landlord's permission, and explained to them the best ways of using the landscape. There are bits of the land that are unproductive in certain fields—awkward corners where machines do not fit. How can we get the best resource out of the land, by putting it into trust stewardship and using the landscape and those farmed fields in the best way possible? It is about working with landlords and tenants and having that vision forward, rather than having landlords just renting the land for the highest price. They have got to understand that it has got to come back to soil.

How to be rewarded has to come down to soil, so that when you are finished being a tenant you pass on your asset in better health. It is the same as a farm owner: when I hand it over to my children, if they want it, I want to hand it over in a better state than when we got it. Unfortunately, I have inherited it in a poor state, because past policy has encouraged environmental issues: hedges and things have been taken out and our soil has not been great because it has been overworked. Once you start realising what is happening, it is about having a strong, true asset that we can keep as a society for future generations.

Patrick Begg: I would make a couple of observations. First, it has always been the case with the National Trust—and we would support this more generally—that at least 10 years for a tenancy agreement is the right place to start, and possibly longer if we can do that. In fact, once you are in, it is like a good marriage; why would you break that up? These relationships need to endure. Our best relationships are the longest-term ones, for sure.

I am not sure that the Bill is the place where we can deliver a lot of that stuff. Clarity of purpose, and knowing what payments are available, is really vital. That would align closely with what we would wish to have from our agreements. We are very keen that our tenant farmers enter into agri-environment schemes, as now, and we would be very keen for them to enter into future ones. Certainly, for business viability and a thriving long-term tenancy relationship, that opportunity for tenants to get into the scheme is vital, so that is where we should be training our sights.

As to mechanisms in the Bill, I am not sure that there are any that could necessarily be put in. I suppose we are things that might come out of the mechanics, around the design of things such as environmental land management schemes. We have whole-farm plans and produce documents—particularly when we let a farm, for example—about where exactly we think the outcomes might sit. Then we have a really good discussion with prospective or new tenants about exactly how they can deliver that. We are also very flexible about working with them and their business, to help them to be profitable within it. Tom has made the point a number of times that profitable farm businesses are critical for being able to deliver great environmental outcomes as well.

Gilles Deprez: I definitely agree with that last point. Where is the balance? That will depend from area to area and farmer to farmer; but having the right balance is very important in the short term, because at the end of the day we need to go through the seasons and be profitable. For example, what we have seen over the last year was incredibly tough for a lot of farmers, ourselves included.

You are confronted with weather events that are unreal. That is something very strange; I am a big believer that farmers are already paying the bill today of climate change. If we have a very bad season, a farmer needs to pay for that. Farmers already have a lot of pressure on them and climate change is part of that. Having a balance is very important, but difficult to define. We need to make sure that farmers are profitable in the short term but also work on the long-term goals. That balance is not always easy to find. I see it myself as a farmer. Sometimes I think, “I wish I could have done it like that,” but you know it is impossible. Step by step, you are building and trying to do things a little bit better than you did them yesterday.

The Chair: I have a long list of Members who want to ask questions. Could I ask that both questions and replies are pithy, so we can get as many people in as possible?

Q5 Kerry McCarthy (Bristol East) (Lab): I have a couple of questions. They are a little complicated but I will try and make them brief. It is difficult to get your head round the economics of it when we do not know how each public good will be rewarded. I know some people have expressed concern that some farmers might cherry-pick one or two of the public goods and do that around the margins of their land, but compensate for the loss of direct payment by becoming more intense and more industrialised—a bit like what happened in New Zealand, where they did not have the compensatory public goods regime. What are your thoughts on that? How would the economics of that work out for farmers and will most of them be persuaded to go down the public goods route and do more on that front?

Martin Lines: There are a number of farms with productive land, especially with the silts in the fens. They may concentrate and be more productive in the middle and just have the stewardship round the outside, but that is fine. There are other areas where it is more about the whole of the landscape. If each farmer has to do an ELM scheme to receive some money, it is about a whole-farm approach—all your soils and all your assets—not just the non-productive and productive bits.

Kerry McCarthy: At the moment, it is individual public goods. There is nothing that deals with whole-farm systems, such as organic, pasture-led livestock. Do you think that should be in the Bill?

Martin Lines: It should be a whole-farm approach and a whole-farm plan and it should connect soils, environment, health and everything else with where we get food production. It is not joined up. We have stewardship and production. They have been two separate payments—two separate deals. We need that linked back together and we need to say that from a good environment and from good soils, we will have food security for the lifetimes of generations to come.

Patrick Begg: On that point from Martin about integration, you are right. Dovetailing production and environment is what we are all after; it is at the heart of this. It is encouraging to see the mechanisms for this emerging around land management plans, as the underpinning for delivering finance through the environmental land management scheme. Integrating it feels like the right way to go, as long as the land management plan is not just about the public goods but also about the productivity. They need to sit within that one mechanism in order for them to gear properly against each other. On whether it will be more intensive in the middle of some farms or fields, it might be but that is okay.

This brings to mind my recent visit to the Raveningham estate in Suffolk, which is doing some extraordinarily good stuff delivering the public goods in this Bill brilliantly, with huge dripping hedgerows weeping into the fields, and right in the middle, 12 tonnes a hectare of high quality wheat being produced. They have reconfigured the whole farm to make the movement of machinery more sensible, so that fuel costs are massively down. In that way, they reduce input costs in order to be able to do that kind of farming.

Kerry McCarthy: What was the name of the farm?

Patrick Begg: The Raveningham estate, which is the Bacon family. There is a fantastic estate manager there called Jake Fiennes, who has been doing this for 15 years and has produced amazing results. If you want to see an example of what productive farming plus public goods looks like in the lowlands, that is a great example.

Thomas Lancaster: That example points to the idea that you can improve your profitability in some respects by going down the direction of travel the Bill has set out: by removing or reducing spray and drill overlaps, by taking out awkward and unprofitable corners, and receiving public payments on those areas for delivering public goods by creating habitats such as wildflower margins. In turn, the evidence increasingly tells us that they can improve yield and further improve profitability by creating habitats for pollinators and crop pest predators.

A study in 2015 by Pywell et al from the Natural Environment Research Council's Centre for Ecology and Hydrology highlighted that even when you took 8% of land out of production in an arable system, there was no net loss of yield for cereals such as barley and wheat because you had a lot of crop pest predators in the system, and there was a 25% increase in yield for field beans—a flowering crop—because of the sheer abundance of pollinators.

Martin Lines: We have done the same. We have seen the benefit. We took 12% out of production into environmental measures and squared fields off where the pollinating margins are to see a 20% yield increase. There is a system there but we have not been able to use it. It can be done.

