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European Parliament
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To whom it may concern,

Response to the Government's consultation on the "The Future of the Natural Environment after the EU Referendum"

As the UK's three Green MEPs, we write in response to the Government's consultation on the 'The Future of the Natural Environment after the EU Referendum'. Please find below our submission.

Yours faithfully,

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The Future of the Natural Environment after the EU Referendum

- *What are the implications for UK biodiversity of leaving the EU, in particular the Common Agricultural Policy?*

The implications of Brexit on UK biodiversity depend largely on the new agricultural and land management policies to be set in place. Regarding agriculture, it remains unclear which farming model will be brought in to replace the CAP, but various scenarios have been proposed, including a New Zealand-style agrarian free market model. This would leave farmers increasingly vulnerable to market forces: a study by Agra Europe warned that only the biggest 10% of farms would survive in such a scenario¹.

The same report suggested that farms grazing in less favoured areas, lowland grazing and mixed farms would be the hardest hit by the absence of Pillar One direct payments, as their activity would then effectively make a loss. Such a development is highly likely to lead to ever larger farms. Firstly, this loss in the diversity of farms means loss in diversity of species. As DEFRA's own Biodiversity 2020 strategy recalls, "*England is relatively rich in wild relatives of crops, landraces of cereal, vegetable and fruit crops, and traditional orchard trees. There are also over two hundred native breeds of farm animals which are often associated with traditional land management required to conserve important habitats. The great genetic diversity which these provide can make an important contribution to the ecosystem provisioning service of food security by offering genes that are important for future crop or livestock breeding.*" Secondly, the concentration into larger farms implies an intensification of agriculture, implying greater strain on the soil, and implications for animal welfare.

Hence, for UK biodiversity, the loss of the CAP means firstly the loss of Good Agricultural and Environmental Conditions (GAEC) necessary under cross-compliance and greening measures and the protections they afford to the

¹ <https://www.agra-net.com/agra/agra-europe/brexit/brexit-could-cut-farm-incomes-by-up-to-48-says-updated-agra-europe-report-513819.htm>

environment, and secondly a likely changing agricultural sector which will exert greater pressure on ecosystems. The EU's 2015 State of Nature report identified intensive agriculture, as well as damaging energy and transport infrastructures, as the main causes of the current decline and degradation of nature. Overall, the report concluded on the poor condition of nature across the EU with only 23% of species and 16% of habitats being in a good status. Note, however, the dramatic condition of rivers, wetlands and lakes, with 51% of habitats in wetlands being in bad status.

As 70% of UK land is agricultural, the CAP system of payments has potential to encourage ecologically beneficial agricultural and land management practices consistently throughout the UK. Any new agri-environmental policy must take on this mantle, now linking farm support more closely to environmental objectives.

Many UK commitments on biodiversity are international in nature, and would remain in place despite a Brexit. These include, inter alia, CITES, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and the Ramsar Convention on Wetlands, as well as more recent Convention on Biodiversity and its Cartagena and Nagoya Protocols.² However, many commitments are facilitated through European legislation, which provides a framework for their fulfilment.

Yet the UK stands to lose much legislation that has, over several decades, stood in protection of species and the environment. These include the landmark Birds and Habitats Directives, Marine Strategy Framework Directive, Water Framework Directive, as well as the Biodiversity Strategy. In addition to legislation, the UK also stands to lose funding in support of biodiversity, such as that currently provided by LIFE.

Without such protective legislation, the cost of biodiversity loss will be felt elsewhere too. Protecting and increasing biodiversity has positive effects which spill over into other environmental and social issues, both global and local. For example, rewilding and restoration of damaged ecosystems (including river restoration, tree planting and regeneration of scrub, particularly in the uplands) can play a major role in flood prevention and mitigation. The Pitt review has long since recommended that the UK's agencies do more to manage flood risk through working with natural processes. Financing such measures would likely pay for themselves, in reducing the £1.1bn average annual cost of flooding in the UK³. Likewise, improved soil quality and biodiversity can increase carbon sequestration and thereby contribute towards the UK's commitments to reduce greenhouse gas emissions, as can restoration of peatlands, a crucial carbon sink.

- *To what extent do initiatives to support biodiversity in the UK depend on CAP-related payments?*

The CAP has contributed towards stalling biodiversity loss, but this trend of loss is far from being reversed. Its main contribution has been payments conditional upon three greening measures, wherein farmers implement crop diversification, permanent pasture, and ecological focus areas. This ensures that considerations of biodiversity are rewarded within the current subsidy system; however, such measures are only tied to a certain percentage of payments, and so the principle of public money for a public good remains secondary.

The implementation and flexibilities of greening measures, largely determined by DEFRA, indeed do have shortcomings, but such conditional payments remain a strong framework for supporting biodiversity in a coherent and consistent manner, applying as they do to the 70% of UK land that is farmed.

Pillar two payments from the European Agricultural Fund for Rural Development follow the ethos of public money for public goods more closely, and the UK's focus on financing this fund has in fact been stronger than many other EU member states. This and other agri-environment schemes are vital for the diversity of farming, as they support less-favoured areas and smaller-scale farmers. Lack of such funding risks changing the landscape in the direction of intensified, industrial agriculture and therefore threatens biodiversity. Not only should they continue, but any new agri-environment support scheme should improve upon the concept of greening, following it to the logical conclusion of subsidies provided for environmental protection.

