

*Submission to the Defra Health and Harmony agriculture command paper  
consultation, May 2018*

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**About Sustain: The alliance for better food and farming**

Sustain is the UK alliance for better food and farming and a registered charity, number 1018643. We represent around 100 not-for-profit national organisations and many more at local level, working together to achieve a healthy, fair, humane and sustainable system for food, farming and fishing. On farming and land use issues, Sustain also works with sister networks – Greener UK and Wildlife & Countryside Link.

The Sustain alliance advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the working and living environment, enrich society and culture and promote equity. The alliance is independent from the agri-food industry and is funded from grants (from charitable foundations and government, local authorities or related sources), membership subscriptions and sales of publications. No funding is accepted from any source that would compromise, or appear to compromise, the alliance’s principles.

**About Sustain’s Sustainable Farming Working Party**

Sustain runs a Sustainable Farming Working Party to share thinking and experience, undertake research, explore policy options and provide networking and advocacy opportunities, and also to inform consultation responses such as this. Members of the Working Party have expertise in, for example, farming, farm workers, environment and sustainable food production, wildlife conservation, animal welfare, rural economies, planning policy and food waste. Some also bring academic and international perspectives. This submission has been produced in collaboration with Sustain members and reflects their core concerns individually where possible and as a group. This cannot however necessarily imply endorsement of every detail by the member organisations.<sup>1</sup>

<sup>1</sup> Details of members and links are at: [http://www.sustainweb.org/foodandfarmingpolicy/who\\_is\\_working\\_on\\_it/](http://www.sustainweb.org/foodandfarmingpolicy/who_is_working_on_it/)

# Sustain response Defra Health and Harmony consultation May 2018

## Overarching comments

We welcome the overall vision of the Health and Harmony command paper. However, we feel that the vision is not always well represented in the actual document. Our three key asks are:

1. **New purposes** in the Agriculture Bill including delivering public health as part of an integrated strategy that includes public procurement, mitigating climate change and promoting whole farm approaches
2. Ensuring far greater **fairness** in the supply chain for farmers and ensuring farm workers must be given a means collectively to negotiate on wages and progression
3. An explicit recognition of the dynamism, landscapes and opportunities created by **farm diversity** – of business size and type – and a purpose to maintain this.

Given the importance and broad ambition of the measures set out in the Command Paper, a key gap is around the level of **the budget needed to deliver on a major set of national goals**. Sustain wants to see government securing and committing to sufficient budget to achieve the ambitions, as a priority. As the 'Scale of Need'<sup>2</sup> work by conservation bodies shows not only do we need a minimum to cover the basis responsibilities of nature conservation and protection, but the budget needs to cover wider outcomes such as capital grants, rural resilience programmes, measures to support public health, business support, advice, and expanding high delivery systems such as organic. Crucially for the Treasury, the costs savings could be far higher than expenditure made as highlighted in the Sustainable Food Trust's Hidden costs of Food report.<sup>3</sup>

The Command Paper rightly looks carefully at how subsidies and other policies can help improve the environment, (though weak on climate change) and animal welfare. However, it gives insufficient attention to the role of consumers, food businesses and public procurement in helping us move to more sustainable, healthy and humane food and farming. Farming is not a discrete activity but part of long complex global supply chains and as such we need changes in the whole food system, driven by **sustainable production, fair terms of trade and responsible consumption**. New futures for farming should be created in the context of other relevant policy goals including the need for food and agriculture to do more to ensure Paris Climate Change targets are met by 2050 and to meet public health goals to reduce the burden of diet-related disease including obesity.

Many of the consultation questions ask us to rank the relative importance of several issues. This does not suit an **integrated approach to farming, health and environmental policy**. Hence, we found it very difficult to do rankings, given the need for a more holistic systems-based approach which would be adaptable to different circumstances.

With regards to issues that have implications for the Devolved Administrations, whatever new regulatory systems are adopted, **devolved decision-making, responsibilities and accountability** are important. There should be a broad framework that sets a high standard for all four nations of the UK, but allows countries to go further (but not weaker).

Sustain would have liked to see some ambitious and specific detail on **measures of progress and overarching ambitions and targets** such as on nature protection, sustaining SMEs, growth in land under organic farming, and reduction in pesticides. This detail is needed to plan support and monitoring effectively.

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<sup>2</sup> For example, the Impact Assessment undertaken for the 2014-2020 Rural Development Programme for England found that an environmental focus with maximum inter-pillar transfer would provide the best value for money, with a benefit:cost ratio of 2.7:1, with £5089m of benefits against £1867m of costs. Taken from [https://ww2.rspb.org.uk/Images/Assessing%20the%20costs%20of%20Environmental%20Land%20Management%20in%20the%20UK%20Policy%20Briefing\\_tcm9-449500.pdf](https://ww2.rspb.org.uk/Images/Assessing%20the%20costs%20of%20Environmental%20Land%20Management%20in%20the%20UK%20Policy%20Briefing_tcm9-449500.pdf)

<sup>3</sup> Hidden Cost of Food, SFT 2017. <https://sustainablefoodtrust.org/articles/hidden-cost-uk-food/>

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There is a **lack of international goals** except for export yet high standards of fair trading, environmental protection and sustainable development need to apply to our footprint overseas as well as at home. The government needs new thinking on reducing our land, water, biodiversity and public health impact overseas. Here, livestock farming is of particular concern, in relation to the land used overseas for animal feed (the use of palm kernel and GM soya from recently deforested areas), climate and biodiversity impact. This should be addressed in UK agriculture policy, as should the impact of our use of imported farm inputs, including fertilisers.

## Detailed consultation responses

### 1. Agriculture: the case for change – no Questions

The *'food we eat affects our health and well-being'* – Sustain agrees very much with this statement. However in the list of the 'number of public goods' arising from farming and forestry, public health other than safe food is noticeable by its absence. Animal health and welfare are also absent from the list of public goods, though these do have more emphasis elsewhere in the paper.

Regarding the last section on what agricultural support should focus on, Sustain agrees with the two points as a basis for future support with an environmental land management system as the cornerstone, ensuring that system-based approaches with multiple outcomes (like organic) are well supported, but would add other vital outcomes and linkages including public health. 'Good work' could also be viewed as a public good<sup>4</sup> - ensuring stable workforce; decent pay for rural workers that is spent in the rural economy; workplaces that are safe and healthy for workers and safe and healthy for consumers, the environment and animals; and good work for new entrants, apprentices, young workers and migrant workers.

### 2. Reform within the CAP

**Q: "Please rank the following ideas for simplifications of the current CAP."**

Sustain's ranking for options for simplification of the CAP would be:

- i) (b) Simplify the application form
- ii) (a) Develop further simplified packages
- iii) (c) Expand the online offer

Sustain is concerned with the fourth option that 'reducing evidence requirements' may reduce the level of scrutiny and risk negative media attention and public disapproval. Sustain members fully recognise the unhelpful nature of some of the EU rules regarding evidence, yet would not want to see farmers and the public see a race to reduce the evidence of outcomes required to justify support from the public purse. Simplify but not reduce would be ideal. Simplified packaged could include an animal welfare option to start the process of change.

Ideally, UK farmers, land managers and regulators would start to move towards the new system and set up the pilots for testing within this period so we have adequate time for testing, review and improvements.

**Q: "How can we improve the delivery of the current Countryside Stewardship scheme and increase uptake by farmers and land managers?"**

In terms of improving uptake, Sustain would suggest the following:

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<sup>4</sup> <https://www.tuc.org.uk/sites/default/files/extras/goodwork.pdf>

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- Some detailed user surveys to understand better the reasons behind low uptake.
- Greater promotion and advice including support for the application process itself.
- Ensure smaller farm businesses can access this without fear of penalty and consider providing some payment for application for smaller businesses as this may be a real barrier for entry.
- Provide an additional simple, coherent and standalone Organic Option under the Countryside Stewardship Scheme.

This last point would enable more farmers to take up organic farming and growing, and hence enable a thriving organic sector to deliver environmental and animal welfare public goods through adopting a whole system approach to farming (with interlinked beneficial outcomes) based on agro-ecological principles, science and techniques. This would be different from the current Countryside Stewardship Scheme, which provides for individual practices that can deliver specific relevant outcomes. The organic standards set limits on specific farming practices (notably prohibition of artificial nitrogen fertilisers, the majority of synthetic agrochemicals, a requirement for animal welfare friendly livestock husbandry and housing and a balance between crop and livestock production) that, taken together, provide multiple benefits, i.e. delivery of multiple public goods. The removal of the organic option in the Countryside Stewardship scheme in 2017 (as outlined in Annex B (Current Countryside Stewardship Options – Mid-tier, Higher-tier and Capital Items) meant that many farmers were not able to take this step, and it is now not presented as an available option. We believe this represents a huge wasted opportunity both for farm benefits but also to increase delivery of ecologically produced food to the UK market and for export.