Thomas Lancaster: Even in the uplands, we have been doing some work recently to look at the economics of those systems, and similar work has been done by others. What that is increasingly showing us is that in an inherently uneconomic farming system, where you are losing money per head of livestock, often what you would do through a stewardship scheme is to reduce the number of livestock. You would not remove them—it is still noticeably and obviously a farm—but if you reduce the number of livestock, and maybe look at adding value and supplying into local markets and short supply chains, the profitability of that underlying agricultural operation can be transformed.

What we are increasingly seeing from the top of the hill right down to the bottom of the valley is that it is not either/or. The economics of a farm operation can be massively improved by engaging in and going down the route of focusing on public goods, as well as on good quality food production.

Gilles Depez: It is not that farmers are cherry-picking just to take the best advantage out of it. In certain areas, it is just not possible. To use the example again of Cornwall, field margins do not make sense for our operation if we are talking about fields of one acre or less. We have a lot of hedges, so we already have a very strong natural environment. Sometimes it does not make sense for a certain environment or a certain type of business to do certain things. That is why you get cherry-picking in certain areas, I assume.

What is important is that productivity needs to go up. We need to be more productive. We need to do a lot more with a lot less, but we need innovation for that. For me as a farmer, that is very important. I might be a little scared about it as well. If there is no innovation and we are not going forward and there is no balance in the short and long term, you will lose out on a lot of things. Innovation should be central in everything we are doing to increase yields. Building fertility and soil fertility will help with certain things. Innovation is very important.

Q6 Kerry McCarthy: My second question is whether the Bill is strong enough or gives enough clarity on the regulatory baseline. Public goods should be rewarding going above and beyond what is legally required, but we will lose the cross-compliance element of CAP. How do we ensure that farmers are rewarded for doing the extra things and also enforce the people required to do the standard things, such as ensuring the water supply is not being polluted or whatever? This is your baby, Mr Lancaster, isn't it?

Thomas Lancaster: For us, that is absolutely essential. At the moment, the Bill is a bit silent on that. We are told by civil servants that that is because there is this ongoing review by Dame Glenys Stacey looking at the future of farm regulation and inspections and that they will look to another Bill in the future to provide the powers necessary to secure that regulatory floor or foundation. We will be looking for assurances from Ministers and the Government about that regulatory baseline, because without that foundation, you do not have anything to build from in terms of your public goods policy.

For the progressive farmers, such as Martin and Gilles, who want to go out and restore natural capital and provide those public goods for society, it is absolutely critical that they are not then undercut by those looking effectively to go for maximum profit, regardless of the societal and environmental cost. We think that there is a really important case to be made for the importance of fair, proportionate, but effective regulation. That is not just about having the right rules in place, but having skilled and knowledgeable staff who then go out and enforce those regulations.

There is a lot of talk about advice-led regulation. That is about not just going out with a stick and applying penalties straight away, but going out and advising farmers and working with them to help them be more compliant in future. We would support that, but that needs investment from Government in the necessary resources. A recent report from World Wide Fund for Nature highlighted the fact that the Environment Agency only has enough capacity to inspect 0.5% of farms in any given year. It has about 40 inspectors who go out and look at how farms are performing on water quality and soils, and that is not enough to secure that regulatory foundation. It is also not enough to ensure a fair and proportionate inspection process for farmers, because those inspectors only ever have enough time to apply a penalty and go, rather than work with the farmer to help them comply with regulation in future.

Gilles Depez: Knowledge is also very important. My crop is completely different from his crop, so the way we work with land, or the way we prepare our land, is completely different. For example, with my daffodils, the bulb is underneath the ground. I need to make sure that I do proper land preparation, which means soil disturbance. In a certain way, that is not ideal, but it would be a lot worse if I did not do it. Why? Because then I leave your daffodils in, and the moment I harvest the bulbs, I take all the soil out and all the stones away. The preparation for how I do certain things is completely different from what someone else is doing.

Crop rotation is crucial, but every crop has different demands, so knowledge, innovation and looking at new ideas are crucial. There is not one solution. We need to have an holistic view and look at all the different parameters to make sure that it can work, because a potato farmer has completely different demands from those of a daffodil farmer, a vegetable farmer, or a wheat farmer. They use completely different practical elements. The ideas and the principles are probably the same—working with the soil and trying to minimise the damage—but again, that balance of short-term and long-term profitability is important. If we focus too

much on the long term in a certain way—and I know it sounds ridiculous—we might become bankrupt tomorrow, and then there is nothing.

Martin Lines: On environmental standard supervision, I cannot see that enforcement. There are base standards already out there, but how are they going to be enforced, and in which Bill? We want some clarity now, not an environment Bill coming later, so we as farmers have a clear understanding of where it lies. We want to keep the land in good heart. Previous Bills have been about keeping our natural assets in good heart for future generations. Where is that?

This goes back to short-term planning. There are a number of farms with short-term tenancies and short-term views: taking as much out of the land as possible today, with consequences for future generations. We need that bigger, long-term planning and a long-term view. It comes back to the landscape plan again: understanding what we have, with local variations of management systems for different parts of the country and the different crops we grow. As our consumers change their buying habits and as the climate changes, we may need to adapt our farming systems to produce different products. We need a land management plan that we can adjust to fit that change of cropping.

Patrick Begg: One thing to add, which we should not forget, is the stimulus that good regulation—and I mean good regulation—means for private sector investment and innovation. There are plenty of examples where regulation provokes quite a lot of clever thinking about what could be done. Someone said to me the other day, “Remember when the car industry was faced with having to put catalytic converters into everything?” There was a huge outcry: “We cannot possibly do that. It is going to put thousands on the cost of cars.” Within five or 10 years, it cost about £20 to put a catalytic converter into a car, and there was an industry around it, so jobs and growth came on the back of it.

There is a comparator with what can be done in agriculture. I see firms such as Nestlé investing premiums in their dairy farmers in Cumbria to meet regulatory baselines around water. There are already upstream supply chain businesses that recognise long-term resilience, but need that nudge of the regulatory baseline for that investment to be freed up. It is good for the farmer, good for the people using the drinking water downstream, and certainly good for Nestlé.

The Chair: Before I bring in Simon Hoare, we have eight Members who still want to ask questions, so again, can we keep the questions short? I also respectfully ask the witnesses to keep their replies short and concise. That would be great.

Q7 Simon Hoare (North Dorset) (Con): What is the principal purpose of agriculture?

Patrick Begg: It is to grow food long term and look after the natural assets that it stewards.

Q8 Simon Hoare: Principal purpose.

Patrick Begg: I do not think they are divisible. You cannot have long-term food production without a healthy, thriving well-stewarded natural environment. The Intergovernmental Panel on Climate Change report from last week is a wake-up call about the kind of challenges that we have

around land-management resilience. Certainly people in Martin’s network and many other farmers I meet absolutely recognise that it is a long-term game, and for a long-term game you need long-term assets in good health.