² <https://www.cbd.int/brc/>

³ <http://researchbriefings.files.parliament.uk/documents/SN05755/SN05755.pdf>

The need to ground agri-environment policy on such principles is even more obvious, when one considers the piecemeal approach taken to biodiversity in the UK. The Lawton review, *Making Space for Nature*, criticised the disjointed nature of the UK's system of SSSI and Marine Protected Areas. Further, recent governments have given credence to biodiversity offsetting in recent years. Such an attitude addresses our treatment of the natural environment as if it were an accounting exercise. For all its flaws, CAP's capacity to provide oversight on 70% of the UK's land is a comparatively useful and holistic tool.

- *What risks and opportunities could developing our own agri-environment policy and funding present?*

We need to avert the risks that agricultural land will be made subject to the dictates of the market, if the insulation of income support is removed. This could mean a greater focus on profit at the expense of wildlife and environmentally friendly farming. The full-scale marketisation of 70% of our land must be resisted.

Further, given the long-term perspective necessary for any initiative aiming to protect biodiversity, one immediate risk is uncertainty. Contracts designed by Natural England for 5-10 years, to ensure stability both for the environment and for farmers' finances, are now at risk of short-term solutions. Many entry-level and higher-level schemes are coming to an end, but the status of Countryside Stewardship successor schemes is now uncertain, even as application deadlines approach.⁴ For example, the deadline for multi-annual applications is 30 September, for agreements due to start on January 1 2017.

In this context the Chancellor's guarantee that payments structures will remain in place until 2019 provides limited reassurance, since we are likely to still be covered by our EU commitments at that date. What farmers and countryside managers need is firm knowledge about the situation they need to prepare for from 2020 onwards - and as soon as possible.⁷

The regulatory environment may also substantially change upon departure from Europe, given the differing opinions held by the current UK government and by many other EU member states, on issues such as cultivation of genetically modified crops, and use of pesticides. Whereas discourse surrounding these issues often focuses narrowly on safety, the economic and environmental context in which GM agriculture operates must also be critiqued. As farmers face input dependency and soil degradation, the focus should be on agro-ecological research and tools, as an affordable means for farmers to produce in a sustainable manner, all the while improving the quality of the soil and reducing their input costs. Agri-environmental policy should support and encourage farmers in making this transition, both in terms of agro-ecological research and environmentally-based subsidies. Encouraging farmers to take on input-intensive GM crops, engineered for monoculture systems, is costly both to farmers and to the environment, and in any case unpopular with consumers.

Given that agriculture is a relatively small sector in the UK economy, there is the additional risk that it could be used as bargaining chip, its interests being secondary to those of larger, more profitable sectors. This may mean lower regulation or reduced support for farmers. We would strongly resist any attempt to bargain away the rights and interests of farmers and our countryside in support of other economic sectors.

- *How should future support for UK agriculture be structured in order to ensure there are incentives for environmentally-friendly land management?*

Any new agri-environment policy must integrate the principles hinted at but not yet accomplished by the CAP's greening measures. UK farmers are environmental stewards, and it is legitimate to support them on the basis of their provision of a vital public good - protection of ecosystems, species and ultimately our environment. Payment for this public good or service should reflect this. Rather than area payments, agri-environment policy and funding should be designed to support those smaller-scale farmers, including those under 5ha who are genuinely farming.

⁴ <http://www.fwi.co.uk/business/nfu-concern-as-countryside-stewardship-grants-under-review.htm>

By going beyond the mandatory 5% degressivity deduction on basic payments over 150 000€, devolved administrations have at least begun to decouple the size of a payment from the size of a farm. This has the further advantage of saving on support payments - The Landworkers Alliance has estimated that even a fairly lenient cap on payments of £120,000 would save £400 million a year⁵ - thus leaving financial resources to focus on biodiversity-friendly farms.

Since it may be difficult to justify payments to farmers when many other members of society have suffered austerity cuts, it is essential that there are clear social benefits. We would suggest making land management as a means of carbon sequestration as the key principle of post-CAP farm support, with other principles including floodwater retention and the protection of biodiversity and habitats as subsidiary principles. These can help us demonstrate to voters why and how farm support matters to them. Similarly, learning from recent critique of the CAP, it is important that the link between the environmental measures required to receive support payments and the intended ecological outcomes is clear. Criticisms of greening were often focused on uncertainty over the intended results.

Further, support for UK agriculture should shift the focus away from promotion of exports and engineering of demand. Rather than arguing for export opportunities as a reaction for every agricultural crisis, policy should refocus the sector on matching supply to demand, and addressing issues such as food waste and healthier diets within the UK. Our agricultural policy should not encourage subsidised British produce ending up as export, damaging farming systems and farmers' livelihoods elsewhere in the world, and so external effects of our imports and exports must be considered.

⁵ <http://landworkersalliance.org.uk/wp-content/uploads/2013/01/Feeding-the-Future-Landworkers-Alliance-A4-low-res.pdf>