### 3. An 'agricultural transition'

#### ***Q: "What is the best way of applying reductions to Direct Payments?"***

It is very hard to favour an option when there is no data or socio-economic or wider modelling of the impact. Under these circumstances, our preferred option for applying reductions would be a version of (a), namely to apply a reduction to a larger number of payments by applying a cap on the largest then a progressive reduction to payments, with higher percentage reductions applied to amounts in higher payments bands. A more sophisticated and arguably more beneficial approach could be to link payment levels to levels of farm employment and livelihoods.

The smallest farm businesses and those in the most vulnerable or remote areas should be exempt from reductions in the transition period, but supported to adapt their businesses so that they do not face a potentially calamitous cliff edge.

We are in favour of applying limits to agriculture payments to ensure better targeting of the money available in the transition period and beyond.

However, as the example given in the Command Paper does not deliver sufficient funds for pilots we would suggest more farmers will need to be in the reduction scope, and payment reductions need to be sufficient to deliver a budget for pilots so that they are accessible and available to all active farmers in the area (of all sizes) should they want to try one over the transition period.

#### ***Q: "What conditions should be attached to Direct Payments during the 'agriculture transition'?"***

Sustain would **not** favour removal of greening rules, but we do favour (d) 'Other' – to retain, amend and 'simplify' cross compliance rules to deliver specific outcomes. A level of flexibility could be introduced which could be locally determined according to need such as protecting a water catchment or nature area or strengthening animal welfare conditions. Even though they are limited, complete removal would send the wrong signal and we need to build from the practice and experience we have currently.

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The evidence is clear that the greening rules, taken overall, are inadequate to ensure that farmers actually improve their farming practices and that they are ineffective at providing assurance of any robust environmental benefit. The transition should be used gradually (over the transition period) to introduce public goods conditionality for payments. This is a big change, but crucial for the financing of alternative approaches. Any organic conversion must be able to have add-on conditionality if there is a specific requirement to deliver for specific local needs or priorities. But the baseline delivery by organic farming (multifunctional) must be recognised.

### ***Q: “What are the factors that should drive the profile for reducing Direct Payments during the ‘agricultural transition’?”***

We suggest factors that should drive the profile for reducing Direct Payments should be scale of need for delivering the range and type of pilots that need to be tested, including existing schemes delivering the full range of new public goods identified, by any system of farming and new areas as yet covered. This might include agroforestry, animal welfare and public health and so on, making sure these are available to all farmers who want to access them.

### ***Q: “How long should the ‘agricultural transition’ be?”***

The lack of access to impact modelling makes this difficult to answer, but the general mood at the recent consultation event, co-hosted by Sustain and Defra, favoured longer rather than shorter. The ‘agriculture transition’ should give enough time to allow for pilots to provide adequate learning and show uptake and impacts and to give farmers sufficient time to adapt to new policy and the new trading regime. Converting to organic farming and growing for instance is best done in a staged way, allowing the producer to develop competence and capacity to grow organically and invest in the systems that can work in practice, as well as building the market outlets for their high quality produce. The agricultural transition should allow this to happen. Ideally it would be no longer than 5 years.

## **4. A successful future for farming**

### ***Q: “How can we improve take up and knowledge and advice by farmers and land managers?”***

Sustain’s top three options by order of preference are:

- i) (c) better access to skills providers and resources
- ii) (a) encouraging benchmarking and farmer-to-farmer learning
- iii) (f) ‘Other’

By ‘other’, we mean providing funding for independent business advice and ensuring diversity in delivery. This might be by means of, for example, support for farmer-to-farmer advice and demonstration and new training schemes. Special funds would be ring-fenced for small/medium scale regional and local businesses (0-1 FTE maintained) and there needs to be an advisory service available to all farmers that is independent of related input or market company interests. Too many agronomists are directly linked to or employed by companies selling products such as pesticides, which calls into question their ability to give good independent advice on sustainable production methods that reduce, for example, pesticide use. Subsidised independent advice would be a legitimate use of public money given the multiple public benefits that would result from reduced pesticide use.

UK agriculture policy also needs to promote organic as a valid, relevant and comprehensive “system level” approach and support those organisations and businesses providing extension and advisory services that enable farmers and growers to implement an organic system on their holding. There is a need to develop

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organic and agro-ecological innovation, based on good science and technology, which builds on the natural capital to deliver efficient use of resources.

We recognise that there is a huge gap in delivery of adequate advice and mentoring (on all aspects of future farming from business planning, succession and marketing to environmental and other services) so this is a vital role for government to provide leadership, integration and resources. The farmer to farmer approach is probably the most efficient and effective means to deliver good advice in many areas and will help ensure messages reach their audience.

***Q: “What are the main barriers to new capital investment that can boost profitability and improve animal and plant health?”***

Sustain’s top three options by order of preference are:

- i) (d) Investments are prohibitively expensive
- ii) (a) Insufficient access to support and advice (access including cost and awareness issues)
- iii) (f) Social issues (such as lack of success or security of tenure)

Risk is a barrier, because of the timescales of farming (compared with other sectors such as manufacturing). For lone enterprises and SMEs it is significant. If one of the 10 largest global food companies wants to make capital investment, it can leverage huge debt, use accountancy tools to avoid tax, 'borrow' within itself from subsidiaries, or sideways from 'sister' companies, etc. Large farm enterprises will deploy similar, smaller versions; smaller farms and enterprises will not be able to do this.

***Q: “What are the most effective ways to support new entrants and encourage more young people into a career in farming and land management?”***

This question would benefit from being differentiated and covering the three main routes: new entrants into farm ownership; new entrants into tenancy; new entrants into employment as a farm worker. Defra and UK agriculture policy need to:

- Ensure eligibility for on-going support (agri-environmental, rural development, capital grants and loans ring-fenced to support new entrants and SMEs and so on) includes all active farmers, including during the precarious period of transition to a new system. To keep administrative costs to a minimum, payments for farms under a certain threshold could be awarded as multi-year contracts.
- Commission a review of issues that affect farm viability, and new entrants in particular, including land prices, new models for tenancy, security of tenure, planning issues and loss of county farm estates.
- Provide grants or low/no interest loans – easily available, simple to apply for and well-advertised – targeted to smaller farm business sizes to deliver specific tools to maintain or boost important sectors and approaches, including:
  - sustainable horticulture (especially urban and peri-urban to provide fresh and perishable goods nearest to markets); mixed farming; new entrants; agroforestry; succession associated with new farm ownership (i.e. not for farm amalgamation); sustainable orchard planting; on-farm education initiatives; mixed farming; and existing farms creating significant step changes towards direct marketing, higher animal welfare, increased sustainability and delivery of public goods.
  - Feed the latent entrepreneurial vigour for developing organic food supply chains, particularly for vegetables, salads and fruit. Provide support to the smallest operators that can be highly productive and provide vegetables and fruit to local markets, to make up for the fact that currently operators on less than 5 hectares receive no public payments.
  - Ensure that schemes are simple, low level, multi-annual and accessible to small businesses that have limited administration and IT capacity.

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### **Q: “Does existing tenancy law present barriers to new entrants, productivity and investment?”**

Regarding tenancy law, Sustain would agree that existing tenancy law does present barriers to new entrants, sustainable production and investment. Short-term Farm Business Tenancies that are increasingly the norm limit the opportunity for a farmer or grower to take a long-term view on the development of their holding, for instance in agroforestry, livestock housing or organic. Converting to organic takes at least two years, and it is recommended by organic experts to convert the farm gradually to allow the knowledge and experience of organic techniques to develop. Short-term tenancies do not allow this and thus represent a barrier to new entrants and a focus on short-term, input driven, and technology dependent productivity that is arguably inherently extractive and unsustainable. This is detrimental to the delivery of public goods.

We would also add that the very narrow economic definition of ‘productivity’ prevalent in Defra and HM Treasury is unhelpful for future farm policy decision-making. Farm decisions should be made on the basis of ‘true productivity’ that represents a healthy balance of economic productivity and provision of public benefits on the whole farm, to include – for example – actions to protect resources including wildlife and soil.

