



**DEFRA CONSULTATION**

**HEALTH & HARMONY:  
THE FUTURE FOR FOOD, FARMING &  
THE ENVIRONMENT IN A GREEN BREXIT**

**RESPONSE BY THE  
AGRICULTURAL LAW ASSOCIATION**

**3 MAY 2018**

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## **1.0 The Agricultural Law Association**

### **1.1 Background**

The Agricultural Law Association ('the ALA') was formed in 1976 and is the UK's largest inter-professional organisation devoted to the law and business of the countryside.

We focus on the law in a non-partisan, apolitical way in order to promote its knowledge, understanding and development among those who advise rural businesses.

The ALA has over 1370 members across the legal, surveying, accountancy, farm business consultancy professions together with academia and members with specific expertise in international trade and investment; with all principal professional firms and, uniquely, all other principal member organisations within the agriculture sector represented within the membership.

We are a member of the following current sector cross organisation groups in the UK:

Tenancy Reform Industry Group  
Agricultural Representatives Bodies Group (Taxation)  
Scottish Land Commission – Tenant Farming Advisory Forum  
Land Partnerships Service – National Advisory Group

We are also the largest member association of the European Council of Rural Law.



## **1.2 Consultation Work by Members**

As part of our response to the Health & Harmony: the future of food, farming and the environment in a Green Brexit Consultation Paper ('this/the Consultation'), we have conducted member workshops across England and Wales on the Consultation, with input from our Scottish and Northern Ireland member representatives, including a specific consultation exercise with our Barrister members on Section 15 of the Consultation.

This response is submitted on behalf of the ALA and its members and we look forward to working with DEFRA and other Government agencies and sector organisations on shaping the future policy for our sector.



## **2.0 EXECUTIVE SUMMARY**

### **2.1 Agriculture: the case for change**

- 2.1.1 We agree with the statement that Agriculture is an integral part of the UK countryside and that it matters beyond its economic contribution.
- 2.1.2 Whilst there is a case for change in the way agricultural policy is delivered, as an overriding principle, support for UK food production must be at the core of any future agriculture policy.
- 2.1.3 We further agree that the food consumed by the UK population affects its health and well-being and that the production of that food within the UK provides an essential basis for the food and drink sector industries and our exports.
- 2.1.4 We question the inference that '*cheaper food*' is a public good.
- 2.1.5 The food produced and consumed in the UK must of course be of the highest quality and the maintenance of that supply, standards and labelling thereof is crucial to the public's confidence in the UK farming sector and we support that objective.
- 2.1.6 We would suggest that in addition to the opportunity for the UK farming sector to boost its agricultural productivity, we must first define what we mean by productivity.
- 2.1.7 In future, three strong indicators of effective environmental management schemes, to achieve the aspirations of the Government's 25 Year Environment Plan alongside a profitable farming sector, will be:
- a) simplicity
  - b) successful delivery of outcomes
  - c) extensive uptake by the farming sector

Further work is required to establish the level of administrative cost to achieve targeted and bespoke outcomes.



2.1.8 We propose that a Government and sector-wide stakeholder group should agree/set the definition of baselines with clear and transparent measurement criteria of these baselines to provide the basis for successful delivery of the policy objectives in the long term. This requires an assessment of the current state of the environment by reference to agreed environmental indicators so that success in the long term can be measured.

## **2.2 Reform within the Common Agricultural Policy**

2.2.1 We support the Consultation proposals aimed at simplifying the current Basic Payment Scheme ('BPS') and reducing the evidence burdens on claimants within the existing regulations of the CAP.

2.2.2 We support the Consultation proposals to make it easier to apply for Countryside Stewardship and the objectives a-g for 2018 (page 17) and the proposals for further work for 2019 a-d (page 18).

2.2.3 We support the continuation of a simplified Countryside Stewardship scheme until the introduction of any new environmental land management scheme and the ongoing support proposed through the RDPE.

## **2.3 An 'agricultural transition'**

2.3.1 We support the acknowledgement by Government that there is a need for stability, certainty and a smooth transition to achieve that policy objective.

2.3.2 We do not support an overall cap on payments as proposed under (ii) (page 21) where this would have the very real prospect of directly impacting on the ability of larger farms to invest and innovate.

2.3.3 Equally, as a general comment on the proposed policy of reductions, we must guard against a policy that distinguishes between farm size on an assumption that, for example, a large farm is any better placed to cope with a higher level of reduction than a small farm. There is a concern that this may provide an incentive that leads to unintended consequences in terms of artificial business structure.



- 2.3.4 Further modelling of a proposed mechanism of reductions, if that is the adopted policy, must be undertaken to enable stakeholders the opportunity to advise on the impact on the full range of farming business size and the impact on the fixed costs of the farming business. For example, what would be the additional costs of and available borrowing capacity required to meet business and environmental management costs currently supported by Direct Payments?
- 2.3.5 The agricultural transition period must recognise the need for a clear direction on other interconnected policies, such as Trade.
- 2.3.6 The ability of the farming sector to make decisions on the long-term direction of their businesses must not be undermined by an agricultural policy which is set without certainty in other policy areas.
- 2.3.7 We strongly recommend that the agricultural transition period should run in parallel with trade and labour policy timetables to enable Government and the farming sector to adapt the final agricultural policy approach and the end of Direct Payments in light of certainty on trade and labour policies.

## **2.4 Farming excellence and profitability**

- 2.4.1 We support a policy approach that promotes efficient farming practices to underpin the new domestic policy.
- 2.4.2 Our members see the encouragement of CPD as a positive move for the farming sector, but the terminology of Continuing Professional Development may not be well suited to ensure take up in the farming sector; we propose that it should be geared more to a reference to 'Skills Development' or similar.
- 2.4.3 We do not consider that the current legislation affecting the tenanted sector is a barrier to new entrants, productivity and investment. However, in order to maximise the potential of the legislation, it is recognised that advisers to the farming sector must make full use of the flexibility of current legislation (particularly the Agricultural Tenancies Act 1995) and should not rely solely on standard precedent agreements.



2.4.4 However, we have identified some principal recommendations of the TRIG working papers in 6.22 of this response as recommendations we consider would contribute to the policy objectives of increased productivity of the tenanted sector.

## **2.5 Agricultural technology and research**

2.5.1 Consideration should be given to a tax credit for investment in on-farm Research and Development ('R&D').

2.5.2 We support the concept of bringing groups of farms together in research syndicates to deliver practical solutions and that could also be linked to the tax credit principle stated above.

