

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## AGRICULTURE BILL

*First Sitting*

*Tuesday 11 February 2020*

*(Morning)*

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### CONTENTS

Programme motion agreed to.  
Written evidence (Reporting to the House) motion agreed to.  
Motion to sit in private agreed to.  
Examination of witnesses.  
Adjourned till this day at Two o'clock.

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**not later than**

**Saturday 15 February 2020**

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**The Committee consisted of the following Members:**

*Chairs:* † SIR DAVID AMESS, GRAHAM STRINGER

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

**Witnesses**

Martin Lines, Chair, Nature Friendly Farming Network (and farmer)

ffinlo Costain, Farmwel

Caroline Drummond MBE, Chief Executive, Linking Environment And Farming (LEAF)

Jack Ward, Chief Executive, British Growers Association

Thomas Lancaster, Principal Policy Officer, Agriculture, Royal Society for the Protection of Birds

John Cross, Chair, Traceability Design User Group

Simon Hall, Managing Director, Livestock Information Ltd

Christopher Price, CEO, Rare Breeds Survival Trust

David Bowles, Head of Public Affairs, Royal Society for the Prevention of Cruelty to Animals

# Public Bill Committee

*Tuesday 11 February 2020*

*(Morning)*

[SIR DAVID AMESS *in the Chair*]

## Agriculture Bill

9.25 am

**The Chair:** Before we begin, I have a few preliminary points. Please switch off mobile phones. Tea and coffee is not allowed; that is not me being pompous—the Speaker does not allow tea or coffee in the Committee Rooms. Until that changes, Lent has come early and it is definitely water only.

We will first consider the programme motion on the amendment paper. We will then consider a motion to enable the reporting of written evidence for publication and then a motion to allow us to deliberate in private about our questions before the oral evidence session. In view of the limited time available, I hope we can take those matters without too much debate.

**The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice):** I beg to move, That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 11 February) meet—
  - (a) at 2.00 pm on Tuesday 11 February;
  - (b) at 11.30 am and 2.00 pm on Thursday 13 February;
  - (c) at 9.25 am and 2.00 pm on Tuesday 25 February;
  - (d) at 11.30 am and 2.00 pm on Thursday 27 February;
  - (e) at 9.25 am and 2.00 pm on Tuesday 3 March;
  - (f) at 11.30 am and 2.00 pm on Thursday 5 March;
  - (g) at 9.25 am and 2.00 pm on Tuesday 10 March;
- (2) the Committee shall hear oral evidence in accordance with the following Table:

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 11 February	Until no later than 10.30 am	Nature Friendly Farming Network; Farmwel; LEAF; British Growers Association
Tuesday 11 February	Until no later than 11.25 am	RSPB; RSPCA; Rare Breed Survival Trust; Traceability Design User Group; Livestock Information Ltd
Tuesday 11 February	Until no later than 2.30 pm	Ulster Farmers Union; DAERA
Tuesday 11 February	Until no later than 3.00 pm	NFU; National Federation of Young Farmers Clubs
Tuesday 11 February	Until no later than 3.30 pm	Cooperatives UK

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 11 February	Until no later than 4.15 pm	Campaign to Protect Rural England; Kings Crops; Holkham Estate
Tuesday 11 February	Until no later than 5.00 pm	Country Land and Business Association; Tenant Farmers Association
Thursday 13 February	Until no later than 12.15 pm	NFU Cymru; Farmers' Union of Wales; Welsh Government
Thursday 13 February	Until no later than 1.00 pm	Soil Association
Thursday 13 February	Until no later than 2.30 pm	NFU Scotland; Quality Meat Scotland; Scottish Government
Thursday 13 February	Until no later than 3.00 pm	George Monbiot, The Guardian
Thursday 13 February	Until no later than 3.30 pm	Professor Bill Keevil, University of Southampton
Thursday 13 February	Until no later than 4.00 pm	Unite; Landworkers Alliance
Thursday 13 February	Until no later than 4.30 pm	Sustain; Compassion in World Farming
Thursday 13 February	Until no later than 5.00 pm	Which?

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 28; Schedule 1; Clause 29; Schedule 2; Clauses 30 to 34; Schedule 3; Clause 35; Schedule 4; Clauses 36 to 43; Schedule 5; Clauses 44 and 45; Schedule 6; Clauses 46 to 49; Schedule 7; Clauses 50 to 54; new Clauses; new Schedules; remaining proceedings on the Bill;
- (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 10 March.

The programme motion was agreed by the Programming Sub-Committee yesterday. I hope we are all agreed on the programme motion, and I look forward to hearing evidence from witnesses in the order set out.

*Question put and agreed to.*

*Resolved,*

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

**The Chair:** Copies of written evidence that the Committee receives will be made available in the Committee Room. Colleagues can get papers on that table over there. The helpful Clerks will indicate where they are; if Members go around, behind me or the witnesses, they can pick up the papers.

*Resolved,*

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

9.27 am

*The Committee deliberated in private.*

### Examination of Witnesses

*Jack Ward, Caroline Drummond, ffinlo Costain and Martin Lines gave evidence.*

9.30 am

**Q1 The Chair:** We will now hear oral evidence from the Nature Friendly Farming Network, Farmwel, Linking Environment and Farming, and the British Growers Association. Starting with Jack Ward, could you all very briefly introduce yourselves?

**Jack Ward:** My name is Jack Ward, and I am the chief executive of the British Growers Association, which predominantly operates in the fresh produce sector—fresh fruit and fresh vegetables.

**Caroline Drummond:** I am Caroline Drummond, the chief executive of LEAF—Linking Environment and Farming—a farming environment charity promoting more sustainable agriculture and a whole-farm approach, with demonstration farms, the LEAF marque and a public outreach area. I am also married to a dairy farmer.

**ffinlo Costain:** I am ffinlo Costain, the chief executive of Farmwel, which was established to develop a really positive outlook on reform of the common agricultural policy post Brexit. We work very closely with the FAI—Food Animal Initiative—farm in Oxford, which is one of the world’s largest food sustainability consultancies.

**Martin Lines:** I am Martin Lines, an arable farmer from Cambridgeshire. I am the UK chair of the Nature Friendly Farming Network. We have farm membership across the UK, as well as public membership and organisations that support the network.

**The Chair:** May I say to our witnesses, if you have never previously appeared before a Committee, that there is nothing at all to be worried about? My colleagues are very friendly. They are just trying to get information from you to use during the Committee stage of our proceedings. The session ends at 10.30 am, so it will go very quickly.

**Q2 George Eustice:** I want to start by asking what you consider to have been the main failures and limitations of the existing direct payment scheme, the common agricultural policy. Also, what are the main opportunities for your own particular interests, based on a new policy that rewards farmers for the delivery of public goods?

**ffinlo Costain:** One of the key challenges with the common agricultural policy is that it has largely rewarded farmers for owning land, and it has presided over an enormous disconnect between farmers, other people in the countryside, and customers, and often the supply chain as well. The huge advantage of the new legislation is that, in changing the funding system to public funds for public goods, we will be able to deliver the changes that we need—the farm animal welfare improvements, the sustainability improvements, the climate mitigation, and the biodiversity restoration, which has been so degraded under the common agricultural policy.

Make no bones about it: we are facing a climate and nature emergency that is upon us now, not tomorrow. It is critical that we get this right. For me, getting land use right is the golden ticket. Having the opportunity at this time to reform land use—so that we can continue

producing good food and good nutrition, delivering national security in that way, which is critically important, as well as delivering climate mitigation, land adaption to help with climate change, and biodiversity restoration—is absolutely critical. The Bill comes at the perfect time, and it is well set up. There are some challenges within it, and some issues that I think we will address, but in general terms it is very positive.

**Martin Lines:** As a farm owner and a tenant, under the current system, with the single farm payment, I am encouraged to farm to the very edge of fields. Biodiversity and other bits of the landscape are not rewarded. As a tenant, my landlord takes away most if not all of my single farm payment on top of the rent. If we move to a public goods model, I actually get rewarded for the delivery of services as a land manager—as a farmer—so we would move into a system that better supports actual farmers, rather than the ownership and management of the landscape.

**Caroline Drummond:** One of the real challenges of the past system was the capability to drive ambition for farmers. It was a “Tell me what I’m doing” type of approach, so going forward, we have a real opportunity to demonstrate leadership, vision and ambition for our farming sector. Ensuring that we get the right governance is going to be really important. There needs to be partnership and development of trust between Governments, from voluntary approaches that are externally, independently verified such as farm assurance schemes, right through to building on some of the success stories of capability and innovation that we have seen among some of the farmers who are already thriving and doing very well in this country.

**Jack Ward:** The fresh produce industry has not benefited that greatly from the CAP. We are about 170,000 hectares; we have an output of about £2 billion from that area, and the contribution from the basic payment scheme is about £40 million. However, the contribution from the producer organisation scheme, which is broadly equivalent, has been incredibly important. I think we would like to see that continue in some shape or form.

In terms of opportunities, there is a terrific opportunity to increase the amount of fruit and veg that we currently produce. In some sectors, such as tomatoes, we are very dependent on imports. We import eight out of 10 tomatoes that we consume in the UK; we must be able to do better than that.

**Q3 Daniel Zeichner (Cambridge) (Lab):** Good morning to you; it is very nice to see a farmer from Cambridgeshire here. The opening comments from the witnesses have been very positive and helpful, and I think we all welcome the notion of public money being spent on environmental gain. However, a number of us are concerned about the lack of detail in the Bill about environmental land management schemes. I think we had expected a policy paper from the Government, but I am not sure we have seen that yet. Do you share that concern?

**ffinlo Costain:** It is really important for Government to set a framework, but if there is a criticism of the way that Europe and the common agricultural policy have worked in the past, it is that it has been way too prescriptive. That has meant that, to a large extent, farmers have learned to do what they are told, rather than to properly understand and integrate what they are doing on their land.

My own view is that Government should become more goal-centred. They need to set the right metrics and to understand what outcomes they are trying to achieve, but then they need to take a step back and allow farmers to farm. Farmers understand their land, and if they have a funding model that supports environmental excellence and other public goods—restoration of soil health and so on—they can work out ways to do that. I would hate to see a situation where there is a continuing prescriptive approach, but it is focused on the environment rather than on how to produce cattle, and we end up with farmers still not really understanding what they are doing and simply farming the subsidy.

We need ownership of change, and farmers can do that. Farmers understand their land; they know their land, and if we give them the freedom to work within that public goods model, they will deliver the outcomes. They will step up. They are a standing army out there, ready to do this, and they will step up and do it.

