

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## AGRICULTURE BILL

*Sixth Sitting*

*Tuesday 30 October 2018*

*(Afternoon)*

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CLAUSE 1 agreed to.

Adjourned till Thursday 1 November at half-past Eleven o'clock.

Written evidence reported to the House.

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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 3 November 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>        |
|   | † <b>attended the Committee</b>                         |

## Public Bill Committee

Tuesday 30 October 2018

[PHIL WILSON *in the Chair*]

### Agriculture Bill

#### Clause 1

SECRETARY OF STATE'S POWERS TO GIVE FINANCIAL ASSISTANCE

*Amendment proposed (this day):* 51, in clause 1, page 2, line 3, at end insert—

“(h) supporting agriculture and horticulture businesses to ensure public access to healthy, local, sustainably produced food.”.—(*Dr Drew.*)

*This amendment would add to the purposes for which financial assistance can be given that of ensuring access to healthy, local, sustainably produced food.*

2 pm

*Question again proposed,* That the amendment be made.

**The Chair:** I remind the Committee that with this we are discussing amendment 70, in clause 1, page 2, line 3, at end insert—

“(h) supporting the delivery of improved public health outcomes.

(1A) Support under subsection (1)(h) may include, but is not limited to, measures to:

- (a) increase the availability, affordability, diversity, quality and marketing of fruit and vegetables and pulses,
- (b) reduce farm antibiotic and related veterinary product use, and antimicrobial resistance in harmful micro-organisms, through improved animal health and improved animal welfare,
- (c) provide support for farmers to diversify out of domestic production of foods where there may be reduced demand due to health concerns,
- (d) reduce harm from use of chemicals on farms, and
- (e) reduce pesticide residues in food.”.

**Simon Hoare** (North Dorset) (Con): I was going to share with the shadow Minister what I have just consumed for lunch, which I think will make my point. In the Members' Tea Room, I had a bowl of delicious vegetable and pearl barley broth, which I am sure would be categorised as a good thing to have. I had two Ryvita, which I believe are also quite good for one; they certainly look like they do the trick, whatever the trick might be. I had a plum, which I was assured by Gladys was a Worcestershire plum, which will please my hon. Friend the Member for Mid Worcestershire. It is all going well so far. I had a cube of delicious west country cheddar. Despite what the wretched “Eatwell Guide” says, we know that dairy products are very good for our diet and that we need dairy, so that was quite healthy.

**Jenny Chapman** (Darlington) (Lab): I am just checking that the hon. Gentleman knows that his contribution will be on the record. I, too, had a lovely, delicious lunch in the Tea Room, but I am mindful that at our workplace we have high quality, nutritious food that is—people forget this—subsidised.

**Simon Hoare:** Of course; one is always on the record. I then spoiled my lunch by having some blackcurrant and English apple cake. The point I make, by sharing my lunch menu with the Committee and, as the hon. Lady reminds me, the whole world, as people tune in agog from every time zone to watch the Committee—*[Interruption.]*

**Thangam Debbonaire** (Bristol West) (Lab): Gripped!

**Simon Hoare:** “Gripped”, says the hon. Lady. The point I make is serious: we cannot put an onus on our food producers for what consumers choose to consume or what the processors decide to process.

**Sandy Martin** (Ipswich) (Lab) *rose*—

**Simon Hoare:** I will not give way. There have to be Food Standards Agency regulations and all the rest of it, but to put the onus of responsibility for foodstuffs on the food producers who produce but do not sell themselves is either Stalinist or draconian. The shadow Minister has a great knowledge of the vagaries of left-wing thinking, and I may be entirely wrong to call him a Stalinist—he may be a Maoist, a Leninist or a Trotskyist. I am not quite sure.

**Mr Robert Goodwill** (Scarborough and Whitby) (Con): I do not intend to disclose what I had for lunch. However, on the point made by the hon. Member for Darlington, I should say that Members have access to a wide-ranging diet and the money to buy healthy food. Why, then, is the body mass index of Members on the green Benches so representative of the country as a whole?

**Simon Hoare:** My right hon. Friend makes a valid point; I say that with some smugness, having lost three stone since the start of the year. I have another two to go, and the cake did not help.

**Dr David Drew** (Stroud) (Lab/Co-op): Like Tom Watson.

**Simon Hoare:** I am unleashing my inner Tom Watson, which is a scary prospect. However, this is a serious point. We as policy makers should focus our attention on the educators. People need more education. We are entirely wrong to knock our supermarkets, which are the principal food retailers in this country. They provide food on the shelves at all price points and of ranging quality, allowing people access to the fullest and widest range of foodstuffs ever available to food consumers in our history.

**Sandy Martin** *rose*—

**Simon Hoare:** I will not give way. I am also told by my local branch of the National Farmers Union that at no time has a lower percentage of domestic income been spent on food than today. I take that as a rather good piece of news.

We have to ensure that people have education and a range of choices on the shelves. That is why it is important to have a diverse agricultural sector and food production industry in this country. To put the onus on those producers would be entirely inappropriate. If the hon. Member for Stroud pushes his amendment to a vote, I will oppose it.

**Martin Whitfield** (East Lothian) (Lab): I rise to support amendments 70 and 51. In response to the hon. Member for North Dorset, I should say that it is unfair to say that either amendment places an onus on the producer regarding what goes on to the plate of individuals who decided what or what not to buy.

Both amendments, in particular amendment 70, seek to increase the availability, affordability, diversity, quality and marketing of fruit, vegetables and other items. The Bill seeks to take a wider view of the agricultural sector—to see it right from the start to the end. We are looking now at where the Secretary of State can place moneys to emphasise and promote. When we talk about public health, one aspect is the food itself but another is the overriding story—and I use that word carefully. There is the mental health approach that flows from good quality food, when people understand the nutritional value of the purchase and the story back to the individual farm or farmers who produced it.

This country's health should be broader than just the narrow nutritional value and include children's understanding of where their meat, vegetables and fruit come from. One aspect, raised and agreed across the House, is the importance of the educational element. That is the responsibility of farmers but also of communities, parents and the Government. Should our farmers not benefit financially if they open their farms, against some very strict health and safety protocols, to allow children in to see where the potatoes and carrots grow in the fields, as they do in my constituency of East Lothian? That is an important element of growing up that, along with seasonality, has become separated from a lot of children's and citizens' understanding of the availability of food.

Both the amendments, in particular amendment 70, lend emphasis to that, to give the Secretary of State the opportunity to provide support to that wider educational and nutritional need. It is not a case of the Secretary of State dictating what does or does not go on to somebody's plate or what they choose to do with food when they purchase it; the issue is about the ability to put that holistic view envisaged by the Bill and to allow farmers to receive payments and support for the good work that they can do at their stage.

**Chris Davies** (Brecon and Radnorshire) (Con): The amendment proposes allowing the Secretary of State to enhance payments to farmers. If there were a vegetarian, or even a vegan, Secretary of State who decided, after reading one report one week and another the next, that eating meat was no longer in the public interest and no longer healthy, would the amendment also allow the Secretary of State to remove all payments to the red meat industry?

**Martin Whitfield:** I hark back to the vote we previously had on the difference between “must” and “may” and probably leave it at that.

The only other point that I want to raise is that the producers, as well as being under an obligation to produce, would, under amendment 70, be allowed funding for research and development for improved crop varieties and cultivation methods. That will be important going into the future.

**The Minister for Agriculture, Fisheries and Food (George Eustice):** I want to take the amendments from this group in turn, starting with amendment 51. Elements of

the policy and the purposes that we have spelled out will often lead to incidental improvements in and contributions to public health, which I will come to describe.

A number of hon. Members have pointed out that this is predominantly a consumer choice issue. The Department of Health and Social Care and Public Health England do a lot of work to promote healthy eating.

**Sandy Martin:** I said on Second Reading that certain horticultural products, such as broad beans, are not easily found in the shops. We may well have a situation where, because of a change in demand and education in this country, people want to move to different foodstuffs, but it is not easy for farmers to change over. Does the Minister accept that there may need to be investment in farms to enable them to change over to other foodstuffs? Where does he see that investment coming in this Bill, if not in this amendment?

**George Eustice:** I was going to say that that could be provided for under clause 1(2), which enables us to support businesses to improve their productivity if that were necessary. Broad beans, as a leguminous crop, often need less or no fertiliser at all, so that can be an environmental benefit. The current EU scheme enables broad beans and other leguminous crops to be used as one of the contributory factors to the environmental focus area. That is already recognised in the existing scheme, and there would be nothing to prevent us from recognising that in a future scheme.

Under subsection (2), a lot of things can be done to support the delivery of the local sustainably produced food objective. In the last 20 years, there has been exponential growth in consumer interest in food provenance, large growth and expansion of farm shops, and growth in box schemes and farmers markets—I know the hon. Member for Stroud has a well known farmers market in his constituency. There has been huge growth in consumer interest in this area. Under subsection (2), it would be possible for the Government to design a grant scheme to support farmers to open farm shops and to develop their own marketing and box schemes.

Subsection (1) is on the purposes for the delivery of environmental goods. We can pursue a lot of policies under those purposes and objectives that would deliver increased health outcomes. For instance, under subsection (1)(f) on animal health, we could support schemes that lead to a reduction in the use of antibiotics, which would have an impact on public health and safeguard some of our critical antibiotics for the medical sphere.

Under subsection (1)(a), as I described earlier, it would be absolutely possible for us to support an integrated pest management approach, leading to a reduction in the use of pesticides where they were seen to be of concern. Under subsection (1)(a) we could also support a pasture-based livestock system; there is some evidence, although mixed, that livestock such as sheep and cattle raised on pasture and grass have higher levels of omega-3 oils, which are good for public health. There are a number of areas where the purposes we have set out under clause 1(1) also reinforce public health measures.

**Martin Whitfield:** I apologise for my slight slowness; the Minister discussed subsection (2) and suggested that productivity extended beyond the productivity of

[*Martin Whitfield*]

the field or produce to a wider concept of the word. Is that correct? The end of that paragraph mentions “agricultural, horticultural or forestry activity.”

Should that not therefore read “business” rather than “activity”, which suggests the activity of growing and maturing livestock?

**George Eustice:** I discussed that with parliamentary counsel. The issue is the subject of a later clause and no doubt we will debate it in more detail then: this is not a narrow economist’s definition of productivity—it is not part of the so-called “productivity puzzle” that people are trying to solve. We are using productivity in its rounder sense, which could include reducing costs, reducing inputs, adding value and increasing the price of things. It could also include—it is very explicit about this—setting up a new business, which could be a retail business allied to a farm business.

2.15 pm

The second point that I want to make links to an issue that the hon. Member for East Lothian raised: the importance of education. Subsection (1)(b) obviously has a clear purpose, which is

“supporting public access to and enjoyment of the countryside”.

We absolutely envisage that it would be possible to reward farmers for the work that they do educationally to help our schools and to take groups of children from schools on educational visits, so that they can learn where food comes from. We already have projects such as Open Farm Sunday. They have been a tremendous success and are growing every year, and we would like the opportunity to build on them.

**Jenny Chapman:** In the Minister’s desire to resist our amendment, he keeps referring to the clause, saying that he could do this and it is possible to do that already, and therefore our amendment is not necessary. He does not seem to want to have his boss’s hands tied—his boss to be told that he ought to do something or that he needs to do something. I just want to know why that is.

**George Eustice:** As a Government, we have set out our approach and what we intend to do with these powers. We have already published some policy papers alongside this Bill, which address many of those issues. The Secretary of State has talked about public access to the countryside and the role of farms in educating children, so we have set out clearly in the policy documents that accompany the Bill what we intend to do with these powers. Come the next election, I am sure that the Opposition will have manifesto commitments that will set out their approach and what they intend to do with the powers.

Another issue was raised by a number of hon. Members: that, fundamentally, the decisions about public health and healthy eating are very much around consumer understanding, consumer knowledge and consumer choice. That is why Public Health England has the “Eatwell” plate that it promotes. We have obviously already implemented the first chapter of the childhood obesity plan. We have introduced a levy on sugary soft drinks. We are currently working on the sort of second chapter of the childhood obesity plan.

We take the issue very seriously. Work on it is led by the Department of Health; it is very high up on that Department’s agenda. It is for the Department of Health to lead on and for us to support, and it goes outside the scope of this particular Bill, which is very much about schemes to support farming, the farmed landscape and our environment.

I will give a final example about sugar, which was raised by some Members. When quotas on sugar beet production were removed, some people said, “Shouldn’t we keep sugar beet quotas? That would be a way of restricting the growing of things that we think are bad for public health.” However, the reality is that the most powerful thing was the introduction of a levy on soft drinks; the value of the sugar that goes into a soft drink is actually tiny, and messing around with the price of sugar is not what delivers the outcome. What delivers the outcome is a levy on sugary drinks that drives policies of reformulation, and that is why the levy has been a success.

We know that some of these measures to try to mess with the supply side of the chain are actually blunt instruments when it comes to delivering public health outcomes.

**Kerry McCarthy (Bristol East) (Lab):** I mentioned in the few moments that I had earlier the recent research into food deserts. Particularly in urban areas, there are vast estates where it is very difficult for people to get access to healthy food. As I suggested, we could use this Bill to address that. It is not about the growing of the food; it is perhaps about setting up shorter supply chains, so that the food can get to these places. Maybe it could be about setting up farmers markets in local areas that do not normally have access to them. That would also help local farmers who produce the goods to find a market that would probably pay them a bit more than the supermarkets might.

**George Eustice:** There will be a place for those sorts of enterprises, although not for all. However, as I said earlier, we are looking at what we could do alongside, for instance, a county farms offer to support some of those peri-urban schemes. Sometimes they are box schemes, but they are community-led schemes in particular areas, quite often in our cities. I made it clear earlier that we believe we would be able to support those farms, under both subsections (1) and (2). That option exists, so it is there already if we should want to support it. We have been clear that we are exploring this idea and considering it. It will not be for everyone. There will always still be a place for larger-scale productions supplying the supermarket multiples where most people will get their food and where there is already quite a wide choice. However, it will be an option for some and we have kept the door open to supporting it.

To conclude, these are unnecessary amendments and many of the health benefits we have alluded to in our White Paper are dealt with through the existing measures in clause 1.

**Kerry McCarthy:** The Minister does not seem to have mentioned the food policy or food strategy or whatever it is called. I heard on the grapevine that it has been kicked into the long grass. Will he confirm that that is not the case and that work is still being done?

**George Eustice:** The food strategy is alive and well. The hon. Lady is right and it is in my notes and I intended to mention it. We have a food entrepreneur, Henry Dimbleby, from the Leon food chain, who is doing a piece of work at the moment on the food strategy that will obviously complement what we are doing here. However, we believe we have the powers in the Bill to do the things that we want to do in this space.

On that basis, I hope that those who have spoken to amendment 51 and 70 will consider withdrawing them, because I believe that the issues they are trying to cover are already covered in the Bill.