## **2.6 Labour: a skilled workforce**

2.6.1 As a matter of principle we would support the reintroduction of a Seasonal Agricultural Workers Scheme or similar as necessary but an immigration policy that accounts for longer term employment opportunities for skilled labour and not only seasonal labour, is required.

2.6.2 A programme of education in the UK should be incorporated into the careers programmes of schools and higher education institutions to showcase the farming sector as providing careers with skilled jobs and this should include a farming and environment syllabus in each and every school to educate all in the cycle of food production and the care and maintenance of our environment; particularly but not solely, in urban areas.

## **2.7 Public money for public goods**

2.7.1 We support protection and enhancement of our environment, but this depends on a policy that provides for active management of those environmental assets. The reference to 'protection' needs to include an acceptance that it encompasses proactive management and, further, that the baseline against which enhancement is measured, is defined.



- 2.7.2 The delivery of the best level of protection and enhancement of the environment, including the active management of the environment, is directly influenced by the profitability of the farming sector and its ability to produce food at viable financial levels.

## **2.8 Enhancing our environment**

- 2.8.1 We support the proposal to develop a policy that has environmental protection and enhancement as a core objective with reference to our view 2.7.1 above that protection includes active management.
- 2.8.2 We support a system that promotes long term sustainable land management and integrated food/timber production/environmental measures.
- 2.8.3 We support the principle of a new Environmental Land Management Scheme, but it is crucial that the financial and management terms of contracts entered into by land managers, offer a reasonable financial return and are fixed for the full duration of the contract term. We also seek clarification on the reference to 'nearly all land managers' – what is the criteria envisaged that might exclude some? The term 'land manager' requires definition.
- 2.8.4 Any obligations for the management and enhancement of the environment under contracts voluntarily entered into by the parties must not then lead to statutory designations of land. Any scheme must allow for flexibility and variation of timing where weather events or issues outside of the control of the farming party to the Agreement impact on the timing of delivery. The environment is an ever-evolving landscape and contract terms must not be so rigid as to ignore that fact.
- 2.8.5 We support a principle of collaborative projects over a wider area (for example, river catchment areas). Further clarification is required on the structure of such agreements – are these envisaged to be multi-party agreements or agreements with single parties but with a common set of management prescriptions?



- 2.8.6 Specific definition of the 'polluter pays principle' is required but we support the intimation of the Consultation that capital grants would be considered to ensure land managers can achieve the agreed regulatory baseline (definition required) through investment. For example, land drainage could be considered as part of a capital grant programme to address shortcomings in drainage schemes that are not effective.
- 2.8.7 We support the intention to implement a simple, cost effective approach to scheme administration.
- 2.8.8 We support innovative mechanisms as described in the Consultation. This is an area where further stakeholder consultation is required by Government as pilot schemes are developed and implemented and we would welcome the opportunity to be part of such a consultation.

## **2.9 Fulfilling our responsibility to animals**

- 2.9.1 We support the general principles in this section that we have a responsibility to maintain health and welfare throughout a farmed animals life and acknowledge the current regulatory framework.
- 2.9.2 Animal welfare and the improvement of welfare outcomes is a public good that should be supported, and support should be provided to the sector to trial new technology in this area.
- 2.9.3 Animal welfare and health require definition.
- 2.9.4 The system of food labelling should provide the consumer with the necessary information to make a fully informed choice as to the food products they purchase.
- 2.9.5 This will aid the UK farming sector to distinguish their products from those produced in environments of lower standards of health and welfare.

## **2.10 Supporting rural communities and remote farming**

- 2.10.1 We support the need for a clear vision for the uplands which should include an assessment of all areas of natural constraint.



## **2.11 Changing regulatory culture**

- 2.11.1 We support the direction of policy towards an integrated inspection and enforcement regime that is more targeted and proportionate and acknowledge the review of the inspections regime being undertaken by Dame Glenys Stacey.
- 2.11.2 We ask Government that following publication of this review, that it seeks representations from sector organisations on the recommendations of that review.

## **2.12 Risk management and resilience**

- 2.12.1 Fundamental individual business resilience begins with optimising best operational and financial practice before the additionality of insurance or volatility measures.
- 2.12.2 Uptake of insurance products in the UK agricultural sector is low. A key driver is the availability to the insurance industry of significant data sets with sufficient granularity to enable the development of index-based or standalone policy products. Additionally, raising awareness of the use of insurance as a risk management tool amongst producers would aid greater adoption of these products.
- 2.12.3 A broad range of price volatility management products are available and widely used internationally by producers and other supply chain. Use of such instruments in the UK at a producer level is anecdotally limited. A programme developing awareness of these products, promotion of their use and linking producers with appropriate advisors and providers will be required to achieve a significant increase in uptake.
- 2.12.4 We support in principle the Consultation proposal of a domestic safety net mechanism modelled on the EU Common Market Organisation to provide support and stabilisation in times of crises.



### **2.13 Protecting crop, tree, plant and bee health**

- 2.13.1 We support as a fundamental principle the protection of crops, trees, plant and bee health based on sound scientific evidence-based solutions.
- 2.13.2 We encourage a collaborative Government, farming and science-based approach to providing these solutions to mitigate against the impact on the economy of issues in this area supported by appropriate legislation.

### **2.14 Ensuring fairness in the supply chain**

- 2.14.1 We urge Government to re-consider the Groceries Code Adjudicator ('GCA') remit to include primary producers.
- 2.14.2 It is imperative that the system of food labelling provides the consumer with the necessary information to make a fully informed choice as to the food products they purchase.
- 2.14.3 We support the maintenance of the special status of Producer Organisations including derogations from competition rules.

## **A NEW AGRICULTURAL POLICY FRAMEWORK**

As a principle, the new Agricultural Policy Framework must be a long-term policy approach with mid-term review structures.

### **2.15 Devolution: maintaining cohesion and flexibility**

- 2.15.1 A balance must be struck in the future between maintaining cohesion and a level playing field across each region within the UK, to ensure there are no internal barriers to trade so that the UK as a whole is best placed to sell its agricultural products in a global market and has the flexibility required to ensure that law and policy is effective in consideration of a particular region's economic, environmental and social matrix.



- 2.15.2 The UK Government must also, when establishing the common frameworks in these areas, ensure that scope is provided for each region within the UK to adopt their own specific and targeted mechanisms to achieve the common objectives and principles one would hope would be found in the framework.
- 2.15.3 It is important that significant dialogue and consultation takes place on the formulation of these frameworks so that the voice of the region[s] is heard in that framework.