**Martin Lines:** I have concerns about what the ELM for England would look like, the transition period, and how the funding is going to work. We need more detail about what the future will be, so that the farmers can start changing and adapting now to the model of what is coming. There is some concern, particularly about the transition period. As we go into the new system and payments under the current system tail off, what is going to bridge the lull in the middle, and how do we get farmers to step across to the new system at speed?

**Caroline Drummond:** I agree. There needs to be the policy documentation, so we can identify what this is going to look like and how the knitting all joins up—there are lots of balls of wool, but what are we trying to knit at the end of the day? Not much has been left out of the Bill, which is really key, but we need to know how it will be interpreted and how the ELMS projects will be carried out. There are a lot of them going on, and we need to know how they will be brought together to demonstrate the delivery against metrics, outcomes and, ultimately, impact. Ultimately, the Government have to deliver against the global and national targets around the sustainable development goals, the Paris agreement, and so on, but the farming sector has the opportunity to support us in demonstrating that we are helping on issues around climate change, biodiversity, soil improvement and those matters.

**The Chair:** Before bringing in Danny Kruger, I should have told new Members that, when they start questioning—they do not have to do it every time—they should declare any financial interest they have in these areas.

**Q4 Danny Kruger (Devizes) (Con):** Certainly, I do not have any financial interests in the business of farming. Martin, I was interested in your point about the way that, under the direct payments system, the landlord gets the benefit, not the tenant. Is that just your experience, or can you amplify that point and explain more how that works? Are you confident that that will not be replicated under the new regime? Does the Bill give you confidence that the tenants will get the benefits from public money for public goods?

**Martin Lines:** For many of the tenancies, the price per hectare per area went up, compared with the payment, so they see that as a benefit of owning the land. Many

landlords get the payment directly and the farmer has to manage, which disconnects the reward from managing the landscape, so the current system does not benefit the farmer. It challenges cash flow, because as a tenant I am paying rent for six to 12 months before I get it back under the payments system, so there a problem with cash flow, particularly with late payments. There is a big issue with the new system about payment timings. There are huge challenges under the new system.

Under the current system, we know that some landlords are trying to get the stewardship payment, or parts of it, but under the new system, if you are delivering habitat, or pollen and nectar, bits and pieces, you are the farmer doing the work. You should be getting the reward. There will be an increase in capital, and the landlord will be rewarded for capital aspects and other things that are delivered on the landscape.

The Bill should be about encouraging the whole-farm approach of better farm land management and looking at all aspects, not just food production—pollination, flood mitigation, soil health improvement and public access. The farmer's role is not just about food production; it is about providing goods and services. The definition of a farmer is someone who manages land to deliver goods and services. One of those is food, but many other things can be delivered, and if we move the system, we can be rewarded for those and create a better system.

**Q5 Kerry McCarthy (Bristol East) (Lab):** Do you think the Bill does enough to encourage the whole-farm approach, or is there a danger that farmers might just pick and choose among the public goods and do some of the things that are easier, but carry on farming as normal on the rest of the farm?

**ffinlo Costain:** I think you are quite right about the key concern that I and other colleagues I have spoken with have. There has to be a whole-farm approach. If public goods are being delivered, it has to be a combination of public goods and we need baseline assessments supporting that around carbon and biodiversity that are whole-farm. From our perspective, it would be horrible if we go through all this work and have all this ambition but end up with a sparing approach, where we have one bit of land put off for sequestration with Sitka spruce, creating the various challenges that that does, another bit for rewilding, and another bit for ever-more intensive food production. It is critically important that we face the challenges of the whole-farm approach. The best and most efficient way to make progress is for every hectare, as far as possible, to deliver good, nutritious food, climate mitigation and adaptation, and biodiversity restoration. A whole-farm approach is absolutely critical, and we would welcome an amendment that crystallises that and makes it clearer in the Bill.

**Martin Lines:** The only concern is with those who do not engage in the system and choose not to take public goods money. How are they going to be legislated for against the minimum standards?

**Q6 Kerry McCarthy:** Do you mean the baseline regulations?

**Martin Lines:** Under the current system we have cross-compliance. With those who choose not to engage in the system, because they want to push for productivity,

how is the system going to legislate for and regulate the basic standards? Who is going to be the policeman for the countryside, to raise standards and make sure they are enforced? We have seen many problems already with soil health degradation and other environmental issues that are not being addressed.

**Q7 Kerry McCarthy:** As I understand it, at the moment, farmers will get the basic payments for just having the land. If you check cross-compliance and they are not meeting the standards, they will be penalised. Are you saying that if you have a public goods approach, and people get rewarded only for the good stuff they do, there is not a way of penalising them or holding them to account if they are not meeting standards?

**Martin Lines:** We are not sure who is going to be holding them to account or what kind of standards there are. Nor do we know how those who choose not to engage in the system will be held to account, because you cannot withhold a payment if they are not receiving a public goods payment. We need to make sure that that standards system is in place.

**Caroline Drummond:** I think there are some nuances, in terms of the “mays” and the “musts”—there should be a bit more “must” in some areas. Whole-farm approaches are absolutely critical. I have been an advocate of the whole-farm approach for the last 30 years, and I think it is absolutely key to making sure that soil management, climate change mitigation and biodiversity, and indeed landscape and cluster-type approaches, are driven in. That is where the ELMS projects will be really vital. A lot of their design is based around land management plans, which I imagine will be whole-farm. A lot of the third tier is proposed to be around cluster groups and landscape scale-type approaches. It goes back to this question of farmers choosing not to be engaged at all, how do we account for that? How do we really drive and match the ELMS within the ambition of the Bill?

**Jack Ward:** While there is a lot of focus on public money for public goods, making sure that UK agriculture is inherently profitable is hugely important, because no amount of public funding is going to supplement an overall lack of profitability. If in five years’ time we have an inherently unprofitable farming industry for whatever reason, I just do not think there is going to be enough public funding available to make good that shortfall. Alongside public money for public goods, we really have to ensure that basic agriculture can wash its face.

**The Chair:** Mr Costain, and then we really must move on.

**ffinlo Costain:** The issue of eligibility for public funds is really critical. What Wales is planning is interesting. It is planning that there will be a requirement for baseline assessments on carbon and biodiversity before farmers are even eligible for the public goods payment. That will take place annually to continue that eligibility. That is a really positive approach, and it is important. Whole-farm, getting the eligibility, making sure of that baseline and continued monitoring of metrics are critical.

**Q8 Mr Robert Goodwill (Scarborough and Whitby) (Con):** I declare an interest: I am a farmer in North Yorkshire, where we have been since 1850, and a member of the National Farmers Union and the Country Land

and Business Association. The question I want to ask is whether you think the Bill will do enough to enable us to get the balance right and reward people for what they are doing already—I am thinking particularly of some of the upland farmers on the North Yorkshire moors and in the very marginal parts of our country. Most people probably take the view that they should keep doing exactly what they are doing, because that is exactly what we want. The flip side of that is incentivising other farmers, perhaps in the east of the country, on some of our more intensively farmed areas, to do more green things. Do you feel that there is enough in the Bill to reassure those who are in those upland areas who are concerned because the subsidies are basically what are keeping them on the land, and the others—the Beeswax Dyson Farmings of this world—who can dance to the tune that the Minister is playing? I think Caroline might be the best person to start.

**Caroline Drummond:** I am not too sure. It is interesting that there is a lot about livestock production in here, but a lot of that level of detail will have to come through the policy support, because upland farmers are under a huge amount of pressure. There are discussions around the meat challenges of Veganuary and climate change mitigation, but we should look at what they offer in terms of tourism and capability to manage. For those very sensitive land areas, right through to some of the high-value peat areas, I think there will be the need to get some really good ELM projects to better understand how we can support those farmers. Exeter University is doing a lot of work in this area at the moment to find out how those farmers, as Jack just said, can actually make a profit at the end of the day. There are a lot of social services, public goods, environmental goods, tourism and additionalities that these farmers offer on incredibly tight margins.

**Martin Lines:** I think there will be movement with payments. As an arable farmer in Cambridgeshire on a large field system, the productivity of my landscape is really good. Most years it is quite a good, profitable system. If you are in the marginal areas—the uplands, in the west country where there is a smaller field-scale system—the public goods should be rewarding you more. I will probably receive less public goods money, but that will be moved, hopefully, across to the uplands and those cherished areas that cannot deliver more productivity, but need to be supported to deliver the public goods and with the landscape delivery stuff. It should be swings and roundabouts, but it should be fair. The detail is not in there and we need to see that transition. It is going to be about the journey if we move from one to the other and give farmers confidence about the future.

**ffinlo Costain:** I understand your point, Mr Goodwill. There is one farmer we work with in Northumberland with 1,000-odd acres on a sheep farm. When we have run the metrics of looking at his carbon footprint with GWP\*—global warming potential “star”—the new accurate way of accounting for methane, which is very different from the way methane was accounted for 18 months ago and was recognised in the Committee on Climate Change land report just a couple of weeks ago, his farm impact is less than the average household of four, which is astonishing. We want to make sure that farm continues to get the funding as well.

We have proposed in the past that an acreage basis for that continuing maintenance of excellence could be a way to go because we need to make sure—exactly as I think you are saying—that we do not just restore biodiversity, we do not just mitigate climate change, but we hold and maintain that excellence afterwards. I hope that, within public goods applications, farmers will be able to make the case that they are continuing to deliver excellence. All farms can be better managed. We never achieve sustainability; it is a journey. However, if farmers can make the case that they are delivering public goods and continuing to deliver that—I would like to hear from Ministers on that—I hope they will continue to be eligible.

**Jack Ward:** From the fresh produce industry, in terms of sector, I think there is a lot of interest in what the ELMS might offer. Just coming back to the earlier question: until we see the detail it is difficult to make a judgment.

**Q9 Deidre Brock** (Edinburgh North and Leith) (SNP): It is very encouraging to hear your enthusiasm for improving the standards of the producers you represent. How concerned are those folks about cheaper imports undercutting produce through trade deals that might be negotiated in the future? Would you like to see something preventing that in the Bill? Certainly, the farmers I speak to are increasingly concerned about that.