**Dr Drew:** To start with, I declare an interest: my wife has a stall on Stroud farmers market every fortnight. Please come along to see the wonderful wares that she sells. I had to get that on the record.

This has been an interesting and wide-ranging debate. Clearly, we are not going to come to a meeting of minds, but the issue will come back. I keep reiterating the fact that the White Paper, “Health and Harmony”, and the issue of public health which it identified as a crucial element in the way in which the food chain functions in an Agriculture Bill, are not going to go away. It may be that this is not the time to force a Division. I make that clear, but we make no apology for saying that we will come back on this because it is important that we understand that people out there may not understand the legislative process but they understand what they think should be the elements of what we do for the future of the policy.

I hear what my hon. Friend the Member for Bristol East says on the food strategy. It would be helpful if the Government were clear on when it comes forward, as it should be with the environment Bill, because these are interrelated. This is the problem with legislation. We only have one side of the coin, when we need both sides to make sense of the totality of the Government’s approach.

It is important that somehow health is in the Bill and I hope the Minister will reflect on this. Public health matters because what people eat depends entirely on their access to food and its availability and what they can afford. It is also to do with the fact that to some extent we have an influence, through production and distribution.

I hope the Minister has listened to the debate. We will not push the matter to a Division at this time, but it will come back because people feel very strongly about it, whether it concerns food poverty, or purely obesity and diabetes, or the reality of how food is increasingly the reason people’s life expectancy is determined. I understand what the Minister has said and I know there are lots of contingent points in his argument. However, I hope we can extract that and at a future time clarify where public health is in relation to the Bill. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Jenny Chapman:** I beg to move amendment 74, in clause 1, page 2, line 3, at end insert—

“(1A) No financial assistance may be given by the Secretary of State in relation to the purpose under subsection (1)(f) unless the practice for which financial assistance is to be given pays full regard to the welfare requirements of animals as sentient beings.”

*This amendment would ensure that any financial assistance provided in relation to ‘the health and welfare of livestock’ purpose in Clause 1 recognises the welfare requirements of animals as sentient beings.*

**The Chair:** With this it will be convenient to discuss the following:

Amendment 75, in clause 1, page 2, line 3, at end insert—

“(1A) No financial assistance may be given by the Secretary of State in relation to the purpose under subsection (1)(e) unless the practice for which financial assistance is to be given complies with—

- (a) any part of retained EU law (within the meaning of section 6 of the European Union (Withdrawal) Act 2018) relating to the protection of the environment which has not ceased to have effect as a result of any agreement between the UK and the European Union setting the terms of the UK’s withdrawal from the European Union, and
- (b) any standards which were enforceable by an EU entity or a public authority anywhere in the UK before exit day, including principles contained in Article 191 of TFEU, and which will be enforceable by an entity or public authority in England after exit day.
- (c) the principles contained in Article 191 of TFEU, for the purposes of this subsection, are—
  - (i) the precautionary principle as it relates to the environment,
  - (ii) the principle that preventive action should be taken to avert environmental damage,
  - (iii) the principle that environmental damage should as a priority be rectified at source, and
  - (iv) the principle that the polluter should pay.”

*This amendment would ensure that any financial assistance provided in relation to ‘environmental hazards’ would ensure that environmental principles continue to apply in the UK after exit day.*

Amendment 71, in clause 1, page 2, line 18, at end insert—

“(5) Financial assistance under subsection (1) for protecting or improving the welfare of livestock shall only be given to farmers who have—

- (a) demonstrated that their livestock welfare practice meets or exceeds the higher animal welfare standard specified by the Secretary of State for the welfare of livestock, or
- (b) given, to the satisfaction of the Secretary of State, an undertaking to achieve the higher animal welfare standard specified by the Secretary of State for the welfare of livestock.

(6) Any standard specified by the Secretary of State for the purposes of subsection (5) must set standards that are higher than those required by legislation governing the welfare of livestock.”

*This amendment would ensure that public money is only be used to support genuinely high standards of animal welfare. The Government has confirmed it will define a ‘higher animal welfare standard’ by 2020.*

**Jenny Chapman:** Mr Wilson, it is a privilege to serve under your chairmanship as your constituency neighbour. I know that you have many farmers in your constituency so I hope that you are finding our deliberations interesting and stimulating.

I have particularly enjoyed the contributions of the hon. Member for North Dorset. He has made insightful remarks on amendments 44 and 45. However, I take issue with him when he talks about a rural-urban split between our parties; that is not something that I recognise. Part of our reason for tabling many of these amendments, including the ones to which I am about to speak, is that we want to future-proof this legislation. We want to

[*Jenny Chapman*]

make sure that the outcomes that we probably all desire are more assured, that we can be more confident and, more importantly, that farmers and those involved in agriculture can have more certainty about what the future might mean for them. It is important that we get this right.

It has been said to me several times that the Bill is a huge opportunity for the sector and I agree. This is the first time for many years that the UK has had the opportunity to decide precisely how it wants to support farming, food producers and those involved with caring for our landscape. We need to take this opportunity seriously and grab it with both hands. I know that many interested parties are watching carefully what we say and the tone in which we say it—and also what it is that finds its way into the Bill. It is no good to the sector to hear warm words from Ministers and be given hints at possible future decisions.

Things laid out in consultation papers are very interesting, but they do not provide the certainty that is going to be needed. Until now, support for farming has come from obligations that we have had as a member of the European Union, which have been very clear and long term, though imperfect in very many ways—I would not dare to argue. Those obligations will now become discretionary, to a certain extent, and it is possible that at the next general election, whenever that may be, there will need to be a chapter in every one of our manifestos about what we think we ought to do to support farmers and agriculture. It would be helpful if we had a clearer framework, which could be laid out in the Bill and is currently lacking, within which those policy decisions and priorities could be placed. Unless we do that farmers are going to be left in an uncertain position, subject to the whims and competing priorities of different political parties—and, perhaps, pressures from minority parties. That is not a secure framework within which to proceed.

I am not a Department for Environment, Food and Rural Affairs farming agricultural specialist, as the Committee will know. I am here because I have been involved with our Brexit team. I have been asked not to bang on too much about retained EU law and that side of things in my contribution. I am also mindful of the fact that if we maintain the pace that we have achieved so far in our considerations, we will actually conclude in the first week in April, and given that the purpose of the Bill is to prepare us for our departure from the EU, that would be far from satisfactory; so I will try to get on with things.

As well as speaking to amendments 74 and 75, I wish to speak in support of amendment 71, tabled by my hon. Friend the Member for Bristol East. I must say that since I was elected in 2010 I have been inspired and encouraged by the approach she takes to many of these issues, particularly food, reducing waste and the availability of quality food. She has an incredibly impressive track record on those issues and it is great that she is here. I hope the Government will benefit from her observations as we proceed with the Bill.

2.30 pm

All three amendments, but amendments 74 and 75 in particular, concern animal sentience and its place in our law, and the need for minimum animal welfare and, similarly, environmental standards. It is important to

establish those in the Bill so that they can inform future policymaking and be contestable in our courts—an important feature that is currently missing from this Bill.

The Bill is too much of a blank sheet of paper. It is a blank canvas, which is great for the Government because it means their critics, or people with an interest in this policy area, can paint whatever picture they like on that canvas, feel good about it and think, “Great, we are going to get what we want,” when actually they might not get any of the things they want. While it really is good to hear a Minister talk about the things he spoke about in the last debate, it is possible that none of those things will happen as a consequence of the Bill.

That is deeply concerning, and it is the principal reservation about this Bill on the Opposition side; if not for that, I think we would find a huge amount of agreement in this Committee. We may take a different attitude to how we vote on the Bill as we go forward, but this is a fundamental flaw of this piece of legislation that we cannot be expected to overlook. These amendments are needed following the passage of the EU (Withdrawal) Act 2018, and those who follow these things closely might recognise the wording of some of the amendments, because it would be a fair criticism of me to say that we have had a go at this previously. When we did so, we were assured by Ministers that our concerns would be taken care of in forthcoming legislation.

This is the first substantial piece of legislation we have had and we are disappointed that what was indicated at that time to try to reassure us has not happened yet. I accept that there may be opportunities in the future and the Minister may attempt to reassure us by again hinting that that is a possibility, but it is a disappointment that those things are not in this Bill.

**Mr Goodwill:** The hon. Lady is making some very good points. Does she agree that on animal welfare, it was the European Union that was holding us back, and when we legislated on veal crates, dry sow stalls or battery cages it was the Europeans who prevented us from blocking goods coming into the UK that were not produced to the same high standards as here? Indeed, when live sheep exports were going to be blocked it was the EU single market rules that meant we could not do that.

**Jenny Chapman:** The right hon. Gentleman is right—we are world leaders, and we are very proud of that. What I am trying to achieve with these amendments is that we maintain that position. I will go on to explain why later, but it is not difficult to imagine a future Government, under pressure perhaps to secure trade deals, feeling pressure to diminish our world-leading standards. None of us here today would want that to happen, but an assurance from a Minister in Committee or even at the Dispatch Box has nothing like the same weight as something written into our law. That is the issue; it is about maintaining the position that the right hon. Gentleman quite rightly highlights.

To explain this simply, rather than banging on about retained EU law, once the UK leaves the EU we will no longer be subject to EU law. As many of our laws and, importantly, the principles that underpin them are or have been previously held within EU law, the UK now can decide which EU laws it wants to adopt fully into

UK legislation. EU laws on animal sentience, environmental standards and animal welfare standards are among the laws that have not been adequately taken back by the UK; I expect the Minister is thinking that, and it was indicated when we had the European Union (Withdrawal) Act 2018 as it went through the House of Commons. I say “adequately” because they have been transferred to some extent and I understand that, but the status of the laws now means that they are too easily amendable and do not provide the same safeguards as primary legislation does, or as they would if they were amendments that had been put into this Bill.

It would be a mistake on the part of the Government and Parliament to allow that situation to continue. We could take this opportunity now. It was hinted that the Government would do this when they could, and they could be doing it now. Why are the Government choosing not to take this opportunity at this stage?

My hon. Friend the Member for Greenwich and Woolwich (Matthew Pennycook) made a good speech on environmental standards when we debated the EU (Withdrawal) Bill in Committee of the whole House. Several of my hon. Friends in this Committee contributed to that debate, and Members on both sides were concerned about the issue—I do not know whether the Minister remembers this. We are trying to ensure that the environmental principles set out in article 191 of the Treaty on the Functioning of the European Union are enshrined in our law. These are the precautionary principle in relation to the environment, the principle that preventive action should be taken to avert environmental damage, the principle that environmental damage should as a priority be rectified at source, and the “polluter pays” principle. We feel—I think most of us here would agree—that these need to continue to be recognised and applied after exit day.

It is not unique to EU law to have these principles enshrined in this way as they are enshrined in law in other policy areas, and there is no good reason why these should not be included in this Bill. The principles are not there to make us feel good so that we can look to them and say, “We put this into law and that shows what a great country we are,” although it does do that. They have three key roles: they are an aid to the interpretation of the law, they guide future decision-making, and they are a basis for legal challenge in court. The EU (Withdrawal) Act did not allow us to replicate the legal certainty that we currently have. At the moment, we have that legal certainty, but when we leave the EU at the end of March that legal certainty—depending on the deal that has been achieved—will no longer be in place. As my hon. Friend said when we debated the Act, we need this

“to be effective custodians of the environment and to be world leaders when it comes to environmental standards.”—[*Official Report*, 15 November 2017; Vol. 631, c. 495.]

It is very important that we embed the principles in the way our policy operates. I have to say that to his credit the Secretary of State for Environment, Food and Rural Affairs has recognised this, but the Government continue to argue that environmental principles are interpretive principles, and that as such they should not form part of the law itself.

I do not think that they are simply guidance. The environmental protection requirements should be integrated into the definition and implementation of our policies and activities, in particular with a view to promoting

sustainable development. They are a vital aid to understanding the role and function of existing legislation, as well as being, as the Secretary of State said, an interpretive tool for decision makers and, if necessary, the courts.

There is also an important aspect to all of this around devolution. The principles provide the beginnings of a framework within which the devolved nations, as well as England, can operate. There is significant anxiety, which we may get on to in later clauses, about how exactly support for farming and agriculture might work in the future when we think about the Welsh Government, the Northern Ireland Assembly or the Scottish Government’s desire to do things—as they have done previously, to be fair—slightly differently. Why would they not want to do that? There needs to be a shared and agreed framework within which that can happen.

Another point is that the UK’s duty to comply with the environmental principles does not end when we leave the EU, because they are contained in other treaties that have nothing to do with our membership of the European Union. The way we comply with those treaties needs to be somewhere in domestic law. I will listen to what the Minister says, but there is a risk that in the future that it will not. That is why we think it is right that these principles be incorporated into this Bill. There are clear examples of other laws where this kind of approach has been taken. The Health and Safety at Work etc. Act 1974 talks about it being

“the duty of every employer to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all his employees.”

The Countryside Act 1968 confers functions on an agency for it to exercise for the

“conservation and enhancement of the natural beauty and amenity of the countryside.”

It is not unusual to have this approach.

The environmental principles set out in article 191 of the treaty form an essential component of environmental law. If the Government’s stated aim of equivalence on day one of Brexit is to be achieved, these principles need to be part of domestic law on day one and the public should be able to rely on them. The courts should be able to apply them and public bodies need to know that they have been following them. I appreciate that we are talking about transitional arrangements, but that only makes it all the more uncertain for people and shows all the more need for clarity. In the absence of any of the other promised legislation so far—we are anticipating several Bills that are yet to materialise—this has been our only opportunity to get the principles in a Bill so that they can be enshrined in UK law.

Amendments 74 and 75 would impose duties on the Secretary of State. We are going to come back to this again and again: we are not satisfied that powers are sufficient to provide us with the confidence we need to give this Bill support. What we want are duties. The principles that safeguard the environment ought to inform the way taxpayers’ money is spent. The way the public view all this in the future is going to change and the Government need to be ready for that. They have had a buffer in the EU until now, and much as members of the public might shake their heads or roll their eyes at some support for farmers, they are one step removed. That is not going to be the case in future. People are going to turn up at Members’ surgeries saying, “I am

[Jenny Chapman]

not happy with the way my taxpayers' money is being spent" if they feel it is being distributed for things that they do not believe are appropriate. Having a legal framework underpinned by the principles we are proposing would provide some confidence and a safeguard for the public. That argument has not yet surfaced sufficiently, but we are going to see a very different tone to the way these sorts of issues are debated in the future.

2.45 pm

We think it is vital to maintain our world-leading position on animal welfare standards—similarly with environmental standards. Subsequently, amendment 74 says that financial assistance must pay

"full regard to the welfare requirements of animals as sentient beings."