## **2.16 International trade**

- 2.16.1 The Agricultural industry requires certainty and transparency on the future free trade agreement with the EU.
- 2.16.2 Development of a draft and preferably agreed UK WTO schedule of concessions is fundamental to the ability of the UK to negotiate both future EU and other bilateral/multi-lateral trade arrangements.
- 2.16.3 To achieve the trade aspirations in the consultation document, particularly with reference to new markets, there will be a requirement for dedicated support and expertise for the agri-food sector with the appropriate resources within the Department for International Trade.
- 2.16.4 Dedicated funding for the agri-food sector within the UK Export Finance ('UKEF') budget and development of associated trade facilitation products will be required.
- 2.16.5 A practical and robust customs handling system will be necessary to ensure the ongoing rapid movement of goods across the agri-food value chain into the EU and new markets.
- 2.16.6 The opportunity exists for collaboration and partnership with private sector expertise in delivery of the Government's agri-food and agri-tech agendas.
- 2.16.7 Clarity on the approach promoting lower consumer prices and innovation is required.



2.16.8 UK Agriculture policy and International Trade policy should not be developed in isolation – understanding and acting on the significant cross-cutting themes between the two policy landscapes is essential in delivering sustainable and resilient commercial, environmental and social outcomes.

## **2.17 Legislation: the Agriculture Bill**

2.17.1 We agree with the proposed powers of the Agriculture Bill as set out on page 64 of the Consultation.

2.17.3 We propose that the Bill should include definitions for the key terms of the proposed new policy where definitions are not provided in this Consultation, not least the definition of 'Agriculture', which takes many forms.

2.17.3 We seek further clarity on the proposed mechanisms for how Government proposes to enforce the powers of the proposed Bill, how appeals will be dealt with and who will hear appeals and the process by which decisions made under the powers of the Bill can be scrutinised.

## **EXECUTIVE SUMMARY CONCLUSION**

We urge Government to continue to engage with all stakeholders on each specific area of policy as set out in this Consultation and specifically, on the proposed Agriculture Bill which is proposed to be published in the second half of 2018.



### **3. Agriculture: the case for change**

- 3.1 **The ALA (hereinafter is referenced as 'We/we/us') agrees with the statement that Agriculture is an integral part of the UK countryside and that it matters beyond its economic contribution. We believe that the emphasis should be on progress within the industry, acknowledging the best practice that already exists as opposed to making changes for the sake of change.**
- 3.2 **We further agree that the food consumed by the UK population affects its health and well-being and that the production of that food within the UK provides an essential basis for the food and drink sector industries and our exports.**
- 3.3 **Whilst there is a case for change in the way agricultural policy is delivered, as an overriding principle, support for UK food production must be at the core of any future agriculture policy.**
- 3.4 The Consultation refers to the delivery of a number of public goods which arise from farming and Forestry and whilst we agree with the examples cited on page 12 (para 3) of the Consultation, **we question the inference that '*cheaper food*' is a public good.**
- 3.5 **The food produced and consumed in the UK must of course be of the highest quality and the maintenance of that supply, standards and labelling thereof is crucial to the public's confidence in the UK farming sector and we support that objective** but inevitably the end product will always be supplied at different price points by the retail sector at large and by those food producers supplying directly to the public and **therefore, as an objective view, we would question any policy objective that is referenced to '*cheaper food*'.**
- 3.6 We do recognise that the system of support to the UK farming sector through the CAP has led to a reliance on that support in general and has, in many circumstances, led to a stasis in innovation and investment; but that must be viewed through the prism of the effects of world prices on the commodities that the UK farming sector produces and the underlying profitability of farming businesses exposed to the world market and the high input cost of production, whether that be, for example, on labour, machinery, fuel etc. As if often cited, UK farmers are price takers and the ability of farmers to influence the farmgate price, particularly in the case of bulk commodities such as cereals, is, on the whole, currently limited and will probably remain so.



- 3.7 We would suggest that in addition to the opportunity for the UK farming sector to boost its agricultural productivity, **we must first define what we mean by productivity**. Is this simply the ability to produce more, or, as it was suggested in the round of discussions held by the Tenancy Reform Industry Group ('TRIG'), the efficient use of resources? It appears both combine to provide a suitable definition of productivity in this instance.
- 3.8 In respect of the environmental impacts of farming referenced in this section of the Consultation, whilst other organisations in the farming sector will have a better indication of the 'on farm' results of Countryside Stewardship and its fore-father schemes (HLS, ELS and the previous incarnation of CSS), support in this area has been a stimulus for wider environmental management, although anecdotally, the complexity of the HLS in particular, appears to have driven many farmers and land managers away from engaging with agri-environmental schemes (as referred to in the Consultation on page 17); **in future three strong indicators of effective environmental management schemes, to achieve the aspirations of the Government's 25 Year Environment Plan alongside a profitable farming sector, will be:**
- a) **simplicity**
  - b) **successful delivery of outcomes**
  - c) **extensive uptake by the farming sector**

The achievement of the above will be dependant on effective engagement with the farming sector in the formation of policy to reflect practical implementation.

Further work is required to establish the level of administrative cost to achieve targeted and bespoke outcomes.

- 3.9 The Consultation refers in a number of sections to 'baselines'; *'rather than significantly raising the UK legislative baseline'* (pages 8/9), *raise the 'regulatory baseline'* (page 15), *'a new environmental baseline'* (page 16), *'a strong baseline'* (page 31), *'scope to raise this baseline'* (page 43), *'high baseline'* (page 49), *'maintain a strong regulatory baseline'* and *'enforce the regulatory baseline'* (page 50).
- 3.10 The ability of Government and the farming sector to measure its success in fulfilling the agreed objectives of a new Agriculture Policy, will be determined by the definition of 'baselines' in the context of food production and the environment.