**Martin Lines:** If we do not have the rug taken from under our feet: we are told to produce to a standard, but if different standards are allowed to be imported, how can we compete? Our costs are different. If the standard is positive across the platform, we can compete. It may be a different price model, but we can compete with that standard. We should export our environmental footprint. We can bring in produce from around the world to the same standard, so other people's standards can increase. There is huge risk because if we are told to produce goods to a standard, then yes, there needs to be something in the Bill or an assessment of the amount of stuff allowed in that is below our standards. We already allow in a lot of products below our standards. We are not allowed to use neonicotinoid treatments or genetically modified processes in the UK, but we import huge quantities. So there needs to be that sort of balance. I would struggle to say none, but there needs to be balance and fairness for the whole farming industry.

**Caroline Drummond:** It would be fair to say they are extremely concerned, and I think the majority of farmers are very concerned about not undercutting the capability and the investment that they have made. We are very fortunate. We work with a lot of can-do farmers who have made a huge investment in making sure they reach the level of trying to be more sustainable; trying to ensure that welfare standards are meeting and going beyond the regulation; and driving for new innovation and ways of improving and doing things. As Martin has said, offshoring the environmental and animal welfare delivery and the learnings we have made from those practices that are just not acceptable—not only to our farmers but to our customers—is not good news. There is a double whammy because although many countries say they do not support their farmers, they do in many different ways. That will be through investments and free advice. You just have to go on to the United States Department of Agriculture website to see the substantial amount of money that is going to support marketing,

drainage schemes, flood alleviation, irrigation and so on. We need to be very careful. There is that second hit of not only importing produce that potentially does not meet the standards or requirements of our farmers, but in addition to that is also being supported through different ways.

**Jack Ward:** In the fresh produce industry, we already import from about 90 countries, so there is a fair degree of free trade within fresh produce. I think the areas that would concern our growers are particularly around production systems that would be unlawful in the UK. That is particularly around crop protection and labour welfare standards. Those are two very key areas for the sector.

**ffinlo Costain:** I think it is terribly important, exactly as everybody else has said, but there are two sides to this particular coin. I understand, hear and welcome what Ministers have said repeatedly, that standards will not be lowered and that trade deals will not allow that to happen but, in terms of farmer and public confidence, it needs to be written in the Bill. I think it is really important that it is there.

I think that partly because of the impact that it could have on food, but also because of the impact it has on the industry that grows up around excellence: the marketing, the branding, the new technology, which Britain can become excellent and fantastic in. Associated with that—the other side of it—is what does brand GB look like? What are we exporting?

The opportunity here is to get something right in Britain, to do something excellent in terms of food production and the environment, and to export that knowledge and those brands and that technology around the world. When I look at Ireland, with Origin Green, it is the only example that exists of a national scheme of metrics. In Ireland, it is only around carbon; it does not yet incorporate GWP\*, so it is flawed. It does not include biodiversity.

There is an opportunity for Britain when we get the metrics right, when we are collecting these at a national level, which also, by the way, means that we can better inform policy making in future, that this can underpin the British brand. If we allow food in that is undercutting our standards, it undermines our brand. It not only undermines our farmers, but the industry as a whole.

**Caroline Drummond:** We operate a global standard with LEAF marque; 40% of UK fruit and veg is LEAF marque certified. The fresh produce and the farmers that we work with on a global scale are meeting the same requirements demanded of our farmers in this country.

**The Chair:** We are now halfway through the evidence session. I have lots of colleagues who want to ask questions and I want to ensure that they are all called.

**Q10 Miss Sarah Dines** (Derbyshire Dales) (Con): I refer Members to the Register of Members' Financial Interests for my interest as a very small farmer. I have a question for Mr Lines. You mentioned that tenants should get the payment. Can I ask you two things? Are you advocating a change in business farm tenancy arrangements and land tenure? Or are you really saying that money from the Government should go to the person who physically farms, rather than the landowner, or a mixture of both? Would you please clarify?

**Martin Lines:** It would be a mixture of both. Many of the tenancies that are currently written are too short, with many of three to five years, because of the uncertainty ahead. They would be rewritten and reframed. The person doing the job—the work, the delivery of those public goods—should receive the income.

If it is about land, natural capital and something infrastructure-wise of trees, the landowner may get some of that. If it is about the delivery of habitat and flood mitigation, so that you are losing crop yield or change of land use, the tenant can manage some of that. It will be a redefining, but I think the industry will cope with it. We just need the timeframe for how we deliver it.

**Q11 Daniel Zeichner:** I would like to return to the vexed issue of imports to potentially lower standards. *ffinlo*, you mentioned some of the potential impacts. I would like everyone to comment on the potential environmental impact, given that people are so positive about the potential here. If we do find ourselves being undercut by lower-standard imports, what would be the effect on the environmental aims in the Bill?

**Caroline Drummond:** I think potentially farmers will walk away from supporting them ultimately, if the marketplace is not delivering against the requirements expected of the imported produce and farmers are increasingly required to deliver against goods that are costing them from a business perspective. That is one of the big dangers. A bigger issue is offshoring, and the fact that we have nine years to deliver against the sustainable development goals. We have the Paris agreements. We have a fantastic opportunity with the conference of the parties talks on climate change being held in this country later this year to herald our ambitions for delivering and demonstrating leadership in environmental delivery and in climate change mitigation delivery.

We might think we can compete on a global level in terms of a huge productivity market, but actually we are just small producers on a global scale. Our real opportunity lies in being the best at what we do. We already have such a good background: despite all the criticism that farmers get for delivering or not delivering against the environment, they have been hugely committed since 2001, after foot and mouth, through entry level stewardship and higher level stewardship agreements, to deliver vast changes and improvements, with strong ownership in how farmers are farming in this country. It would be a real shame to lose that. The Bill is an opportunity to build on that backbone and to place our farmers in a position whereby we continue to be world leading, but with more focused ambition and strong clarity on what we deliver from an environmental perspective.

**Jack Ward:** In terms of delivering environmental outcomes, we are looking at a balance between a farmer or grower's own investment and public money. If you start to cut away at the farmer's ability to invest as an individual, you lose an important part of the funding that will deliver the overall environmental improvements that you are looking for.

**ffinlo Costain:** I think the future for UK farmers has to be in quality. Volume production will increasingly become a mug's game. I would not advise farmers to go

into it. It should be about environmental excellence, animal welfare excellence and sustainability excellence. The danger is that if it comes into the country, some customers—perhaps quite a lot of customers—will buy it. That is where the undermining happens: it undermines our ability to develop that comprehensive basis for environmental excellence, and it will challenge emerging supply chains in particular. Part of our big challenge over the next 10 years is to shorten supply chains and to make sure that farmers are better able to claim decent farm-gate prices by selling direct or through many fewer cogs before they reach the customer. I worry about those smaller and emerging supply chains being undermined.

**Alicia Kearns (Rutland and Melton) (Con):** How do you assess that the security of food supply will be improved by the Bill? What do you see as the UK's greatest threat to food security?

**Martin Lines:** Food security can only come from healthy soil and a healthy environment. If we over-produce from our soils, we degrade them and there will be no food security for future generations. We need a balance of how we manage our landscape and how much we can produce from that balanced landscape. We can then consider what products we need to import, and whether we need to do other things or change diets or change the system. There needs to be an assessment of how our landscape looks, with a joined-up approach to landscape productivity.

**ffinlo Costain:** Traditionally, food security has been about volume and about being able to feed everybody. That has led us to the challenges we now face, which Martin just referred to. Food security comes from being able to produce good, nutritious, diverse and seasonally available food. That means we need to restore soil, have good water management, and good community dynamics, with complexity returned to our swards and landscapes where nature works with farmers to produce that food.

Looking forward 40 years to how society could break down as a result of climate change and biodiversity loss, food is the critical factor. If you look around the world at conflicts, including Syria, food is the critical factor that creates conflict. The way that we deliver national security is not by producing volume, but by ensuring that every hectare of our land can produce really good food, and by maintaining the rural economies and the ability of farmers to farm that land. That is why it is critical that we do not go down the route of sequestration here, wilding there, and food here. We need to be able to build broad diversity so that we have national food security in the future.

**Caroline Drummond:** There is often a lot of confusion around food security. There is the issue of our capability to grow, and having the infrastructure to support farmers with seed, fertiliser, tractor tyres, and investment in that area. There is the issue of what we actually mean by self-sufficiency, how we build our targets, and whether we are ambitious enough. There is food safety. We have some concerns about imported produce in terms of food safety challenges. That has been well heralded. There is also the issue of food defence—our capability to trade confidently, and to have the opportunity to receive food where we do not have self-sufficiency or sufficient produce.

It is a highly complex area. I think it is one area in the Bill where we would report every five years. Perhaps that could be amended to reporting every year, because it is so important.

**Jack Ward:** In the fresh produce industry, we are very dependent on imports to meet our needs. Arguably, it is the one area of food production where we want to increase consumption. Ultimately, the ability to increase our food security is down to grower confidence, and a willingness by growers to keep investing, and the returns that they can generate from that activity. The last six months have not done great things for grower confidence.

**Q12 Daniel Zeichner:** I would like to go back to the question of food security, and to some of the points that people have made. I am very concerned by some of what I am hearing, because it seems to me that there is a danger of a two-tier system emerging. A very high-quality, high-value system is, to *ffinlo's* point, not about chasing volume. Is there not a potential problem ahead for us if we are not careful, in that we will not produce nearly as much of our own food as we would like? Going back to my earlier question, that also has environmental consequences. It goes back to a point that I think Jack made at the beginning: the sector needs to be profitable to keep people working. Is there a real danger here?

**Martin Lines:** If I am producing wheat, I can increase my yield by putting more products on, but that has a higher environmental risk, because a lot of those nitrates and products will leave the soil, because the crop has not used them in some years. If we hit the sweet spot with the productivity of our landscape, we can produce what the landscape can cope with, and push it some years, when needed, as well as ease off. It is about finding the balance point. We know from many livestock farmers that reducing livestock numbers actually makes them healthier, better animals, and they produce quicker because there are fewer there and the grass is better.

We have focused for so long just on yield and output, not profitability. Reducing my overall output gives me more profit at the end of the day. It is a funny way to look at how it works, but you end up spending more than you get in return. You chase the extra yield by spending more money. We need to find the place where we deliver as much as we can. Sometimes we can push that if we need to—if there are weather challenges, or other issues—but we should not be out there just to push it, doing environmental damage as a consequence of my farming operations.

***ffinlo Costain:*** The most intensive food systems are environmentally damaging. They are damaging in terms of farm animal welfare, and often just in terms of the jobs that are provided for people, which are not pleasant. The death knell needs to be rung for those sorts of farms.

