

Make your voice heard – Responding to the Defra consultation on future agricultural policy

Defra's command paper "[Heath and Harmony: the future for food, farming and the environment in a Green Brexit](#)" lays out the government's views on the future of agricultural policy, and sets out specific proposals and questions for public consultation. The NFU has produced a summary of the Government's proposals for its members and an initial response to its key elements. These are both available via the consultation hub [here](#).

We are keen to hear from you, our members, so that your views are included in the NFU's response. We have arranged a significant programme of member meetings across England to present the government's proposals and to hear your views and feedback. A list of the meetings taking place near you is available on [NFUonline](#). To book your place at a meeting, please contact your regional office.

You can also help shape our response by emailing your views to the HQ team at Brexite@nfu.org.uk by **Friday 27th April 2018**.

In addition we want to encourage you to respond directly to the government's consultation in your own capacity. You can do this in two ways:

- The government's "Citizen Space" which can be found [here](#). This involves completing a web based questionnaire.
- By emailing Defra with your views at agricultureconsultation@defra.gsi.gov.uk.

The deadline for making a response directly to government is **8th May 2018**.

For people wishing to reply via the Citizen Space website: you do not have to reply to all of the questions posed. You may wish to read through the command paper alongside the NFU's summary before selecting which questions to respond to.

For those wishing to respond to the consultation via email: you can either address the specific questions set out in the command paper, or instead provide more general views and feedback. However, in the case of the latter, we suggest sticking to the themes and areas of questioning in the paper as much as possible, as this will make it easier for officials in Defra to collate the feedback. We have provided some guidance below on questions you may wish to address when sending views via email, although you should also feel free to make any general comments and observations about the tone and overall direction of the proposals.

The remainder of the briefing provides a summary of the government's proposals, a targeted selection of key questions you may wish answer in your response, and a brief summary of the NFU's initial analysis of the main issues.

The command paper is laid out in three distinct sections:

1. Moving away from the CAP
2. Implementing a new agricultural policy in England
3. The framework for a new agricultural policy



Moving away from the CAP

- BPS 2019 will be paid on the same basis as now (with the potential for some simplifications).
- A simplified Countryside Stewardship (CS) scheme will continue to run as a new scheme is introduced. Farmers applying for CS now will not be disadvantaged.
- Defra will introduce an “agricultural transition” that will run for a number of years beyond Brexit:
 - Basic Payment Scheme (BPS) payments will continue, albeit reductions will be applied.
 - By the end of the transition period BPS would be phased out completely.
 - Defra is considering what farmers will be asked to do to receive their BPS during this period.
 - Defra is proposing to recycle the money taken from BPS during the transition period for trialling new environmental land management schemes, animal welfare payment schemes and investing in agricultural productivity, for example through investing in skills and equipment, benchmarking, and encouraging collaborating.
- The government has confirmed that the total budget for farm support will remain until 2022. There is no commitment to the level of funding for the policy beyond this point.

- What is the best way of applying reductions to Direct Payments (BPS)?
- What conditions should be attached to Direct Payments (BPS) during the ‘agricultural transition’?
- What are the factors that should drive the profile for reducing Direct Payments (BPS) during the ‘agricultural transition’?
- How long should the ‘agricultural transition’ period be?

The NFU is concerned at the apparent lack of Defra focus on the economics and importance of domestic food production. The industry will need time adapt to changes and a transition period is in principle welcome. Given the range of uncertainties, in particular our future trade relationship with the EU and other countries, a sufficient transition of up to 10 years would not be unreasonable. Once there is more clarity on the Brexit settlement, the nature of the transition can be further developed with these principles:

- **It should remain equitable and fair for all active farmers**
- **It should not compromise the UK’s safe, secure and traceable domestic food supply base**
- **Reductions in direct payments must be commensurate with a realistic ability to redirect spending effectively and productively in a way that maintains support for active farmers**

Implementing a new agricultural policy in England

Public money for public goods

- Defra’s future agricultural policy would be underpinned by a principle of “public money for public goods.” The five public good identified are:
 - Enhancing the environment: delivered through an environmental land management system aimed at achieving a range of environmental objectives. This would be administered through multi-annual commitments, capital grants and alongside robust regulations.