3.11 **We therefore propose that a Government and sector-wide stakeholder group should agree/set the definition of baselines and clear and transparent measurement criteria of these baselines to provide the basis for successful delivery of the policy objectives in the long term. This requires an assessment of the current state of the environment by reference to agreed environmental indicators so that success in the long term can be measured.**

#### **4. Reform within the Common Agriculture Policy ('CAP')**

4.1 **We support the Consultation proposals aimed at simplifying the current BPS and reducing the evidence burdens on claimants within the existing regulations of the CAP.**

4.2 **We support the Consultation proposals to make it easier to apply for Countryside Stewardship and the objectives a-g for 2018 (page 17) and the proposals for further work for 2019 a-d (page 18).**

4.3 **We support the continuation of a simplified Countryside Stewardship scheme until the introduction of any new environmental land management scheme and the ongoing support proposed through the RDPE.**

#### **5. An 'agricultural transition'**

5.1 We acknowledge that the new Agriculture Policy in the UK will move away from Direct Payments and that these will be phased out and **we support the acknowledgement by Government that there is a need for stability, certainty and a smooth transition to achieve that policy objective.**

5.2 The Consultation proposes to apply reductions to Direct Payments during the agricultural transition phase.



- 5.3 Part of this transition phase must be to encourage viable and sustainable long-term investment and innovation in the sector and to put farming businesses in a position of better profitability, productivity; and with an ability to invest in both the farming business and the environment on which it depends. But it will take a significant period of time to allow farming businesses to adapt to this change.
- 5.4 **We do not support an overall cap on payments as proposed under (ii) (page 21) where this would have the very real prospect of directly impacting on the ability of larger farms to invest and innovate.**
- 5.5 **Equally, as a general comment on the proposed policy of reductions, we must guard against a policy that distinguishes between farm size as an assumption that, for example, a large farm is any better placed to cope with a higher level of reduction than a small farm. There is a concern that this may provide an incentive that leads to unintended consequences in terms of artificial business structure.** The margin of profitability remains acute for many farms of all sizes and the economies of scale in the delivery of environmental management need to be assessed. This must be recognised by any policy of reductions applied to Direct Payments during the agricultural transition.
- 5.6 If it is, therefore, agreed that there will be a policy of applying reductions to Direct Payments during the agricultural transition, we propose that the reductions model applied should be based on an equal and fair application of reductions across all farm sizes and at a graduated rate during the agricultural transition that eases the effect of the removal of Direct Payments on the sector.
- 5.7 **Further modelling of a proposed mechanism of reductions, if that is the adopted policy, must be undertaken to enable stakeholders the opportunity to advise on the impact on the full range of farming business size and the impact on the fixed costs of the farming business, for example additional costs of and available borrowing capacity to meet business and environmental management costs currently supported by Direct Payments.**

For example, what would be the additional costs of and available borrowing capacity required to meet business and environmental management costs currently supported by Direct Payments?



- 5.8 This modelling work should include an assessment of the likely funds available under the idea of an 'exit' payment based on historic payments and the reference period that would apply.
- 5.9 One common thread amongst our members, is the concern that an agricultural policy might be set without full knowledge of our trading policy or other interconnected policies that need to be established outside of the EU, that will affect the farming sector.
- 5.10 Whilst acknowledging a move towards a new policy, **the agricultural transition period must recognise the need for a clear direction on other interconnected policies, such as Trade.** Knowledge of the Government's trade policy and labour outside of the EU is fundamental to the decisions of farming businesses on their objectives and structure. **The ability of the farming sector to make decisions on the long-term direction of their businesses must not be undermined by an agricultural policy which is set without certainty in other policy areas.**
- 5.11 We also must recognise that in the Landlord and Tenant sector, many agreements will be subject to 3 yearly rent review cycles (in the main) and other ongoing fixed term arrangements whereby the ability of the parties to those agreements to adjust their business and/or the objectives of those agreements would be limited in a very short agricultural transition.
- 5.12 Whilst we recognise that the farming sector needs to move towards a new policy and all that this will entail and that it might be tempting to set a specific period, **we strongly recommend that the agricultural transition period should run in parallel with trade and labour policy timetables to enable Government and the farming sector to adapt the final agricultural policy approach and the end of Direct Payments in light of certainty on trade and labour policies.**



## **6. Farming excellence & profitability**

**6.1 We support a policy approach that promotes efficient farming practices to underpin the new domestic policy.**

6.2 The farming sector has shown in the past, given the right economic and policy conditions, that it can react and also innovate to meet those challenges and grasp the opportunities that are created.

### **Benchmarking**

6.3 The sector is a skilled sector throughout the layers of labour on farm but enabling all farmers to recognise the broad range of skills they have does require support; whether that is through local benchmarking exercises or on a wider scale through organisations, such as the Agriculture and Horticulture Development Board (AHDB). This should include anonymity for participants to encourage wider take-up of benchmarking approaches, where they would then have the confidence that their individual performance is not being linked to them directly in the production of benchmarking data results.

6.4 The Farming Connect model of funded advice in Wales could provide a sound model for the rest of the UK (<https://businesswales.gov.wales/farmingconnect/>) in ensuring the proper advice and guidance is provided to the farming sector.

### **Continuing Professional Development**

6.5 Our members are bound by the requirement for them to engage in and obtain formal and informal CPD. **Our members see the encouragement of CPD as a positive move for the farming sector**, subject to further detail on the mechanism to promote this in the context of new forms of agreement under, say, a Land Management Scheme Contract but on an incentivised, voluntary basis and with a user-friendly online format

**6.6 The terminology of CPD may not be well suited to ensure take up in the farming sector and we propose that it should be geared more to a reference to 'Skills Development' or similar.**



### **Barriers to new capital investment**

- 6.7 With reference to the main barriers to new capital investment, we submit that the following are the main issues now:

Uncertainty about the future and where to target new investment

Investments in buildings, innovation or new equipment are expensive and the lack of capital allowances on buildings and related infrastructure in respect of taxation

Underlying profitability of the business

#### **Anticipated barriers to new capital investment post Direct Payments**

Direct Payments underpin serviceability of borrowing in all sectors and therefore without Direct Payments the lending sector will need confidence that businesses are able to service existing and new borrowing. This is a risk to new capital investment and could potentially stifle innovation; particularly in the tenanted sector.

It is possible to develop new and innovative business structure models that could assist in this area.

### **Lending to the farming sector**

- 6.8 Whilst our consultation with members did not suggest that there was any discernible issue with lending to the farming sector, outside of the scope of this Consultation, it was suggested that the lending sector should promote more multi-generational mortgage models for longer term loans, for example 40/50/60 year terms, to reflect the long term nature of farming and to provide a lower annual repayment liability spread over a longer period.
- 6.9 This would also assist in addressing issues of expensive infrastructure and innovation investment acting as a barrier.



- 6.10 In addition to the traditional routes of lending there may be an opportunity to develop alternative sources of finance that focus primarily on the agricultural sector. Development of bespoke products, increased supplier competition and producer choice will help facilitate decisions to further invest in the industry.
- 6.11 It is important that liquidity in capital markets dedicated for allocation to the sector remains stable to ensure sustainable levels of borrowing are accessible to those wishing to invest.