### **Agriculture, technology and research**

### **Q: “What are the priority research topics that industry and government should focus on?”**

We feel that giving a ranking to options on this issue does not suit an integrated approach to farming, health and environmental policy. However, if pressed, Sustain’s ranking of the top three priorities is:

- i) (e) Improving environmental performance, including soil health
- ii) (d) Managing resources sustainably, including agrochemicals
- iii) (f) Safety and trust in the supply chain

Other priorities would be to boost research into whole farm systems, how to deliver higher welfare, agroforestry, organic, pasture, delivering sustainable diets and sustainable horticulture and to underpin all research with the imperative to deliver greenhouse gas savings and resilience to climate change. Special funds would be ring-fenced for small/medium-scale regional and local businesses for processing and supply chain innovation for **sustainability**. We need more emphasis and resources for outreach work and use of ‘Farmer Field schools’. An R& D strategy needs to encourage widespread take up of Integrated Pest Management (IPM) to ensure that farmers can protect crops with the least possible use of pesticides. For IPM to be effective in achieving this aim farmers will need a clear definition of IPM that puts the emphasis on non-chemical means of control (e.g. more diverse rotations, maximising natural predators, companion planting), with chemical pesticides as a last resort. Farmers will also need to be supported by better pest and disease monitoring and forecasting, independent crop protection advice (not linked to pesticide sales) and R&D into the most effective non-chemical means of control. An ambitious pesticide reduction target should be set taking into account toxicity as well as quantity used – this approach has been successful in Denmark which is well on the way to meeting its 40% reduction target.

One urgent area for practical research should be to examine alternative feed sources for livestock to reduce UK and global impact. One areas would be to examine feeding pigs, as non-ruminant omnivores, with meat-containing leftovers that can no longer be used for human consumption, provided these leftovers have been heat-treated and adequate biosecurity measures have been enforced. Treatment facilities need to be licenced and located off-farm. We know that most farmers are interested in finding safe ways of reintroducing the feeding of leftovers to pigs (zu Ermgassen, 2018). It should be a priority to research the economic viability of adapting the Japanese heat-treatment and biosecurity model to the UK context and so

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reverse the ban on feeding catering waste to pigs<sup>5</sup>. This would contribute to reducing climate emissions and global biodiversity impact, reduce costs for producers and use food that is not fit for consumers in the most efficient way. In Japan, surplus food is turned into animal feed in industrial food-to-feed recycling plants; this practice delivers safe feed at half the cost of conventional feed. From a technical point of view, feeding food waste to pigs is safe for both livestock and humans, provided certain safety measures are enforced such as heat treatment. Using food waste as animal feed scores better than anaerobic digestion or composting on 12 out of 14 environmental and health indicators, including greenhouse gas emissions.

***Q: “How can industry and government put farmers in the driving seat to ensure agriculture R&D delivers what they need?”***

Sustain would prioritise:

- i) (b) Bringing groups of farms together in research syndicates to deliver practical solutions
- ii) (c) accelerating the proof of concept testing of novel approaches
- iii) (d) giving the (whole) farming industry a greater say in setting the strategic direction for research funding

It should be fundamental to any R and D that farmers are involved from the outset, contributing to the shaping of research, incentivised and ensuring that as far as possible that research takes place on farm. A new Research and Development (R&D) strategy should replace the current agri-tech strategy (which no longer fits well with the new vision and strategy outlined by Defra Secretary Michael Gove and the Defra Command Paper) to support the new land management approach and provide primary and applied science to support the needs of agro-ecological and organic farming and what farmers genuinely need assessed via direct surveys and going beyond the main farming bodies. Defra and relevant agencies should allocate a significant proportion of the current R&D budget to farmer-led innovation and farmer training on application of the findings of new research.

***Q: “What are the main barriers to adopting new technology and ideas on-farm, and how can we overcome them?”***

In our view, Defra’s Command Paper places too much reliance on technology as a way of reducing the impact of today’s farming on natural resources. Smaller remotely run may at some point be helpful in reducing soil compaction and reduce fuel use whilst precision application of synthetic fertilisers and pesticides and sensor/tracking technologies can of course reduce the quantity used and hence their detrimental impacts. However, unlike agroecology which can provide a range of benefits without any concomitant harm and actively building natural capital; precision application of agro-chemicals simply reduces the damage caused by their use.

One of the main barriers to farmers and growers adopting new beneficial approaches including organic, and agro-ecological approaches and technologies and ideas on their holdings, stems in part from a lack of leadership in the UK, from government and from many organisations who fail to recognise that such systems can be a valid and relevant way to produce food that is consistent with higher environmental and animal welfare and other concerns expressed by a proportion of consumers here and globally.

Knowledge sharing workshops, cooperatives and information provided by Government to encourage good husbandry, positive animal welfare and environmental goods should all be promoted. Social disconnect is a key barrier, so initiatives and organisations that help bring farmers together to learn in a facilitated way have to be supported more.

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<sup>5</sup> [https://www.sustainweb.org/blogs/apr18\\_brexit\\_opportunity\\_to\\_feed\\_pigs\\_with\\_food\\_waste/](https://www.sustainweb.org/blogs/apr18_brexit_opportunity_to_feed_pigs_with_food_waste/)



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## Labour: a skilled workforce

### **Q: “What are the priority skills gaps across UK agriculture?”**

Sustain’s ranking of the top three priorities is:

- i) (f) Research
- ii) (d) engineering
- iii) (g) ‘Other’ – better and well supported extension services to help organic farmers and those in conversion learn and build confidence in organic approaches to crop and livestock husbandry.

### **Q: “What can industry do to help make the agriculture and land management a great career choice?”**

The UK’s annual agricultural census from June 2016 to June 2017 shows that the number of *casual* farm workers rose by 10.3% to 48,000. *Regular full-time* workers fell by 3.7% to 45,000 employees. These figures confirm the trend towards increasing casualisation of labour and precarity in agriculture. Despite some rise in higher skilled contract work this reflects a trend towards poorly valuing farm work and this makes an unattractive prospect coupled with other issues such as isolation, housing and transport costs. Taken together with likely limitations on immigration, due to Brexit and global factors, creates something of a ‘perfect storm’ for farmers – especially in horticulture – seeking a skilled and reliable workforce.

The whole industry needs to take a careful look at how it protects, rewards and incentivises its employees and consider making a strong case for reintroducing a new form of sector bargaining. Wales and Scotland have already recognised the benefits of doing so and have Agricultural Wages Boards in place that reduce the burden on farmers of individual negotiations, whilst also setting industry-wide standards that tackle in-work poverty and make farm work a more attractive prospect.

### **Q: “How can government support industry to build the resilience of the agriculture sector to meet labour demand?”**

The government needs to be enforcing the highest labour standards in farming and also ensuring that value in the supply chain reaches farmers and workers. Valuing farm workers is key and all workers should be paid the real Living Wage as a bare minimum, as well as benefiting from conditions that other people consider to be perfectly normal, such as pay progression for long service, toilet breaks, decent housing (where provided), sick pay, holiday pay and maternity/paternity rights and robust protection from modern slavery and abuse. Action to improve the situation should include:

- **Better farm pay and working conditions:** Formation of a new farmworker collective bargaining body for England (replacing the old Agricultural Wages Board) and a reversal of the cuts in enforcement agencies that protect workers from abuse. When the Government removed the Agriculture Wages Board (AWB) in England in 2013 they removed a fair and effective means by which farmers and land managers could agree annual wages, with grades and additional issues such as overtime, housing and sick pay. Wales and Scotland still have agriculture sector wage boards. The removal of the burden of negotiation allowed farmers more time to do other work and resulted in less conflict. Farmers now have to individually enter into negotiation with employees whom they have to work beside day to day. The uneven employment relationship is worsened by isolation. In the consultation to abolish the AWB, 63% of the responses did not support the abolition and this included farmers, landowners and many experts and including those working in rural communities. Sustain strongly recommends that we need a new body for sector bargaining, with arbitration, for agricultural workers in England.
- **Better food jobs:** Further along the food chain, sectoral bargaining bodies, based on trade union representation, would help drive up wages and standards, and hence make farm jobs more attractive and tenable to workers from a range of backgrounds.