Martin Lines: Food is important for all of us. We eat it every day and we farmers produce it. It is one of our key assets. The issue is how we produce it for the long term. If we talk only about more short-term production, that will not give us long-term food security. Also, we are wasting up to 40% already. Do we need to produce more or should we educate people to use more of what they produce? We need a change of system and a change in society to recognise the food that we produce and how to consume it well.

Thomas Lancaster: The principal purpose of agriculture is to produce food in a way that does not undermine the capacity of future generations to produce food, but I would differentiate between the principal purpose of agriculture and the principal purpose of agriculture policy, particularly payments. From our perspective, clause 1 is really important in terms of securing the things that the market does not provide, such as environmental land management, better water quality, and carbon storage and sequestration: the sort of natural capital that food production in future will depend on. The clauses around data collection, producer organisations, and regulation of the relationship between farmers and the first purchaser of agricultural products are all absolutely integral to the success of the Bill in enabling farmers to get a better return from the market. To me, that has been lost in some of the debates about there not being enough agriculture in the Bill, because that is a reading just of the first two or three clauses, which are about public money. Agriculture policy is about a lot more than public money. We need to have a much broader debate about what the purpose and structure of future policy is.

Gilles Deprez: I am not a food producer.

Simon Hoare: No—daffodil bulbs are poisonous if you eat them.

Gilles Deprez: I have never tried to eat them.

Simon Hoare: Don’t!

Gilles Deprez: With horticulture, I need to make money. I need to run a profitable organisation. Without being profitable, I cannot survive. I agree with the long-term views, building fertility and working in harmony with nature. I have never met a farmer who said, “Gilles, today I will spray and kill all the birds on my farm.” We do not need those farmers. I have never met that farmer. Farmers are custodians of the land and are working to the best of their ability to try to do that, but at the end of the day we need to make sure that we are profitable.

With flower production, perhaps I am not impacting on someone’s physical health, but I influence their mental health. Our ambition is to make sure that people live healthier lives and enjoy access every day. We need accessibility. It is a bit of a paradox sometimes because accessibility means in a certain way affordability, but within our slow margins, if I had to show my balance sheet or my profit and loss to a technical or IT company, they would laugh at us. They would say, “Why are you working seven days, 24 hours a day, for that small margin?”

Q9 Deidre Brock: I do not know whether you have had the chance to read the report on the Bill by the House of Lords Delegated Powers and Regulatory Reform Committee, but it is pretty scathing. It describes it as a skeleton Bill and refers extensively to its lack of detail. It states:

“The central purpose of the Agriculture Bill is to provide a framework that confers on Ministers extensive powers...with correspondingly few duties...exercisable indefinitely and without sunset clauses. They include...the ability to create criminal offences punishable by up to two years’ imprisonment”.

What areas of your organisation are you most concerned about, in view of the extensive powers that Ministers will have under the Bill and the lack of detail that the report criticises so heavily?

Thomas Lancaster: I am not sure that I have any particular concerns about our organisation as such, but we do have concerns about the lack of duties in the Bill. We think that that is a big gap.

Q10 Deidre Brock: Can you give us some examples?

Thomas Lancaster: Yes. We want to see a duty in the Bill to have an environmental land management scheme in England. At the moment, it provides the powers for that, but there is no certainty about whether Ministers will choose to use them. That is one of the few backward steps from the common agricultural policy, which through its rural development programmes requires member states to have an agri-environment scheme. Because of that requirement, there are four agri-environment schemes across the UK.

A second duty that we have called for is an annual assessment of the funding required, particularly to meet the purposes in clause 1. A third is for current and future Ministers to use the powers in the Bill to improve transparency in the supply chain and strengthen the position of the farmer in it.

Patrick Begg: I back up what Tom says. I am not sure that our organisation is worried about the powers, but we will certainly be asking for duties to fill the gaps, such as a duty to create multi-annual payment settlements. That is not exceptional; the Highways Agency do it and the Environment Agency do it for flooding. It is a question of creating confidence and certainty within the farming industry that it will stick and that people can invest with confidence. We would also wish for a duty to get an independent assessment of the quantum of money required to deliver the aspirations set out in clause 1.

Martin Lines: There are lots of powers in the Bill, but the concerns for farmers in the network are about who can use them and how, and what triggers them. Some of those powers should be duties. It is about the long-term view of how we need to manage and be managed as farmers.

Gilles Deprez: My two main concerns are about points that I have highlighted. The first—I am not sure whether it is right or wrong—is about being competitive, not only with UK farmers but worldwide, because we are a very fragmented market.

My second concern is that innovation is not really highlighted in the Bill. In chemistry, for example, there is a kind of mutual recognition: if one country recognises something as an innovation, it goes through the system

a lot more quickly. I do not see that in the Bill. We must not block innovation; it needs to be key in business, in order to look at the future and be competitive.

Q11 Colin Clark: ADAS produced a report in 2016 that stated that a

“‘Public Money for Public Goods’ approach...would be a radical change and one that would certainly need to be tested for efficacy before adoption.”

Do you agree that the seven-year transition will be adequate for testing? We have heard from Mr Lines that people already have good practices. Is seven years enough time to activate a policy, considering how long it takes to grow hedges, trees and cover? Or will we have to come up with policies like those that you are already using, Mr Lines, on your farm? Patrick Begg, you mentioned the public good.

Patrick Begg: Yes. Seven years is actually a little bit longer than we have called for, but I can see why that was done; the last thing we need is a cliff edge. If you think about it, it is in fact 10 years from now—a seven-year transition is effectively 10 years from today, give or take a month or two. If you consider change programmes—this might be one—generally speaking, you need to get going with stuff, and the sense of urgency is a good stimulus for things to happen well. I think the balance of seven years is probably about right in the end.

DEFRA has a programme of tests and trials work that starts next year. That will start to land on the ground, and we will be able to test mechanisms. On seeing outcomes, we have plenty of evidence of the things that work; I do not think we necessarily need to test the outcomes. We know how to deliver the things that have been set out in the Bill; the issue is just the mechanisms by which the farmer is adequately supported to make the change and to deliver those in an effective way.

Q12 Colin Clark: This is a question for Mr Lines. I am a practising farmer myself. There have been EU environmental policies that have not worked: the three-crop rule ended up being quite damaging, and even set-aside created an enormous weed bank. Are you satisfied that we will avoid those mistakes?

Martin Lines: I am only satisfied if we are going to engage as farmers and have input into how this will be managed. We want practical farmers engaging in what will be the land management plan, and in what we can achieve. Through stewardship in the last 20 years, we know what can be done, what cannot and what does not work in different areas. The network has a whole number of farmers—me included—who want to get out of the current system as quickly as possible and move on to the new system, because it just does not work for my farming business. It is over-bureaucratic. It measured down to 10 cm around the edges of my fields. Let us have a holistic, balanced approach to how we produce stuff; let us have the environmental measures around the outsides or in different parts of the field that fit my farming system, and let us be flexible on how I want to deliver that farming system—and let us, hopefully, be rewarded well for that by the marketplace for the food I produce, and by the public payments for the other areas. Ten years is plenty long enough for me to get on with that.