- Improving the productivity and competitiveness: of farming would be supported through investment in R&D, training, skills and some business investment.
- Animal and plant health and animal welfare: delivered through existing regulations with some potential modifications and targeted investments to go beyond the baseline.
- Farming in remote areas and rural resilience: a clear vision for the uplands and investments to support growth in wider rural areas, including high-speed broadband.
- Public access to countryside: maintaining rights of way and engaging the public.

- What environmental outcomes do you consider to be the most important public goods that government should support? (for example improved soil health, improved water quality, better air quality, increased biodiversity, climate change mitigation, enhanced beauty, heritage and engagement with the natural environment)
- Which public goods do you consider to be the most important that government should support?
- Are there any other public goods which you think the government should support?

The NFU can see many of its priorities for a future policy reflected in Defra's proposals. However the paper misses the importance of domestic food production. We believe that producing food in this country that is safe, secure and traceable is in line with Defra's definition of public goods. There are many associated activities to UK food production, including rural employment, stewardship of the countryside and food security that are also beneficial to the nation. It is important to balance the emphasis on the various public goods; that payments for all of them provide a fair reward going beyond income forgone; and for us to see more detail on how the measures put in place to achieve them will work in practice.

Risk management and resilience

- Defra recognises that risks posed by crop failures, disease and market volatility are a fundamental threat to long-term farm business viability. There will be measures in place to deal with crisis situations, similar to the measures currently in EU legislation.
- Defra wants to stimulate private, market led measures that could provide income/margin insurance or futures markets and recognises that legislation to mandate price reporting may be required.

- What factors most affect farm businesses' decisions on whether to buy agricultural insurance?
- What additional skills, data and tools would help better manage volatility in agricultural production and revenues for (a) farm businesses and (b) insurance providers?
- How can current arrangements for managing market crises and providing crisis support be improved?

While a number of the measures proposed by Defra are similar to NFU asks, it is hard to see how they fully address the role that other payments play in providing income resilience. During a transition period the main elements of the current system should be maintained as the future trade with the EU and wider world becomes clear.

Fairness in the supply chain

- Defra recognises the importance of improving fairness in the food supply chain and is keen to encourage and stimulate farmers to collaborate in cooperatives or producer organisations (POs) to improve their market position.
- Defra reaffirms its commitment to the GCA and suggests the possibility of new codes of practice to ensure clarity to farmers, for example with respect to abattoir practices and contract terms. It is also considering whether greater clarity of information to consumers could support higher welfare production.

- What are the priority measures for improving transparency and relationships across the food supply chain?
- What are the biggest barriers to collaboration amongst farmers?
- What are the most important benefits that collaboration between farmers and other parts of the supply chain can bring? How could government help to enable this?

Provisions for mandatory price reporting are welcome proposals and overall there are a number of actions that can be taken to improve the functioning of the food supply chain. The NFU also sees merit in helping farmers collaborate. However a future PO scheme for example must address the shortcomings of the current system.

The framework for the new policy

- The UK wants to secure the freest trade possible in goods and services between the UK and the EU. The government is also committed to securing continuity of existing EU Free Trade Agreements and other EU preferential arrangements.
- The government is fully committed to ensuring the maintenance of high standards of consumer, worker and environmental protection in trade agreements. Government will adopt a trade approach which promotes industry innovation and lower prices for consumers, whilst ensuring sufficient time for the industry to prepare.

- How far do you agree or disagree with the broad priorities set out above?
- How can government and industry work together to open up new markets?
- How can Government best protect and promote our brand, remaining global leaders in environmental protection, food safety, and in standards of production and animal welfare?

The principle to put in place common UK framework for a future policy is in line with the NFU's view – however the exact nature of this framework is equally as important and more detail is required. The paper struggles to manage the inherent tension in its desire to maintain and enhance environmental and welfare standards while reducing support to farmers, alongside a trade policy that promotes lower prices for consumers. As we will continue to compete with farmers around the world who, by and large, receive financial public support, the UK government will need to be clear how its policy aims around production standards can be squared with its international trade policy.