The issues of animal welfare standards and environmental standards came up at last week's evidence sessions. It is clear that there is significant concern at the possibility of pressure being put on future Governments, resulting in the relaxation of these standards perhaps to sweeten trade deals. I have picked out a couple of people who gave evidence, and the first is Minette Batters. If anyone knows what they are talking about it is her—I would not want to argue with her anyway. [Interruption.] There is consensus there at least. She talked about trade in beef from South America. Bear with me while I quote her, because I think she puts this very well:

"There are shipments of South American beef, as an example, which arrive in Rotterdam, which then get checked and are turned around because they deem it not fit for market access. We need to be asking the question: who is going to do those checks when that shipment turns up here? There is every chance it will come from Rotterdam to the UK before it heads back to South America."

She is talking about future trade and the way that we may relax our standards to achieve that trade. If anyone thinks there will not be pressure on future Governments to do that, they are significantly mistaken.

**Simon Hoare:** That is an incredibly important point and I think farmers are right to pay as much, if not more, attention to those issues than even to the Bill. However, does the hon. Lady accept, as I do, the statement made in incredibly good faith the other week by the Secretary of State for International Trade that the fear and anxiety she is talking about will not be part of this—that we will not be lowering our food hygiene or animal welfare standards as a way of trying to get trade deals signed? I thought that was very clear. It has been echoed by the Prime Minister and I think we should take them at their word.

**Jenny Chapman:** It is welcome, but I think that Members have to understand that that is not sufficient. Welcome though it is, it is not enough to reassure us, because the Secretary of State is not accountable for that. There is no way of holding a Member to a statement like that, unfortunately.

**Mr Goodwill:** As a former shipping Minister, I reassure the hon. Lady that I have been to Felixstowe and seen those containers coming in, including fridge boxes containing that sort of produce. There is already very detailed scrutiny of what is in those boxes. Tests are carried out particularly on pesticide residues, mycotoxins

or any other health hazards that the UK might be exposed to. That is already in place for imports from third countries.

**Jenny Chapman:** I note that that is because we are in a customs union. That is my point: we have those high standards now, and I want to ensure that we have them in the future, and I do not see any way of doing it other than putting it on the face of a Bill—I accept that it does not need to be this Bill, but we need to know that this will happen.

**George Eustice:** On a point of clarity, my right hon. Friend the Member for Scarborough and Whitby is right that we have border inspection posts around the UK. They are a port of entry currently for the EU, and when we leave the EU they will still be a port of entry, with all the broader inspection facilities we need, for countries outside the EU.

**Jenny Chapman:** That very much depends on the terms on which we leave the EU. Whatever those terms are we need to be absolutely clear about our standards on animal welfare, food safety and all the rest of it. If we are not, there is scope for these very high standards of which we are all proud to be watered down in some way. That is the sole motivation behind the amendment. It is not intended to ridicule the Government, or to try to show that we care more about animals than Government Members do or any of that. It is about making sure that, in the future, the UK maintains its position as a world leader on these issues.

**Dr Drew:** My hon. Friend will remember my interchange with Jason Feeney of the Food Standards Agency when I pressed him on the degree to which the FSA looks at food quality. He argued that it mainly looks at hygiene and safety. However, that clearly shows the organisational changes that will be required, because somebody has to look at quality, and if it is not the FSA, some other agency will have to be invented to do so. At the moment, that responsibility is subsumed within the European Food Safety Authority.

**Jenny Chapman:** That is another example of how difficult this issue is and of the work that will be involved in making sure that we keep current standards as they are, or raise them higher than they are today. There is absolutely nothing in the Bill that enables us to be confident of that, which is why we encourage the Government to accept our amendments, or if they will not, to bring forward measures that they find acceptable.

This is important. It is about the reputation of our country around the world. The people with whom we seek to trade in the future will be mindful of the legal framework in which our food is produced. It will be a lost opportunity should the Government not agree to bring something forward that will provide clarity for our producers.

**Martin Whitfield:** Is it not also the case that, if such a measure were in the Bill, in any future trade negotiations both sides will understand our bottom line and will not attempt to change it, because of the significant challenges in removing something from an Act? Indeed, it would empower the Secretary of State to build on the assurances that have been given.

**Jenny Chapman:** That is right. I am not cynical, but I hope that that is not part of the motivation for not including these principles in the Bill. However reassuring the Minister undoubtedly is, we are not only legislating for today. This legislation has to stand the test of time, and it has to provide the protections that we think we need for the future. I hope my hon. Friend is wrong, and that that is not at the back of the Government's mind, but we are being asked to take an awful lot on trust, which Opposition Members are not generally inclined to do.

Another useful contribution in evidence came from the chief executive of the Tenant Farmers Association, George Dunn. He said that, if we set domestic environmental and animal welfare standards for food production and do not allow farmers to invest in the necessary fixed equipment required to produce those standards, we are not supporting them in the supply chain to ensure that they get adequate returns for those standards. He also asked how sucking in stuff from wherever, produced to whatever standards that we are unable to attribute, creates food security for our nation, and said that we will simply be exporting our environmental and animal welfare problems abroad. I think he speaks for many of the farmers I have spoken to. That is not something that any of us would want. The best way to prevent that from happening is to put these measures into the Bill—or, if not this Bill, a different Bill.

Minette Batters spoke brilliantly about the politicisation of support for agriculture in the future, and how it will be different. She pleaded for spending not to be politicised, but with the best will in the world, it will be, because spending on support for our agriculture will be in direct competition with spending on the health service, policing and pensions. When the Chancellor delivers his Budget in years to come, he will have to say what he will do for farmers and for agriculture that year. There is a real danger of instability and lack of confidence. The logical response from investors would be to hold back and not invest long term in their own farms because they risk making a long-term investment and, with a change of Government, the support they had anticipated might not be in place. That is not something that any of us would wish to see. This is the best Bill for including some legal safeguards to prevent that from happening.

Minette Batters says that this will not work if it gets politicised and that we need a long-term approach, with cross-party support for the ambition. She says that otherwise—I think she is understating this—there will be a lot of challenges ahead. We can bet there will be a lot of challenges ahead. If I were a farmer, I would want far more clarity on what was expected. Having been told there was an Agriculture Bill, I would expect there to be clarity for me as a producer.

I noticed in the “Health and Harmony” document that the Government talk about the regulatory framework within which they will inspect and maintain standards around the Government's policy. That is another area of concern. We would probably feel a lot better about it if we had that kind of legal certainty in the Bill.

Unless the Bill is substantially more explicit than the current rather loose and discretionary “it would be nice to do this if we want to” powers, we will leave farmers at considerable risk. They absolutely need to know what is

needed to comply. How compliance is monitored will also matter. The “Health and Harmony” document rightly says:

“Farmed animals are an integral part of our countryside. We have a responsibility to maintain their health and welfare”.

Yes, that is so. It also says:

“Excellent standards of animal health can reduce reliance on veterinary medicines”.

To be fair to David Cameron, although I am not sure why I would be, he did talk about antibiotic use and prioritised getting to grips with that, which is a good thing. The “Health and Harmony” document says that at the moment there is a strong regulatory framework in place that ensures that health and welfare standards are maintained.

It is troubling to see other points in the same document. I can see why this is the Government's mood but, when it comes to animal welfare and environmental standards, we ought to be doing much better. That, combined with the lack of legal certainty in the Bill, causes me anxiety. On page 49, “Health and Harmony” mentions

“seeing how inspections can be removed, reduced or improved to lessen the burden on farmers while maintaining and enhancing our animal, environmental and plant health standards”.

We would all love to maintain the same standards, with no legal framework and light-touch regulation. That would be fantastic—I want to live in that world, but I just do not think that we do. The document says:

“We also have some of the highest animal welfare standards in the world: after leaving the EU we should not only maintain but strengthen those standards.”

So, where is that ambition in the Bill? Everybody on the Opposition side has it, as I am sure everybody on the Government side does, but where is it in the Bill? It is okay to say that we all want to be nice people, look after our animals and have a lovely countryside—of course we do—but the Government need to say how they are going to do that and exactly what they will do, as opposed to what they could do if they felt like it. We can do much better than that for our food producers.

3 pm

On animal sentience, during proceedings on the European Union (Withdrawal) Act 2018, there were claims, unfortunately, especially on social media, that the Government are not interested in animal welfare and that they are relaxed about cruelty. I do not go in for all that. To be clear, that is not the Opposition's approach to the issue. We are genuine and serious about it, and we think it could be resolved.

I get the impression that if the Secretary of State had clocked the issue earlier, he would have resolved it himself, but because it has become a thing, he has had to resolve it in a different way. That is the reality of political life and we all understand that—there is a “not invented here” chip in some of our brains. The matter does need to be resolved, however, and we have been led to believe that animal sentience will be dealt with, but it is not in the Bill. We are trying to get it into the Bill, but if that is not appropriate or if the Government intend to handle it in a different way, let us hear it. We are not wedded to our amendments as the only way to achieve these things, but the Government need to bend their head around our reasons for tabling them and try to come up with a satisfactory way to deal with the issue.

We genuinely trust what the Secretary of State has said on animal sentience, but the issue is that article 13 of the Lisbon treaty includes a specific recognition that animals are sentient. That wording was transferred into UK law as part of being in the EU, and the UK Government have to do something to keep it in our law after Brexit. After we leave, that law will no longer apply, so we have to get it into a Bill somehow between now and the end of March. I do not understand why the Bill has not been used as an opportunity to do so.

**Mr Goodwill:** Does the hon. Lady accept that despite the fact that European treaties contain that recognition, we still see foie gras production in France and bullfighting, so it would be no protection against that sort of thing?

**Jenny Chapman:** I do, to an extent, but the fact is that we have had that provision up to now and we want to keep it in the future. It is the right thing to do and it provides some protection. How we implement it as part of our UK law is entirely up to us—I think that was the point of the exercise for some Conservative Members, was it not? I look forward to hearing from hon. Members about how they would seek to make the best use of the opportunity.

**Simon Hoare:** The hon. Lady will be aware that the RSPCA is the oldest animal welfare charity in the world. Although I take her point that the European Union has been incredibly helpful, does she not share my confidence that we in the UK—the Government, the Opposition and the populace at large—are fully alert to those important issues and will do what is right? As somebody who voted remain, I do not think that we need another group of people to tell us how important the issue is or to set our standards. We can do that ourselves, and we will get it right.

**Jenny Chapman:** Why the reluctance to have this provision in the Bill, if we are all so clear, certain and confident about it? I do not see the problem. It is important because, in a sense, it would act as an instruction to future Governments when they create legislation. It has previously been, and ought to be, the basis of law-making on animal welfare. I accept that there has been a lot of noise and confusion around the debate, and I hope that we do not get sucked into that kind of confusion as we discuss this topic.

Just as an example, one Tory MP—I hope it was not the hon. Member for North Dorset—said:

“This government, and in fact all governments, are deeply committed to continuing to protect animals as sentient beings. That law is already written into our own law.”

But it is not written into our own law—that is the point—and it would be so much better if it were. The reason we are bothering with this Committee is to make the Bill better. I do not think any Minister who has served on a Committee has ever said, “My Bill is perfect. Don’t bother discussing it; let’s all go home.” The idea is that we improve the Bill as we go forward, and I notice that the Government already have many amendments, so they are obviously open to improving the Bill. This amendment would be one way to make the Bill better.

How people feel about this topic, I suppose, depends on whether they think it is important that animal sentience should be specifically recognised, or that the law as it

stands goes far enough. There might be differing views on that, but the Opposition think that animal sentience needs to be recognised in law. If the Government wanted to bring forward their own wording on this—I expect the Minister will tell me why mine is deficient any minute now—we would be interested in working with them on it, because this issue matters to so many people around the country that we need to be constructive about it. Should the Government want to do the right thing, we will work with them. I will leave it there for now, and listen to what the Minister has to say before I speak further.

**Mr Goodwill:** The hon. Member for Darlington has made some well-argued remarks, and I am confident that the Minister will be able to reassure her on a number of the points that she made. We are all on the same page.

I will briefly concentrate on one aspect. Who could argue with the four principles in amendment 75? My slight problem is that, having served on the European Parliament’s Committee on the Environment, Public Health and Food Safety for five years—and being partly to blame for much of this legislation, no doubt—the precautionary principle looks, on the face of it, like a good principle. In practice, sadly, it is often misused. My experience was that increasingly, it was being used as a fall-back to ban some activity or substance for which there was not any scientific evidence to justify a ban, or insufficient scientific evidence. For example, if I were to use the precautionary principle when I decide whether to cycle home on my bicycle tonight, I would almost certainly decide not to do so, because I could not prove beyond any reasonable doubt that I would not be knocked off or fall off, and end up in St Thomas’s hospital or worse. Sadly, that type of approach is used all too often.

I can give you an example from my time in the European Parliament, to do with the group of chemicals known as phthalates. They are used to soften PVC—the sort of plastic that is used in babies’ dummies, feeding bottle teats, and many medical devices. Phthalates are chemicals that have effects on human health; they are endocrine disrupters that affect how hormones in the body work. Some sought to ban the use of phthalates as a PVC softener in such products, but the problem was that the medical industry said, “If we cannot use those plastics, the devices that we will have to use will not be as good for operations”—those devices include complex catheters that are inserted during more complex operations. That was an area in which we needed to look at the risks and benefits in the round, rather than issuing a ban based on some risk that might have been unquantifiable, and certainly was not scientifically proven.

The most recent case that shows us why, when we move forward with our own legislation, we need something better than the precautionary principle—something that is much more scientifically based and that can, if necessary, be taken to judicial review and proved one way or another—is the prevention of the introduction of genetically modified crops across the European Union. Many farmers and enlightened environmentalists would have liked such crops to be introduced, to reduce our reliance on pesticides and fertilisers and to make food more nutritious and safer. That is how those crops are used around the world, but we cannot do so in the UK.

The precautionary principle has been used to block such technologies, and that was a bad use of that principle.

Rather than accepting amendment 75, we need—now that we can, as we have heard, make our own legislation—something that does the same thing as the precautionary principle but in a more effective way, based on science and not, as is sadly often the case, on prejudice and misinformation.

**Kerry McCarthy:** I will confine my remarks mostly to amendment 71, although I will say that it is really frustrating that the animal sentience Bill disappeared into the ether after the agreement that it would be split from the sentencing Bill. We have not heard anything about it since then. It is not enough to get assurances from the Minister; we need to see that legislation if we are to be convinced that it will really happen.

My amendment is about higher animal welfare. I have seen a timeline from DEFRA that says that a definition of higher animal welfare standards will be set by 2020. I would like to know why it cannot be set sooner, because it rather complicates things if we do not know the parameters that we are dealing with. The key point of my amendment is to ensure that we are not rewarding farmers who just do what is required of them by law.

We are a little too self-congratulatory and complacent about animal welfare standards in this country. There have been numerous exposés of even some of the higher assurance schemes where the letter of the law was clearly not being followed and standards were being breached. We should always be vigilant about that, particularly as we know that future trade deals might result in a race to the bottom, with food that has been produced to lower animal welfare standards, food safety standards and environmental standards flooding into the country. There will be a temptation to cut corners. I know Ministers have said that they will not allow British standards to fall, but I cannot get them to say that they will not allow into the country, for example, US food that is produced to lower standards. Once what I would call substandard produce is allowed into the country, the pressure will clearly be on to compete by, as I say, cutting corners.