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- **Better farm jobs:** Investment in high worker welfare farming. The government and farming industry needs to recognise and invest in the opportunities presented by new sustainable farming systems (driven by a 'public money for public goods' policy), which could and should create new jobs on farm, delivering new skills in agri-environment and conservation on and around farm; organic farming; sustainable horticulture; marketing opportunities and growth in SME, better food manufacturing for local and regional markets; as well as opportunities for new-entrant farmers.
- **Better data:** it is worrying that we do not precisely know how many work in agri-food in the UK, in what way, and in what conditions. Criminality in the gang master sector is high given the potential gains to be made and the lack of enforcement of employment law. Looking at farming, according to Defra's 2015 figures there are 476,000 people employed on agricultural holdings across the UK. Of these, they estimate 67,000 are seasonal. The National Farmers Union (NFU) say they believe the data provided by Defra may be a significant underestimate. We need better measurement and far more resources to enforce labour standards to eliminate modern slavery and end worker abuse at home, in the UK food system. A further consideration should be the numbers working overseas to provide food for the UK. Exposés on slavery in the food system are becoming increasingly frequent so we should ensure – via stronger modern slavery rules on action and reporting by companies – to ensure we are not using or importing food produced using involving abused or slave labour. In addition, we need to promote fair trade, particularly in public food procurement.
- **Better health and safety:** The poor health and safety record for agriculture is an added disincentive and should be addressed. There needs to be a significant reduction in health and safety failures in the farming industry. We must ensure access to seasonal farm workers, and strong regulation of gang-masters through enforcement.

### 5. Public money for public goods

**Q: "Which of the environmental outcomes listed below do you consider to be the most important public goods that government should support?"**

Sustain finds it difficult to rank the environmental outcomes listed in the consultation document, as we believe there should be a wide range of options for farmers to deliver on. Many measures and techniques, used appropriately, will deliver against desirable outcomes in one go, as they are intimately interlinked. A systems approach would work well for delivering on many of these outcomes. The following should be a priority but all need to be delivered in a holistic way:

- i) (a) improved soil health
- ii) (d) increased biodiversity
- iii) (e) climate change mitigation

Of the other options listed, we would consider the following top three but see all as important:

- i) (a) world class animal welfare
- ii) (e) preserving rural resilience and traditional farming and landscapes in the uplands
- iii) (c) protection of crops, tree, plant and bee health

As noted above, we find this ranking exercise unhelpful. Ethical considerations must be taken account of with all schemes. Improved productivity and competitiveness should not be supported as a public good in its own right unless productivity is redefined (as discussed above) or delivering other goals (such as public health via production of more sustainable horticulture). Improved productivity and hence competitiveness is about market gains so is not strictly a public good.

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With answer (e), this should not apply only in the uplands. Rural resilience, high quality landscapes and traditional farming is a priority in the lowlands and all other areas.

**Q: “Are there any other public goods which you think the government should support?”**

There is an over-arching principle missing, namely that the approach to public goods needs to be integrated and complementary. For example, it would be perverse to use public money to support productivity *per se*, if this narrow economic focus inadvertently incentivised soil damage, increased greenhouse gas emissions, pollution, biodiversity loss or excessive use of antibiotics, hence seriously undermining other public goods. The farming practices that public money should support are those which delivers on multiple public goods at once, not just one. This principle needs serious attention and to be woven in to the policy, legal, financial and accountability structures that underpin the ‘public money for public goods’ approach.

Sustain also has three key additional ‘public goods’, without which we believe the proposed basket of public goods – as set out in the consultation paper – to be seriously deficient.

Firstly, whole farm - We would like to see strong recognition and application of the goods/benefits of a whole farm, system approach as practised by organic farmers and others such as farmers meeting LEAF-Marque and Pasture Fed Livestock Association (PFLA) accreditation criteria. In looking to enhance the environment, landscapes and so on, Defra should be looking past the old agri-environment schemes (which often involve edge of field and discrete outcomes) and move to support approaches where sustainability is built in to the farming model and far more benefits are accrued. This would include an improved and expanded version of the current system for organic conversion and maintenance payments – developed in partnership with farmers, organic certification bodies and other stakeholders. The multiple goods delivered by agro-forestry in a farm system should be rewarded via loan or grants to support new tree planting to enhance yields, farm profitability and resilience and on-going maintenance covered by the Land Management System (LMS). This would deliver additional environmental goods such as reducing soil erosion and enhancing on-farm biodiversity, including pollinators.

Secondly, public health should be a priority for public goods supported by future farm policy, and explicitly recognised as a public good by Defra and HM Treasury in the Agriculture Bill. In economic terms, a public good is an outcome that is available to all and its use by one individual does not reduce availability to others. Classic examples of public goods include air, water, parks, and national security. The ‘goods’ already listed by Defra in the consultation paper could tangentially be beneficial for public health, for example on environmental outcomes; animal health and welfare; wellbeing via access to the countryside; and rural renewal. But still, explicit recognition of public health is a big gap. We need to see public health as a specific ‘purpose’ in the Bill and goods for new farm policy delivered for example via farming regulations, public subsidy and publicly supported R&D). Measures could include:

- **contributing to healthy sustainable diets** by reducing the health and economic burden of diet-related disease and making sustainably produced, fresh food available, affordable and accessible to all, by for instance:
  - more and diverse horticultural production based on sustainable methods and decent working conditions<sup>6</sup>

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<sup>6</sup> To assist in preventing diet-related chronic diseases like heart disease and diabetes. This would reduce the financial burden in the NHS: obesity costs the NHS in England more than £6bn per year, and forecast to reach £10bn by 2050. Diabetes adds on an additional £14bn in costs per year. On average, our fruit and veg consumption needs to increase by 64% to be in line with the Government’s dietary guidelines - which amounts to seven helpings of fruit and vegetables per day. At present only 1% of the UK agricultural budget is spend on horticulture. Scarborough, P., Kaur, A., Cobiac, L., Owens, P., Parlesak, A., Sweeney, K., Nutrition, S. A. C. on.

(2016). Eatwell Guide: modelling the dietary and cost implications of incorporating new sugar and fibre guidelines. *BMJ Open*, 6(12), e013182. <https://doi.org/10.1136/bmjopen-2016-013182>

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- specific support for diversification away from producing products we should be reducing in our diets, such as sugar and high levels of intensively produced meats
- **better household food security**, better physical and mental health for workers and the ability of people on a low income to buy good food - through wages based on decent contracts and a living wage that reflects the actual cost of living, as well as better working conditions in the food and farming sector as a whole (the biggest employer in the UK, yet notorious for low pay and precarious jobs and – in farming – dangerous work with high fatality and serious injury rates)
- **reduced or eliminated risk of foodborne** diseases (such as E.coli, salmonella, campylobacter);
- **improved nutritional profile of agricultural products** sold as ingredients, for example less sugar; diverse and less highly processed grain and flours; research shows feeding cereals to ruminants for 8 weeks undermines the nutritional content of the product; fish and livestock fed in ways to create healthier profiles of fatty acids; more nuts; and more seasonal variety of fruits and vegetables;
- **cessation of the prophylactic use of antibiotics** in livestock farming, as well as reduction of antibiotic use overall through better hygiene and animal welfare measures and related strategies;
- **reduction of pesticide use**, exposure in the environment, and pesticide residues in food; pesticide reduction could be included as priority aim for public goods in its own right because of the multiple benefits it would bring to human health, biodiversity, soils, water, air
- **tackling air pollution from farming** such as ammonia;
- **active promotion of access to countryside**, educational farm visits and biodiverse green space and ensuring the access is healthy, for example ensuring opportunities for beautiful and tranquil experiences, wildlife encounters and physical activity;
- **policy and contractual requirements for fresh, healthy and sustainably** produced food in schools, hospitals and other public sector institutions serving food to children and vulnerable people via public procurement measures (possibly prioritised in line with the revised Department of Health 'Eatwell' guide), as well as helping diverse and sustainable farmers to access these contracts;
- **incentives and active promotion to increase acreage of beneficial farm systems** that can deliver some – or all – of the desired beneficial outcomes (such as antibiotics and pesticide reduction/IPM) including organic, agro-ecological. Food produced using organic production methods is more likely to contain higher levels of antioxidants and less likely to contain known heavy metals, carcinogens, pesticides and other harmful chemicals.<sup>7</sup> Agro-ecology is an approach emphasising ecological principles and practices in the design and management of agroecosystems, one that integrates the long-term protection of natural resources as an element of food, fuel and fibre production.<sup>8</sup>

Thirdly, rural resilience should be a public good, not just in the uplands. Ensuring the prosperity and sustainability of a range of farm sizes is key for many rural areas. We should be supporting a dynamic and peopled rural society: people working the land; proudly, safely and well paid – as respected members of society. Having a range of farm sizes and types is vital to ensure a thriving farming and rural industry, available and attractive to new entrants, progressing farmers and producing a healthy countryside. Yet there has been a dramatic loss of English farms over the past decade threatening damage to landscapes, rural jobs and cohesion and habitats. Now there is a major risk of further loss of a mix of farms, and small and medium sized farms in particular, unless safeguards are put in place for when the UK leaves the European Union.