There is an assumption that with environmental excellence, because of our association with going from mainstream to organic, comes a reduction in yield. There does not need to be a reduction. There are so many examples, here and around the world—Martin being one—of regenerative agriculture, which is giving environmental excellence and social excellence. Farm animal welfare is not an issue on his farm, but elsewhere there are regenerative beef and cattle systems where yield is being maintained in terms of mainstream amounts, and even increased.

There is an assumption that high environmental standards mean a reduction in yield; that is not necessarily the case. It is not just about looking at volume; it is about looking at a whole range of different changes. We need a dietary shift in Britain. That does not mean no meat and dairy, but it probably does mean a bit less meat and dairy as we go forward, and a bit more fruit and vegetables. We can deliver that, with agroforestry approaches and regenerative approaches. We can more than sufficiently provide food for the people of this country—I have no doubt about that—but it will mean changes in diet, and a little bit of change in the way that we farm, at the same time as focusing on multiple outcomes, rather than simply the outcome of producing lots of food. It is food, climate and biodiversity.

**Caroline Drummond:** We have a tremendous amount of evidence and case studies to demonstrate the importance of integrated farm management practices and how farmers have increasingly adopted them, in terms of economic viability, good performance and optimising the capability of the land. That is a really strong driver. One of the big keys will be how we link the Agriculture Bill with the Environment Bill and the national food strategy—this is such an opportunity for really trying to work out what it is that we want to develop and to balance and to build in what we grow, how we grow it and how we improve the health of our nation as well.

**Q13 Virginia Crosbie (Ynys Môn) (Con):** My question relates to employment numbers in the farming sector. Will we see people entering the sector that otherwise would not, as a result of the Bill? What will we see in terms of demographics, and what will we see in terms of the skillset of people working in the sector?

***ffinlo Costain:*** My hope is that we would see growth in all of those areas. In order to have farming excellence we need to have working farms. In the future, there may be fewer farmers spending their days on tractors, but there will be more farmers doing more high-value jobs and more marketing within the countryside. If we look at cattle and shortening supply chains, we ought to be supporting—we can through the Bill—new infrastructure, such as local abattoirs and co-operatively owned abattoirs. That creates new jobs and infrastructure within the countryside, which can then be sold with the marketing and branding jobs that go along with that. I want to see good-quality jobs, not just jobs, and there is the opportunity here, if we get it right, to create good-quality jobs, and more of them.

**Caroline Drummond:** Maybe I missed it, but I do not know whether the Bill itself would be the driver for more people to say, “Yay, I want to go into agriculture.” There is an opportunity to go into agriculture, with exciting innovations and technology, and the fact that we touch each of the five senses, which no other industry does. We do a lot of education programmes at LEAF. We run Open Farm Sunday. From that point of view, it is about getting more people more connected with their food. Some of the supporting information around things like the national food strategy and the 25-year environment plan have to help to support and drive enthusiasm—have to help to inspire a younger generation to recognise that the food sector, the farming sector and its associated industries are really fantastic. We have fewer young people coming through and we just have to compete a little bit harder than every other industry.

**Jack Ward:** There will be more competition for labour, and trying to attract people into the industry will be more difficult. Certainly, within our sector there will be a big drive towards automation to take labour out of the equation, because it will be harder to come by. As earlier speakers have alluded to, as a consequence we will see higher-value jobs. We will see more technologists and more people designing and managing systems, rather than doing some of the manual work that we have seen them do over the past 25 years.

**The Chair:** We have 15 minutes left and at least five colleagues want to ask questions. I call Kerry McCarthy.

**Q14 Kerry McCarthy:** May I just ask about the climate change angle? The NFU has said that it wants to reach net zero farming by 2040. There is no target in the Bill. My concern is that farmers do not really have a road map for reaching that target—we are relying on individual farmers to perhaps pick up on the public good element that is mentioned. Could the Bill be stronger in terms of the net zero commitment?

**ffinlo Costain:** The first thing that needs to happen is that the metrics need to be right. At the moment, the Government are still wedded to GWP100—global warming potential over 100 years—which is focused on emissions, rather than warming from emissions. That is critical, because it really changes the role of cattle and sheep.

Oxford Martin brought out science by Professor Myles Allen, who was an author on the IPCC's 1.5° C report. We now have an accurate metric for accounting for methane, and it changes things. By and large, the warming impact of cattle and sheep farms will be about 75% down in terms of methane. If we focus on emissions, it drives very different actions. If we focus on warming, we see that cattle and sheep on grazing land that is really well managed, ideally in a regenerative way, can contribute to the climate mitigation, climate adaptation and biodiversity that we are all talking about.

Before we start talking about hard targets, we need to make sure that those metrics are there, because at the moment, farmers are being undermined because they do not trust the metrics. That is critical. The Government clearly have ambitions and goals for net zero elsewhere. Farmers are working towards their own goals. We are working with farmers in Northumberland who control most of the national park there. They are committed to net zero by 2030. We can deliver it rapidly when we get the metrics right.

**Q15 Fay Jones (Brecon and Radnorshire) (Con):** It is not a financial interest, but I should declare an interest as a former employee of the National Farmers Union. What does the Bill do for the regulatory environment in the United Kingdom? What is your assessment of how the Bill will affect that? Are you concerned about the risk of any regulatory divergence between the devolved nations?

**Martin Lines:** Yes, there is a risk. It is not clear how that regulatory authority and the baseline will work, who will police it, and how that will be transferred across the four nations. If you are farming either side of a border, will you have two different standards? How will you compete with those together?

A lot of what is in the Bill is focused on England. We are waiting for Wales, Northern Ireland and Scotland to develop their plans. It is about how we link it together, not race away with just England, because if you are farming both sides of the border, move from one side to the other, or move products from one side to the other, you will have real complications. We do not see that journey of who is going to manage that regulatory authority and baseline.

**Jack Ward:** If I may chip in on producer organisations, it would be helpful if we could have commonality within producer organisations, and not have one system in Scotland, another in Northern Ireland and another in England.

**ffinlo Costain:** This touches on non-regression from EU rules, which is really important. I would feel more comfortable if it were stated that there was going to be non-regression on standards.

Regulations are a safety net; they are there so that nobody goes below them. I want farmers to go above them, to tell customers about how they are going above them and delivering, and to brand around that. Theoretically, it should not be an issue, if farmers are going above, stepping beyond, managing to deliver what Kerry was talking about with net zero at an earlier stage, and telling customers about that. The fact that there is a safety net there, and that there may be a bit of divergence between different nations, is less important than the fact that people are going beyond it and they are making money because they are telling customers about it and customers are buying it.

**Caroline Drummond:** Ultimately, there is the opportunity to create a new governance, in terms of how the Government work with the industry and non-governmental organisations through to farmers and landowners. Some of the reporting that came out of Dame Glenys Stacey's report demonstrated that there may be new ways for us to make it move forwards effectively.

**Q16 Abena Oppong-Asare (Erith and Thamesmead) (Lab):** The main clause of the Bill provides Ministers with the power to make payments to farmers, which is most likely to be allocated on the basis of environmental improvements, not how land is farmed. The Bill does not give any clear guidance on how environmental improvements will be measured. Do you have any thoughts on that?

**Caroline Drummond:** Potentially, that all goes back to the metrics, and what we are looking to ultimately deliver. The Environment Bill has set out some of the requirements in that area, although that obviously goes beyond farming as well. The 25-year environment plan also covers that area. We have seen, through things like the sustainable development goals and all our global commitments, that there are some really good opportunities to align our ambition here in the UK with delivering against some of those areas. It all depends on how ELMS are going to be managed and developed, but this is where some good environmental performance metrics and targets are starting to come through—hopefully from some of the targets that farmers are setting and working with Government on in a particular area.

**ffinlo Costain:** There are two aspects to your question. The first is what those measures are. As many Members here and Ministers know, we have been working very

closely with Government, particularly on the farm animal welfare metrics and how those relate to the environment. That is critical; what those metrics are is really important, and Government needs to start collecting those.

Then there is the question of the mechanisms—who collects those metrics, and how. From that perspective, Government could work much more closely with assurance schemes to make sure that the metrics that they are collecting are good proxies for what Government wants, and that the new metrics that the Government are looking at are then embedded within those assurance schemes, so that assurance schemes that are already going on farm can do that metrics collection. Then farmers can sign to say that they are happy for some of those metrics to be self-reported. For example, RSPCA Assured may be collecting 500 metrics, perhaps in terms of pigs or sheep, but Government does not want all of those. There are perhaps 15 key ones that Government wants, and farmers need to tick a box to say that they are happy for those to be self-reported, perhaps through the assurance schemes. So there is what the metrics are, and the mechanisms for collection.

**Caroline Drummond:** We have already earned recognition with the Environment Agency, Red Tractor and LEAF Marque, in terms of helping support that relationship.

**Q17 Theo Clarke (Stafford) (Con):** I represent a rural constituency with a lot of dairy and arable, and some of the biggest fruit producers in the west midlands. Quite a lot of farmers have said to me that they are currently enrolled in things like countryside stewardship schemes, and they are going to transition over. Caroline, you mentioned the ELMS scheme. Does this Bill do enough to help them transition over to the new schemes? Are we doing enough to support farmers in the longer term? For example, I have people signing county farm tenancy agreements, which are for 10 years, but we have guaranteed payment for only five years over this parliamentary term. Are we doing enough to support them in the longer term?

**Martin Lines:** We need guaranteed long-term funding or the ambition to deliver it. On a five-year rolling plan, I am planning eight or 10-year rotations in farm planning. If you are taking on tenancies for longer than that, the business risk is huge. It is about that long-term development. In the transition that we are going to have from one system to the other, we need to be clear and transparent about how that will fit and how we can move. It has become clearer that if we can enter into a stewardship agreement now, we will be able to move into the ELMS when it becomes available, before the end of the period. It is about how we are flexible within those schemes. The current system has been delayed payments, with a nightmare bureaucracy. It has over-measured and over-regulated, and there has been no trust in the farmer to deliver. We need to build that into the new scheme, and build trust with farmers to work to that system.

**ffinlo Costain:** Countryside stewardship has been very input-focused. Often farmers have done something because there is a box to tick—because they are getting paid for x, rather than because it necessarily delivers the outcome. I think that is what Martin was alluding to. It is not the most successful scheme. There is this five-year transition, where the basic payments are going out. In that time, it is for farmers to step up and understand how to deliver these outcomes, and to develop, either

individually or across landscapes, proposals that deliver those public goods. So long as we are focused on outcomes rather than inputs, we will make progress. Farmers should be absolutely at the forefront of that.