At the heart of the amendment is the fact that the Bill does not have a regulatory baseline, and we will lose cross-compliance as we leave the common agricultural policy. I am not quite sure how we will monitor whether farmers are meeting the regulatory baseline. Because we cannot do that, how will we reward them for meeting higher standards? At the moment, I think farmers get their payments withheld if they do not meet certain standards. The current wording of the Bill would make it possible for a farmer to break the law when transporting calves, for example, but still to receive payments for higher animal welfare. Are they going to be judged in the round, or just by particular things that they have cherry-picked?

I want to ensure that financial assistance under clause 1 will be given only to farmers whose welfare standards are higher than those required by law. The definition of higher animal welfare will be very important to that, and it should take into account the desirability of both preventing negative experiences and promoting opportunities to give animals a positive quality of life;

those are two slightly different things. Scientists are increasingly recognising the importance for animals' physical and mental wellbeing of their ability to engage in exploration, investigation, problem-solving and play. That is recognised by the Farm Animal Welfare Committee as well.

A second condition for receiving funding should be that the farmer is a member of a comprehensive assurance scheme.

3.15 pm

**Colin Clark (Gordon) (Con):** The hon. Lady is making a powerful point. It was interesting that she brought up the question of single farm payment. As I have declared, I am a recipient of that and I am aware of the cross compliance rules. Does she not take some comfort from the fact that we recognisably have the highest welfare standards, not just in Europe but probably in the world? That gives us some encouragement that our culture is not just about working towards respecting legislation, and we need a carrot as much as a stick. In many ways, I agree with her, but does she recognise that we have the highest standards?

**Kerry McCarthy:** The hon. Gentleman has plenty of carrots, although I do not know about sticks. For those who do not know, he is in the carrot business. I have already said that I get a bit fed up with the constant refrain that we have the highest animal welfare standards in the world, because I think it suggests a slight degree of complacency and we should constantly aim higher. The Minister is probably sick to death of the number of written questions that I table about slaughterhouses and conditions on farms, but we have seen from undercover investigations some of the conditions under which the more intensive farms operate. I am by no means tarring all farmers with the same brush, and it is good that we take animal welfare so seriously in this country. However, there are a lot of examples of when we do not, and we should not be too complacent about it.

**Mr Philip Dunne (Ludlow) (Con):** I am grateful to the hon. Lady. I should declare that I am a livestock farmer and am in receipt of single farm payment. I understand that she may not have had much experience of visiting livestock farms, though she might have done so as a member of the Select Committee on Environment, Food and Rural Affairs. She would be welcome to come and see the livestock on my farm—both cattle and sheep—and how they are looked after. That might encourage her to consider whether she wants to continue to be a vegan.

**Kerry McCarthy:** I have visited quite a few farms. The hon. Gentleman is completely missing the point. Anyone could take me to a farm with happy cows or happy sheep, by his definition, but that does not mean that there are not places where abuse occurs—where animals are not kept in the best possible conditions or treated well. That is exactly the point I have just made. I accept that we have high animal welfare standards generally, but I am also saying that we should not be complacent. As for the vegan thing, I have been a vegan for 27 years, so the hon. Gentleman would have to do a lot more to change my mind than simply show me his cows.

**Simon Hoare:** *rose*—

**Kerry McCarthy:** The hon. Member for North Dorset wants to interrupt. He said earlier that we need dairy to be healthy. I do not know quite how I have managed to stay on my feet for this long; clearly, I ought to be wilting away, languishing and looking pale and anaemic.

**Simon Hoare:** I will leave that question as being rhetorical. I do not think it is complacent to say that we have the highest standards. It would be erroneous and complacent to say there were no breaches of those standards, but it is a statement of fact that we have the highest standards. We all appreciate that not everybody adheres to them, and there are responsible penalties for those who are identified as breaching those standards. However, it is not complacency to say we have the highest standards in the world; it is a statement of fact.

**Kerry McCarthy:** I think it is complacent to just respond, whenever questions about animal welfare are raised, that we have the highest standards, because that means that we are not engaging with the problem being brought to our attention, namely the breaches. If I raise the conditions on a mega-farm where there has been an undercover investigation showing all sorts of horrendous conditions—and in some instances even cases of cannibalism, which I have seen footage of recently—I do not want the response to be: “We have the highest animal welfare standards.” To any problem across the piece that we ever bring to the Government’s attention, we could say, “Well, we’re doing really well 90% of the time.” That is not what we are here to do. We are here to highlight where the system has gone wrong and to try to encourage people to do better.

I notice that the hon. Gentleman did not come back about whether I am healthy or not. Perhaps we should challenge each other to something—

**Simon Hoare:** The hon. Lady radiates health from every pore. I suggest that she would radiate still further were she to have dairy in her diet, but her hon. Friend the Member for Derby North (Chris Williamson) does not radiate anything.

**Kerry McCarthy:** My hon. Friend the Member for Bristol West is now vegan as well—in fact, three of the four Bristol MPs are vegan. She is completely vegan and a model of good health.

The second condition for receiving funding should be membership of a comprehensive assurance scheme. The RSPCA assured scheme covers all aspects of welfare and has genuinely high standards and rigorous monitoring arrangements. I am not so sure about other assurance schemes, which have been criticised. We need to clarify what the criteria would be.

I want to finish by talking about a few things that Compassion in World Farming has mentioned as additional standards and perhaps the sorts of things that farmers should get additional funding for. On pigs, it says:

“Funding should be available for farmers who achieve intact tails”—

that is, neither docked nor bitten tails. It continues:

“Getting pigs to slaughter with intact tails is recognised by the Farm Animal Welfare Council and others as a reliable outcome based indicator of good welfare.”

In Lower Saxony, I am told, farmers are paid €16.5 per undocked pig under its curled tail bonus scheme. Is that the sort of thing that we could look at rewarding farmers for here?

**Mr Goodwill:** A local pig farmer told us the other day that he had 235,000 pigs. I am sure he would be very interested in a scheme like that.

**Kerry McCarthy:** I went to a higher-welfare pig farm when I was shadow Secretary of State and was appalled to learn that while it could make money selling the pigs to local butchers, any pigs that it could not sell to local butchers or restaurants for local consumption had to be sold to the supermarket, at a loss of £80 per pig. Something is clearly very wrong with a farming system where higher-welfare farmers cannot be funded that way. I also went to a higher-welfare chicken farm that was making 2p profit per chicken, which I thought said an awful lot about the broken market model. Perhaps the pig farmer who the right hon. Gentleman met would like to be paid per intact pig tail—perhaps he could raise that with him.

One of the problems with the pig sector is that it is quite easy to move into or increase numbers, therefore the market fluctuates. If farmers get a good price, people start moving in, and before we know it, too many pigs are on the market and the price dips again—we could spend a lot of time on the economics of farming.

Funding could be available for farmers in the dairy sector who keep their cows on pasture during the grass-growing season. That is a requirement of the pasture promise scheme, which is being developed by a group of farmers. There is a wide range in the welfare quality of laying hens provided for by free-range farms. We know that ordinary free-range systems are supported by the market and are very successful—once eggs started to be marked as free range, the public responded. However, some free-range systems have much lower stocking density, a low flock size, and trees and bushes around, so there are welfare differences among different free-range providers.

At the moment, only 1.2% of UK broilers are produced to RSPCA assured standards. There is an argument for saying that we should provide support only to broiler farmers who are members of the RSPCA assured scheme, so as to encourage others to move away from the lower standard of broiler production. I am not saying that the ones outside the RSPCA assured scheme necessarily have poor animal welfare standards, but clearly there is a higher benchmark to which people could aspire, and we ought to be encouraging them to do that.

Will the Minister say how cross-compliance will work and how we will monitor basic animal welfare standards? How is he going to come up with the higher animal welfare definition, what sort of things will it include, and will he promise to bring it forward a little sooner?

**Sandy Martin:** I want to add briefly to what my hon. Friend the Member for Bristol East said about amendment 71. I worked in a British-built chicken broiler plant in Israel. It was some time ago, and no doubt improvements have been made since, but it was sufficient to make me a vegetarian, although I have not yet gone as far as to become a vegan. Ipswich is rather a long way from Bristol, but if I was a bit closer, maybe I would be a vegan by now.

**Kerry McCarthy:** Thursday is World Vegan Day, and I think there will be people outside between Committee sittings giving out free vegan pizza. If my hon. Friend wants to join our hon. Friend the Member for Bristol West and me to get a slice, he would be welcome. In fact, all Members can come.

**Sandy Martin:** I would very much welcome a slice of free pizza, whether it had cheese on it or not.

**Kerry McCarthy:** It is vegan cheese.

**Sandy Martin:** Or whether it was vegan cheese or cheese made from milk.

I want to focus mainly on amendments 74 and 75. On amendment 74, as Members may know, the Environment, Food and Rural Affairs Committee had extensive evidence and debate on the Secretary of State's proposed Bill covering animal cruelty sentencing and incorporating animal sentience into UK law. The Committee took the very sensible view that it was important to stiffen the sentences for cruelty without further delay. We therefore advised the Secretary of State that it would be sensible to separate the sentence on sentience from the section on sentencing. However, we felt that the whole issue of animal sentience needed to be taken seriously, and that a way should be found to take on board the significance of the issue and incorporate it into UK law once we had left the European Union. I believe that the proposed new subsection in amendment 74 covers just one of the vital areas where an adherence to the concept of animal sentience would have a material effect on agricultural practice in this country and ensure that the default support for animal welfare implied by the concept of sentience is not lost when we have left the EU.

It is not just me who believes that, but the Secretary of State as well; otherwise why did he want to pass a Bill that supported the concept of animal sentience? If he did wish to pass such a Bill—and he clearly did, because otherwise he would not have put it forward—why would he not want it to have a real effect on actual animals and their welfare? Amendment 74 is a way of ensuring that the concept of animal sentience actually has some effect, and I cannot really understand why the Government are not happy to accept it.

I am sure that the hon. Member for North Dorset made some of the comments that he has with the best of intentions, but the overall feeling appears to be, "We intend to do the right thing, so leave it to us." That is not the way that law works; it is not the way that Bills are meant to work. The whole point of having Bills, Acts, debate, amendments and so on is to make sure that things are written down in such a way that people know what will happen and do not just have to rely on the good will of the Secretary of State.

We need to look at what amendment 75 says. Clause 1(1)(e) refers to

"preventing, reducing or protecting from environmental hazards", which should be good things, but only so long as they actually meet up with the protection of the environment, as we provide for in amendment 75. I will give a good example of supposed prevention, reduction or protection from environmental hazards that clearly does not meet up with the proposals in our amendment: the flood defences in Ipswich, where serious amounts of concrete and large sheets of metal were shoved in on either side

of the river to prevent flooding. Clearly, I do not want Ipswich to be flooded, and I am very glad that we have flood defences. In fact, Ipswich was seriously flooded before the war, before those defences went in. However, they are not in the slightest bit environmentally friendly, and I am quite sure that flood defences in other parts of the country are seriously damaging to the environment too.

There are far better ways of doing these things now, and there are all sorts of other activities that people might want to undertake that would be damaging to the environment, even though they protected us from environmental hazards. All that we are asking for is that work done to offer protection from environmental hazards is not done in an environmentally damaging way. Again, I cannot really understand why the Government are not willing to support that amendment.

3.30 pm

**George Eustice:** I will begin with amendment 75, as the other two amendment both pertain to animal welfare. This amendment effectively says that people have to abide by retained EU law before they can be eligible for any assistance. Retained EU law is coming across through the European Union (Withdrawal) Act 2018. It will apply to everyone, whether or not they are in a scheme. We do not believe the amendment adds anything or is necessary, as retained EU law will become UK law and will be enforceable as such to everyone. The important thing about the new schemes from our point of view are the conditions attached to them. We deal with that very differently, in clause 3, which we will no doubt debate later and which has all sorts of provisions for checking, enforcing and monitoring. It requires provisions for the keeping of records and allows us to impose penalties, establish appeals processes and refer powers of entry, for instance. Clause 3 sets out clear enforcement powers and the ability to set conditions on access to such schemes, which in our view is the right way to approach this.

There is also a technical problem with amendment 75. The hon. Member for Bristol East at least said that everybody should abide by the legislative baseline, whether that be retained EU law or any other domestic legislation. The problem I have with the amendment is that it treats retained EU law as if it were the only law that matters. It is mute on other national law. If we were to require people to abide by the law—which they might believe they would be required to do anyway—why would we require them to abide only by retained EU law, rather than any other class of law? To me, that does not make much sense.

**Jenny Chapman:** We do not want it to be retained EU law; we want it to be primary UK law. That is our point, because we think that has a different status to retained EU law.

**George Eustice:** The provisions that I am reading are very much around EU law and retained EU law, but I take the hon. Lady's point that she may have intended the measure to be broader.

There is a third point, however. We are clear that we accept some of these principles. We will provide for a new environmental body to police them. We have already said that we are committed to those principles coming across. There is a difficulty, however, in the practice of a

[George Eustice]

scheme where financial incentives are being paid. It is not always black and white. For instance, the “polluter pays” principle sounds great in theory, but what if there is a diffuse pollution incident somewhere in a water catchment that might involve small contributions from a number of farms that are difficult to locate? It is not always easy to just say, “We need regulation,” or, “We need enforcement,” on this farm or that farm.

In recent years we have successfully paid farmers to support them in investing to improve slurry infrastructure. We have had a successful scheme in the past two years to pay farmers to put lids on slurry stores, so that they can reduce ammonia emissions, for instance. If we are serious about tackling complex environmental issues such as diffuse pollution, we have to be willing to venture beyond what can be achieved with a blunt regulatory instrument and instead be willing to have financial incentives, rewards and grants to support good practice. A requirement to abide by the “polluter pays” principle will often be used, as in this case, by people who want to sit on their hands and not spend money. If we are serious about doing payment for public goods properly, we must be willing to exercise judgment and to support schemes that may fall into the grey area between what would normally be covered by regulation and what would be covered by an environmental purpose.

Amendment 74 relates to animal sentience, on which we have already published draft legislation. The Government are absolutely committed to making the necessary changes to UK law to ensure that animal sentience is recognised. This country has always been a leader in the field. In 1875, we were the first country in the world to pass legislation to regulate slaughterhouses. The Protection of Animals Act followed in 1911, and in 1933 we updated a lot of our regulation, particularly of slaughterhouses. The Animal Welfare Act 2006 recognises animal sentience. We would never have passed any of that legislation if we did not believe that animals were sentient beings. That is beyond question; both sides of the House and all Governments have believed it for at least 140 years. We are committed to introducing a Bill to recognise animal sentience.

**Dr Drew:** Will the Minister assure us that that Bill will be introduced before March? If not, what will the status of farm welfare be if we crash out of the EU, for example?