Thomas Lancaster: I would agree that the timeframe in the Bill is enough from our perspective. It is welcome that that timeframe is in the Bill. Once it is set, we just need to stick to it, because if we do not, we will get this sort of Brexit drift—there is so much other stuff going on that the temptation will be to kick the can down the road, which will not serve anyone's interests.

We would like to see a bit more policy richness and detail around the transition, not just on the time and the piloting of land management schemes and how the public good element is going to be provided, but also on how we can transition to a sector that is more market-facing, more profitable and more resilient to market fluctuations. Importantly for us, there are sectors where there is no real culture of thinking about profitability first. The evidence pack that came with "Health and Harmony" showed that there were whole sectors where business planning was down at 17% or 18%. We think there is a role for the Government and for the sort of active state that the Prime Minister has talked about, in terms of investing in business and skills advice, knowledge exchange, research and development and those sorts of areas through the transition, to enable farmers to get to the point where they get a market return for the food they produce, and also a return from public payments for the non-marketable services and goods that they provide.

Colin Clark: Thank you.

Q13 Jenny Chapman (Darlington) (Lab): For better or worse, you have operated within a framework guided by the European Union for as long as probably all of you have been in the business. You have talked about mutual recognition and standards. Do you think the Bill could be doing more about not just undercutting within the UK, which you have talked about, and within different nations of the UK, should they choose to take different paths on some issues, but also about undercutting from overseas imports in the future? How significant a risk do you see that as being, and do you think this Bill is doing anything that could help relieve that anxiety?

Patrick Begg: I would say it is a very significant risk. You would find cross-sectoral agreement that more needs to be done—probably in the Trade Bill—around ensuring that imports do not undercut the environmental standards we already have and are talking about cementing for the future. Without that, it is a huge risk.

Martin Lines: Trade deals are going to be massive. We do not just want to have high standards here and export our environmental footprint; we want to be leading here, exporting those high standards, and buying produce from abroad that matches those high standards. There is a lot of concern around that.

Thomas Lancaster: I would agree, certainly on international trade, standards and imports. As Patrick says, we are speaking with one voice with the National Farmers Union and the Country Land and Business Association and other farming and food organisations on that point. In terms of UK co-operation, agriculture is a devolved policy, and it is right that individual devolved Administrations should have the flexibility to develop policies that are right for their country. We would like co-operation on issues such as how those policies are designed and how we can prevent market distortion. From our perspective, environmental challenges are transboundary—there are shared catchments that

span borders within the UK—so how will we secure environmental outcomes across boundaries through future agriculture policy? That is a huge unanswered question.

Martin Lines: I would like to see the Government leading the way in procurement of their own food. Governments throughout the UK buy huge amounts of food. Where are you setting the higher standards in trying to procure that food locally and sustainably, and leading the way? That sets the direction for the rest of the public to follow.

Q14 Mr Goodwill: Talking of public goods, we have been talking almost exclusively so far about environmental enhancement, but there is one public good that many members of the public would like to see: better public access. That can of course produce conflict, particularly with some of the environmental objectives. Indeed, one of the best bird habitats that I have seen was the oil refinery at Immingham, where not only were there lots of things for the birds to perch on, but the public—and their dogs in particular—were excluded. Do you think we can get the balance right? Do you think public access should be part of this, or if we are to encourage ground-nesting birds such as curlews, do we need to ensure that we do not have as much public access as some would perhaps wish?

Patrick Begg: We live and breathe this every day. This is at the heart of what the National Trust does. It is always a balance, and there will always be trade-offs. There is no blanket policy that you can apply here, but I think we would all agree that more public access that allows people to get the spiritual and physical refreshment that our countryside offers is absolutely critical.

The Bill is incredibly welcome, in that one legitimate area for public investment in future will be increased public access. I could not agree more strongly with what has been done in the Bill on that. Sometimes we can find small examples of disturbance where people and wildlife do not match up very well, and think that it is a universal problem. I think it is not universal. Our experience is that there is a large amount of open countryside in which people can happily co-exist with wildlife. There will have to be some careful thought put into how we make sure that the interface between people and livestock works. Dogs and livestock can be problematic—let us be honest. Again, we have methods for dealing with that. There is public education. It is interesting that the countryside code has gone off the agenda and no longer gets talked about. That can be revitalised, and people can be made to feel engaged in their countryside and feel that they have a shared responsibility for what happens out there, not just as users, but as people invested in it.

Martin Lines: On public access, it is good for people's health to get out into the countryside, but it needs to be managed because of dogs and the health and safety aspects of people walking around on farms. This is also about access to information. Hopefully, we can deliver environmental land management plans to let the community have that knowledge and make it publicly accessible. The community around me can access what we are delivering as farmers, and put it on their community pages, so when they use the countryside and the footpaths, they understand what we are delivering.

As an industry, we can communicate positive messages, and talk about some of the trouble and hassle we get from public access, how people can use the landscape,

and the food and public goods that we produce. That should connect back to society, because much of society is disconnected from what the landscape is used for, the food and animals that are used, and the threats that can come from wandering around nesting habitats or letting your dog run free.

Thomas Lancaster: Access is a good one to talk about, in terms of thinking about how you can have a holistic approach to securing public goods and food, with a solid regulatory foundation. We would not want farmers and landowners to be paid to keep rights of way open. That is a legal requirement, so you would not pay for that through public payments. What you might do is to pay for permissive access where it makes sense to join up rights of way, and where there is a real desire to connect one part of the local community to another part, but currently there is no path to do so. The farmers we work with are almost always passionate about educational access. They really love the support for it that they get through current schemes and agreements.

There will be instances where access is not suitable for biodiversity reasons, or on a Ministry of Defence firing range or whatever. That points to the need to have really good advice and guidance when we develop future schemes, to enable whoever is putting together the land management contracts to do so in a way that balances all the public goods and secures the best net outcome from any given farm or area of land.

Gilles Deprez: My knowledge is not good enough for this question. It is important to have public access. From what I have seen, we have a lot of public footpaths in Cornwall, for example. It is not always easy, to be honest. If you have a public footpath that goes across the middle of your most productive area of land, it is not easy, but we are already doing it today.

Q15 Ben Lake: Some organisations have questioned the legality under World Trade Organisation rules of schemes that would pay for the delivery of public goods, as opposed to those that compensate farmers or other land managers for costs incurred and income forgone. Do you recognise those concerns regarding, I think, annexe 2 of the agreement on agriculture? Quite simply, should we also hold those concerns?