**Caroline Drummond:** A little bit more security and clarity in the timescale is really important. Obviously, farmers do not make decisions today for tomorrow; many decisions are made three or four years in advance. Many crops are grown for nine or 10 months—for livestock, it is a longer time span—before you get any level of return. That timescale is at the moment not 100% clear, because decisions could be made at the very last minute. That is a big concern.

We must not forget that although a lot of the stewardship has not been ideal, for every pound that farmers get from support mechanisms they are delivering so much more from an environmental perspective, because it is good for their business and because, obviously, they fundamentally believe it. We do need to build confidence that the system will work, and that farmers really want to adopt it. We are involved in some of the trials for the ELMS project, and it is really encouraging to see farmers very much embracing it and saying, “Yeah, we want to be involved.”

**ffinlo Costain:** I said earlier that land use—the way we farm—is the golden ticket for getting us out of the challenges we face and continuing to support food production. I want to give you a couple of statistics. Funding for agriculture is £3.1 billion, but that is tiny in terms of Government expenditure. For every citizen in Britain, we are paying less than £1 per week to farmers for all the good work they do, which we have been talking about. Compare that with £42 per citizen per week for the NHS. Just administering central Government is £3.57 a week per citizen, so farming is getting very little.

In terms of managing the transition and making sure that farmers can deliver, somebody has to say it: farmers should be getting more because they are doing such a good job. In the future we will be expecting so much more, and I would like the budget to increase.

**Q18 Nadia Whittome (Nottingham East) (Lab):** I want to come back to the point about bringing sustainable food production closer to people’s lives. What measures could be added to the Bill to encourage local community schemes to reduce food poverty and improve good nutrition?

**Jack Ward:** I think the two are largely unrelated. One is an income issue, and there is a separate farming issue. Conflating the two is a problem because the food we produce is often not leaving the farm at a sustainable price, and the opportunity to drive that price down is very limited.

**Martin Lines:** We need clear transparency within the supply chains, and parts of the Bill address that. Who is getting the benefit out of the produce? Farmers are selling at a gate price that is way lower than the retail price, so who benefits? How can we join up the supply chains to shorten them and give farmers the opportunity to market more directly? There will be lots of exciting technologies and systems that may be able to do that, but it is about incentivising that opportunity.

**ffinlo Costain:** I think you have highlighted a real challenge, and I am not quite sure how we address it within the Bill. We do not want to see farmers in Britain

uniformly producing high-quality produce that just fuels middle-class meals and those of affluent people. We need to recognise that an awful lot of people live in poverty or relatively close to poverty, and we need to be able to feed those people as well. But I do not think that we do that just by continuing with the model that we currently have, which involves ever more intensive volume production and low-nutrition food. We need good food. That is about the supply chain. As Martin said, it is about how we connect people who are living in more disadvantaged areas, with food. Often, if you are buying directly—if you are buying food and making meals yourself—it is a hell of a lot cheaper than living on Pot Noodle or whatever else.

**Caroline Drummond:** One of the scary facts is that 50.8% of the food we eat in this country is ultra-processed; in France, it is 14%. We do not know about the sustainability of highly processed food, and we often do not know its country of origin. This is where the national food strategy is such a core part of trying to understand what our ambition is for the health and the connection of what we grow. It is out of kilter at the moment and in a very difficult place.

Going back to Jack's comment, the Bill is about trying to drive the ambition for a highly productive, responsible and sustainable farming system. We need to be very careful. There is often confusion. Poverty is a social issue, rather than necessarily an issue that farmers can respond to, and we need to be very careful that, as an industry, we are not subsidising the social challenge of poverty.

**Q19 Nadia Whittome:** Perhaps I was being confusing by mentioning two things in my question. What can the Bill do to encourage local community food schemes to tackle food poverty and improve good nutrition?

**ffinlo Costain:** Funding of infrastructure, which is partly in the Bill. It is perhaps about broadening the definition of "infrastructure". In the same way that people ought to be able to apply for funding to put up the local abattoir that will make a big difference to the farmers, the land that they are presenting, the prices that they are getting and their ability to sell directly to the public locally, you are perhaps right to say that there needs to be support for those sorts of schemes as well.

**Caroline Drummond:** Interestingly, food productivity is mentioned in here. One would hope that that is going to be the link in terms of trying to define what the national food strategy looks like, because—

**The Chair:** Order. I am afraid that brings us to the end of this session, but on behalf of the Committee, many thanks to our witnesses. You gave us invaluable information. Thank you very much indeed.

#### Examination of Witnesses

*Thomas Lancaster, John Cross, Simon Hall, Christopher Price and David Bowles gave evidence.*

10.31 am

**Q20 The Chair:** Welcome, witnesses. We have five of you, so this is going to be challenging to say the least. We will hear evidence from the Royal Society for the Protection of Birds, the Royal Society for the Prevention

of Cruelty to Animals, the Rare Breeds Survival Trust, the Traceability Design User Group and Livestock Information Ltd. Would you please briefly introduce yourself?

**Thomas Lancaster:** My name is Tom Lancaster. I am the acting head of land, seas and climate policy at the RSPB, so I oversee our work on the Agriculture Bill, but also lots of our work on forestry, climate change, marine policy and similar issues.

**Simon Hall:** I am Simon Hall. I am the managing director of Livestock Information Ltd, which is a very new company, set up on 1 October, with a remit to design and implement a new multi-species livestock traceability service in England, but also to potentially provide some UK capabilities. Just so you know my background, I am on secondment into this role from DEFRA, so I am substantively a civil servant, but on secondment for the next two years to deliver this programme.

**John Cross:** I am John Cross. My roots are in farming, and I still have a farming business. For the past three years, I have chaired a pan-industry and Government design working group that has worked with Simon to co-create the new traceability system that will be delivered by LI Ltd. For the sake of openness, I should say that I have just been appointed as chair of that company, so I will be working with Simon, who is the managing director.

**Christopher Price:** My name is Christopher Price. I am chief executive of the Rare Breeds Survival Trust, an organisation that exists to promote and conserve the use of native breed livestock.

**David Bowles:** I am David Bowles. I am the assistant director of public affairs at the RSPCA. The RSPCA writes the standards for RSPCA Assured, which is the UK's only higher welfare assurance scheme.

**The Chair:** I know that at least one of you has given evidence to these sessions before—maybe two or three of you—but please enjoy the session, which runs until 11.25 am.

**Q21 George Eustice:** The Bill explicitly recognises animal health and welfare and native breeds as a public good. In recent years, we have seen a specialisation in arable in some parts of the country and a concentration of livestock in others. Some say that we need to get livestock back on the lowlands, so that we have more permanent pasture, more crop rotation, more organic matter in the soil and so on. I wonder whether those of you who feel able might comment on the benefits of livestock in our land management and in the farming system.

**Christopher Price:** I speak particularly on behalf of native breeds, rather than livestock generally, but I think that promoting our native breeds is hugely important. Dealing with economics first of all, you have pointed to the uplands as an area where it is harder to grow crops and where people therefore keep livestock, but that does not rule out having livestock elsewhere. If we have the right sort of livestock, grazed at the right density and in the right place, we are providing environmental benefits because we are creating the sorts of habitats we want. We are keeping down import costs—that helps the climate—which reduce farm incomes. There is a business

and an environmental side to livestock, which are an important landscape feature as well. There is something exciting about seeing interesting animals wandering around our farms. It all helps towards tourism, and a sense of place and location. There are huge arguments to support increased livestock use.

**John Cross:** I speak as a mixed arable and livestock farmer, as opposed to my involvement with Livestock Information. There is absolutely no doubt that the combination of livestock on arable land has a profound effect. It is something that I would encourage the whole industry to look at, because as soon as you start to improve the organic matter levels, the vibrancy and the life within the soil, you realise the benefits that come with drought resistance and inherent fertility. In particular, if you involve a blend of, say, pigs and ruminants on arable land, you also have a profound effect on the birdlife that then decides to come to live on that farm. It is something that I believe in passionately, and it works, but certainly—as I heard referred to in the earlier session this morning—you have to be mindful of stocking densities. In particular, it is a matter of making good use of grazing legumes, which we are pioneering. It is a valuable mission that the Bill mentions, because we need more organic matter in arable land.

**David Bowles:** Just picking up on that point, I have been working on CAP issues for 20 years, and this is the first time that we have had the opportunity to get animal welfare into the new farm support system. We have only ever had one animal welfare scheme in the last 20 years, which was in Scotland, so it is really important that we start to get animal welfare payments into the system and, particularly on the stocking point, make sure that farmers are paid to go higher than the welfare standards they have at the moment. I think you will get win-win situations, with benefits to animal welfare, benefits to the environment, benefits to rare breeds, et cetera.

**Thomas Lancaster:** The RSPB is a big landowner and farmer—we have 30,000 livestock across our estate. In a lot of cases, those livestock are essential to the public goods that we deliver, particularly the high nature value farming systems that, again, have been a key feature of many CAP schemes in the past. We want to see future schemes in England supporting those high nature value farming systems. Extensive livestock production will be a key feature of those systems in future and is important in supporting species such as curlew and other breeding waders, or habitats such as upland hay meadows.

John's point about densities is absolutely right, because overgrazing is a major problem for a lot of our designated sites and habitats. The opportunity we have in the Agriculture Bill, and with environmental land management schemes specifically, is to support farmers to find that optimum balance, which Martin Lines talked about a lot in the previous session and which can go hand in hand with a more profitable livestock farming system as well.

**Q22 George Eustice:** I have just a couple of further points. Mr Bowles, you are right, this is the first time that a country has put as much ambition into rewarding high animal welfare outcomes as we do in the Bill. Your organisation runs the RSPCA Assured scheme. What lessons can we learn from that about having a payment-for-public-goods model for farmers who go above and beyond the regulatory baseline? Also, if I may, a question

for Mr Hall: in terms of livestock traceability, are there market opportunities for us in having that higher health and higher welfare supply chain, which can be demonstrated through the project that you are working on?

**David Bowles:** There are huge opportunities. We have only ever had one scheme in the UK, but we have had something like 52 schemes over the 28 EU member states. The RSPCA Assured scheme is very successful in certain areas, such as laying hens, where we probably have 55% of production, but it is very unsuccessful in other areas, such as sheep, beef, dairy and even chickens, which are all sectors where we have under 5% and in some areas under 1%. The market is therefore not delivering the higher welfare assurance schemes that we want in that particular market.