Defra must clearly acknowledge the need for such safeguards in new national policy and for specific measures to rebalance support to strengthen the dynamism, innovation and sustainability of smaller farm and rural enterprises. The following approaches will help to ensure new entrants, progressing farmers and all entrepreneurs in UK farming can thrive under a new regime:

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<sup>7</sup> Leifert, C. et al. (2014) 'Higher antioxidant and lower cadmium concentrations and lower incidence of pesticide residues in organically grown crops: a systematic literature review and meta-analyses.' British Journal of Nutrition, Vol 112, Issue 5, p794-811.

<sup>8</sup> see LUPG report, Transitions to Agroecological Systems, Farmers' Experience 2018

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- **Redistributed support:** Investigate the best way to achieve the fairest and most effective distribution of future support – such as a limit or tapering of support per enterprise so that the farm support budget is more evenly shared between larger and smaller farms.
- **Targeted support:** Ensure that only active farmers are eligible for on-going support and that schemes are targeted and designed to ensure active farmers on small to medium sized farms get adequate support for delivery of public goods.
- **Recognition of systems approach in new payments:** Recognise the benefits to the environment of whole farm approaches which are likely to appeal to (smaller) farms unable, on economic grounds, to take large areas of land out of production.
- **Directed research and development:** Invest in supply chain innovation for smaller and medium-sized farm businesses to improve market access so they can remain commercially viable.
- **Concentrated investment:** Provide accessible and well-advertised grants or low/no interest loans or loan guarantees targeted to smaller and medium-sized farm business to deliver specific tools to maintain or boost important sectors.
- **Delivery of training, mentoring and advice:** Delivery of affordable training, advisory services and farmer-to-farmer mentoring to provide a coherent joined-up service accessible to smaller and medium-sized farms.
- **Data gathering and monitoring:** Regular monitoring of the sector and presentation of better data on size and structure and analysis of the changes in farm numbers and diversity in England.
- **Review of issues in access to land:** Review issues including land prices, new models for tenancy, security of tenure, planning issues and loss of county farm estates.

For farming to attract and retain young entrants and a stable labour force, they will need housing, so local councils will need to have resources and clout to insist housebuilders commit and deliver higher ratios of affordable housing, as well as councils building their own. They will also need affordable public transport; so necessitating a reversal of austerity-led cuts to council funding of rural bus services. Also skills and training; so needing increased budgets to further education colleges and agricultural colleges, and to reinstate the Educational Maintenance Allowance to English students (EMA still running in devolved nations). All of these and many more - broadband, the rural premium, county council farms - feed into rural resilience.

### 6. Enhancing our environment

**Q: “From the list below, please select which outcomes would be best achieved by incentivising action across a number of farms or other land parcels in a future ELMS.”**

Sustain is in favour of all the outcomes listed being achieved by incentivising action by single or groups of farms. Other outcomes that we would add include:

- agroforestry (specific compared to woodland);
- well managed pasture based livestock system;
- whole farm organic system outcomes (multiple and measurable);
- more fresh fruit and vegetables and pulses for local supply chains via sustainable horticulture particularly smaller scale

**Q: “What role should outcome based payments have in a new environmental land management system?”**

Sustain is concerned that payments should not be based solely on outcomes. Whilst this approach may be ideal in some cases (e.g. intact tails for pigs, habitat creation) it may rule out funding for key factors that

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merit support (e.g. systems that deliver multiple benefits such as organic, and the use of slow-growing, higher welfare broiler breeds).

Sustain is very supportive of the piloting of innovative approaches such as outcome-based payments which may be more effective and deliver better value for money than agri-environment schemes to date. Publicly agreed outcomes could be delivered by collaboration between public, private and voluntary partners and finance. There must be a role for systems based approaches such as organic farming, particularly whole farm, which have already defined outcomes. These have multiple outcomes – environmental, nature, as well as animal welfare, which should be recognised and incentivised through public payments.

***Q: “How can an approach to a new environmental land management system be developed that balances national and local priorities for environmental outcomes?”***

At the national level, Westminster and devolved nation governments could have a National Rural Land Management Policy integrating farming and the environment, forming the policy and funding reference for public goods and natural capital and fitting with an overall vision for food and farming. An overarching UK framework would be needed setting an agenda and targets for the public money to be spent wisely and to ensure cross-border priorities are achieved such as on climate, landscape and mobile species. This could be signed off by the Secretary of State and Devolved Administration ministers in a four-nation approach, and would set the framework for landscape plans and objectives.

Given that central government is not set up to handle local and live information about land-use changes and opportunities, some have proposed a local level of governance, which would provide funding for locally valued ecosystem services and ‘fill in the gaps’ that arise from the operation of the national funds. Local governance organisations could be grouped, for example via National Character Areas (NCAs) which divide England into 159 distinct natural areas, or current CAP divisions defined by a unique combination of landscape, biodiversity, geodiversity, history, and cultural and economic activity. The maps describe what is there, appreciated and understood by communities and the different stakeholders. They could help form the framework for agenda setting, delivery, partnership working, integrating – public sector, private sector and voluntary sector collaboration. For protected areas additional resources and information already exist to deliver additional protection, support and advice.

A joint committee could be made up of local community representatives, farmers and landowners, park authorities, conservation bodies, private sector and planners, in facilitated meetings, who would devise a management plan for the area which would be signed off by the Secretary of State but which would remain a live document subject to reviews and change. From this, individual plans with appropriate indicators for progress for each farm in the area could be drawn up using the priorities. Where needed, the plans would focus on specific issues for a specific area with general wildlife and environmental assets and characteristics – what should be protected, enhanced and restored and by whom. These groups could provide incentives for joint, collaborative action by several farmers and growers, where the outcomes typically cross the artificial farm border.

At the farm/estate level, the whole farm plan under a Land Management Scheme agreement would be made with the farmer ideally having a single point of contact representing the public sector with each farm/farmer, with the back office support from Government Agencies, Government Departments and Local Authorities. This point of contact could perhaps combine with a private accredited body. But they would need a new set of skills, knowledge and would need to build a positive but impartial relationship with the farmer. A farmer would develop with this contact, a multi-annual whole farm/estate Land Management Scheme agreement – one that farmers can work through with their advisor so it fits the farm, the catchment and the landscape as needed. Farmers would do much of the on-going assessment themselves, and would have training if needed. But there would need to be an initial agreement meeting, spot checks

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and an annual survey to discuss issues, look at new opportunities, compliance and so on. The idea often mooted of 'earned recognition' could be part of the process later but currently schemes are not generally appropriate in terms of capacity and skills.

To ensure that public money is not funding farms with poor worker or animal welfare or poor environmental protection, a condition of receiving funding should be that baseline standards of attainment are met via a third-party accredited whole farm scheme.

We would urge the implementation of socioeconomic impact assessments for the new schemes to identify additional outcomes and benefits arising such as local employment and rural economic multipliers. The future new direction for farm policy reinforces the need for a UK-wide land use strategy to prioritise and ensure that undesirable land use – such as large-scale commercial biofuels – aren't further expanded at the expense of food production and nature protection. This could be part of new national rural land management policy.

### 7. Fulfilling our responsibility to animals

***Do you think there is a strong case for government funding pilots and other schemes which incentivise and deliver improved welfare?***

Yes. We believe there is a very strong case for pilots and other schemes focussed on high animal welfare. Not only will this contribute to welfare outcomes, if adequately managed and coherently designed these could deliver on public health goals, as higher welfare leads to lower stressed animals and lower requirements for veterinary inputs such as antibiotics. There is concern that the consultation paper cautiously states that subsidies "could" be used to support improved animal welfare rather than making a clear commitment to doing so.