Thomas Lancaster: Generally speaking, we are of the view that the World Trade Organisation agreement on agriculture provides pretty much all the flexibility that you would want to develop pretty much any public payment system that you would want. Some of the concerns that have been expressed are about whether paragraph 12 in annexe 2 of the agreement, which limits payments for environmental programmes to costs incurred and income forgone, limits the ability to provide a fair return, but even within the common agricultural policy, there are examples of other member states that have gone much further and have paid more for those environmental benefits. That is within the CAP, in which the Commission sets some stringent guidance about how member states' managing authorities can calculate those payments. When we move away from the CAP, there is nothing in the agreement on agriculture that stipulates how you should interpret costs incurred.

In hill farming operations, the income is very low. Some people have expressed the concern that that would mean that payments for environmental benefits would

be low. Actually, if a whole hill farming operation is loss-making and a cost to an individual, you can interpret that as a cost incurred, and you can effectively pay to secure that ongoing management, and then tweak that management to secure specific environmental benefits for curlews, water quality, flood risk management or other public goods that you might secure from an upland farm. We are of the view that there is huge flexibility in that.

Even if you were to declare your public payment scheme as green box, and you have done some pretty imaginative interpreting of the rules, you would still have the aggregate measure of support—the amber box—sat there as a sort of hedge against any challenge that might come from another member of the WTO. It has been blown up into an issue, but is a bit of a red herring, really, in terms of how we might go about developing future payments and providing an adequate incentive for the public goods that the Bill lists.

The Chair: We have 10 minutes left, and three more Members want to ask questions. Unless anybody really wants to say something, we will move on.

Martin Lines: WTO rules are for DEFRA and the Government to deal with, not farmers. It is your problem. If you are going to design a scheme that will not work because of the WTO, do not do it.

Q16 Nigel Huddleston (Mid Worcestershire) (Con): I will target this question particularly at you, Mr Lancaster, because you have mentioned this area several times. Clauses 12 to 16 of the Bill focus on data protection and data sharing, with a view to increasing transparency in the agri-food supply chain. In practical terms, how will that transparency help, and how can we avoid making the data collection too burdensome on, for example, farmers?

Thomas Lancaster: I mentioned it recognising its importance, as opposed to being an expert on it, given that I am from a conservation organisation. This is not just about the data collection; from our perspective, if anything, some of the other clauses about first purchases and producer organisations may be more important. I can see that there would be concern about some of the data collection. The Government might get a bit carried away in terms of what data they collect, so there should absolutely be a principle underpinning that. The Government should ask only for data that they will actually use, and data that will further their aim of improving transparency. They should have to be really clear about why they are asking for that data.

On how the powers in the middle of the Bill can improve transparency and the position of farmers, if you take producer organisations as an example, in the Netherlands there is a huge culture of co-operation in farming. That is really lacking in farming in the UK. The powers in the Bill create producer organisations in which farmers can work together to manage supply, market their produce, add value and, effectively, cannibalise some of the roles in the supply chain where a lot of the profit sits. That is how you can return more of the profit back to the primary producer.

Similarly, on the first purchaser of agricultural products clause, we know anecdotally and through reports of the Groceries Code Adjudicator that there are many instances where farmers are not treated well by the first purchaser. At the moment, the GCA extends only to retailers,

whereas that clause would effectively extend that regulation of the supply chain—of that commercial relationship—to all farmers who sell their products. In better regulating that relationship, you can do things such as ensure that farmers are paid within an acceptable timeframe, which effectively strengthens their position in negotiating a price for their product with whoever buys it first.

Q17 Mr Dunne: Mr Begg, as one of the largest landowners in the country, do you think that the proposals over de-linking, which might allow residual payment over the transition period to be paid up front to facilitate a retirement or some such, are in practice likely to be applied by any of your tenants, and what does it leave for the continuing tenant if there is no transition funding available for subsequent years?

Patrick Begg: Will it be attractive to some of our tenants? I suspect that it will. There may be lots of reasons for that, which we do not have time to go into. There is the risk that you have just identified: will there be a vacuum, in which case nothing could be done, or it is not an attractive place for someone to come and farm? We need to tease that out. I can also foresee a bigger risk. We do not want long-term naked acres where the money is effectively retired out of the resourcing system. We really need to safeguard against that as the Bill progresses and as we design the scheme, because I think it does have the potential to unlock quite a lot of enthusiasm.

We turn over tenancies relatively regularly. The signals out there, both from us and with regard to where the debate has been going, is that we are probably creating a queue of people who are enthusiastically waiting to get tenancies to deliver the kind of things that the Bill sets out. I have confidence that plenty of people are waiting to do this and to make great farming businesses out of vacant tenancies, but it would be a worry if that support was retired out of the scheme. We need to attend to that risk, as the Bill goes through. Is that right Martin? You have plenty of our members in the Nature Friendly Farming Network.

Martin Lines: Yes. The question is, if one goes, what support is left for the new one coming in? There are a whole load of new entrants to whom this will hopefully give a kick-start, so that they get the opportunity to get on the renting ladder.

Q18 Chris Davies (Brecon and Radnorshire) (Con): I will direct my question to Mr Begg and Mr Lancaster, if I may. Mr Begg, in your submission, you have mentioned dovetailing food production and land management. Looking from the arable fields to the livestock producers on your estates, do you feel that the Bill will reduce livestock production in this country? In 10 years' time, when we reach the end of the transition period, do you expect to see less livestock in this country, or more?

Patrick Begg: I think we would all love a crystal ball, so that we could anticipate all that; I am not sure that we can. There will definitely be change. For some of the large livestock businesses that we see, quantum has been the only way to keep their nose above water. This scheme, as I think Tom mentioned, allows people to breathe a little more—perhaps to de-intensify in some places, and change the mix of livestock. We might see a change in the balance between sheep and cattle in some areas.

There are lots of ways that this can go. I see that this has a load of benefits at the back end for individual farmers. If I think about some of the farmers we have worked with in Yorkshire, Cumbria and Wales, rebalancing towards a more mixed livestock system that has less onerous duties for them to manage seven days a week, 24 hours a day—they were looking after huge numbers of livestock—has produced huge benefits for family life. Farmers do not have to spend all their time constantly working, and still get a higher margin by adding value to their produce.

The big thing we need to get right is the support that we give farmers in making that transition, as we start to change to that slightly different balance of livestock. The advice available and the measures in place during the transition for investing in different things to make the livestock system work better are absolutely critical; otherwise, 10 years from now, we will find that people are being asked to do something that they are culturally and practically ill equipped to do.

Thomas Lancaster: Upland sheep farmers are a good example of where you might look to the whole of the Bill. Long-term demand for lamb is in decline, as the age profile of lamb consumers is quite old. Young people do not eat it; they eat chicken and pork. In the long term, demand for lamb is likely to reduce. We export 40% of our lamb to the EU, and to north Africa under its free trade agreements with the EU, so what happens if there is friction there? We already hear about sheep farmers in Belgium and France gearing up effectively to pick up some of the demand currently met by UK farmers.