That is the exciting thing about the Bill, because it will provide the opportunity to give farmers a leg up through, for example, one-off capital grants, and then provide them with payments to ensure that, where the market does not deliver, they can deliver those higher welfare schemes. The RSPCA is very happy that the Bill provides for that two-step process. We think there are very exciting times here for farmers, particularly in those areas where we have not traditionally gone into higher welfare schemes. For instance, at the moment, 0% of ducks in the UK have access to full-body water. The expression “taking a duck to water” does not exist for UK duck farming. That is a tragedy, not just for ducks, but for UK farming.

**Simon Hall:** There are undoubtedly opportunities in the marketplace if we can evidence welfare standards, provenance, and so on. The Livestock Information programme will put in place a new multi-species traceability service that brings together data based on animals, keepership—the people who have been responsible for the animal throughout its life—and location, the farm where it is based. The whole proposition of the programme that we are delivering is about using that data not only to better inform Government responses to animal disease control and ensuring food safety, but to enable the industry to take advantage of that data to evidence its standards and demonstrate to its consumers, domestically or internationally, the standards to that livestock is produced, the provenance of the animals and so on in real data. Working in partnership with Government and industry, there is an opportunity to set out our stall in a world-leading manner.

**Christopher Price:** To build on what has been said, an important aspect of the Livestock Information service—if it goes as far as I hope it does—is that it will give greater recognition to individual breeds. It will make it clear that what you are buying is a saddleback or whatever. At the moment, it is very difficult for the consumer to know that what he or she is buying is what the butcher or supermarket purports it to be, or to know when they use nebulous language to imply that it has a particular provenance. If we can get to a system whereby people are promoting particular breeds associated with a particular area, we will do well to create a much stronger sense of place and local identity, which will help with creating new markets.

**Q23 Daniel Zeichner:** I think at least three of the witnesses are part of organisations that were signatories to the letter to the Prime Minister at the end of last month warning about the potential risks of lower standards

for imported food. Will those three witnesses, and perhaps others, comment briefly on what you think will be the effect of allowing imports of food produced to lower environmental welfare and health standards on consumers, producers and the environment?

**David Bowles:** For the RSPCA, this is probably the biggest omission in the Bill. The Government have resisted putting anything in the Bill that says that we will not import produce or food to lower standards than those of the UK. I cannot see why they have resisted that. The Secretary of State said, “Trust me, because it’s in the manifesto.” Frankly, I do not think that is good enough. Last year the Government tabled their own amendment to the Trade Bill that said exactly that. I hope they do the same here, because if they do not, they will leave British farmers who are producing to those higher welfare standards open to US imports.

For instance, 55% of the pork meat and bacon that we eat is imported. Virtually all that comes from the EU. If you start importing that from the USA, where they still have sow stalls, where they still give their pigs ractopamine, which is an illegal drug in UK pig farming, you are opening up to cheaper imports coming in, particularly if you do not have consumer information and labelling. I am pleased that labelling is in the Agriculture Bill, but this needs to be part of a matrix. You need to have the same standards for food coming in. The RSPCA is not afraid of higher welfare food coming in. What we are afraid of is food coming in that is illegal to produce in the UK.

**Christopher Price:** I agree with everything that has been said, but I think we need to be careful about putting too much trust in labelling. I cannot see that people are going to make many purchasing decisions on the basis of labelling. Something like less than 5% of decisions nowadays are based on labelling, which includes all the various organic and assurance schemes. This has to be dealt with by legislation and regulation. You cannot leave it to consumer good will in the supermarket.

**Thomas Lancaster:** I agree with all that. We worked very closely with the NFU to co-ordinate that letter. We view assurance around import standards as a foundational element of the whole future farming policy and as really important to farmers’ ability to invest in public goods schemes with confidence.

The letter not only touched on a defensive ask, but pushed a more aspirational agenda around a role for the UK to set out a world-leading trade policy that takes account of societal demands such as climate change, biodiversity and all those sorts of issues, which are not reflected in modern international trade policy, and certainly not at the World Trade Organisation.

This is often reported as: “We want protection.” Actually, as David said, we want to be able to compete on common standards. No UK farmers are calling for protectionism for its own sake, but there is an opportunity to call for a more sustainable trade policy that has a bit more imagination regarding how we can fight the climate and environment emergency, while embarking upon a new international trade policy, as we now will.

**John Cross:** It has been very well addressed already, but briefly, if society is sincere about animal welfare and is aspirational—which it should be—then it should not look for one set of standards domestically and, to a

certain extent, export its conscience and accept lower standards from elsewhere. You should be consistent in your attitude to animals.

**Q24 Simon Jupp (East Devon) (Con):** Should some financial assistance be provided for animal welfare activities that go beyond, for example, the legal minimal requirements and normal good practice? If so, what types of activities could that include?

**David Bowles:** Yes; the RSPCA, as I said earlier, is delighted that for the first time we have the opportunity to provide financial assistance to farmers. One of the things that is missing from the Bill—it says it in the explanatory notes, but it is not explicit—is that financial assistance should be given only to those above baseline standards. We had a system where farmers could have been paid even if they were doing things that were illegal. I do not want to replicate that in the new farm support system.

There are a lot of things that we would like the Government to introduce to give farmers a leg up—for instance, providing brushes for cattle, hoof-trimming for cattle to reduce lameness, rubber matting for cattle to give farmers a leg up to farm at higher welfare standards, and then giving them the opportunity to get money that is not provided by the marketplace, which is the difference between farming at higher welfare and what the marketplace delivers.

There is a whole range and suite of issues that could be gathered. The RSPCA is delighted that the Government are looking at them seriously, and we hope that some can be trialled in the next year.

**Christopher Price:** There are two aspects to your question. The first is whether we have got the regulations right in the first place. Although we might have the right standards, I think that most people on our side of the table would hope that Dame Glenys Stacey’s report is implemented, if not in full, then to a large extent. It might be useful to expand a bit on that in a moment.

In terms of paying for meeting regulatory standards per se, I think this is something that applies throughout. Farming will go through the most immense structural change over the next four or five years, as we move to an unsubsidised, more market-facing world. There will be an incredible variety of costs for people as a result. I do not think that there is anything untoward about the Government helping people to make that transition over the short term. I am talking about significant short-term capital expenditure on the Government’s part, to get the industry match-fit—not only in terms of welfare, but in terms of having the right business processes and practices in place. After that, you can say, “Now you’re on your own. We’ve helped you to get up to the standard that we expected of you. Now it’s for the market to support you going forward.”

**Q25 Ruth Jones (Newport West) (Lab):** The Bill contains a lot of powers rather than duties. To my mind, a duty means that the Secretary of State is more accountable. Do you think that the Bill should contain a duty for the Secretary of State to support all the public goods identified?

**Christopher Price:** Most legislation nowadays gives powers not duties. There is nothing unusual about the Agriculture Bill in that regard. The Bill is about the tool

used to implement the policy; it is not the policy in itself. It would be useful to have the Government's policy, to know what they are going to try to implement.

Having said all that, we are talking about some really quite complicated stuff. Food production, which is fundamental to our existence, is all based on natural processes that are really complicated. We are going through huge structural changes and as a country we have not been great at managing structural change. Bearing all that in mind, it is important that Government have a full range of tools to do as they see fit, in consultation with stakeholders. I would hate the idea that, for reasons of legislative propriety or whatever, we ended up constraining Government so much that they could not do things that, in a few months' time, we might decide are absolutely essential.

**Thomas Lancaster:** We are very sympathetic to having more duties to balance the range of powers. A report from the Delegated Powers and Regulatory Reform Committee the last time the Bill was in Parliament was quite scathing on that point. Clauses 4 to 6 are a positive step in setting out strategic objectives and they come with a range of duties on Ministers to have multi-annual financial plans, set objectives for those and have regard to those objectives when setting the budget for those plans. That is a big step forward in this Bill on the duties-not-powers point.

We would like to see a duty in the Bill to have an environment and land management scheme. At the moment, it is a legal requirement under CAP-funded rural development programmes to have an agri-environment scheme—you cannot not have one anywhere across the UK. We want to see that duty replicated in the Bill.

It would be interesting to look at other areas in the Bill as well. There are lots of powers in the Bill around fair dealing provisions and supply chain transparency, but there are no duties on Ministers to use those to improve supply chain transparency. That is another area where you could include a duty to clarify how those powers were going to be used and that they were going to be used.

**David Bowles:** Clause 1(1) says:

“The Secretary of State may give”—

and then it lists the public goods. We would like to see a “must”, and the RSPCA would like to see that too. The Secretary of State would still be applying the letter of the law if £1 went to animal welfare in the next five-year period. We would like to see some minimum payments under those particular public goods.

**Q26 Fay Jones:** The Bill amends the red meat levy system, in that it irons out an imbalance that has often penalised Welsh and Scottish farmers. Do you think that is sufficient, or should the Bill contain further reforms around the red meat levy?

**John Cross:** I had quite a lengthy history in the levy sector. The complexity around this issue is really quite deep, because it depends on where the benefit of the levy investment is secured, where the products derived from the industry are consumed and where the supported supply chains sit. As for the desire to capture and formalise a more even-handed distribution back to the devolved regions: from what I have seen of it, it does do enough. We live in a very complex domestic market; 50% of Scottish beef production is consumed within

the M25. That illustrates how complex the mix is. The red meat levy is designed—yes, funded by farmers and processors—to make the best of a supply chain and to deliver business enhancement throughout for the good of consumers and producers. It is quite a complex issue and it is not just as simple as three separate lots of industry all wanting to do their own thing in isolation, because they are all interdependent.

**Q27 Deidre Brock:** This question is specifically for Mr Hall and Mr Cross, just about your organisations. Can you tell us, please, how you reformed; what your role is; what your governance rules are, and what jurisdiction you have in regard to Scotland and the devolved nations?

**John Cross:** I will leave some of the technical detail to Simon, but in principle, this is how we arrived where we are now. Yes, we have established traceability systems in this country and they work but, as we speak, they still tend to be a blend of paper and digital—sometimes both at the same time. They work but they are high-maintenance. They are sub-optimal and they take a lot of resource to keep them going. They were, of course, designed to hoard data on behalf of statutory obligations, as opposed to share data, so the design principle needed to be completely different.

I think it is fair to say that Government was faced with the reality of having to achieve an IT refresh at some stage, with some fairly urgent timescales. For a long time, industry has wanted to have the benefit of the use of its own data. Data was being collected about the industry, but the industry could not use it to enhance itself.