It is vital we make the UK a place of best practice in animal health and welfare across all farming systems. For this we need to consider the systems as well as outcomes we want to ensure are achieved. Good housing, enrichment materials, sufficient living space and good air quality – are necessary basics for achieving acceptable outcomes. An integrated, fully rounded approach to animal welfare will take account of both outcomes and inputs. Enhanced legislative standards to set the baseline with effective well-resourced monitoring and enforcement and subsidies for those who go significantly beyond them are both vital tools if the Government is to achieve its ambition of setting "*a global gold standard for animal welfare as we leave the EU*".

Ideally we would set targets for UK livestock production in line with dietary guidelines that specify eating less and better meat and dairy products whilst ensuring a less and better approach is valued by the market. We also need to ensure the opportunity is there for integrated (including organic) approaches to animal health and welfare, and which make the case for the trade-offs that are inevitable (e.g. between health and welfare and greenhouse gas emissions). Feed imports have a major impact globally and the new agriculture bill should ensure it is cheaper for farmers to feed their livestock with locally produced food waste (and not prioritising it for anaerobic digestion) than with overseas grown soya. The subsidy system should therefore take account of detrimental land use elsewhere as well as supporting food security at home.

Reduced resources for enforcement, including those covering animal welfare, means it currently makes financial sense to break the law. This means that the financial benefits outweigh a) the risk of getting caught and b) the financial loss of getting caught. This creates the conditions in which animal welfare abuse will continue. So regulation and enforcement combined with financial incentives and disincentives are needed.

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**Q: “Should government set further standards to ensure greater consistency and understanding of welfare information at the point of purchase?”**

Sustain’s single preference from the options given is: a) Yes

Many labels offer very little information on the method of production which will reflect on animal welfare and this should change with mandatory methods of production labelling being introduced. Standards and transparency of labelling are important to enable consumer choice and provide a policy push towards more animal health and welfare friendly systems. Welfare should not (and must not) be separated from health, the two are integral one to the other.

**Q: “What type of action do you feel is most likely to have the biggest impact on improving animal health on farms?”**

Ranking these options is difficult, as a range of policy tools and regulations will be needed to improve animal health on farms. However, Sustain’s ranking of the top three choices, in order of importance, is:

- i) (a) Use of regulation to ensure action is taken
- ii) (b) Use of financial incentives to support action
- iii) (f) Research and knowledge exchange

**Q: “How can the government best support industry to develop an ambitious plan to tackle endemic diseases and drive up animal health standards?”**

Sustain considers that Defra should:

- Put animal health pathways and herd health plans as criteria for application into any publicly funded schemes.
- Introduce mandatory method of production labelling for meat and dairy sector products, which would provide citizens with accurate farm system information to help safeguard the future of high standard farming. Transparent legal labelling requirements for “grass-fed” so that it means 100% grass-fed is key (cf Pasture for Life farmers scheme)
- Give specific support to known high welfare schemes such as organic, pasture based and other certified farm systems in recognition of their potential to deliver higher health and welfare.
- Clearly present the evidence for the association between more intensive systems and poor animal health and welfare. Publically recognise that although improvements can be made to more intensive systems, systemic change, particularly in consumption patterns is required to shift the food system in a better direction, particularly to reduce the current high volume consumption of low quality meat.
- Easing pressure on or better supporting local food infrastructure, such as small abattoirs, which are fundamental to successful supply chains being developed and supporting producer led organisations would also be of benefit.

### **8. Supporting rural communities and remote farming**

**Q: “How should farming, land management and rural communities continue to be supported to deliver environmental, social and cultural benefits in the uplands?”**

The government has a vital role to play in ensuring farming, land management and rural communities can survive across all areas of the UK not just the uplands. The uplands do deliver high levels of ecosystem services, (such as 70% of the nation's drinking water, storing 138 million tonnes of carbon in peatlands and providing open access land) income from farming can be very low and many farmers have received little financial support from funding schemes. Many such areas have high nature value farming systems such as



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upland hay meadows, which need to be carefully managed to provide habitats for highly valued species and maintain precious landscapes.

Defra must clearly acknowledge the need for such safeguards in new national policy and for specific measures to rebalance support to strengthen the dynamism, innovation and sustainability of smaller farm and rural enterprises in upland and lowland areas. **(see detail in answer to Question 5, last section)**. The mosaic of UK farming is vital for protecting landscapes and natural resources as well as rural economies and communities. Smaller farm sizes are also crucial to be maintained for new entrants and development within the farming industry.

The small and medium, family farm and mixed farm – which provide specific and often unrecognised environmental and social benefits – need specific policies to survive in a more liberalised market and deliver for a more diverse domestic and local marketplace.

**Q: “There are a number of challenges facing rural communities and businesses. Please rank your top three options by order of importance (from 1 as your most important to 3 as your least important)”**

- I d. Affordable Housing
- II f Access to skilled labour
- iii h other

Sustain advocate for all localities to develop strong farming and food policies – created with full local consultation - for rural areas that make clear the links between the natural environment, economic (including tourism), services, wellbeing, health and economic goals and sets priorities and targets for policies (from planning to tourism) to deliver them in an integrated and inclusive way.

### 9. Changing regulatory culture

**Q: “How can we improve inspections for environmental, animal health and welfare standards?”**

Sustain’s preferred options are indicated below.

- i) (c) Increased remote sensing
- ii) (e) Better data sharing amongst government agencies\*

\* There are benefits from getting agencies out of environmental/animal health/welfare silos and streamlining and coordinating inspections would improve efficiency and integration. But the agencies, and the expertise of their inspectors, are not interchangeable. ‘Data-sharing’ shouldn’t mean watering down. Any options for self-reporting must be based on participatory guarantee systems, subject to monitoring and enforcement. Group certification for smaller operators must be supported and available to ensure smaller businesses are not unfairly targeted.

**Q: “Which parts of the regulatory baseline could be improved, and how?”**

The options above do not provide an adequate list of approaches for improving inspections. We need to ensure that farming is improved across the board not just tinkering and all farms must be required to meet certain minimum standards for all categories of wider public benefit including soil, slurry management, reduced antibiotic use, reduced pesticide use, water management, biodiversity and so on.

Any suggestion towards a more voluntary and industry led approach to regulation must be treated with extreme caution. The regulatory baseline should include food safety, organic standards, pesticide controls,

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environment, nature, employment, geographic indicators, and animal welfare. This should include a commitment to fully implementing the 'precautionary', 'polluter pays', 'pollution rectified at source' and 'public access to environmental information' principles and hazard based approaches and responding to external markets e.g. changing European regulations. Policies should seek to support supply chains becoming shorter and less complex, reducing the risk of food fraud, hygiene risks and contamination.

The cross compliance mechanism, as a requirement for entry into an environmental Land Management contract, should be set at an appropriate and high level based on environmental, animal welfare, labour and health and safety standards.

### ***Q: "How can we deliver a more targeted and proportionate enforcement system?"***

Current enforcement is unsatisfactory and needs to be strengthened as breaches are common (such as on water condition, or animal welfare). We do agree on the need for proportionate approach but are concerned at any move towards voluntary approaches, reliance on earned recognition and reduced inspections as we move to a new system of contracts between farmer and the state.

We are also concerned at the underlying demand for simplicity as an outcome *per se* – we need context-specific, well managed and adequately resourced support mechanisms. A push for simpler systems with lower enforcement requirements could quickly lead to lower standards and public outcry at wasted use of taxpayer funds. Investment will be needed in skilled staff able to cover the range of outcome-based assessment tools, not purely environmental, and attention to detail will be needed if we want to achieve the desired outcomes.

### **10. Risk management and resilience**

See above answers. Any government risk insurance should be for extreme risk events only. An extended and well resources version of the GSCoP and GCA must be used as a key tool to ensure that risks and costs are shared fairly along supply chains rather than dumped on producers.

### **11. Protecting crop, tree, plant and bee health**

#### ***Q: Where market failure exist it would be imperative for government to intervene in these areas.***

- a. Industry, woodland owners and others to respond collaboratively and swiftly to outbreaks of priority pests and diseases in trees? strongly intervene
- b. Landscape recovery following pest and disease outbreaks, and the development of more resilient trees? strongly intervene
- c. The development of a bio-secure supply chain across the forestry, horticulture and beekeeping sectors? strongly intervene

Where market failure exist it would be imperative for government to intervene in these areas.