### **Planning Policy**

- 6.12 We do not propose to provide a detailed commentary on the current planning policy, but it is clear that the approach of some local authorities to applications in a rural context can be inconsistent with the promotion of a sector trying to innovate and invest and crucially to provide for much needed rural housing. There needs to be a more holistic approach across Government departments. Such an approach is needed now whilst we are developing a new agricultural policy framework.
- 6.13 For example, one member cited that currently applications in the poultry sector for new facilities can be significantly frustrated where there was a requirement for a dwelling alongside the poultry sheds. In the example given, to ensure timely grants of planning permission, two applications, one for the poultry sheds and one for the associated dwelling, were having to be submitted to avoid delays arising from the need for a dwelling and the local authorities' assessment of the same.
- 6.14 There is a significant issue with the treatment of new rural housing requirements by local authorities.
- 6.15 We also suggest that the provisions of The Town and Country Planning (General Permitted Development) (England) Order 2015 should be extended to areas of landscape designation, for example Areas of Outstanding Natural Beauty, to assist farmers in those areas to invest on equal terms with those outside of these areas.



### **Existing tenancy law**

- 6.16 As a member of TRIG, we contributed to all discussions held by TRIG over the Summer/Autumn 2017 and we chaired the working group on Council Farms. The detailed papers from each working group were submitted to the Minister of State for Agriculture, Fisheries and Food for his consideration in October 2017 and we do not propose to repeat the full content of those papers in this response.
- 6.17 The outcome of the working group papers was discussed by the Council of the ALA and the questions posed by this Consultation on existing tenancy law have also been discussed extensively during our member workshop meetings.
- 6.18 As a general point of principle, **we do not consider that the current legislation affecting the tenanted sector is a barrier to new entrants, productivity and investment**, which specifically in the case of the Agricultural Tenancies Act 1995, offers the parties significant flexibility to prepare an agreement which properly reflects the business objectives of the parties.
- 6.19 However, in order to maximise the potential of the legislation, **it is recognised that advisers to the farming sector must make full use of this flexibility and should not rely solely on standard precedent agreements.**
- 6.20 If all parties and their advisors are fully aware of the long-term objectives of each other, notwithstanding the actual term of the agreement, the legislation does allow the parties to achieve the levels of efficiency, productivity and investment that Government wish to promote and encourage.
- 6.21 It is crucial that the parties to a tenancy have an understanding of their respective long term aims and more should be done to encourage the parties to develop their business relationship beyond the terms of the tenancy agreement i.e. the agreement should fit the business and not the business fit the agreement.



6.22 **There are, however, some key points of the TRIG work in 2017 that we consider could provide some assistance to the policy objectives, as summarised below:**

**Agricultural Holdings Act 1986:**

- Ring-fencing from the rent review procedure an agreed return on a Landlord's investment.

**Agricultural Tenancies Act 1995:**

- Implement a wide-ranging programme of education and awareness amongst professionals and the industry in consultation and collaboration with the appropriate industry and professional groups to encourage all parties to make better use of the flexibilities and opportunities that the ATA affords the parties to create longer-term and more bespoke FBTs that better reflect the aims and objectives and commercial ambitions of the parties.

**Council Farms:**

- To adopt and implement the recommendations of the Council Farm Working Group in their entirety with a view that smallholding authorities see the creation of thriving rural businesses at the core of their estate.

**New Entrants:**

- To adopt and implement the recommendations of the New Entrant Working Group in their entirety in respect of both New Entrants and those wishing to retire/exit from farming.

**Taxation:**

- Limited Income Tax relief on farm land rents to encourage letting and letting for longer. Evidence from Ireland shows this can have a powerful effect. It could be seen as creating a retirement package with the new Residential Nil Rate Band Amount on a house passed down the family.



- Recognising a business with multiple trades, including property income, as a single trade for Income Tax, easing letting and diversification.
- Capital allowances to support investment with restoration of the Agricultural Building Allowance, the ability to carry forward the Annual Investment Allowance and extended/simplified allowances for the new technologies.
- Capital Gains Tax Rollover Relief – allow reinvestment in improvements to let farmland.
- SDLT – exempt leases of agricultural property, to remove a deterrent to a tenant taking a longer lease. In turn this would encourage the deliverability of long term approaches and the ability of the tenant to secure investment from the lending sector.
- VAT – raise the *de minimis* threshold for partial exemption – easing complications where a letting includes a dwelling or a business includes let land but has not opted to tax.

## **7. Agricultural technology and research**

- 7.1 We do not propose to comment on this section in detail. Other organisations closer to the current and developing technology on farm are better placed to provide that comment.
- 7.2 However, a recent visit to the Harper Adams Innovation Centre highlighted the significant opportunities that are developing for another Agricultural Technology revolution.
- 7.3 The process of data sharing and ownership will underpin the ability to benchmark success and allow development of wide scale new approaches and it is important that data platforms used in the farming sector can be easily shared.
- 7.4 **Consideration should also be given to a tax credit for investment in on-farm R&D.**
- 7.5 **We support the concept of bringing groups of farms together in research syndicates to deliver practical solutions and that could also be linked to the tax credit principle stated above.**



- 7.6 A policy of facilitation and financial support for near-market R&D approaches to encourage R&D investment throughout the supply chain is required. In addition, there should be an extension of the R&D tax relief for partnerships and sole traders.

## **8. Labour: a skilled workforce**

- 8.1 The farming sector is heavily reliant on a skilled labour force which over the years has come from all areas of the EU and non-EU workers as have many areas of the economy.
- 8.2 It is vitally important that the farming sector has access to appropriately skilled labour whether that be from within the UK or outside the UK.
- 8.3 Whilst those individuals from the EU who have been living and working in the UK continuously for at least 5 years, will be able to apply for settled status in due course, and those who have been here for a shorter period of time, will be able to apply for temporary status, the current system does not allow for temporary seasonal workers.
- 8.4 We note the Hansard Report of the Commons debate on Seasonal Migrant Workers on 1 March 2018 (<https://hansard.parliament.uk/Commons/2018-03-01/debates/9E64E65E-16C8-4637-91B7-867247F13039/SeasonalMigrantWorkers>). The debate resolved to conclude *'That this House recognises that seasonal migrant workers make a substantial and positive impact on the UK economy; believes that easy access to seasonal migrant workers is vital for economic prosperity; and calls on the Government to bring forward proposals to allow businesses to continue to access seasonal migrant workers from EU and non-EU countries'*.
- 8.5 We are not aware of what the Immigration System post-Brexit will look like in the UK, but we do know that there will be restrictions on free movement from the EU and that all EU nationals will need to obtain visas as evidence of their status in due course (which is unprecedented).