**George Eustice:** I cannot guarantee that that Bill will be introduced by March, but obviously we are working on the basis that there will be an implementation period, in which case all those principles will apply. More importantly, however, I can guarantee the hon. Gentleman that all retained EU law—the entire body of legislation that governs everything from slaughterhouses to transport regulations—will be brought across. That is already happening in a large wave of statutory instruments made under the European Union (Withdrawal) Act 2018. Every single piece of EU animal welfare legislation will be effective and on our statute book by the end of March.

**Dr Drew:** There is the rub. We know that something like 80 SIs are coming our way. We may not choose to object to them all, but even if we object to only eight

or 10, it will wear the Minister out, wear me out and have huge implications. Effectively, it will mean that we cannot do anything else, because that is what the nature of the SI process implies. It is all well and good saying that secondary legislation is the way forward, but it will not necessarily be very practicable.

**George Eustice** *rose*—

**Mr Dunne:** May I help the Minister on that point?

**George Eustice:** I think it is probably best if I answer one intervention before I take another.

We are in the middle of a huge decision to leave the European Union. An enormous amount of work is needed under the withdrawal Act to ensure that we have a functioning statute book on year one; we all recognise that, and it will necessarily take priority in the months ahead. However, I reassure the hon. Member for Stroud that all the EU regulations that bind us on this issue will still be in force in UK law when we leave the EU at the end of March. That will be unaffected by whether a Bill that recognises animal sentience has been introduced, because none of the regulations that we are bringing across are contingent on the overarching principle of animal sentience.

**Mr Dunne:** I have the distinct privilege of serving on the European Statutory Instruments Committee. The Leader of the House has reassured us that the volume of work for us in determining whether the forthcoming statutory instruments should be laid under the negative or the affirmative procedure will be very similar to that of scrutinising the routine number of statutory instruments that the House considers year on year. The forthcoming SIs should not give rise to the kind of concerns that the hon. Member for Stroud has voiced.

**George Eustice:** As a member of that Committee, my hon. Friend has to digest those points, so he probably has a clearer idea of the work that will be involved, but we recognise that it is a big exercise.

The hon. Member for Darlington raised an important point. I can reassure her that the Government are committed to publishing legislation that will recognise animal sentience. We do not believe, however, that it is right to bring that into the Bill in the way that she has by linking it only to the narrow issue of how payments are made, when we are talking about purposes that inevitably recognise animal sentience, because that is why we are incentivising farmers to adopt high standards of animal welfare.

Amendment 71, tabled by the hon. Member for Bristol East, also seeks to establish an additional rule that says broadly that financial assistance cannot be given unless it is over and above the regulatory baseline. I understand her point, and it is a legitimate question to ask, but it is wrong to try to prescribe it in that sort of amendment, for reasons that I will explain.

As a country, we have done something new in including animal welfare as a public good. I have been clear that I wanted to do that for the last couple of years. I have worked closely with the RSPCA, Compassion in World Farming, Farmwell and other organisations. We are trying something new. Just last week, I met Peter Stevenson from Compassion in World Farming.

We are considering several things in the design of a future animal welfare scheme. One of those is the possibility that we could financially reward farmers and incentivise them to join some kind of United Kingdom accreditation service-accredited higher animal welfare scheme—perhaps the RSPCA one or others that may form. We may also choose to support farmers to invest in more modern housing that is better for animal welfare. In the pig sector, there are some issues with outdated housing that does not lend itself to providing for modern welfare needs such as enriched environments and straw in barns. We may also have a third category of payment for the adoption of particular approaches to husbandry, such as lower levels of stocking density, systems that are more free range or even pasture-based systems.

Finally, we are interested in the potential for payment by results. Farmwell has done some work on that. The hon. Member for Bristol East mentioned Compassion in World Farming and its view about payments for curly tails. If pigs go to slaughter with intact curly tails that have not been damaged, that is a good indicator that they have had a higher-welfare existence. Likewise, Farmwell has developed a feather-cover index for a depopulated flock of laying hens, which is a good indicator as to how well people have approached farm husbandry. In a free-range system, there can be good and poor farm husbandry.

It is a complex area. If there is a mixture of payment for capital items to renew housing, which may have higher welfare outcomes, payment for joining accreditation schemes and, potentially, payment by results, it is not always obvious how that would be benchmarked against a regulatory baseline, which by definition does not cover everything.

If the hon. Lady is concerned about money being spent in that area in a way that simply pays farmers for what they are already doing to comply with the law, I guarantee that there will be no shortage of push-back and pressure from within the internal machinery of Government—the civil service, the Treasury, the Cabinet Office and other Departments—to ensure that money is spent only to get additionality. We will not have the problem that she perceives, which is that we would spend money on things that are already a requirement by law, but if we were to accept her amendment, we might have a different problem, which is that we would place barriers in the way of policy innovation. For that reason, I hope she will not press amendment 71.

**Mr Goodwill:** The Minister talks about paying farmers for what they are doing already, and having had experience of the entry-level environmental scheme, that is precisely what it did. He might recall, however, that one of the questions I asked the farmers unions was how we should get the balance right between rewarding people who have always been doing the right thing and incentivising improvements on land that has not been looked after in the same way.

3.45 pm

**George Eustice:** My right hon. Friend makes an important point. I am conscious that on animal welfare and in the agri-environment schemes, a lot of farmers have already done a huge amount of work, and it is important to recognise that and to continue to reward them for that. The baseline, such as it is, should be anchored somewhere around the regulatory baseline.

Even then, I do not think we should have a hard and fast rule, for the reasons I have explained on issues such as investment in slurry management. In this innovative new field of animal welfare, there are grey areas, and it is not always right to have a hard and fast rule.

The hon. Member for Bristol East mentioned the issue of cross-compliance. The conditionality on new schemes is provided for in clause 3. If somebody enters a new scheme and is in breach of it in some way, there are provisions for financial penalties and for the powers that we would need to be able to do that.

Having been farming Minister for five years, and having wrestled with cross-compliance, I am not a great fan of how it works in practice. It is a rather dysfunctional system. There is literally nothing—bar one thing—in cross-compliance that is not already in our domestic law. All the requirements on ear tagging, animal health and animal welfare, or the issues around TB testing and good environmental condition for land, are already requirements in our national law. All that cross-compliance really gives us is a sort of easy and rather unjust way to claw penalties out of farmers without really giving them a chance for a fair hearing in court. In my view, it is not a very satisfactory system. We would need some sort of system of fixed penalty notices in future, so that there are ready remedies for minor breaches, but we could design something far better. Cross-compliance will remain in the legacy scheme that we will come on to debate, but we will have the opportunity to modify and improve it and to remove some of the rather unnecessary administrative burdens that can get in the way.

I hope that I have managed to persuade hon. Members that the Government remain absolutely committed to amendment 74 animal sentience, but we believe it should be in another Bill. We have already published draft legislation. On amendment 75, retained EU law will already be binding on anyone, whether or not they are in a scheme. I hope that the hon. Member for Bristol East will not press amendment 71, as it would be counterproductive to the cause that I know she believes in very strongly.

**Jenny Chapman:** I am not surprised by any of the Minister's comments. His attempt to reassure the Committee on EU retained law and SIs was not particularly effective. As we said at great length during the passage of the withdrawal Act, the ability to amend the Act is of deep concern to us. We think it is far better that the provisions should be in the Bill now, so that everyone can see exactly where we are. We are not happy with the approach that the Government have taken, and not just in these areas but in many others.

The Minister invited me to look to clause 3 for reassurance. Again, we come back to the powers that have been given to the Secretary of State, which are so wide-ranging. Although there are suggestions in the Bill about what those powers may be used for, the lack of precision is astonishing. Clause 3(2) states that “under subsection (1)” the Secretary of State “may (among other things) include provision”.

It is extraordinary that the Government are attempting to proceed in this manner and expect the Opposition to go along with it. We are just not going to do that.

I might not be minded to press the amendment to a Division today, but I do not want the Committee to interpret that as demonstrating any kind of satisfaction

[Jenny Chapman]

on our part; it absolutely does not. We intend to return to these issues, which is one of the reasons why we will not press the amendment today. That might increase our chances of being able to return to the issues, which are fundamental to why we think the Bill is so flawed. I take the point about linking the issues to financial assistance. There might be something in that, although taxpayers want to know the principles by which their hard-earned cash will be spent in this area. I do not think that the Minister has responded adequately to our concerns. I expect that in the other place, and on Report, we will go over those issues again.

As for amendment 74 and the promised new Bill, we want and need to see the Bill, not just assurances that it is on its way. The Secretary of State said, “I want this to happen because I too am a sentient being.”

**Dr Drew:** Allegedly.

**Jenny Chapman:** Yes, there are degrees of sentience. It is not good enough, and there is no justification for not having introduced the Bill already. I am not going to divide the Committee, because we are pressed for time, but I expect that the issue will be debated again as the Bill proceeds. I want to restate our dissatisfaction with the whole approach to the Bill. It is not good enough, and the Government could have done an awful lot better. However, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Dr Drew:** I beg to move amendment 52, in clause 1, page 2, line 4, leave out subsection (2), and insert—

“(2) The Secretary of State may also give financial assistance for or in connection with any of the following purposes—

- (a) starting, or improving the productivity of, an agricultural, horticultural or forestry activity;
- (b) supporting businesses or communities in rural areas; and
- (c) supporting persons who are involved in the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity.”

*This amendment would extend to England the powers provided to Welsh Ministers in Schedule 3 paragraph 1(2)(a) and (c).*

**The Chair:** With this it will be convenient to discuss the following:

Amendment 88, in clause 1, page 2, line 4, leave out subsection (2) and insert—

“(2) The Secretary of State may also give financial assistance for or in connection with any of the following purposes—

- (a) supporting businesses or communities in rural areas;
- (b) starting, or improving the productivity of, an agricultural, horticultural or forestry activity;
- (c) supporting persons who are involved in the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity;
- (d) supporting the production of such part of the nation’s food and other agricultural produce as it is desirable to produce in the United Kingdom.”

Amendment 89, in clause 1, page 2, line 6, at end insert—

“(2A) Financial assistance under subsections (1) and (2) may only be given to—

- (a) persons who are involved in the production of products deriving from an agricultural or horticultural or forestry activity, (including recognised producers organisations,

associations of recognised producer organisations and recognised interbranch organisations as established in part 6 or as recognised under the CMO Regulation at the date of enactment of this Act); or

- (b) those with an interest in agricultural land, where the financial assistance relates directly to that land.”

Amendment 90, in schedule 3, page 30, line 17, at end insert—

“(2A) Financial assistance under subparagraphs (1) and (2) may only be given to—

- (a) persons who are involved in the production of products deriving from an agricultural or horticultural or forestry activity, (including recognised producers organisations, associations of recognised producer organisations and recognised interbranch organisations as established in part 6 or as recognised under the CMO Regulation at the date of enactment of this Act); or
- (b) those with an interest in agricultural land, where the financial assistance relates directly to that land.”

**Dr Drew:** I shall try to be a bit briefer on this amendment, partly because the hon. Member for Ludlow has three amendments to our one. I make no apology for the fact that it is more of a probing amendment. There has been some discussion about the relationship between supporting environmental goods and what remains of helping farmers or people who work the land. Paragraph (b) is quite important to me, having done quite a lot of work on rural policy over the years. We have not really spent much time looking at how rural fits alongside agriculture.

One of my worries about the legislation is the way we are changing from the common agricultural policy, of which, as the Minister rightly said, I was a critic. There were many things wrong with it, but one of its strengths was pillar 2, and the way in which pillar 2 was able to enhance and, dare I say it, rebuild rural communities. One of the problems with the Bill is that rural communities hardly seem to feature at all. Yet the strength of agriculture is in the context of the rural communities in which farmers and others live. It is quite important that we tease out from the Government how they see pillar 2 being reframed in a British context.

I would argue from the outset that the previous Labour Government, the coalition Government and this Government have not done enough to support rural communities. Too often money was forthcoming only in a grudging manner. We frequently failed to match-fund the moneys that were available through pillar 2, which meant that very often schemes did not go forward. Part of my reason for tabling the amendment was to raise the issue of rural communities, and to say that hopefully there will be opportunities for us to put something more definite in the Bill to say that we really want to enshrine pillar 2 in the legislation. Otherwise, all will be lost. There is no other opportunity; there is no forthcoming rural Bill. We may have a sentience Bill, we may have a sentencing Bill, and we may have a Bill to ban animals in circuses.

**Jenny Chapman:** “May.”

**Dr Drew:** We may; we might; we must—some time, over the rainbow. Lots of bits of legislation are possible, but they are not necessarily going to be introduced very quickly, so rural affairs must feature.

The amendment is more of a probing amendment. As we move towards environmental support payments, we must consider what that means for farmers. I have

always been a doughty champion of smaller farms and tenant farms. Given what my hon. Friend the Member for Darlington has said, I worry that there are holes in the legislation, with regard to how it will actually work. In the evidence session I referred to the regulatory underpinning, which is important but, as yet, not at all clear. That is why we wanted evidence from the Rural Payments Agency, despite all its failings, and from the Groceries Code Adjudicator, and indeed from Dame Glenys Stacey, to know what the format is. We have had her interim report but no final report yet on how the regulatory regime will operate for farmers. That is important because, although we are debating primary legislation, that is what will underpin it. Rural communities are important and we need to know what the Government will say about that.

In terms of the national interest and social justice, we must be able to feed ourselves. We feel strongly about food security, and I have argued for that. It has not really featured in the past decade, although it did in the previous one—it drove agricultural policy. It was one of the reasons we changed at European level from the previous regime. We strongly felt that it was better to pay farmers—in this case, landowners—and that may be where we dug ourselves into a problem. I always argued that there should be a *de minimis* and a *de maximis* payment structure. Colleagues did not necessarily agree with that, but that is why we have ended up with some of the problems we have had in respect of the area payment scheme. We need to look at how we can encourage our farmers to produce more of their own produce, and that is a reason for probing this. It is about good-quality, healthy food—we have had that debate already. We need to look at how that is coming forward.

That all sounds theoretical, and like good things for good people, but that is what we have committed ourselves to in the Welsh schedule, so they are getting this. We may well say, “Lucky old Wales” and feel disappointed that England does not have the same. It would be interesting to know how we will defend the interests of England. That point was made at great length at Second Reading by the hon. Member for Wokingham (John Redwood). Who speaks for England? Wales certainly has greater flexibility in how it can use its money in its schedule. I have said that it is likely that we will end up with four different agricultural systems—nuanced, but different. We must understand where England stands, particular in relation to Wales. Should Scotland and Northern Ireland come forward with the same proposals, they would need to be looked at. We must look at how payments will be allowed as well as for what, and to whom. That is why agriculture, horticulture and forestry are crucial in how we look at who gets the money and for what reason. That is about public interest, and it is about putting what we really want people to do on the face of the Bill.