#### **Further comment on biosecurity**

Any future UK Agricultural Bill that does not meaningfully address the use and impact of pesticides is missing a major potential for enhancing environmental and health outcomes. If the agricultural system in the UK is to be overhauled as proposed, with the intention of making it 'greener', more sustainable and of benefit to this and future generations, then it makes sense to introduce specific approaches to pesticides as part of the suite of measures.

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Sustain suggests the following measures within the UK Agriculture Bill and as a part of the UK's ongoing strategy for greening our agricultural system.

**An overall strategy for reducing the quantity and frequency of pesticide application coupled with a robust system for monitoring usage.** As part of the post-Brexit UK approach to agriculture, a clear quantitative target for an overall reduction in the use of pesticides in the UK should be set. This will help to prevent potential harms caused by pesticides to both the environment and the health of UK citizens. Such a target would help to provide UK farmers with certainty as to the government's direction of travel in terms of pesticide use, enabling them to make long-term decisions. Agricultural pesticides contribute to biodiversity loss, water contamination and loss of soil fertility all of which are areas highlighted in the consultation paper as key areas of concern. Setting a target, or targets, for reducing pesticide use would help to drive innovative methods for reducing pesticides such as Integrated Pest Management (IPM) and stimulate support for growing the organic sector as a way of meeting the targets being set. Reduction targets could be implemented via a focus on active substances that present the greatest levels of concern in terms of their effects on bees, biodiversity, water quality or human health.

**The development of research and training systems for farmers that will promote, support and develop the application of effective non-chemical Integrated Pest Management (IPM) .** As noted earlier, research and innovation is clearly an important issue in the drive to develop a more sustainable agriculture system. The UK has for many years seen a dramatic decrease in research facilities for farmers and there is currently no effective advice or extension service available for farmers wishing to adopt IPM and start moving toward reducing and eliminating their use of pesticides.

In countries where such services are available there has been a successful uptake and adoption of IPM and other techniques that have reduced the chemical burden on the environment. Any advice, information and training given to farmers must be truly independent and be driven by an IPM agenda that is working toward reducing pesticide inputs across the board. In order to fund a new IPM body, at least in part, the notion of introducing a pesticide tax should be considered. This would be in line with maintaining the polluter pays principle and has been seen to be an effective tool for helping to reduce the use of pesticides. Payments should be available for farmers for delivering environmental benefits that include reducing their pesticide inputs.

### 12. Ensuring fairness in the supply chain

***Q: "How can we improve transparency and the relationships across the food supply chain?"***

Sustain's ranking of the top three options is indicated below:

- i) (c) Improving the provision of data on volumes, stocks and prices
- ii) (b) Introducing Statutory Codes of conduct
- iii) (a) Promoting producer organisations

Sustain also has the following comments in relation to fairness and collaboration between farmers and the supply chain.

It is welcome that this Command Paper focuses on fairness within agricultural supply chains. Agricultural supply chains can and should operate in such a way that farmers, processors, manufacturers, retailers and customers are able to get a fair deal whatever their size and wherever they are situated around the world.

Yet the sector shows severe signs of market failure. The Command Paper identifies one of the key drivers for this being the structure of the industry with incredible concentration of buyer power in the middle. This

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situation allows powerful processors and retailers to purchase from their suppliers in such a way that systematically transfers unfair risk and excessive costs onto the least powerful part of the supply chain. Examples of the unfair trading practices (UTPs) include late payment of invoices, late cancellations leading to excessive on-farm food waste, unexplained deductions from invoices, or requiring suppliers to pay fees above and beyond those previously agreed in a contract. This makes better collaboration between farmers and other parts of the supply chain difficult to generate in any way that truly benefits the farmer other than maintaining a listing with a buyer.

The UK government recognised this problem between the top 10 supermarkets and their first tier (direct) suppliers and so introduced the Groceries Supply Code of Practice (GSCOP), enforced by the Groceries Code Adjudicator, to support fairer purchasing. We now need to cover the supply chain. Such a measure is needed because the transfer of risk and cost onto suppliers is profitable and embedded in current structures, cultures and practices. This will not change via voluntary approaches and only strong financial or reputational impacts will create the changes needed. Any code of conduct must be enforced by an independent regulatory body.

Sustain proposes that the UK Agriculture Bill should deliver the opportunity to introduce a new code of conduct to support fairer purchasing practices in the parts of the agri-food supply chain not covered by the GSCOP. Given that the European Union is also introducing a new measure for addressing unfair trading practices in the whole supply chain, this would be a timely and appropriate approach. It would also ensure UK producers are not unfairly disadvantaged as being unable to make complaints of UK companies unlike their European counterparts.

A new code of conduct must be properly enforced and ensure fair treatment for suppliers regardless of where they are and which sector they work in. The history of the UK's efforts to regulate purchasing practices in the groceries supply sector demonstrates that proper enforcement is critical.

- The **Supermarkets Code of Practice (SCOP)** was a legal code drawn up by the Office of Fair Trading (OFT) and introduced in March 2002 which attempted to prevent abusive purchasing practices by the UK's four largest supermarkets. This was not enforced in a manner which took account of the need for complainants to remain anonymous, and was widely seen as ineffective.<sup>9</sup>
- The **Groceries Supply Code of Practice (2009)** did not successfully change supermarket behaviour prior to the appointment of the Groceries Code Adjudicator to enforce its provision. James Paice MP, the responsible Minister at Defra, summarised the issue in 2011: *"While the revised Groceries Supply Code of Practice (GSCOP) is a great improvement on the previous regime, the power that large grocery retailers can wield over their suppliers can still create pressures on small producers, which ultimately may impact on consumers. We therefore propose to establish a Groceries Code Adjudicator (GCA) to monitor and enforce the GSCOP. The Bill to establish the GCA will be brought forward in the near future."*<sup>10</sup>

There has been wide support for effective monitoring and adequately enforced regulation of all unfair trading practices including from the main farming bodies, fair trading bodies and consumer groups.<sup>11</sup> The government recently decided not to extend the existing Grocery Code Adjudicator to cover the supply chain beyond the top multiples as it was felt there was insufficient evidence to justify further intervention. This ignored the huge imbalances of power in many groceries supply chains which create a climate of fear in

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<sup>9</sup> [https://www.foe.co.uk/sites/default/files/downloads/farmers\\_supermarket\\_code.pdf](https://www.foe.co.uk/sites/default/files/downloads/farmers_supermarket_code.pdf)

<sup>10</sup> <https://www.theyworkforyou.com/wrans/?id=2011-01-20a.34453.h&s=groceries+code+adjudicator#g34453.r0>

<sup>11</sup> The National Farmers' Union, National Farmers' Union of Scotland, Tenant Farmers' Association, Ulster Farmers' Union, Country Land and Business Association and British Independent Fruit Growers' Association have all called for the extension of the Groceries Code Adjudicator's remit so that it covers indirect suppliers to supermarkets.

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which small suppliers are unwilling to speak out for fear of commercial reprisals<sup>12</sup>. And a wealth of anecdotal evidence suggests that the problem of unfair trading practices exists right across the supply chain.

To tackle the issue of evidence, the government should consider conducting or sponsoring an in-depth survey of suppliers as the Competition Commission gathered evidence of abuses in supermarket supply chains during their Groceries Market Investigation between 2006 and 2008. They not only commissioned a research company to conduct an in-depth survey, but also had to place legal orders on suppliers and others to get more precise evidence (which was then kept confidential). An enforcement body should also have the power to proactively investigate issues under its own initiative (rather than requiring submission of compelling evidence before it acts) so reducing the pressure from suppliers and potential complainants.

The final new code should be effectively discouraging unfair and illegal trading practices, and an enforcement body must be able to apply financial and non-financial penalties to ensure its power as a regulator.

The Command Paper refers to '*codes of conduct*', suggesting that the UK Agriculture Bill might introduce a codes that would govern purchasing practices in different agricultural sectors. Sustain suggests this would be an unnecessary complication, create confusion and potentially weaken any impact especially if any kind of voluntary approach is used. It would be far simpler to develop a single code covering purchasing practices across all agricultural supply chains. Although the exact nature of common unfair trading practices does vary from sector to sector, a well-designed single code could provide the necessary cover across the board. The general Groceries Code Adjudicator definition of 'fair dealing' applies to different supply chains.<sup>13</sup> Similar wording, incorporated into a code covering the parts of the supply chain not currently under the GSCOP, could be interpreted in such a way that would debar the main types of unfair trading practice suffered by suppliers.