The current points-based system for work permits (Tier 2) for applicants from outside of the EU, does not currently cater for seasonal agricultural workers based on the skill set and salary requirements.



Businesses who wish to employ individuals from outside of the EU who do not otherwise have permission to work in the UK, must have sponsor licences in order to do so. This adds a further layer in the difficulties that employers will face if there is not a system in place for seasonal workers post Brexit.

- 8.6 **Therefore, as a matter of principle we would support the reintroduction of a Seasonal Agricultural Workers Scheme or similar as necessary but an immigration policy that accounts for longer term employment opportunities for skilled labour and not only seasonal labour, is required**
- 8.7 **A programme of education in the UK should be incorporated into the careers programmes of schools and higher education institutions to showcase the farming sector as providing careers with skilled jobs and this should include a farming and environment syllabus in each and every school to educate all in the cycle of food production and the care and maintenance of our environment; particularly but not solely, in urban areas.**
- 8.8 The farming sector will undergo significant change as new technologies and practices are developed and this provides a unique opportunity for those already within the farming community and for those outside of it to view farming as a long-term career choice; at all levels of the labour requirement.

## **9. Public money for public goods**

- 9.1 **We support protection and enhancement of our environment, but this depends on a policy that provides for active management of those environmental assets and the reference to 'protection' needs to include an acceptance that it encompasses proactive management and further, that the baseline against which enhancement is measured is defined**
- 9.2 **The delivery of the best level of protection and enhancement of the environment including the active management of the environment is directly influenced by the profitability of the farming sector and its ability to produce food at viable financial levels.**



- 9.3 We do not consider that you can extract any of the proposed public goods as more important than the other; they are interdependent.
- 9.4 The Government has recognised the importance of rural communities and the cultural landscape they help to maintain. It should plan for funding, if it wishes to promote rural resilience, that maintains our existing landscapes - which are managed environments and managed at a cost.

## **10. Enhancing our environment**

- 10.1 **We support the proposal to develop a policy that has environmental protection and enhancement as a core objective with reference to our view in 9.1 above that protection includes active management**
- 10.2 **We support a system that promotes long term sustainable land management and integrated food/timber production/environmental measures.**
- 10.3 Turning to the introduction of a new environmental land management system, we comment as follows with reference to the numbered points on page 37 of the Consultation:
- i. **We support the principle of a new Environmental Land Management Scheme, but it is crucial that the financial and management terms of contracts entered into by land managers offer a reasonable financial return and are fixed for the full duration of the contract term. We also seek clarification on the reference to 'nearly all land managers' – what is the criteria envisaged that might exclude some? The term 'land manager' requires definition.**

**Any obligations for the management and enhancement of the environment under contracts voluntarily entered into by the parties must not then lead to statutory designations of land. Any scheme must allow for flexibility and variation of timing where weather events or issues outside of the control of the farming party to the Agreement impact on the timing of delivery. The environment is an ever-evolving landscape and contract terms must not be so rigid as to ignore that fact.**



- ii. **We support a principle of collaborative projects over a wider area (for example, this could be based on a river catchment area within which all contracts seek to target common objectives). Further clarification is required on the structure of such agreements – are these envisaged to be multi-party agreements or agreements with single parties but with a common set of management prescriptions?**
- iii. **A specific definition of the 'polluter pays principle' is required but we support the intimation of the Consultation that capital grants would be considered to ensure land managers can achieve the agreed regulatory baseline (definition required) through investment. For example, land drainage could be considered as part of a capital grant programme to address shortcomings in drainage schemes that are not effective.**
- iv. **We support the intention to implement a simple, cost effective approach to scheme administration.**
- v. **We support innovative mechanisms as described in the Consultation. This is an area where further stakeholder consultation is required by Government as pilot schemes are developed and implemented and we would welcome the opportunity to be part of such a consultation.**

## **11. Fulfilling our responsibility to animals**

- 11.1 **We support the general principles in this section that we have a responsibility to maintain health and welfare throughout a farmed animal's life and acknowledge the current regulatory framework.**
- 11.2 **Animal welfare and the improvement of welfare outcomes is a public good that should be supported, and support provided to the sector to trial new technology in this area.**
- 11.3 **Animal welfare and health require definition.**



- 11.4 Consumer understanding of high standards of welfare, **are reliant on the system of food labelling which should provide the consumer with the necessary information to make a fully informed choice as to the food products they purchase.** This is as much a requirement on farmers to continue to provide data to assist in a high level of traceability, but it is also reliant on the retail sector using clear and transparent labelling and marketing at the point of sale. The consumer should have a clear understanding of the food chain route of the products they are purchasing.
- 11.5 **This will aid the UK farming sector to distinguish their products from those produced in environments of lower standards of health and welfare.**

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

- 12.1 We agree with the acknowledgement in the Consultation that most upland farms have fewer opportunities to improve their productivity than lowland farms and less opportunity for diversification. However, we suggest that there are areas of other natural constraints that have similar difficulties.
- 12.2 **We support the need for a clear vision for the uplands which should include an assessment of all areas of natural constraint.**
- 12.3 This Upland Vision must be to provide the financial support to maintain the management of the landscape for say, appropriate grazing models. There has been a significant loss of livestock and possibly an irretrievable move away from the traditional upland/lowland annual grazing approach which could provide a sustainable approach under this vision but is not possible without financial input.
- 12.4 With reference to the challenges facing rural communities and businesses, we would rank the following in order of importance as the most important:
- Broadband coverage (but not just at minimum levels of broadband speed – access to faster broadband coverage in all areas is fundamental)
  - Mobile phone coverage
  - Affordable housing



- 12.5 As an organisation, whose members are key advisers to the farming sector, our members' ability to communicate with and provide clients with the highest standard of serviceability is heavily reliant on broadband and mobile phone coverage. Also, online systems, not least Government agency systems, including RPA and the Making Tax Digital programme, rely on a fast broadband connection in all areas.
- 12.6 As stated in 6.12-6.15 above, it is clear that the approach of some local authorities to applications in a rural context can be inconsistent with the promotion of a sector trying to innovate and invest and crucially to provide for much needed rural housing. There is a need for a more holistic approach across Government departments and it is clear that such an approach is needed now whilst we are still developing a new agricultural policy framework. For example, a review of the social and affordable housing models developed in rural areas should be undertaken with the objective of reaching a sustainable rural housing policy that allows applications for not only rural exception sites (as at present) but also single plot rural dwellings for those retiring or entering farming or re-structuring their farming business, particularly in those instances where new entrants are being encouraged to enter farming by the direction of policy.