We came to a moment after the referendum where the industry and Government were faced with a series of scenarios that required them to think differently and start to think together—this is where the principle of co-creation came in—right across DEFRA and all its dependencies, the Food Standards Agency, the Rural Payments Agency and the others, and right across the industry to form a think-tank as to how you design, hopefully, the optimum traceability and information system that enables Government to fulfil its statutory obligations, but better and faster, while allowing industry to start adding value to itself with information.

If it is a matter of exploring global markets, you can evidence a brand vastly better. In the global marketplace, traceability is king. In that area, you have huge opportunity. Similarly, from the viewpoint of the industry looking to eradicate non-notifiable endemic production diseases, again, to tackle disease risk you need information—you need data. As soon as you have got a unique identification of any one animal, the information you can attach to that provides almost endless opportunity.

**Q28 Deidre Brock:** But your focus is on England; is that right?

**John Cross:** This is an English system; yes.

**Simon Hall:** But it is in the context of a UK story. This is quite complex. In the current situation, traceability services are delivered through a bit of a mixed economy in the UK. Northern Ireland has a multi-species service operating there for cattle, sheep and pigs. Scotland has a traceability service for sheep and pigs. Wales has a traceability service for sheep. England operates a GB service for cattle, and we operate a pig service for England and Wales, and a sheep service in England.

So, it's quite complicated. Then, within that, there is a mix of services and databases that come together to provide a UK view of that traceability data, so that colleagues at the Animal and Plant Health Agency, for example, can use that data to respond to an animal disease outbreak or a food safety concern, or whatever.

We have an ambition in England to create a single multi-species traceability service, or a single service capability, including help desk and so on, a single IT system, underpinned by the ambition to exploit data, not only for the benefit of Government and statutory disease control, but to deliver a range of outcomes externally. In that context, the Scottish Government and Welsh Government have decided to bring the cattle services into their own Administrations, and in the case of Wales, to bring the pig service in-house as well.

We are all moving at the same time to a position that respects devolution, where every Administration will have its own multi-species traceability service. Particularly in the context of cattle, that creates a new requirement to ensure that we have a really good UK view of cattle, recognising that we are disaggregating services that are currently delivered through one service, so we need to ensure that that comes together.

DEFRA has asked Livestock Information Ltd, as part of the process of designing and implementing the traceability service in England, also to ensure that there is a way—a mechanism, a service—to ensure that we have good visibility of that UK data. That approach is supported by UK CVOs and so on.

We are, though, at a very early stage of designing exactly how that would work. So, we do not have a technology strategy yet for exactly how that would work and whether that means that Livestock Information Ltd would have a copy of all the UK traceability data, or whether it is just providing a window into each of the services and each of the Administrations for the Animal and Plant Health Agency to look at, for example.

We have really good relationships with colleagues in each of the UK Administrations and we are having regular dialogue around how this would work and whether there would need to be some specific governance arrangements around the UK view, and so on.

**Q29 Deidre Brock:** So there is no suggestion of imposing a UK-wide scheme on devolved nations that already have their own.

**Simon Hall:** Quite the reverse.

**Deidre Brock:** As you have elaborated, they already have quite developed traceability schemes

**Simon Hall:** This is seeing a move to devolve traceability services that comes together seamlessly at a UK level, recognising that disease and food contamination does not respect borders.

**Q30 Deidre Brock:** What are your governance rules, and how confident are you that the traceability set-up will be ready in time for the end of the year when we leave the EU?

**Simon Hall:** There are two questions there. The first is easy: our governance arrangements are that Livestock Information Ltd is a subsidiary of the Agriculture and Horticulture Development Board, which is the levy

body in England. AHDB is a non-departmental public body of DEFRA, so it is accountable to DEFRA but funded by the levy payer, and therefore responsible to the farmer, grower and processor in England.

For us, the attraction of using AHDB as the parent body for this company is the way in which we can embed the traceability service as close to industry as possible, while retaining the sufficient control needed by Government. That model has already been adopted in Scotland, Wales and further afield, in Australia. Livestock Information Ltd is a company limited by a guarantee; it is a subsidiary of AHDB; it has a 49% ownership stake from DEFRA directly—DEFRA is important, but if it wants to exert control it does so through the levy body.

**Q31 Deidre Brock:** And your readiness for the end of the year?

**Simon Hall:** The business case has been approved; we have funding in place; we have procured IT systems; we have a team of around 50 people delivering; we are working very closely with devolved Administrations, and we are aiming for implementation from the autumn. There is lots to do. There is lots of complexity. The No. 1 thing we must not do when we effect this change is compromise our quality of traceability. If we are not ready, we will delay, but there is no indication that we will need to at the moment. We are planning for implementation from the autumn, starting with cattle, sheep next year and pigs later next year.

**John Cross:** A parting message: the important thing for us is to be smart and collaborative with the devolved regions, because disease pathogens—whether notifiable or not—and disease outbreaks do not recognise any political boundaries. We have to be smart and have a UK view on disease. If you look around the globe, on the international trade stage we are seen as the UK. It is a UK story if a product goes out, so from the point of view of access, wherever you go internationally, the UK is the recognised body. It is important that we have a smart, collegiate view on this.

**Simon Hall:** This Agriculture Bill does support the delivery of the programme in the way we set out. In part 4, clause 32 talks about granting additional functions to AHDB that will allow it to deliver that English traceability service through the subsidiary body. It currently has the function to deliver the programme and to design and implement the future service, but not to run it. The Bill provides the functions to do that, and the flexibility to provide any UK functions required, or that are sensible. For example, one might imagine that allocating a unique identity for an individual animal might be something that we choose to do once only in the UK, and we may choose to do it from here or from somewhere else.

The Bill provides the functions that we need to deliver this programme in the way that we want in the future service; it also provides some flexibility, should we work together and decide that we want to carry out some UK responsibilities.

**Q32 Danny Kruger:** May I quickly return to the trade deals? Mr Cross, you said earlier that we must not export our conscience to other countries to import cheap, low-quality food from abroad. Quite right—we need to export our high standards, and I think we agree

[*Danny Kruger*]

that the Bill is the opportunity to set a world-class benchmark model for regulating agriculture and sustainable farming.

My question is on behalf of our producers. The paradox is that everybody complains about the complexity of CAP, and farmers have a tough time filling in the forms. Of course, the principle of CAP is very simple: you just pay for the amount of land that you have. We are proposing to introduce a system with a lot more complex objectives—quite rightly—for all the different public goods. I share Ms Whittome's point about the opportunity for community-based markets and more locally based producers—more local sourcing. Do we think that those community groups and small farmers will be able to navigate what sounds to an outsider like a very complex set of objectives, and therefore potentially some complex subsidy systems?

**John Cross:** I can make a comment as a farmer rather than chair of Livestock Information. You make a very good point: we are entering a very different scenario. Some farmers will need considerable help in changing that mindset and getting used to a new environment, because it will require a lot more proactivity from the point of view of seeking rewards for those public goods. It will be a more complex—

**Q33 Danny Kruger:** Are we going to have an army of new consultants coming in to help themselves to some of the public money?

**Thomas Lancaster:** Advice is a really important part of the story. We would like to see more clarity from DEFRA as to what advice will be made available to farmers, particularly during that transition period. We also understand that the evidence base around environmental advice is a really good investment. All the evidence, particularly from work commissioned by DEFRA and Natural England, suggests that providing advice to farmers as to how they can meet environmental outcomes and navigate some of the paperwork necessary to access the public money is well worth the investment in terms of the outcomes. We know that outcomes supported by advice are better than outcomes not supported by advice.

We have done some social science research recently on farmers' experience of those schemes with farmers that we have been working with in south Devon for 30 years on species recovery projects for the cirl bunting. That social science shows really strongly that advice is the key element, not just in getting that environmental outcome but in ensuring that farmers are bought in to the schemes, that they understand the outcomes that they are seeking to deliver, and that they are able to get past some of the bureaucracy, which is an inevitable element of this.

Although direct payments sound simple in concept, you have the eligibility rules, particularly the land eligibility rules; the land parcel identification system; and the fact that you have to measure things to four decimal places. The fact that it is a very poor use of public money and no one really knows what it is for any more, drives a lot of those eligibility rules, because you have to provide some controls around it.

Our experience of the best agri-environment schemes in England, particularly higher level stewardship, is that, supported by advice, they are much more intuitively

understandable for farmers—as to why they are receiving that money—than direct payments. Analysis that we have done of Natural England data, which we have not published but will probably publish in the coming months, suggests that payment rates for small farms, on the first 30 hectares or so of agreements, are higher than for larger farms, which is obviously not the case with direct payments. We know that small farms, again when supported by advice, can profit from public goods schemes, given our understanding of higher level stewardship and similar schemes in the past.

**Christopher Price:** It is important to recognise just how much farming is going to change. It is not just a matter of changing the subsidy rules; it is a much bigger structural change. Farmers will be producing much more to the market, which means that we will have a different type of farmer. We are already starting to see those people—people who do not necessarily come from a farming background, who have made a bit of money doing something more commercial, who are coming to farming with business and marketing skills, and who are making a go of things in a very different way. You will know some of them—Lynbreck Croft, the Good Life Meat Company, Hilltop Farm.

People are already doing it and they have quite a big presence. They think in a different way. It is not just about who can take the biggest beast to the market every week or month. It is about sweating all your assets, so you will be selling the meat, but you will be selling meat with a good provenance, to high welfare standards and with a low environmental impact. If you are savvy, you will be finding markets for the skins, the wool, the horns. It may not be much money per item, but together it starts to create more produce with more of a brand.

If you start thinking in terms of your public goods as well—many farms are starting to—and working out what has a benefit, what you can do to improve your soil or your water quality, what plants you can grow that have biodiversity or climate benefits, and start ticking off those, you can get there. It does not need to be particularly complex. In many ways, although I hear what Tom says about the importance of advice, the way that most farmers learn is from other farmers. It is about encouraging farmers to go and see what their neighbour is doing, and not thinking of their neighbour as being their competitor, but as someone who can be a source of guidance.

So, I do not think we need be worried about complexity. Conceptually, what is being promised is more straightforward. Of course there will be compliance requirements, but many of us think that a lot of the previous compliance requirements were more to do with EU standardisation across 28 member states rather than being particularly necessary to ensure the efficient use of public money. So, I think we can be optimistic about what is happening.

**Q34 Kerry McCarthy:** May I return to the regulatory baseline issue I raised with the previous witnesses? The RSPB was involved in the Institute for European Environmental Policy report published this week that suggests that, now we have left the EU, there is a real gap in the regulatory baseline because so many regulations were set at EU level. Is there a need for a firmer regulatory baseline in the Bill so that we know what we reward in terms of farmers going above that baseline, and so on?