Where you have a chronically loss-making industry, in terms of the profit it makes from the core agricultural operation, direct payments have effectively masked that. We have done some economic analysis of our agricultural operations in the uplands, and direct payments are transformative, in terms of the economic performance of those businesses. You are talking about some of the most incredible, iconic landscapes and places in the country, and at the moment they are just being used for commodity land production, with no added value at all. Can we look to the provisions of the Bill on producer organisations to enable us to work with farmers in south or north Wales to create brands around Brecon lamb or Snowdonia lamb, or whatever? Those farmers could then work together to regulate supply, add value, process and brand the product, and develop markets, and they could focus much more on profit and provenance than on the total production that goes into a commodity market—

The Chair: Order. I am afraid that brings us to the end of the time allotted to the Committee to ask questions. On behalf of the Committee, I would like to thank the witnesses for their evidence.

Examination of Witnesses

ffinlo Costain, David Bowles and Simon Doherty gave evidence.

10.56 am

The Chair: We will now hear evidence from Farmwel, the Royal Society for the Prevention of Cruelty to Animals and the British Veterinary Association. The Committee is most grateful to you all, particularly the

[The Chair]

BVA, which has agreed to offer a witness at very short notice. For this session we have until 11.25 am. Will the witnesses please introduce themselves for the record?

Simon Doherty: Good morning, I am Simon Doherty, president of the British Veterinary Association. For clarity, I will declare that I have just completed three years' consultancy as the animal health and agriculture specialist of the Department for International Trade.

David Bowles: Hi! I am David Bowles, assistant director at the RSPCA, and I have been working on CAP and WTO issues for about 20 years.

ffinlo Costain: Hello there. My name is ffinlo Costain and I run Farmwel. We work very closely with FAI Farms, which is a sustainability consultancy working with big retailers at national and global level.

Q19 Dr Drew: Do you think that the Bill satisfactorily addresses either animal welfare or animal health issues?

David Bowles: It is a very good start. You have to put it in context. The CAP has allowed payments for animal welfare since 2003, so we have had two seven-year cycles. If you look at how many schemes there have been in the UK for animal welfare during that time, there has been one, in Scotland. That is not due to lack of enthusiasm from the devolved Administrations; that is due to lack of money, because pillar 2 has not given that money to open up those particular financial streams.

The RSPCA was delighted when the Bill came forward and acknowledged that animal welfare is a public good. Of course, we would like to see, as the previous presenters said, more clarity that there are duties to give money to animal welfare, because animal welfare has been squeezed out in the last 15 years under CAP and we do not want to see it squeezed out in future.

Yes, it is a good start. We would like to see some ring-fenced funding. We also crucially welcome the fact that the Department for Environment, Food and Rural Affairs has linked in animal health and animal welfare. Those two are crucial. If you are looking at things such as lameness and mastitis, if you are trying to improve one, you are improving the other. I think there is a huge opportunity for win-wins here on animal health and animal welfare.

ffinlo Costain: I agree entirely with what David just said but I think there is a real challenge. We would like to see a whole-farm approach to environmental land management schemes, so that you do not have progress on one public good on one part of the farm, but degradation of that same public good on a different part of the farm. Part of the challenge is around understanding the role that farm animal welfare plays, not only in and of itself to improve the lives of animals, but as an indicator of progress on environmental improvements as well. From that perspective—sorry, I am not sure what the second thing was that I was going to say, but that will do for now.

Simon Doherty: By way of an opening remark, I fully concur with what David and ffinlo have just said by way of introduction. Certainly, the BVA position would be that we feel that this is a really good start. It is a nice piece of legislation. There are sufficient powers contained within it, we feel, to give the Secretary of State the ability to make appropriate changes where necessary within the realm of animal health and animal welfare.

Our overall position is that health and welfare are inextricably linked, but although we feel that there is a lot to be gained by maintaining that link, there are times when we need to separate welfare and look at particular aspects that relate to welfare outcomes—good welfare on the farm is not just absence of disease. There are times when we appreciate that there is a very close link between health and welfare, but there are also times when we need to be able to measure each separately. For both to be public goods, there need to be appropriate measures across the board.

ffinlo Costain: I have remembered my final point. Our view is that climate change and biodiversity must be addressed together. You can get some quite perverse outcomes, particularly on farm animal welfare, if you simply focus hard on greenhouse gas emissions; you displace some of the environmental impact of the feed production, nitrous oxide production and carbon dioxide production that is associated with those more intensive systems. It is really important that farmers should not deliver some public goods at the expense of other public goods that are part of that. Improvements in climate change and biodiversity must be delivered together, and farm animal welfare is a great indicator of progress in both those areas.

Q20 George Eustice: The premise behind the Bill is that, as you said, animal welfare is a public good, just like environmental outcomes. That is quite a radical, new thing for the Bill to state explicitly. Just as we have environmental stewardship schemes now, we intend to design schemes that could support higher standards of animal welfare for farmers that go above and beyond a regulatory base. What is your view on the design of such schemes, given that this is quite new? Some countries have tried it. Should we emphasise investment in capital to get new housing that is more animal welfare-friendly? Should we incentivise people to join holistic higher welfare schemes? Should we pay farmers for delivering results, such as pigs arriving with intact curly tails at abattoirs? What is your sense of the balance between those, and what type of interventions do you think we ought to consider?

Simon Doherty: It is probably all of the above—it is the whole piece across the board. In measuring the outcomes, it is important that we do not just reward farmers for doing the minimum legal standard. It is actually about going above and beyond. The overall purpose has to be to raise the bar right across the board. It should not just be about rewarding the farmers who choose to do things above and beyond; it should be about bringing people who are a little bit behind the game on welfare to a point where they improve their end game. That will not just be through a purely financial reward—quite a bit of thought needs to be put into the individual schemes to make sure that we are bringing everybody along. It certainly needs to be right across the board.

David Bowles: I mentioned at the beginning that the UK has only ever had one animal welfare scheme, but in the EU there have been 50 different rural development programmes on animal welfare over the last two cycles since 2007. They provide a huge amount of rich experience that shows that you can get good welfare outcomes from inputs from financial incentives. The RSPCA would like to see a two-tier system that has both the incentives

that the Minister mentioned. For instance, you would have capital costs for rewarding people who build larger lunging spaces for dairy cattle. You would have outcome-based measures—for instance, the number of tails on pigs going through abattoirs that show a lack of mutilation. As Simon said, you should aim for people to go to a higher welfare scheme, such as RSPCA Assured. We believe that if you do so, you will get the incentive to improve animal welfare and animal health, and you will get farmers using a much better farming system than they use at the moment. This gives us a real opportunity to break the mould on animal welfare and get much better animal welfare farming happening in the next 10 years or so.

ffinlo Costain: I agree with both the previous comments. It is essential to increase standards across the board. We should not only improve those standards as and when we leave the EU, but put in place a mechanism—and metrics are a really important part of this—to enable us to continually review the standards, based on what is being achieved by farmers, not just in the UK but around the world, to ensure that our standards continue improving. I think that at the moment, DEFRA want to provide financial assistance for farmers who are genuinely trying to improve their systems. We support that, and we think that sometimes, that assistance may need to be quite substantial. I think that DEFRA also want to reward particular excellence, and again, metrics are critical to measuring that progress. The best way for Government to achieve this is to work with existing—and possibly new-entrant—higher welfare schemes, schemes like RSPCA Assured, Soil Association and others, and then provide rewards based on particular metrics that the Government agree are critical.