### **13. Changing regulatory culture**

- 13.1 **We support the direction of policy towards an integrated inspection and enforcement regime that is more targeted and proportionate and acknowledge the review of the inspections regime being undertaken by Dame Glenys Stacey.**
- 13.2 **We ask Government that, following publication of this review, it seeks representations from sector organisations on the recommendations of that review** and we would welcome the opportunity to submit detailed views at that stage.
- 13.3 The reference to the 'polluter pays principle' requires specific definition in the context of the strong regulatory baseline (page 50); as does the reference to 'regulatory baseline' (see comments under The Agriculture Bill below).
- 13.4 Whilst it is acknowledged that it will set a minimum standard, the Consultation does not provide any detail on what that minimum standard will be and what the criteria is for setting this standard.



- 13.5 The reference to replacement of cross compliance with a new mechanism to enforce the baseline is noted. We suggest that the baseline should be the existing statutory management requirements and, to the extent that Good Agricultural and Environmental Conditions ('GAEC') are included, support should be associated with their attainment as under the Basic Payment Scheme.

#### **14. Risk management and resilience**

- 14.1 **Fundamental individual business resilience begins with optimising best operational and financial practice before adding in insurance or volatility measures.** Opportunity exists to engage with producers to facilitate training in business planning and management skills, delivered through public and private sector collaboration.
- 14.2 As noted in the Consultation, **uptake of insurance products in the UK agricultural sector is low** in comparison to many other developed economies where such instruments are routinely employed as part of a comprehensive risk management strategy and with Government support. A relatively immature UK market for these products requires a number of factors to be addressed before a significant increase in uptake could be expected. **A key driver is the availability to the insurance industry of significant data sets with sufficient granularity to enable the development of index-based or standalone policy products. Additionally, raising awareness and use of insurance as a risk management tool amongst producers,** balancing policy cost vs policy terms (coverage), minimising complexity, and facilitating a competitive insurance market **would aid greater adoption of these products.**
- 14.3 **A broad range of price volatility management products are available and widely used internationally by producers and other supply chain actors in trading fungible agricultural and soft commodity products. Use of such instruments in the UK at a producer level is anecdotally limited.** Physical forwards contracts, commodity futures and options derivatives, exchange traded commodities and similar forex products offer significant potential for price volatility management. **A programme developing awareness of these products, promotion of their use and linking producers with appropriate advisors and providers will be required to achieve a significant increase in uptake.**



- 14.4 Public and private sector collaboration would be a logical delivery mechanism. Increase in demand for price volatility management products may also result in greater supplier competition, producer choice and development of new bespoke instruments.
- 14.5 **We support in principle the Consultation proposal of a domestic safety net mechanism modelled on the EU Common Market Organisation to provide support and stabilisation in times of crises** - particularly with reference to critical disease or weather events.
- 14.6 Further details of these proposals are required in order for us to provide additional comments.

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

- 15.1 **We support as a fundamental principle the protection of crops, trees, plant and bee health based on sound scientific evidence-based solutions.**
- 15.2 **We encourage a collaborative Government, farming and science-based approach to providing these solutions to mitigate against the impact on the economy of issues in this area supported by appropriate legislation.**

## **16. Ensuring fairness in the supply chain**

- 16.1 The farming sector is a crucial part of the supply chain however, we are disappointed that the remit of the GCA was not widened following the recent Government consultation that closed in January 2017 and **we urge Government to re-consider the GCA remit to include primary producers.**
- 16.2 As part of our approach to food products and, equally, with reference to food produced in the UK or imported for UK consumption, **it is imperative that the system of food labelling provides the consumer with the necessary information to make a fully informed choice as to the food products they purchase.** It is essential to the success of the UK farming sector that a high-quality food product produced by UK producers is properly and transparently distinguished from imported products.



- 16.3 **We support the maintenance of the special status of Producer Organisations including derogations from competition rules.**

### **THE NEW AGRICULTURAL POLICY FRAMEWORK**

**As a principle, the new Agricultural Policy Framework must be a long-term policy approach with mid-term review structures.**

#### **17. Devolution: maintaining cohesion and flexibility**

- 17.1 Agriculture and the associated areas of environment and planning are devolved matters.
- 17.2 Each of the devolved regions within the UK have implemented and enforced EU law and policy in these areas in a distinct way, appropriate to their region's needs and requirements.
- 17.3 **A balance must be struck in the future between maintaining cohesion and a level playing field across each region within the UK, to ensure there are no internal barriers to trade so that the UK as a whole is best placed to sell its agricultural products in a global market and has the flexibility required to ensure that law and policy is effective in consideration of a particular region's economic, environmental and social matrix.**
- 17.4 Consideration should be given to how best to resolve potential anti-competitive levels of support between those set by the UK Government in England and the devolved administrations.
- 17.5 The agreement reached between the UK Government and the Welsh government on the European Union (Withdrawal) Bill will provide legal certainty and clarity as to how law and policy will be implemented in the 153 policy areas where power will be returning from the EU.
- 17.6 This coupled with the publication of a related Inter Government Agreement and Memorandum of Understanding should assist in providing much needed transparency as to how the relationship will work going forward.



- 17.7 It is hoped that the Scottish Government will reach a consensus with the UK Government and that there will be clarity provided as to the way forward for Northern Ireland.
- 17.8 If the UK proceeds with the EU Withdrawal Bill without agreement from the Scottish Government, this will be a departure from the principles of the Sewell Convention and sets a future precedent which we believe would be best avoided.
- 17.9 For the agreement to work, there must be formal recognition and practical implementation of the two-way dialogue between the UK Government and the Welsh Government and this must be seen to be done as opposed to it being done behind closed doors.
- 17.10 **The UK Government must also, when establishing the common frameworks in these areas, ensure that scope is provided for each region within the UK to adopt their own specific and targeted mechanisms to achieve the common objectives and principles one would hope would be found in the framework.**
- 17.11 The temporary powers to be provided to the UK Government in 24 areas where a new UK framework and UK wide holistic approach is required, focus heavily on rural and land-based areas.
- 17.12 **It is important that significant dialogue and consultation takes place on the formulation of these frameworks so that the voice of the region(s) is heard in that framework.**

## **18. International Trade**

- 18.1 **The Agricultural industry requires certainty and transparency on the future free trade agreement with the EU.** In this respect, regard must be given to the allocation of tariff rate quotas, development of tariff schedules and resolution of non-tariff measure issues in order to optimise the UK's continued trading relationship with the EU whilst retaining the ability to form our own trade policy.