4 pm

A fundamental change is going on here, because this is the biggest change since 1947. From day one we still have to get people producing food, which is no doubt what the hon. Member for Ludlow will talk about. We have to give them some incentive to stay on the land. I talked earlier about the uplands, which are particularly problematic because of the way we have supported and subsidised them. That can change and they have to do different things with the land. I am interested in how it

all comes together. It is again the link between the environment and food. In this case it is less about health, although maybe the health of farmers ought to be taken into account because they are under enormous pressure financially and physically.

I hope the Minister can agree that there are some issues here that we have to address. The alternative is to run down our farming system and become more and more reliant on imports. That is not something I want to see but somebody will have to fill that gap if we are not producing at least the same amount of food. Personally, I think we should be 80% self-sufficient. It would be wonderful to be 100% but we do struggle to grow bananas at present—with climate change, there is always an opportunity.

There are reasons why we would always import and export food, being a major export of the British economy. Knowing what will happen to the way we treat farmers and other users of the land is crucial. That is why we are probing with this amendment. No doubt we will come back in future with a slightly more thoughtfully worked-through amendment, which would allow us to bring both the environment and food production elements together. It will be very interesting to hear what the Minister has to say to allay some of our fears and show the way forward, and to hear what the hon. Member for Ludlow has to say.

**Mr Dunne:** It is a pleasure to serve under your chairmanship, Mr Wilson, and to follow the hon. Member for Stroud, whose amendment bears a striking resemblance to mine. The prime difference between my amendment 88 and his amendment 52 is the order of the subsections, and I do not think that is substantive. As he just described, my amendment came from the wording in schedule 3 relating to Wales. My hon. Friend the Member for North Dorset, who inexplicably left the room just before I rose to make my contribution, asked me to assure the Committee that he supports the amendments.

One reason for tabling the amendment was to pick up on some of the comments made in the evidence sessions, in particular from the representative of the farming industry in Scotland. They welcomed as close an alignment as possible of the regimes that will stem from the Bill, and once we leave the CAP regime, to try to minimise difference among the four schemes. I am conscious that we do not have any of the regulations that will implement the schemes but, in terms of the regulatory environment and the legislation, the more commonality we have between the four nations, the better for farmers and the industry.

I must remind the Committee of my entry in the Register of Members’ Financial Interests; I am a farmer who will be affected by the regime, in common with other farmers. The purpose of the amendment is to probe the Government’s intent in relation to agricultural support. I agreed with much of what the hon. Member for Stroud said. We are designing a scheme that replaces the legislative environment of the 1947 Act, which put in place an initial set of agricultural support. We are also replacing the CAP system that we have been operating under since the 1970s. The legislation is designed to set in place agricultural support for the future. Yet the challenge to us, as members of the Committee, is that the purposes as set out under clause 1, thus far, are not agriculture-heavy; they are agriculture-lite; or barely existent.

[Mr Dunne]

There is a challenge, which I think we will see when the Select Committee on Environment, Food and Rural Affairs comments on the Bill. It is keen to see specific references to agriculture, horticulture and forestry in the purposes of the Bill. That was what lay at the heart of my amendment 88, and in particular proposed new subsection 2(d) of clause 1, which refers to

“supporting the production of such part of the nation’s food and other agricultural produce as it is desirable to produce in the United Kingdom.”

When I intervened on the Secretary of State on Second Reading, I asked him what his view was about food security being an important purpose of the Bill. As a former journalist with an ability to encapsulate pithily what he means in as few words as possible, he replied with four words: “Food security is vital.” That is why I felt that it was important to probe where the Government stand on the issue, because that objective is not as apparent in the drafting that has emerged in the Bill as the Secretary of State was on Second Reading. Amendment 88 would help to make that objective explicit.

The Secretary of State went on to describe how he sees food security providing the opportunity for UK-based farmers to compete internationally by way of exports. Of course, the UK competes internationally in global food and food product markets. At the moment, we produce about 60% of the food we consume in this country, so we are importing 40%—not quite as much as we are producing. There is clearly a risk that once we move to more internationally competitive markets, we will find imports coming in to a greater degree. We are now setting up a legislative programme that will allow for unforeseeable events in the future, and future Secretaries of State may therefore find it advantageous to have a power on the face of the Bill that allows future Governments to design or redesign a scheme in the event of market conditions changing.

We will talk about exceptional market conditions later in our consideration of the Bill, and I welcome the clauses that deal with that topic. They represent a very good idea. However, when responding to the amendments, I urge the Minister to consider whether it is desirable for Secretaries of State to have that power, which may—rather than must—be used. At some point in the future, in the event that there are challenges to local production, that power may be called upon. Food security is not just about how much food we grow in this country; it is about how readily accessible food is to our populations in the event of difficulty. We have already seen from previous incidents of industrial disturbance and severe weather that, on occasion, distributing food to the population is not as easy as it is during normal times. Having the ability to grow as much food as we can in this country will be of benefit for the future.

**Mr Goodwill:** Is it not the case that the amendment is absolutely in line with the 1975 Government White Paper entitled “Food from Our Own Resources”?

**Mr Dunne:** I am grateful to my right hon. Friend for his encyclopaedic knowledge of previous agriculture Bills.

I move on to some brief remarks about amendment 89 and the consequential amendment 90, which would amend schedule 3, “Provision relating to Wales”. Those

amendments seek to make it explicit that agricultural support should be payable to those who are responsible for managing the land. Under the previous system, that support has been paid to farmers. We are trying to devise a system of public goods for farmers to do things of environmental benefit that will replace income that they would otherwise derive from growing food, food produce or horticultural forestry products on the land. That aims to provide farmers with some incentive to generate environmental benefits. It is the farmers—all 83,500 of them—who currently receive direct payments through the RPA basic payment scheme who are most deserving of the support that will be made available in the future, rather than other worthy, worthwhile groups who will be able to advise them and generate benefit for the environment. But they are the people who are responsible for delivering most of that public good; that is, the people who manage the land.

That was explained by the Secretary of State in a letter that he sent to MPs when the Bill was published last month. He said:

“For too long our farmers have been held back by the stifling rules and often perverse incentives of the CAP... Our new Agriculture Bill marks a decisive shift. It will reward farmers properly at last for the work they do to enhance the environment around us. It recognises the value farmers bring as food producers.”

He was very clear that the Bill is designed to provide support to farmers in lieu of what they would otherwise do in managing the land by trying to stimulate a greater public good.

I therefore encourage the Government to respond on whether the Bill seeks future support to be able to make payments to those who deliver public benefit from stewardship of the land, or whether it should go to other bodies that do so only indirectly, and for which there may be benefits through subsequent legislation, such as the environment Bill, which might be a more appropriate place for it.

**Sandy Martin:** The House of Lords Delegated Powers and Regulatory Reform Committee report stated that if the Bill is passed in its present form,

“Parliament will not be able to debate the merits of the new agriculture regime because the Bill does not contain even an outline of the substantive law that will replace the CAP after the United Kingdom leaves the EU”.

What the House of Lords was looking for and what, I believe, farmers are looking for is a far clearer expression of the support that farmers will get and the activities for which they will get that support than is expressed in the Bill.

However, at least one thing is clear in the Bill as it stands. The Secretary of State does not envisage rewarding farmers just for being farmers. They need to be supporting the public good. I think farmers would support that, but the problem is defining exactly what the public good is and the extent to which any definition should be left entirely to the Secretary of State, rather than laid out clearly in the Bill. If the hon. Member for Ludlow supports the idea that access to healthy local food grown sustainably is a public good, I am a little mystified as to why he could not support our amendment.

We all want what is best for this country. One of the supposed benefits of Brexit was that it would enable us to decide for ourselves what would be the best agricultural support regime, rather than having to rely on the common agricultural policy. However, I am afraid that

amendments 88, 89 and 90 fall down at that hurdle, because they very much advocate supporting farmers simply for being farmers. In the words of amendments 88 and 89, following the meaning across from one amendment to the second:

“The Secretary of State may also give financial assistance”

to

“those with an interest in agricultural land, where the financial assistance relates directly to that land.”

In other words, that means paying farmers for being farmers or, indeed, paying landowners for being landowners, which neatly expresses the worst aspects of the current operation of the common agricultural policy.

I have been a keen advocate of much of the support and protection that we have achieved through our membership of the European Union, and I fear that we will lose a good deal of it when we leave. However, even I would never claim that the common agricultural policy is perfect, and the UK has been at the forefront of attempting to reform it over the years. I think that that reform was intended to ensure that any financial support through the common agricultural policy aligns better with the support of the public good, but I do not believe that it was altogether successful. Payments to landowners simply for being landowners is one of the aspects of the common agricultural policy that this Bill was designed to end, so amendments 89 and 90 would be a serious step backwards.

**Chris Davies:** Will the hon. Gentleman give way?

**Sandy Martin:** I am sorry, but I have finished.

4.15 pm

**Colin Clark:** I rise to speak in support of the amendments in my name, but for the sake of time I will not go over the points already made by my hon. Friend the Member for Ludlow.

I have stated on the record my belief that the Bill should address food and farming. I have been open about my registered interests, my involvement in food and in conventional and organic farming, and the fact that I receive the single farm payment from the Scottish Government. On that point, I should note my disappointment that the Bill does not include a schedule about the Scottish Government, because it is important that Scottish farmers have clarity, too. If the Bill is trying to achieve anything, it is a framework to give farmers greater clarity. Through the Bill I hope that we can achieve a common framework with the Scottish Government, as well as the authorities of Wales and Northern Ireland. We have to protect the unitary market, because we have shared values in farming and agriculture, and it is important that we continue to protect them. I embrace the opportunity to design UK agricultural policies. I listened closely to the hon. Member for Darlington, and I sympathise with her desire for clarity for the farming industry, so I would like to hear from the Minister that farming will have a clear shared priority, with public money for public goods.

I passionately believe that we should make farming in this country more productive. As someone who has been involved in the agriculture industry for 30 years, I know that productive farming and the environment go hand in hand, and I have seen leaps and bounds from the darker days on the 1970s. I look forward to hearing

from the Minister about how farming and the environment will continue to go hand in hand, which is certainly the ambition of Scottish, Welsh, Northern Irish and English farmers.

**Ben Lake (Ceredigion) (PC):** I will keep my remarks brief, but I must speak against amendment 90, tabled by the hon. Member for Ludlow. I appreciate that it is not dissimilar to his amendment 89 to clause 1, but it relates instead to schedule 3, which outlines the powers that I understand were requested by the Welsh Government. Those powers should not be amended or in any way interfered with by the Committee, or indeed by this House.

I oppose amendment 90 on a point of principle because it should be for Welsh Ministers to formulate proposals for Welsh agricultural policy and for the Welsh Assembly to give or reject its consent. As the hon. Member for Brecon and Radnorshire will know, my colleagues in the Welsh Assembly are vociferous in expressing reservations about some of the Welsh Government’s proposals for agriculture policy. However, it is unacceptable for the Committee to consider any amendment that would omit the requested provisions in schedule 3 or interfere with their operation in any way.

I will not return to the argument that we had this morning about the distinction between “must” and “may”. I will say only that I am not entirely sure what purpose the amendment serves in stating that assistance “may only be given” to certain persons, other than restricting the Welsh Government’s ability to pursue and operate their own policy preferences. I am not sure how that would do anything to enhance the powers currently set out in schedule 3, which states that the Welsh Government “may give financial assistance” for a broad range of purposes.

I recognise that amendment 90 is probing, and I appreciate the opportunity it presents to think again about UK-wide common frameworks, as the hon. Member for Gordon said. The agricultural industry is inevitably closely intertwined across the United Kingdom. The circumstances by which we remove ourselves from the European Union’s CAP make us go back to the drawing board on how this common UK market will operate. I have raised this matter on previous occasions and I make no apology for being quite a broken record in that regard. Where common frameworks are concerned, they need to be drawn up, agreed to and implemented upon the agreement of the three devolved Administrations and the UK Government. In that regard, I am not inherently averse to the alignment of agricultural policy across the United Kingdom—far from it. I am making a point of principle that it is for the Welsh Government, in conjunction with the UK Government and the other devolved Administrations, to decide on that alignment, and not for this Committee or, indeed, this place to act unilaterally.

I attempted to spell that out in new clause 11, which I acknowledge will not be debated, but I am sure that we will have further opportunities to discuss the need for common frameworks, and I know that Members on both sides of the divide are concerned about them. Just for the record, unless amendment 90 was something that was requested in any way by the Welsh Government, I am struggling to see how, as it stands, it enhances the powers of schedule 3 and why it would be in any way necessary for the schedule’s effective function.

**Chris Davies:** It is a pleasure to serve under your chairmanship, Mr Wilson. I, too, have taken great pleasure in supporting amendments 88, 89 and 90. I think that farmers—I am sure that the many farmers glued to the TV watching this debate will feel the same—are now back in the debate and back in the Bill as a result of these amendments. We have emphasised the environment today—quite rightly so, many would say. This is an agriculture Bill, and it is important that our farmers out there are respected and represented within the Bill.

I am disappointed that the hon. Member for Ipswich disagrees with the amendments. Our greatest environmentalists in this country are our farmers. The landscape that we enjoy was created by them over not just decades, but centuries. They know exactly where the water flows when there are floods, they know on which bank the soil is better for their grass, and we should be listening to them. These amendments put farmers back in the game.

**Sandy Martin:** The initial problem with the common agricultural policy was that it was producing unsaleable gluts of certain foods. We have moved from that to a common agricultural policy that has the opposite problem, whereby people are being paid simply for owning land. That, I assume, is the main motivating factor behind the Secretary of State's desire to move towards a system based on public goods, which we support. We believe that helping farmers to produce food is a public good, but we are not here talking about that. The main thrust of the amendments is about paying landowners for owning land.

**Chris Davies:** There are many faults with the common agricultural policy. The hon. Gentleman seems to be well versed in the written word, but we on the Government side of the Committee understand how it is implemented. There are many farmers on these Benches who completely understand how the agricultural world works. There are many issues with the CAP. These amendments do not state that we should have direct payments to farmers. They are probing amendments that clearly state that farmers should be part of the package and part of the discussion as we go forward, and I am happy to support them.

I class the hon. Member for Ceredigion as an hon. Friend, even though he is on the other side of the Committee, and he and I agree on many things. My constituency of Brecon and Radnorshire shares a boundary with Ceredigion, and our farmers cross that boundary regularly. We have similar faiths, meanings and needs—certainly for our agricultural and rural communities.

On schedule 3, we agree on most things, but it is important, if not vital, that the framework enables the devolved nations to work exceptionally closely together. I fear that it will have to be led by one particular region, with everybody coming to a consensus rather than a clear agreement, and I would like to see it led by Westminster. I share a border not only with the hon. Gentleman in Wales, but with England, and it is clear that we need a common framework for cross-border farming, whether it relates to Wales and England, or to England and Scotland, so that everybody works together in the same direction. We have one market and one new agricultural policy, so it is vital that the

four devolved nations work together closely and in the same way for the benefit of agriculture throughout the United Kingdom.