**Thomas Lancaster:** We, the Wildlife Trusts and WWF commissioned the report from IEEP, who are independent consultants, to look at a future regulatory framework. Because the Bill includes provisions to move away from cross-compliance, and in particular to delink payments from land, that potentially opens up gaps in aspects of current environmental regulatory protections that exist only in cross-compliance, particularly around soils and hedgerows—for example, cutting of hedgerows during birds’ breeding season and hedgerow buffer strips. We think there is a gap in the Bill in terms of powers necessary for Ministers to bring forward regulatory protections for soils, hedgerows and other environmental features, and we would like to see the Bill amended to plug that gap.

There is a big opportunity coming off Dame Glenys Stacey’s review. The farm inspection and regulation review the Government commissioned reported in 2018. It called for a more comprehensive regulatory framework that enables a more advice-led approach to enforcement, so that, rather than farmers being penalised but not really understanding the underlying issue and therefore not able to address it, the approach would seek to blend penalties with advice and incentives to ensure that you get better environmental outcomes.

There is an existing model of that in the Scottish Environment Protection Agency and its approach. When a breach is detected, there is a visit from an adviser or a member of staff, who says, “You have to address this breach. You can either go and seek advice or invest in infrastructure if necessary.” They come back a second time. If the breach has been addressed, everything is fine; if it is not, they give them a third visit and, if it is still there, then they penalise them. That approach, which Dame Glenys Stacey supported, and we supported at the time, gets better environmental outcomes in a way that farmers also appreciate and can understand, whereas at the moment our regulatory enforcement is very substandard, it is fair to say.

Again, Dame Glenys Stacey found that of 10,600 staff at the Environment Agency, only 40 do farm inspections. As a farmer, you have a one in 200 chance of being inspected by the Environment Agency, and we know that the agency is again cutting back on some of those regulatory compliance visits. There is a huge challenge in the future, not just in how we reward good practice but in how we ensure a level playing field so that the progressive best farmers out there are not undercut by, effectively, cowboys—unfortunately, there are some. The Bill is silent on that, and for us that is one of the biggest gaps and omissions.

**John Cross:** The only comment I would make—again as a farmer—is that any more regulation would need to be fit for purpose, logical, proportionate and enforceable. Regulation is fine, but unless it is logical so people can understand it, and it is relatively easy to comply with, it is just a source of frustration to everyone. Certainly, the industry is very keen to move towards an outcome-based form of regulation as opposed to constantly arguing about whether a particular margin is six inches too narrow or not. The industry would be interested in seeing a much more outcome-focused approach.

**David Bowles:** The EU has been moving towards an outcomes approach, but obviously leaving the EU gives us huge opportunities in the animal welfare sectors, such as sheep, beef and dairy, where there are no specific

baseline species standards at the moment. There is a real opportunity to introduce those baseline standards, which will help not just the Bill, but in establishing what the baseline is—and then establishing how to move farmers up the scale, through capital inputs or through specific measures, and paying them where the market does not deliver. There are huge opportunities to improve the baseline regulatory standards in those areas where they do not exist now.

**Q35 Alicia Kearns:** This question is mainly for you, Mr Price. My constituency of Rutland and Melton has quite a few farmers who farm rare breeds. Is there sufficient support for rare breeds in the Bill? Conversely, is that support the right thing to be doing? My farmers who do not farm rare breeds would say that there is a question of fairness in giving too much support to rare breeds.

**Christopher Price:** I will take the second part first. Should we be supporting rare breeds? Yes, we should. You probably expected me to say that.

**Alicia Kearns:** I thought you might, but you never know.

**Christopher Price:** We should do it, first, for economic reasons. These breeds were bred to be in a British landscape. They can survive in parts of the country that other breeds cannot, or cannot without significant inputs. In many parts of the country, people are farming the wrong animals and are doing so expensively, because they are using certain inputs to support them. We need some help in getting farmers to transition away from the old way of doing things into going back to native breeds.

Native breeds can also provide a wider range of products than many other breeds. I mentioned wools, skins, horns and so on, which all have markets, if people think about it, or are incentivised to start thinking about it rather more. There is a role for Government in that.

Then there is the environmental side of things. The grassland habitats that we so cherish are there because they were grazed by certain animals over generations. If we are going to restore those habitats, the easiest, most straightforward way to do it is by using the animals that created them in the first place.

Lastly, there is the social side. Many of these breeds are part of our history. White Park cows came over Dogger island from mainland Europe before Stonehenge was built. They were part of the Cistercian monks’ currency. Some of the earliest Welsh laws are about how you regulate and use those animals. Herdwick sheep were bred to live on top of hills in the Lake district. Swaledales were bred to be a bit further down the fells. They are an immense part of our culture.

Those are all reasons for supporting them. In terms of how you support them, I would be reluctant for us to go down a simple headage route; I think that would just create the wrong sort of incentives. If a farmer chooses to use native breeds to graze for particular conservation purposes that do not bring him or her a direct financial benefit, that is about the public benefit, which should be rewarded, but it is more about making sure that we have the right infrastructure in place.

There is a lot to do with promoting local produce. We have talked a bit about creating local markets. Some of the more savvy farmers I was talking about are doing an excellent job of that, and part of their brand is selling local breeds and local products from those breeds within a fairly narrow radius—30-odd miles. That is where the premium comes from. It is not for everyone, but people are starting to do it, which is interesting.

Perhaps the single most important thing—we touched on this a bit in the earlier session—is abattoirs. For many of the people that I work for and represent, abattoirs are at least as important an issue as support going forward. We have huge numbers of people who are producing the right animals to the right standards in a very environmentally friendly way. You hear people talking about how their motivation in life is to ensure that their animals have a life worth living and then only one bad day—the day they go to the abattoir—and you have people who want to buy the products, but the whole thing is being stymied in significant parts of the country because there is no abattoir that can cope. If there is an abattoir, it generally will not be able to take the small numbers of non-standard animals and give you back the by-products—the horns, the skins and so on. In many cases, there is no abattoir at all.

If we are talking about short-term Government capital investments, it seems to me that there is a desperate need to invest in pop-up abattoirs or mobile abattoirs. There are practical problems with all of that, but if I could get anything across to the Committee, it would be the need to make sure that we have an abattoir network that is fit for purpose over the next few years, and for the Government to invest in creating that. It does not need to be a long-term investment; once it is there, the market can function and support it, but it is getting us there that matters.

**Q36 Daniel Zeichner:** I should like to take you up a level, in the sense that since the initial iteration of this Bill, we have become very aware of the climate crisis and Parliament has declared a climate emergency. Do you think there is enough in this Bill to reflect that need for urgent action, particularly given the recommendations from the Committee on Climate Change on policies for net zero referred to earlier? If the NFU can look for a target for 2040, should there not be something in this Bill referencing that?

**Thomas Lancaster:** We have supported in the past, and would still support, a sector-specific target for net zero by 2040, to reflect the ambition of the NFU and others. We would support an amendment to that effect in Committee and beyond. As a statement of intent and clarity on the role that the sector could play in that climate emergency, it is still a really useful thing to look at. We would also stress that, although this is the Agriculture Bill, in the climate change world there is a lot of talk about nature-based solutions such as peatland restoration, coastal habitats and woodland creation, and the Agriculture Bill, particularly through the land management schemes that flow from it, will be the central mechanism for delivering those nature-based solutions and the aims of the Environment Bill.

Thinking about how public money for public goods can support more sustainable food production that is also carbon and climate friendly, it has an important role to play in building soil carbon, potentially supporting

minimum tillage systems, cover crops and other land management interventions that build resilience to climate change in the future. We see climate change running through public money for public goods, from farmed and non-farmed landscapes, and the Agriculture Bill is one of the most important pieces of legislation that we have had in the past decade or probably will have for decades to come in helping to meet the climate emergency that we all face.

**Christopher Price:** I would support—

**The Chair:** I am going to interrupt, because there are two colleagues who have been asking to put questions very quickly, Robert Goodwill and then Virginia Crosbie. Please put your questions to everyone.

**Q37 Mr Goodwill:** I have a very quick question: farmers are being incentivised to create habitats for ground-nesting birds, barn owls, red squirrels or hedgehogs. Do you feel that payment should be made for delivering those species, or would creating the habitat be enough? Would predator control be something that your members would be content with, if it were part of that management?

**The Chair:** And then Virginia Crosbie.

**Q38 Virginia Crosbie:** My constituency is Ynys Môn, and I met my farmers recently. They think that they get quite a tough deal from the public and that it stems from the term “farm payments”, so they are looking forward to moving away from that, but they are equally concerned about “public money for public goods”. You talked earlier about communication and advice to farmers. How are we going to communicate this to the public?

**Thomas Lancaster:** I will pick up on Robert Goodwill’s question. There is a lot of debate about payment for actions and payment for results. On payment for results, we would see it as the logical thing to pay for the habitat condition, not the number of species or number of birds, because that is not something that is necessarily within the farmer’s control.

There is potentially a role for predator control in future schemes, but there are a lot of steps that need to be gone through before we get to that point, because often predation pressure is a proximate cause, not an ultimate one. The ultimate cause might be forestry providing a reservoir of foxes, crows and other predators on breeding waders on neighbouring moorlands, so removing a block of conifer might be the one thing that you need to do, not investing in very expensive predator control in perpetuity. Getting an understanding of those landscape dynamics is an important part of that question.

**Christopher Price:** In response to the question about selling farming, to a large extent that is up to the individual farmer. It is the farmer who creates their brand, and you would hope that their brand would focus on all the good things they are doing—high welfare standards, low environmental impact, sense of place, provenance and so on. Many of the new-style farmers that I was talking about are doing that; it is fundamental to them.

Having said that, there is a role for Government at the higher level in “Brand GB”, and one thing we might want to look at is greater use of geographical indicators. There are certain breeds that are associated with Wales

that the Government—possibly the Welsh Government, I am not sure—have a role in promoting and helping businesses with.

**David Bowles:** Just before the clock ticks over, method of production labelling is an opportunity in the Bill to give the consumer that link in to the farmer.

**The Chair:** I thank our witnesses very much for the time you have spent with us. The Committee is very grateful. If you feel that you were not given time to

respond to colleagues' questions, you can still submit evidence about those answers. The room will be locked, colleagues, and we start again at two o'clock in this room, where Mr Stringer will be in the Chair.

11.25 am

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

*Adjourned till this day at Two o'clock.*