Finally it is important to confirm that this code of conduct should have the widest possible application and offer protection from unfair trading practices to producers regardless of where they are based geographically. A code that covered only UK food suppliers would not be appropriate. Allowing UK buyers to purchase unfairly from businesses in poorer countries would be in contravention of the UK's commitments as a signatory to the Sustainable Development Goals.

Therefore, any code of conduct should complement the Groceries Supply Code of Practice, and any enforcer should have a collaborative working relationship with the Groceries Code Adjudicator.

### 13. Devolution: maintaining cohesion and flexibility

We are in favour of ensuring proper devolution of responsibilities and budget for devolved nations under an overarching framework agreed by consensus to ensure cross border issues are addressed.

Sustain notes the existence of a collective worker negotiating body in some form in 3 administrations but not England and would urge the formation of a body for English workers so can receive the same level of protection on wages and conditions as other nations.

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<sup>12</sup> YouGov's 2017 survey of the supplier community asked suppliers whether they would raise an issue with the GCA. Half answered 'no' or 'not sure', and of these 47% feared that the retailer would find out and there would be retribution. Source: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/623564/GCA\\_Annual\\_Sector\\_Survey\\_Results.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/623564/GCA_Annual_Sector_Survey_Results.pdf)

<sup>13</sup> 'A Retailer [Buyer] must at all times deal with its Suppliers fairly and lawfully. Fair and lawful dealing will be understood as requiring the Retailer [Buyer] to conduct its trading relationships with Suppliers in good faith, without distinction between formal or informal arrangements, without duress and in recognition of the Suppliers' need for certainty as regards the risks and costs of trading, particularly in relation to production, delivery and payment issues.' Brackets suggest alternative wording that could make this paragraph applicable to different parts of the supply chain.

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## 14. International trade

**Q: “How far do you agree or disagree with the broad priorities set out in the trade chapter?”**

The paper says “Accessing new markets can allow our farmers to export more British produce and increase their profits, as well as to spread risk. While competition helps to drive down prices, consumers also benefit from increased choice.” There is no reference here of the need to protect farmers, consumers and British consumers from low quality imports. In addition the appeal of British businesses and goods is that the UK is viewed as a country that trades in a fair and sustainable way, protecting workers, consumers and the environment. That should be the goal for ‘Brand Britain’.

It goes on to say “government is fully committed to maintaining high standards of consumer, worker and environmental protection in trade agreements. We will adopt a trade approach which promotes industry innovation and lower prices for consumers.” We consider that a narrow focus on ‘cheap food’ is damaging. There is no reference in the Command Paper to promoting public health, environmental and animal welfare standards in trade deals. Moreover, “high standards of consumer, worker and environmental protection” and “lower prices for consumers” are generally likely to be incompatible without significant measures to control the significantly higher profits taken from the food pound by the upstream food industry. This presents for us a severe problem for ‘promoting our brand’ or delivering sustainable farming. In addition, lower consumer prices should not be prioritised at the expense of workers and the environment in exporting countries including the world’s poorest countries.

The UK should be setting parameters for our trade negotiators that uphold high standards for food, farming and fishing, in a way that is fully accountable and open to parliamentary scrutiny and review.

The UK should be demanding mandatory methods of production labelling for food trade to drive up health, livestock, environment and labour standards. Imports that do not conform should be barred or be subject to tariffs that are sufficiently high to safeguard UK farmers; imports that meet UK standards would benefit from a low or zero tariff. For all food, but for livestock products in particular, it is clear we should require labelled as to farming method of production. No trade deals should allow this commitment to be undermined.

The UK also has international responsibilities. We must use trade impact assessments to ensure deals do not harm developing countries. Any trade deals between UK and other developed countries must be assessed on the impact that they may have on developing countries and on social and environmental outcomes.

As the UK is committed to the achievement of the Sustainable Development Goals (SDGs) - which includes ambitious aims such as eradicating poverty and hunger as well as those specifically relating to trade relationships<sup>14</sup> - the UK needs also to plan progress against these goals. This will require a cross-departmental approach. Furthermore, the UK is a world leader in committing 0.7% of GDP to Overseas Development Assistance spending. To maximise the impact of this spending, and ensure progress against the SDGs, the UK government must ensure that other elements of government policy do not undermine the cause of international development. If executed responsibly, our trade relationships are a significant way that the UK can help to realise sustainable global economic development in which the benefits are shared across society.

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<sup>14</sup> SDG 17.12 is ‘Realise timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access’

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It is also important that the government's stated aim of "working with industry to open up new markets" in agricultural products is based on principles of transparency and parliamentary scrutiny into trade policy. Future trade agreements should be negotiated and signed following a full set of processes including consultation with stakeholders, assessment of impact, scrutiny, full debate and approval by both Houses of Parliament. This would ensure that relevant voices are able to be heard, improving UK trade policy and balancing the competing demands of various interest groups by ensuring that influence is not concentrated in the hands of a few powerful lobby groups, especially those set on reducing standards.

The government must also ensure that trade policy and agriculture policy do not undermine the UK's cross-departmental commitment to the Sustainable Development Goals and the effectiveness of the UK's Overseas Development Assistance spending. Trade arrangements allowing UK farmers to export produce tariff-free and quota-free to developing countries may have a damaging effect on the development of domestic markets in those countries. Use of impact assessments should avoid this outcome.

### 15. Legislation: the UK Agriculture Bill

#### ***Q: "How far do you agree with the proposed powers of the agriculture Bill?"***

As Defra's stated objective is to "set out a domestic policy that will stand the test of time" this will require a UK Agriculture Bill that embeds farm policy within a sustainability and climate change framework. It needs to ensure coherence with other policies on relevant environmental, health and social issues. The intent and vision we have for a sustainable, safe and healthy UK farming future needs to be reflected in the Bill and prioritised during the preparation and transition phase

The Bill – ideally re-designed as a 'Sustainable Agriculture and Food Bill' should present a vision for farming and food that incorporates our aims on better food and farming including environmental, economic, development, public health and animal welfare outcomes. It should make provision, in concert with the devolved administrations, to ensure that fair, healthy, humane and environmentally sustainable food, farming, fishing and land management are central to the post EU Referendum strategy for the UK after the withdrawal of the UK from the EU.

In the section (iii), we feel the first purpose – "promoting and increasing the productivity and resilience" needs rewriting in the context of a sustainable development agenda. A narrow measure of 'productivity' as yield per unit of land or hour of labour is simply not fit for purpose. It separates issues of yield and profit from other, core and vital outputs. We need to agree a new definition for farming and food productivity which somehow embraces the full range of goods we need to see from farming – public and private such as soil health (carbon, organic, microbial content); biodiversity loading (maybe different levels for different types); food production – volume and diversity; resilience in rural economy and cohesion (local multiplier effect, number of people employed/maintained by the farm); water (slowed and cleaned); carbon stored (trees, hedges, soil biomass); effective disease control (animal presenting healthy at slaughter, lower vets' bills); economic yields via integrated pest management.

Such are the productivity measures for a new era of farming.

#### ***Q: "What other measures much we need in the agriculture Bill to achieve our objectives?"***

Sustain proposes the following new purposes for the UK Agriculture Bill:

- a remit to support **healthier sustainable diets** including enforcing high public sector procurement standards for schools, services and hospitals and ensuring public money supports production of healthy produce and transition to healthy produce

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- **ensuring quality of farm employment via** powers to ensure the protection and advancement of farm workers via a new joint negotiating body
- **promoting farm diversity** – via measures to assess the resilience of the farm structure and measures which ensure diverse farm sizes can be retained to deliver the full mix of outcomes a diverse system delivers including routes in for new entrants
- **fair supply chain** – powers to deliver measures to proactively evaluate and address unfair trading practices in the whole supply chain on an on-going basis
- **whole farm systems delivery** - measures to promote whole farm systems which deliver multiple benefits

As part of this section on compliance and inspection there are regulations and standards that need to be part of the legal underpinning of the UK Agriculture Bill, namely it must:

- Adopt the Polluter Pays principle, the Precautionary principle, the principle that pollution should be rectified at source and the principles of access to environmental information and justice must underpin policies
- Enshrine organic regulations in the UK with an ability to enhance them
- Make provision for labelling and marketing regulation development linking to public good outcomes
- Make provision for regulation and other pesticides reduction tools for farmers
- Make provision for higher animal welfare regulations

### ENDS

**Sustain: The alliance for better food and farming, April 2018**

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