**Ben Lake:** I thank the hon. Gentleman, who is my constituency neighbour, for giving way. I wholeheartedly agree that we must ensure that the internal UK market functions effectively, particularly for our farmers and for agricultural produce. One of the reasons why we need this discussion now is because the overarching framework of the EU CAP will no longer exist. I wholeheartedly agree that we need such co-operation, but we will have to agree to disagree about how we get to it.

**Chris Davies:** Bringing my thoughts to a conclusion, I reiterate that these are probing amendments, and I am sure the Minister will take them on board.

**Deidre Brock** (Edinburgh North and Leith) (SNP): It is a pleasure to serve under your chairship, Mr Wilson. I am pleased that this is a probing amendment because it is a good example of why the schedules relating to the devolved Administrations do not protect or guarantee respect for the devolved settlements. If accepted, it would surely restrict who the Welsh Government can pay out to. That point was ably made by the hon. Member for Ceredigion. It is a proposed imposition on the devolved Administrations that would restrict how they can spend their money. It does not even come from the Government; it comes from a group of—without being rude about it—random MPs.

**Jenny Chapman:** I may have got the wrong end of the stick, but my impression, having raised this matter with the Welsh Government, is that they agreed to schedule 3.

**Deidre Brock:** But I am discussing the amendment.

**Jenny Chapman:** The hon. Lady is referring to the schedule. It has not come from the Government; it has come from the Welsh Assembly.

**Deidre Brock:** Forgive me, but I am speaking about amendment 90, which makes it clear that it would impose financial restrictions on the schedule. I am objecting to it because, from the Scottish Government's point of view, that is not desirable.

I note that paragraph (b) would allow payments to be made to landlords and others who have an interest in the land but do not actually produce anything, rather than farmers. That is certainly a concern. I feel strongly that these kinds of decisions should be made by the Ministers setting up the scheme, rather than by people in this room.

**George Eustice:** I will take each amendment in turn. I am delighted that the shadow Minister described amendment 52 as a probing amendment. I will explain why the Government have chosen not to take that approach for England. He asked what Wales did to get this. I can clear up the mystery: there is no mystery. This is a fully devolved matter. The Welsh Government have the power and ability, if they want, to introduce their own Bill. They have taken, in my view, the very sensible decision to say that, for the time being, they want to make sure they have legal clarity, so they wanted a schedule that effectively mirrored the Bill for England.

At a later date, they will consider additional primary legislation. The clause is in the Bill not because they won an argument; it is simply because they asked for that additional clause.

4.30 pm

The measure would be wrong for us because it would achieve the reverse of what the hon. Gentleman and others want, which is some safeguard to suggest that we will pay money to farmers. The reality is that we see this as an agriculture Bill, and we have developed it very much with that in mind. Clause 1(1) is all about payments for the farmed environment and farmland and how we manage land and grant access to farmland. Subsection (2) is all about grants, aid and Government-backed loans specifically for businesses in agriculture and horticulture. We have tried to remain true to our intention that it is an agriculture Bill. The budget that follows it will go predominantly to agriculture and the farmed environment.

Amendment 52 would throw the door wide open to spending the money on anything but agriculture, because “supporting businesses or communities in rural areas” could mean all sorts of things. It could mean not spending money on agriculture or farmers or our farmed landscape; it could mean spending money on bus services, post offices, broadband or other rural community issues. There is a danger that clause 1 would be diluted.

**Dr Drew:** I go back to my original remarks: pillar 2 was all about the rural underpinning of what happens in rural areas as well as agriculture. Is the Minister saying we are precluding any form of support for things that relate to the rural?

**George Eustice:** No, not at all, and I will return to that point. We have an alternative plan for rural support and support for rural communities.

Paragraph (c) of amendment 52 states that financial assistance can be used for “supporting persons who are involved in the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity.”

That could open the door to Unilever being paid grants for its manufacturing or a haulier with a chill chain operation being paid to take food to Tesco. It would even enable money to be paid to Tesco itself. I am not sure that the amendment would achieve what those who suggested and promoted it hope to achieve. In fact, it would open the door to a severe dilution of the Bill’s intention.

That said, we understand from our discussions with the Welsh Government that they are a little uncertain how they will use the power. They wanted it as a fall-back provision and envisaged using it for a short time until they could replace it with something else. It may be a provision in the Welsh schedule that is used in a very limited way, if at all, depending on the development of Welsh policy.

I turn to our plan for delivering for these areas, which is the shared prosperity fund. It will have a rural strand. The shared prosperity fund will replace the plethora of EU structural funds. We are working very closely with the Ministry for Housing, Communities and Local Government and other Government colleagues to ensure that there is a rural programme within that

shared prosperity fund and to ensure, for example, that LEADER and other grants have some kind of successor scheme.

**Dr Drew:** I hear what the Minister says. Does he agree that there should therefore be some ring-fencing? Rural always gets crowded out. Does he agree to negotiate outside this space on what ring-fencing could mean?

**George Eustice:** One Bill at a time. When legislation is introduced on the future shared prosperity fund—I understand that there will be a consultation later this year—everyone will then have an opportunity to participate in that debate, but it is a debate for another time. We have enough issues on our hands at the moment.

Amendment 88, tabled by my hon. Friend the Member for Ludlow, is similar to amendment 52, with the exception that he has added a paragraph (d) that would effectively require us to have regard for self-sufficiency. I note that he has borrowed the language in paragraph (d) from section 1 of the Agriculture Act 1947. Obviously it was a very different time—1947 was immediately after the second world war. We still had rationing books; we did not end rationing in this country until 1954. Our levels of self-sufficiency in the run-up to the second world war had been woefully low.

To put that in context, self-sufficiency today is very high by historical standards. In the late 19th century, and up until the second world war, our level of self-sufficiency hovered between 30% and 40%—far lower than it is today. It was a series of interventions, including the 1947 Act and others, that meant that it peaked at somewhere close to 70% in the late ’80s. As a number of hon. Members pointed out, there was a cost to self-sufficiency at that level: appalling levels of intervention, perfectly good food being destroyed, and production subsidies to produce food for which there was no market. The old-style production subsidy regime that used to pertain to the common agricultural policy was totally dysfunctional and severely discredited, and was therefore dismantled some time ago.

It is important to recognise a distinction between self-sufficiency and food security. Sometimes people conflate those terms. Food security depends on far more than self-sufficiency. We know that to deliver genuine food security both nationally and internationally, vibrant and successful domestic production and open markets are necessary. Just look at this summer, when we had an horrendous drought and crop failures across the board. That happens. It is the nature of farming, and it is therefore important, in order to protect food security, that we have open markets and trade. That has always been the case.

The other reality is that in a modern context the greatest threat to food security is probably a global one. We have a rapidly growing population, set to reach 9 billion by 2050, and we have the countervailing force of climate change and a lack of water resources, which means that in parts of the world where we are currently producing food it may be more difficult to do so in 10 or 15 years’ time. Scarcity of water could be a global challenge. The issue of food security is less about national self-sufficiency in case there is another world war—our negotiations with the EU are challenging but we do not envisage it getting to the state of our requiring something like the Emergency Powers (Defence) Act 1939. The challenge on food security, insofar as it exists, is ensuring that we can feed the world.

[George Eustice]

Another question is how best to deliver food security and a successful farming industry. Is it best to do so through direct payments—subsidy payments based on how much land farmers have? Direct payments were decoupled from production some 15 years ago, so those who suggest that direct payments are somehow a guarantor of food security are wrong. Many hundreds, or possibly thousands, of people own a bit of land, have a job in the City where they earn their income, mow the grass a couple of times a year and keep a few pet sheep on the land, but nevertheless hit the collect button on their single farm payment. That cannot be a viable, long-term approach.

The question therefore is how do we best support a vibrant and successful farming industry? Our view is that we should not do it through subsidies of the old style, but by supporting farms to become more profitable, to reduce costs, and to produce and sell more around the world. That is why the approach that we have taken to deliver food security, such as it is, is included in subsection (2), which covers the power to give grants to help farmers to invest, and the power to support research and development so that we can see the next leap forward in plant breeding or in animal genetics. There are powers later in the Bill that we will debate at a future date to allow producer organisations to be formed so that farmers have more clout in the marketplace and get a fairer price. There are powers to improve fairness and transparency in the supply chain. Where we want to end up is with a successful, vibrant, profitable farming industry that is able to produce more food.

**Sandy Martin:** I am listening carefully to what the Minister is saying, but subsection (2) does not mention food. It mentions some of the activities that may be invested in in the production of different foods, but there are all sorts of people who would want to produce very good, sustainably produced, healthy food, who would not be able to get any support whatsoever from the Government under subsection (2).

**George Eustice:** I do not agree. Subsection (2) is very clear. It gives us the power to

“give financial assistance for or in connection with the purpose of starting, or improving the productivity of, an agricultural, horticultural...activity.”

It could not be clearer. It gives us the power to invest in the way that I have described.

**Jenny Chapman:** This is problematic. I do not think the Minister knows how to answer his own questions about how best to support farmers. Clause 2(2) says:

“Financial assistance may be given subject to such conditions as the Secretary of State considers appropriate.”

I do not know how much wider we could get, and my hon. Friend the Member for Ipswich is worried about its being too narrow. That is the problem with the Bill.

**George Eustice:** I do not accept that criticism of the Bill. We have discussed many times the romantic attachment of some hon. Members to the 1947 Act. Let me just read from it again. It describes Ministers being able to do things that they deem “expedient”. We have a concern about giving the Government and Ministers power to get things done, but that is what has been missing in

our time in the European Union. We should embrace the fact that we are now able to get things done as a country.

My final point on food security is that, if we look at the evidence, the sectors that contribute the most to our self-sufficiency as a nation are the ones that are unsubsidised, not those that are subsidised. We are 96% self-sufficient in carrots, which is traditionally an unsubsidised sector for which the current single farm payment is irrelevant. We are 92% self-sufficient in cabbages and 95% self-sufficient in peas. We have seen a big increase of 15% in the production of vegetables since 2010 and a 50% increase in top fruit and soft fruit production. The unsubsidised sectors have been the most innovative and have done most to contribute to our self-sufficiency.

I turn to amendment 89, which is in the name of my hon. Friend the Member for Ludlow and is supported by my hon. Friend the Member for Gordon. It seeks to limit the eligibility for financial assistance across the board to people who are in farming or food production. I understand the intention behind the amendment. The concern, if I could caricature it, is that in future a Government may just give all the money to green non-governmental organisations, which will buy a large fleet of Land Rovers and employ a large army of regional officers to go around chivvying farmers to do things differently. That is not our intention at all.

We have been very clear that we envisage a future where there will be an environmental land management contract principally with the farmer or the landowner. There is a very important reason for that. We cannot deliver any of the public good benefits unless the landowner or the occupier of the land—the tenant—are fully on board and fully signed up to do so. That is why virtually every one of the paragraphs of clause 1(1) refer to the farmland or the farmed environment and managing land in such a way as to promote the environment. To do that, the landowner or the tenant has to be the main recipient of that funding and the person with whom we have the contractual arrangement.

What we do not want to do is rule out the scope for there to be, for instance, some lower level facilitation work to get regional level co-ordination, which a group such as the RSPB or the Wildlife Trusts might engage with. There could be a role to design schemes to have some facilitation funding, as we do now under the EU schemes, for some of those third-sector organisations. In some national parks or areas of outstanding natural beauty, we might find that there is a collective body that could do that in partnership with farmers.

While we cannot accept this particular amendment, I understand the concern of my hon. Friend the Member for Ludlow. With the policy papers that we have launched, I can reassure him that we absolutely intend that it will be farmers, landowners and tenants who receive the lion’s share of these funds. They might choose to subcontract certain responsibilities and tasks to third-sector organisations, but if we want to ensure that there is delivery, our relationship must be with that landowner or land occupier.

4.45 pm

First, I hope that I have reassured people that we care about food security but have a slightly different interpretation of it from that which others put about, and that we have a clear view on how that is best

delivered. Secondly, the way we have constructed the Bill is designed to ensure that funding goes to landowners and to those occupying the land. Finally, the amendment to bring our Bill into line with the Welsh schedule would actually be counterproductive for those who are concerned that the purpose of the Bill might end up being diluted.

**Dr Drew:** As I said at the outset, this is—from us, at least—a probing amendment, so we will not push it to a vote. I was intrigued by some of the Minister’s arguments; the nuance between self-sufficiency and food security was interesting. I have always thought that with more self-sufficiency came greater food security, but maybe I am naive about that. The Minister dealt with the issue of farmers’ lack of forage during the recent drought. It does not matter whether farmers are more self-sufficient or trying to work out a more secure supply—the reality is that there was no supply. It is all well and good to talk about open markets, but farmers were looking everywhere for sufficient forage for their animals for the winter. Lots of them are facing real financial difficulty; if they bought at the wrong time, they are paying through the nose because of their problems in not being able to get sufficient grass from their land.

I take the Minister’s point—it is a clever argument, but when it comes down to the practicalities, I am not sure it is one that I would buy completely. Likewise, he lauds the fact that, for some of our foodstuffs, there are greater movements towards what I would see as self-sufficiency. The market I know best is milk, because I have a former Dairy Crest factory at the bottom of my garden, which is now owned by Müller Wiseman. The milk industry is classic—we should be 100% self-sufficient, and we are not only because of the craziness of the relationship between the farmers, the processors and the retailers. The reality is that it is a very difficult market, and we cannot provide enough of our own milk because that relationship has never been good. That is a reason why, right at the beginning, we had the milk marketing boards, which functioned well for many years. They were seen as very state-led, but we produced enough of our own milk, as was reflected in the price.

**Mr Goodwill:** While I can understand some of the advantages of the milk marketing boards, was it not the case that during the era of intervention buying, the milk marketing boards—because of their size—were the ones making milk, butter and skimmed-milk powder interventions, while our competitors across the channel, with their co-operative structure, were developing new, innovative products that are now seen in our markets?

**Dr Drew:** I agree. That is why, on the back of the milk marketing boards, we created Milk Marque, which was a co-operative. Sadly, it did not stand the test of time. Talking to farmers retrospectively, many of them believed wrongly that there was a better, private solution. We have seen a monopsony grow up, which has caused the producer to face all the same problems, except that they are more subject to the whim of that marketplace, where we should be producing as much of our milk as possible. We will not get delayed on this too much, but it is a classic case of the Government’s needing to recognise that they have a role to play. They still set the parameters, even if they do not intervene in the ways in which they used to do, by controlling that marketplace completely.

I hear what the Minister says. Parts of his argument are highly believable; I am more sceptical about other bits, but as we go through the Bill, no doubt we will see where the Government are going.