In terms of metrics, we should not just be focusing on inputs. There is often a lot of focus on the inputs—the type of housing, the space allowance, the genetics of the animals, and that sort of thing—but we should also be looking at the outcomes: what is achieved. The inputs give us the key determinants in our ability to deliver improved farm animal welfare, but the outcomes tell us whether that improvement in welfare has been delivered. We need to see on-farm metrics that help farmers improve their day-to-day efficiency, the productivity of their businesses, and their ability to deliver better welfare and better sustainability in the round. There is also a huge opportunity across the nation at the moment that is underplayed, which is in the area of slaughter. That is where most livestock end up. There is potential to gather an enormous amount of helpful data that will help farmers, policy makers, and retailers' assurance schemes deliver better welfare, and have a much more forensic understanding of where welfare sits across the board and whether attempts to improve welfare are being successful.

Simon Doherty: Minister, there is also a real opportunity to engage new technologies that are being validated to measure some of these objective welfare outcomes. A huge amount of work is going on, and the UK is very much ahead of the game on this. We have some fantastic research centres across all four regions of the UK that are doing brilliant work on things like thermography, video imaging, wearable devices and so on, which are helping to measure health outcomes, but are also being validated to measure welfare outcomes. We do not necessarily need to cover all of our farms in that technology,

but incentivising the uptake of some of these new technologies that can be used to benchmark animal welfare will be increasingly important as we go forward.

We have had a huge amount of engagement recently. BVA produces an infographic on welfare related to farm quality assurance schemes, and there has been a huge amount of uptake right across the board on that, including—as was previously mentioned—RSPCA and Soil Association schemes. As I say, that is going to be really important to building public engagement about this being a public good.

Q21 George Eustice: Briefly, because I know we are tight on time, our understanding of farm animal welfare has developed somewhat over the past 15 years or so from the traditional five freedoms—freedom from hunger, pain, and so on—to much more of a notion of a life worth living and animal wellbeing. Do you share that view, and what are the implications for the types of schemes we should be incentivising, versus the types of approaches we should take to a regulatory baseline?

David Bowles: Absolutely. The uptake of the RSPCA Assured scheme, which the RSPCA sets standards for, is patchy. It covers about 55% of egg production in the UK, about 23% of pig production and about 30% of turkey production, but for the sheep, beef and dairy sectors, uptake is under 1%. However, as part of the scheme, the RSPCA has been doing welfare outcome assessments for the past 10 years or so, which started off with laying hens, dairy and pigs and is also now moving into chickens. We have got a lot more skilled in working out what the animal is thinking and what its welfare outcomes are. The RSPCA knows from its schemes—this is a commercial scheme—that those systems are easy to put in, that they are fairly easy to measure and inspect as part of the audit trail, and that they work. The farmers appreciate them because they need feedback in terms of how their animals are feeling as well.

We already have a lot of the science there to enable us to look at this. We would certainly welcome using those measures as part of any scheme going forward and, of course, welcome anybody coming to any of our farms to see how those welfare outcome assessments work in practice.

ffinlo Costain: A sustainable farm is, in our view, a happy and healthy farm. It is one where the animals and farmers are making progress and are both having a life worth living. It is not just about the animals; it is about the farmers as well.

I used to run a regional branch of the National Farmers Union. For many of the members that I represented, the main time that they came across metrics was when they sent an animal to the abattoir and were told that it did not quite achieve the grade that they expected it to. That was the feedback they got, and they got less money. That is really negative. We need to change that so that there is a much more positive relationship with metrics.

I take the example of my neighbour's farm. He has big challenges with his lamb production. We would like to see an assurance scheme that measures his farm in the round—that there are what we might call iceberg metrics that are measured by the Government, partly on a farm and partly at slaughter, where we are looking

at low levels of lameness, low levels of ailments such as liver fluke and low levels of antibiotic use, and measuring those things together.

My neighbour is putting in place some really interesting measures around hedgerow management, carbon sequestration and water management, which will improve sustainability at the same time as improving the health and the welfare of the sheep on that farm. If he was achieving against those three measurements together and improving year on year, he would be happier with the farming system that he has, would be earning more money and would have increasing yield at the same time as feeling good about his farm, being able to communicate that with his community and also earning additional money in relation to those public goods. That is the sort of progress that we would like to see, which is very much along the lines that the Minister is thinking of at the moment.

David Bowles: Of course it is a balance. You have to make sure that you do not make any scheme too complicated. You have to have measurements that are easy to measure and quick to measure as part of the audit scheme. It is a balance between getting that data out and making sure that the audit scheme works properly.

Q22 Deidre Brock: A lot of doubt has been expressed around the Government's commitment to the maintenance, or indeed the improvement, of animal welfare standards in the face of future difficult trade deals. What concerns do you have about that? What commitments might you might like to see placed in the Bill?

David Bowles: The RSPCA, like the previous witnesses, has huge anxiety about future trade deals. Let us look at the number of countries that we are looking to do trade deals with. At the moment we are obviously looking to do a trade deal with the EU. We have broadly a level playing field with the EU, because we have had animal welfare standards since 1974 and they cover most of the species in the EU. Of course we would like to see them higher, but they are pretty good. The EU and the UK have probably some of the highest animal welfare standards in the world, so that means that anybody else that we are trying to do trade deals with has lower standards—the only exception is New Zealand. The USA has hugely lower standards. Not only is it still using methods that are illegal in the UK, such as beef hormones or ractopamine, but it is also using standards that are illegal in the UK, such as the conventional battery cage and sow stalls.

The RSPCA would like to see an amendment to the Bill that was rejected by the House of Commons on the Trade Bill—that any trade deals would allow in only products that are produced at least to the standards in the UK. If we do not have that, we have a race to the bottom; we are just exporting our good animal welfare standards to somewhere else and we do not want to see that. We want to see a vibrant, healthy farming community in the UK, producing at higher welfare standards and giving the consumers what they want, not the bringing in of products and food that are produced to illegal or worse standards than here.

ffinlo Costain: I echo what David said, but I would also say that, in my meetings with Ministers and officials at DEFRA, I think there was a genuine commitment to improving farm animal welfare. I have been really heartened

by that as we have been going forward. At the same time, there are some really challenging balances, exactly as David said. However, at the heart of this is what is the market in the UK, not only for our farmers at home, but abroad, and it is about quality. If we have lower standards coming in, it undermines our marketplace and our rural economy. It is essential that we recognise that we are never going to win a race to the bottom; we cannot. We can win a race to the top. We already have good quality products that could be much better quality in terms of welfare and the environment that we can sell as a story, as a whole product, whether that is branding, as Tom was talking about before—Cumbrian lamb or whatever—or whether it is selling branding at home; whether it is building the business case through public goods to our local communities and to the taxpayer for additional assistance in terms of land management and public goods; or whether it is underpinning the British brand and selling and promoting that quality around the world.