- 18.2 **Development of a draft and preferably agreed UK WTO schedule of concessions is fundamental to the ability of the UK to negotiate both future EU and other bilateral/multi-lateral trade arrangements.** This process should seek to mitigate the risk of technical dispute whilst facilitating opportunities for substantive agreements.
- 18.3 **To achieve the trade aspirations in the consultation document, particularly with reference to new markets, there will be a requirement for dedicated support and expertise for the agri-food sector with the appropriate resources within the Department for International Trade.** Policy options should seek to avoid the tendency to focus on niche, high value products in the context of export development and recognise equally the UK as a producer of bulk commodity products operating in a highly competitive and dynamic global market. High profile international campaigns promoting the sector must be supported with an end to end approach ensuring delivery of commercial outcomes.
- 18.4 **Dedicated funding for the agri-food sector within the UK Export Finance ('UKEF') budget and development of associated trade facilitation products will be required.** For those seeking to export this may include export insurance, letters of credit, export capital funding and bond insurance. UKEF will also have a roll in facilitating overseas buyers for UK agri-food producers. Bespoke products for the agri-food sector are likely to include buyer credit guarantees, buyers line of credit facility and buyer direct financing. Sector specific expertise will be required to expedite the development and use of such products.
- 18.5 **A practical and robust customs handling system will be necessary to ensure the ongoing rapid movement of goods across the agri-food value chain into the EU and new markets.** The system must be scalable and designed with embedded training, reflecting the increase in the number of customs transactions and number of potential new users that are likely to be required.
- 18.6 **The opportunity exists for collaboration and partnership with private sector expertise in delivery of the Government's agri-food and agri-tech agendas.** This includes development of skills and training on international trade practices, provision of competitive and market intelligence, business planning for export, market access advisory, product and brand development, cultural awareness training, qualified lead generation and development of specialist trade finance products.



- 18.7 Although export development is included within the terms of reference of the Food and Drink Sector Council, its efficacy is currently untested due to the relatively recent commencement date of operations. Whilst a lead from a high-profile sector organisation is welcome, international trade practice and knowledge of global markets should become embedded at strategic and operational levels throughout the industry.
- 18.8 Both UK produced and imported food prices are a function of the world market and modified by any bilateral/multi-lateral trade arrangement. Unless the Government is advocating unilateral trade liberalisation as a policy, food prices will find equilibrium based on these two factors – **clarity on the approach promoting lower consumer prices and innovation is required.**
- 18.9 **UK Agriculture policy and International Trade policy should not be developed in isolation – understanding and acting on the significant cross-cutting themes between the two policy landscapes is essential in delivering sustainable and resilient commercial, environmental and social outcomes.**

## **19. Legislation: the Agriculture Bill**

- 19.1 **We agree with the proposed powers of the Agriculture Bill as set out on page 64 of the Consultation.**
- 19.2 At the time of preparing our response, we understand that Government proposes to bring forward the Agriculture Bill in the second half of 2018.
- 19.3 We also understand that the Secretary of State for the Environment, Food and Rural Affairs, proposes to introduce an Environment Act in the Queen’s Speech in 2019; the working assumption being that the aspirations and objectives set out in the Government’s ‘A Green Future: Our 25 Year Plan to Improve the Environment’, will be encapsulated in an Environment Act.
- 19.4 Following consultation with members and specifically with a number of our barrister members, **we propose that the Bill should include definitions for the key terms of the proposed new policy where definitions are not provided in this Consultation.**



- 19.5 **Specifically, the definition of 'Agriculture' takes many forms** (as reviewed in a paper prepared by Luc Bodiguel and Michael Cardwell '*Evolving definitions of agriculture for an evolving agriculture*' published in 2005 in *Conveyancer and Property Lawyer* (ref: [2005] *Conveyancer* 419-445) which provided commentary on the wide ranging and varying definitions of agriculture in the UK and France).
- 19.6 As key examples of the need for clear definitions of key terms, the definition of Agriculture in the Agricultural Holdings Act 1986 and the definitions of Good Estate Management and Good Husbandry as found in the Agriculture Act 1947, do not include reference to environmental management. We propose that following the end of the Consultation period, a period of detailed discussion on the wording of the draft Bill is undertaken with key stakeholders in the sector to address this.
- 19.7 With specific reference to terms used in this Consultation, we consider that the following, by way of example, require early consensus of definition to assist the farming sector and provide certainty on policy and the application of the principles in any proposed policy and to avoid unnecessary ambiguity:

*Agriculture*

*Land Manager*

*Regulatory/legislative baseline* (with reference to the context in which the phrase 'baseline' is used throughout this Consultation)

*Polluter Pays Principle*

*Productivity*

*Protection & Conservation* (for example, does this include maintenance and management within the meaning of protection of historic features/cultural heritage?)

*Natural Capital*

*Public Goods*



19.8 **We seek further clarity on the proposed mechanisms for how Government proposes to enforce the powers of the proposed Bill, how appeals will be dealt with and who will hear appeals and the process by which decisions made under the powers of the Bill can be scrutinised.**

### **General Comment on future agricultural policy framework**

Our experience as a member of the European Council for Rural Law and liaison with countries who are currently outside of the CAP, suggests it will be important to continue to look at the development of the CAP both during transition and in the future and the continuation of Direct Payments under the CAP.



## **20. CONCLUSION**

- 20.1 We have welcomed the opportunity to consider the Government's policy proposals through this Consultation but at present a significant level of detail is absent for the farming sector and its ancillary industries to properly consider the on-farm impact/opportunities it creates.
- 20.2 **We urge Government to continue to engage with all stakeholders on each specific areas of policy as set out in this Consultation and specifically, on the proposed Agriculture Bill which is proposed to be published in the second half of 2018.**
- 20.3 The farming sector is well suited to change and adaption as it has done many times before and this is no exception, but in an appropriate timeframe to adapt farming systems. Further, acknowledgment of the world market exposure of the agriculture sector and its finely balanced profitability is of crucial importance to provide a sound business foundation to deliver the Government's aspirations for the protection and enhancement of the environment and its objectives in the 25 Year Plan for the Environment.

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