To go back to the start, food security is an important issue, and we need to recognise that it will keep coming back. This was a probing amendment that we will not push to a vote, but we have had an interesting discussion. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendment proposed:* 41, in clause 1, page 2, line 6, at end insert—

“(2A) The Secretary of State shall also give financial assistance for, or in connection with, the purpose of establishing, maintaining and expanding agro-ecological farming systems, including organic farming.—(*Kerry McCarthy.*)

*This amendment would ensure that new schemes support agroecological farming systems, including organic, as a way of delivering the purposes in clause 1. Agroecology is recognised by the UN Food and Agriculture Organisation as the basis for evolving food systems that are equally strong in environmental, economic, social and agronomic dimensions.*

*Question put, That the amendment be made.*

*The Committee divided: Ayes 6, Noes 9.*

#### Division No. 4]

#### AYES

Chapman, Jenny	McCarthy, Kerry
Debonnaire, Thangam	Martin, Sandy
Drew, Dr David	Whitfield, Martin

#### NOES

Clark, Colin	Harrison, Trudy
Davies, Chris	Huddleston, Nigel
Dunne, Mr Philip	Stewart, Iain
Eustice, George	Tracey, Craig
Goodwill, Mr Robert	

*Question accordingly negatived.*

**Kerry McCarthy:** I beg to move amendment 73, in clause 1, page 2, line 6, at end insert “, provided that such financial assistance also furthers and does not undermine the purposes in subsection (1) above.”

*This amendment would ensure that future funding allocated to improve productivity does not support activities which would damage the natural environment objectives set out in clause 1(1).*

**The Chair:** With this it will be convenient to discuss amendment 53, in clause 1, page 2, line 18, at end insert—

“(5) The Secretary of State must hold a public consultation on—

- (a) how “productivity” should be defined for the purposes of giving financial assistance under subsection (2); and
- (b) the definition of “improving productivity” in subsection (4).

(6) In the consultation under subsection (5), the Secretary of State must consult—

- (a) persons, or bodies representing persons, who are in any part of an agri-food supply chain, within the meaning of section 13(3);
- (b) persons, or bodies representing persons, who are—
  - (i) engaged in horticulture;
  - (ii) consumers of horticultural products; or
  - (iii) in the supply chain between persons described in sub-paragraphs (i) and (ii).

- (c) persons, or bodies representing persons, who are—
  - (i) engaged in forestry;
  - (ii) consumers of forestry products; or
  - (iii) in the supply chain between persons described in sub-paragraphs (i) and (ii);
- (d) persons, or bodies representing persons, who are not engaged in agriculture, horticulture or forestry but who advocate particular methods of managing land or water in a way that protects or improves the environment,

and may consult any other person or body the Secretary of State thinks fit.

(7) No financial assistance may be given under subsection (2) until the Secretary of State has laid before both Houses of Parliament a report setting out—

- (a) in summary form, the views expressed in the consultation held under subsection (5); and
- (b) the definitions of “productivity” and “improving productivity” which the Secretary of State proposes to adopt for the purposes of giving financial assistance under subsection (2), with his or her reasons for doing so.”

*This amendment would require the Secretary of State to consult on the definition of “productivity” and “improving productivity” and report on that consultation before giving any financial assistance for that purpose under Clause 1(2).*

**Kerry McCarthy:** The Minister will be delighted to know that I am going to be very brief on this one. There is concern that it is not very clear in the Bill whether the public goods that are identified in clause 1(1) will be the primary focus for any payments, as we have already said that there is a limited pot of funding available. The Bill needs to reflect the fact that the Government have made a commitment that future policies will be underpinned by payment of public money for the provision of public goods.

The public goods are listed in the Bill, but it does not actually indicate whether they will be a funding priority—it just says that these are things that money can be spent on. It does not specify that any payments for productivity should contribute to the delivery of public goods. The two things could be entirely separate.

We have already discussed the fact that the Bill contains powers and not very much on duties, which means that it is vulnerable to change or being dropped entirely by a future Secretary of State. As I understand the Bill, there would be nothing to stop him or her from implementing payments for productivity only, without any reference to the public good. There is no indication as to how the pot of money would be divided up between the two, so there is concern, and Greener UK and the pesky environmentalists that people have talked about have been working on the amendment. They just want some assurance that a future scheme would not be weighted in favour of productivity payments, with no requirement to reduce environmental impact, and to make sure that the delivery of the public goods listed in clause 1 would not be undermined by the productivity clause.

**Dr Drew:** I have very little to add to what my hon. Friend has said. Basically, the amendment seeks to clarify what is meant by “productivity”. We believe the Government have quite a narrow definition of productivity that undermines the environmental sustainability that the Bill is based upon. We hope the Minister will say how he would interpret productivity and that he will

take a wider view since we are looking at different aspects of productivity besides the purely agricultural and limiting definition that could be implied. For us, the issue is about improving quality and efficiency, but also about how we go about doing that. Again, that is the weakness of the Bill. It says a lot about what it might want to do, but not much about how it will do it, so we want that clearly defined. Reducing dependence on pesticides, weedkiller and fertilisers is implied in the way in which the Bill is being promoted, but exactly how that will be attained is not in the measure.

Sustainability, a primary feature of the Bill, needs to be spelt out more clearly in terms of how the legislation is entailed, otherwise there will be a misuse of public money. For example, we are not really spelling out how we want to minimise the carbon impact of agriculture. We know that agriculture could achieve carbon sequestration much more fully than it currently does.

On climate change, we are looking at issues to do with restocking levels and how they would impact on emissions levels, and at the antibiotic issues that my hon. Friend the Member for Bristol East identified. Amendment 53 would require a proper consultation on the meaning of “productivity” and a much broader understanding of sustainable productivity.

**George Eustice:** I will try to be brief in dealing with the two important points. First, the impact of amendment 73 would be to subordinate subsection (2) to the purposes in subsection (1), which is problematic on numerous levels. I can reassure the hon. Member for Bristol East that when it comes to the payments that we will make for the delivery of public goods, which we envisage being the cornerstone of the future policy under subsection (1), there will be conditions attached to those and requirements for entering such schemes. There will be enforcement provisions, as I said, in clause 3 to deal with that.

I understand the hon. Lady’s concern that we do not want to support something on the one hand that might undermine objectives on the other, but it is inappropriate to link the two in the way that she does because the right way to do it is to apply conditions on both. It is possible for us to apply entry-level conditions for the payment of productivity grants so that they explicitly do not undermine some of our other objectives. That will change from case to case depending on what is being supported. If there was something that dramatically improved yields but had an impact on the environment, we might be cautious about supporting it. If we supported, for instance, robotic technology to aid harvesting, it might not have any natural crossover with the provisions in subsection (1). I think the correct way to approach this is to put the right conditions on schemes under both subsection (1) and subsection (2), so that they complement rather than undermine one another. The amendment is unnecessary.

5 pm

The shadow Minister has raised a question as to how much we would put on the environment versus productivity. We have made it clear that we see the cornerstone of the future policy as the new payment by results. We have not put precise figures on it, but we see the lion’s share of the funding going to provision for schemes under subsection (1). Nevertheless subsection (2) will be important in providing the grants.

As I said earlier—I hope that I can reassure the hon. Member for Stroud—our definition of productivity for the purposes of the Bill is not an economist’s narrow definition. It is not linked to output per unit of labour. It is productivity in its broadest sense. That could include reducing costs to improve profitability; measures that would add value to a product and improve the quality; other measures to reduce costs, through the deployment of robotic technology; or, indeed, such things as plant breeding for more productive farming. I think keeping the definition broad is right, so that it can genuinely support profitable farming enterprises, as I know all members of the Committee would like.

I hope that, after that reassurance, the hon. Lady will withdraw the amendment.

**Dr Drew:** I hear the assurance from the Minister and provided we get some clarity at a later stage about what is really meant by productivity, I am happy not to push my amendment to a Division.

**Kerry McCarthy:** I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Question proposed,* That the clause stand part of the Bill.

**The Chair:** With this it will be convenient to discuss new clause 7—*Environmental land management contracts*—

(1) The Secretary of State shall, by regulations, make provision for environmental land management contracts.

(2) A person who manages land may enter into an environmental land management contract with the Secretary of State to deliver one or more benefits under section 1(1).

(3) A person who manages land and who seeks to enter into an environmental land management contract with the Secretary of State must first submit a land management plan.

(4) The Secretary of State must approve a land management plan submitted by a person who manages land before entering into an environmental land management contract with that person.

(5) Regulations under this section may provide for—

(a) one or more persons or bodies to act on behalf of the Secretary of State for the purposes of entering into an environmental land management contract, and

(b) requirements which a land management plan must meet if it is to be approved by the Secretary of State under subsection (5).

(6) Regulations under this section are subject to affirmative resolution procedure.<sup>7</sup>

*This new clause would require the Secretary of State to make provision for environmental land management contracts.*

Given that the Committee has thoroughly debated the amendments to clause 1, I hope that comments in the clause 1 stand part debate will be brief, and will not rework arguments that we have already heard today.

**George Eustice:** We have debated a wide range of topics and there have been amendments moved to, and discussions on, virtually every conceivable aspect of clause 1. The Government believe that clause 1(1) has a broad range of purposes and outcomes that enable us to deliver all the schemes we want, and that clause 1(2) has all the powers we need to support a profitable, vibrant and growing agriculture and horticulture industry.

**Dr Drew:** I shall not say that much more. We have our misgivings about “must” and “may” and some of the issues that arose in the wider debate. It was appropriate to debate clause 1 in considerable detail, because it is the clause that sets the Bill in the direction of travel that it is taking.

I shall confine my remarks mainly to new clause 7, which is important. Not least of the remarks I want to make is that the Government have been clear about setting a lot of store by environmental land management contracts. The White Paper, “Health and Harmony” contained a quite long piece on environmental land management. Hon. Members will be pleased to know that I will not quote the whole of it, but it does say:

“The government will work with farmers and land managers who wish to improve the environment by entering into environmental land management contracts, which could span several years.

These contracts will make sure that the environmental benefits farmers help deliver, but which cannot be sold or bought, are paid for by the public purse.”

This is about money and how we pay farmers and others to do things on the land. The White Paper gives lots of examples, including

“helping deliver high air and water quality”

and

“protecting and enhancing biodiversity on their land, by providing habitats for wildlife, for example”.

We feel that new clause 7 is worthy of inclusion because it tries to identify from the Government exactly how environmental land management contracts will operate and the way in which moneys will be paid. The danger is that such things will slip by if we do not draw attention to them. Various organisations support what we are trying to do, including the Uplands Alliance and the Joint Nature Conservation Committee for the lowlands. The Ramblers are keen to ensure that access to the land is a crucial part of any contract that is negotiated, so that when public moneys are granted, people have the right to access the land.

The previous Labour Government spent a lot of time on access arrangements. Sadly, we did not get as far as we wanted on coastal access, but land was made available for what is figuratively called “the right to roam”. That was done in perhaps a more persuasive manner than was necessary—the Countryside and Rights of Way Act 2000 introduced legislative bite—but there was solidity in how access was allowed. That is why it is important that we link access to the debate on clause 1.

I do not have much more to say about new clause 7. We are not happy with some aspects of how clause 1 has been dealt with. There have been lots of promises and good intentions, but there are holes in the Government’s approach to the Bill. It is not just me saying that; the House of Lords Committee was scathing about the way in which so much depends on statutory instruments, rather than being in the Bill. We will vote against the clause, because we feel that it is important to get some of the detail we have been arguing for into the Bill.

We have spent a lot of time—more than five hours—on clause 1, but it is effectively what the Bill is about. If clause 1 is not right, the rest of the Bill is pretty unimportant. We will be tabling other amendments, but we have spent a lot of time on the clause to try to get the Bill right. Sadly, the Government have not moved as far as we want them to. Hopefully, they will get other

[Dr Drew]

chances on Report and Third Reading, and things will happen to the Bill in the House of Lords. We are trying to be helpful. We not trying to wreck, but to improve. With that in mind, I hope the Government will understand why we are not willing to vote for the clause.

**George Eustice:** Briefly, the Government regard new clause 7 as unnecessary because clause 1, as it stands, gives the powers necessary to design schemes. The lesson we have learned from decades of working with these schemes is that the environment is inherently complex, so we often need an iterative approach to the design of schemes so that we can add, remove or refine options as we move forwards.

The system that we have had with the common agricultural policy has been completely dysfunctional and unsuited to that aim. We have ended up with a morass of regulations that define everything from the minimum and maximum width of a hedge, to the maximum width of a gateway, what size a buffer strip should be, what type of flowers people can grow, and what type of plants people can grow on top of a hedge. It is a ludicrous morass of regulation and we do not want to recreate it. We need the powers that will enable us to design contracts that really work, farm by farm, at local levels.

**Dr Drew:** I hear what the Minister says, but those environmental land management contracts will be even more complicated. A whole-farm approach is great—we want that to happen—but we are going to look at every bit of woodland and watercourse, and all the ways in which field boundaries are currently maintained. That will all be wrapped into the contracts, and somebody has to manage and monitor that. Will that be any easier than the current system?

**George Eustice:** Yes, I believe it will be easier, because our vision is that there will be an expert on the ground. That might be somebody from one of our agencies,

such as Natural England, or it might be an agronomist with whom a farmer works, who visits the farm, walks the farm, and sits around the kitchen table with the farmer to help them put the scheme together. Having given it their assent, there is then a presumption that it is supported through the system.

We want less emphasis on mapping, and fretting about a bush in a field in Derbyshire and whether it is an eligible feature, and whether a farmer claimed something that he should not have claimed. We want to get back to a human relationship between an adviser and a farmer, and I believe that we can make the systems work far better. To do that, we must avoid trying to define too much in regulation, since it hampers the ability for judgment on the ground.

*Question put, That the clause stand part of the Bill.*

*The Committee divided: Ayes 9, Noes 6.*

**Division No. 5]**

**AYES**

Clark, Colin	Harrison, Trudy
Davies, Chris	Huddleston, Nigel
Dunne, Mr Philip	Stewart, Iain
Eustice, George	Tracey, Craig
Goodwill, Mr Robert	

**NOES**

Chapman, Jenny	McCarthy, Kerry
Debonnaire, Thangam	Martin, Sandy
Drew, Dr David	Whitfield, Martin

*Question accordingly agreed to.*

*Ordered, That further consideration be now adjourned.—(Iain Stewart.)*

5.13 pm

*Adjourned till Thursday 1 November at half-past Eleven o'clock.*

**Written evidence reported to the House**

AB29 WWF-UK	AB36 Horse Access Campaign UK (HAC UK)
AB30 Natural Parks England	AB37 Julie Main
AB31 Judith Smart	AB38 Axbridge Bridleways Association
AB32 The Wildlife Trusts	AB39 The Open Spaces Society
AB33 Mrs Rachel Thompson MBE	AB40 The Woodland Trust
AB34 Scottish Land and Estates	AB41 Sustain
AB35 Greener UK and Wildlife and Countryside Link	AB42 Worcestershire Bridleways and Rider's Association
	AB43 Agricultural Christian Fellowship