In addition, if we are building a market based on quality and reviving our rural economy, whether it is small, medium or large farm businesses, we will be developing new technologies and new machinery that we can also export. We want to see not only a growth in improved welfare and environmental standards, but a revival in the countryside. The Bill is a fantastic step in the right direction, but it is just framework legislation. We need to see more work in the future—for example, the gold standard work that DEFRA is engaged in.

Simon Doherty: I agree with the two previous correspondents entirely. I will not repeat everything that they have said. We have had some very encouraging, strong lines from DEFRA. The disappointment has been that there have been weaker lines from the Department for International Trade. We need to make sure that there is a join-up across Government to make sure that we are all singing off the same hymn sheet in relation to welfare, so that we do not have one part of Government saying one thing and another part doing another. Obviously, I will say this as the president of the British Veterinary Association. We feel that we are absolutely at the juxtaposition of animal health and welfare. We are here today because the role of the BVA is to represent the veterinary profession to Government. We hope that one of the outcomes across the board will be a recognition of the role of vets in veterinary public health, in animal welfare, in animal health, and ultimately in food security for the country.

David Bowles: Of course, the other way to stop this, apart from in trade deals, is to give the consumer information. At the moment we only have one mandatory method of production label, which is on eggs, and we know that that has worked. It has driven the market up to 55% now for free range eggs, because the consumers wanted that. We hope that in the Bill we get some mandatory method of production labelling going into other areas. There is a chance of getting that. I know the Government share some of that enthusiasm, and that would be really good. The consumers always say they want higher animal welfare, but some of the time they are confused because the label does not show that.

ffinlo Costain: The evidence shows that, where method of production labelling exists, at least 50% of consumers choose the higher welfare option, which is often a little

more expensive. Method of production labelling is not only important in terms of helping to drive that market, but is really about improving communication. There is a big disparity between, particularly, people who live in the city, but also often people who live in the countryside as well, and the way that food is produced; I do not know whether that is driven by CBeebies. I have a four and a six-year-old and they constantly see one model of farming that does not necessarily reflect the way that farming is. Labelling and communication in general builds the case for improved prices and for commitment to local farmers, or farmers at a British level, and across the board. I think it is really important.

Q23 Jenny Chapman: I note what you say about the positive comments from DEFRA on the animal welfare that we have at the moment, but the Bill needs to be future-proof, and not all future DEFRA Ministers might be as cute and cuddly as the hon. Member for Camborne and Redruth. You talked about a level playing field with the European Union. We need to make sure that we maintain at least that. I am told that we have probably the best animal welfare standards in the world. How can we make sure that the Bill stands the test of time and that we maintain that position? Some people argue that we ought to be almost pegging our standards to those of the EU so that we do not fall behind, and future Governments might experience pressure in the light of trade deals that might come in future years.

David Bowles: One of the most exciting things about trade deals at the moment—if I can use the words “exciting” and “trade deals” in the same sentence—is that we are starting to see language in them about equivalence on animal welfare standards. The EU has been a driver for this. It started with South Korea and has now got it with Chile, and it is looking at getting it with Mexico as well. That is a real incentive. We want to see similar language on equivalence with the EU, as well as with others. RSPCA Assured has shown that raising animal welfare standards can be done on a commercial basis—consumers will vote with their purses if they are given the right information and if there is enough transparency on the retailer market shelf—but some specific language on equivalence needs to be put into trade deals.

ffinlo Costain: Being in the lead is not something that continues unless you keep working at it. There are areas in which other countries are catching up with the UK, and possibly one or two in which they are starting to move ahead. It is therefore critical that we have metrics to measure the inputs and outcomes, and to understand at a national level where we want to be and how successful policy is at making that progress. We should be leaders—this is our opportunity. We will not win the race to the bottom, but we can win on quality by selling at home and selling abroad.

Look at Origin Green in Ireland. It is a unique national brand, although its climate outcomes are nowhere near as strong as what I would like to see. If we had a national brand based on metrics for climate change and biodiversity, with farm animal welfare used as a critical indicator of progress in both areas, it could be part of our gold standard work. It would underpin our progress and ensure it continues, and be a national brand that we

could sell abroad. Origin Green is a really good place to look for an opportunity that we could quickly overtake and surpass in export and home production.

Simon Doherty: There is a huge commercial advantage from other parts of the world opening up to exploring improved animal welfare. We have consultancy firms such as FAI Farms that are working globally to help other jurisdictions to raise their standards towards those that we work at in Europe and in the UK.

I mentioned the underpinning research and development that is going on in the field of animal welfare. There are certainly other parts of northern Europe that are working on curly tails on pigs, for example, or improving health indicators such as mastitis or lameness in dairy cows. We have that world-class expertise across the board, and we need to continue to build on it. We also need to ensure that the funding is there to underpin that research.

Q24 Mr Dunne: I know that we are almost out of time, but I have one more question. The Government are looking to simplify some aspects of inspection regimes and so on through the Bill. In the areas that you are responsible for in animal welfare, do you have any recommendations that are not already in the Bill for improving but simplifying things?

David Bowles: We have been working with Dame Glenys Stacey on her review. Slightly worryingly, she has said that its recommendations will not be published in time for the Bill. There is a mismatch in terms of how we ensure good enforcement, particularly now that cross-compliance is ending, so we would like to see a commitment in the Bill to implementing some of the Stacey review’s recommendations on enforcement. The Government’s own research has shown that those who farm under a welfare assurance scheme, particularly one such as RSPCA Assured, are much less likely to break the law. We would like to see payments given to higher welfare assurance schemes, not just because they produce animal welfare benefits, but because they improve enforcement.

ffinlo Costain: We would like to see a reduction in the paperwork that farmers need to do. Reducing that burden is important if farmers are to become more productive and efficient, but we also want to see an increase in what is measured. We can achieve that by promoting self-assessment on farms and farmers’ participation in assurance schemes, and by increasing the measurement of data collected on use of technology to assist farmers, so that they feel the benefit day to day. We also need to work with slaughterhouses on livestock to ensure that we are doing much more measurement and standardising it. By pinning all that work together—self-assessment, technology, use of data and use of slaughterhouses—we can measure more, measure more effectively and reduce the burden.

The Chair: Order. I am afraid that that brings us to the end of the time allocated for the Committee to ask questions. On behalf of the Committee, I thank the witnesses for their evidence.

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o’clock.

