FARMING POLICY AFTER BREXIT

A REPORT FOR THE GREENS

SUMMARY & RECOMMENDATIONS

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INTRODUCTION

Objectives

The objective of this report is to identify policy options that as far as possible provide environmental, social and economic benefits. The major benefits sought will be:

Environmental: protection and improvement of soils; enhancement of biodiversity; protection of valued landscapes and wildlife habitats; reduction of carbon emissions, and increased sequestration of carbon; reduction of artificial fertilizer use coupled with more efficient use of farmyard manure and slurry; reduced pesticide use; wise water management; reduced reliance on imported commodities which cause environmental degradation elsewhere in the world.

Social: reversing the decline of family farms; more and better land-based jobs and livelihoods; increased opportunities for physical outdoor work, for those whose aptitudes lie in that direction; increased vitality of villages and rural areas; provision of healthy food; enhanced animal welfare.

Economic: Greater food security through increased home production of temperate commodities; reducing the imbalance between rural and urban economies by improving remuneration for land-based work; avoiding the 'dumping' of surplus produce on vulnerable peasant economies.

Expressed concisely, the mission is to ensure that farming in the UK provides environmental benefits, supports thriving farming communities and supplies a substantial proportion of the UK's food.

Structure

The report is structured as follows:

Chapters 1, 2 and 3 examine in more detail the benefits sought by a Green Party farming policy.

Chapters 4 and 5 examine the current structure of agricultural trade and farm support.

Chapters 6 to 9 propose financial and other measures that could be adopted to bring these about.

Chapter 10 looks at the political feasibility of these proposals.

Proposals

The main proposals are as follows:

(i) A tariff regime consistent with WTO rules should be applied to food imports and exports;

(ii) Financial support for individual farms should be provided through a single agency, the Whole Farm Management Scheme (WFMS), with the objective of providing environmental, social and economic public benefits.

(iii) Direct payments should be scrapped and replaced by a Special Payment, selectively applied to agricultural sectors in need of support, rated according to the number of workers, but tapered and capped.

(iv) An agricultural extension service should be revived, based around agricultural colleges as in the USA, able to advise farmers and landowners of all kinds on agricultural matters, including the WFMS.

(v) Twenty per cent VAT should be applied to meat products.

SUMMARY AND RECOMMENDATIONS

Chapter 1. Ecological Farming and the Yield Gap

This chapter looks at difficulties associated with the yield gap between ecological and industrial farming methods, and weighs up the Land Share v Land Spare debate.

Recommendation R1: Land Sharing is more in tune with Green Party philosophy than Land Sparing. The Land Sharing approach should be robustly supported in Green Party Policy. However certain measures may have to be adopted to ensure that support for Land Sharing and agro-ecological agriculture does not have perverse or harmful impacts.

R.2: We recommend the following approaches which can be taken to prevent ghost impacts (the displacement of harmful environmental impacts to other countries):

(i) ensure that agro-ecological methods as far as possible do not involve a drop in yield, and invest in research to improve yields;

(ii) adopt different criteria for highly productive farmland and less productive farmland;

(iii) take measures that will reduce demand for high impact products (notably meat);

(iv) take measures to reduce food waste;

(v) impose tariffs or import quotas, consistent with WTO rules;

(vi) source imports from regions that farm sustainably.

A primary objective of any green agricultural policy should be to farm as ecologically as possible, while if possible maintaining or improving productivity (ecological intensification). However, many forms of ecologically low impact farming have lower yields than current farming methods; if adopting these methods results in increased production and harmful environmental impacts somewhere else, then there may be no net environmental benefit; and if the shortfall is made up by imports, this will undermine the UK's trade balance and food security.

This dilemma is at the heart of the Land Sharing versus Land-Sparing debate. Advocates of Land Sparing argue that it is wiser to farm a smaller area of land very intensively and leave the rest to Nature; advocates of Land Sharing consider it wiser to farm a wider area in an ecologically benign manner. The Land Sharing scenario is more in tune with Green party ideals, and more appropriate for the UK, where wildlife has evolved in symbiosis with agriculture. However, care must be taken to ensure that environmental impacts are not displaced to other countries.

Chapter 2. Environmental Goals

Objectives and strategies for achieving a more environmentally benign farming industry.

R3: Policies should aim for a gradual reduction in meat consumption.

There are two main reasons for a reduction in meat consumption:

(i) it will compensate for lower yields resulting from more environmentally friendly farming, and/or release land for uses such as reafforestation or biodiversity;

(ii) it will reduce the carbon emissions attributable to meat consumption, as well as other environmental impacts.

R4: Policies should promote the sort of farming methods that are likely to conserve soil carbon stocks and improve soil carbon sequestration, especially when these harmonise with other objectives; there should be no attempt to directly reward farmers for storing carbon. Some farming systems are better than others at sequestrating carbon in the soil, and hence reducing the potential for global warming.

However, paying farmers directly for the amount of carbon they sequestrate is unscientific and susceptible to abuse. Soil carbon is difficult and expensive to measure; and it can be increased on one plot of land by the simple expedient of applying biomass robbed from another plot, with no overall benefit.

Moreover, carbon sequestration is not permanent. Soil carbon is lost much more quickly when land is ploughed up, than it is gained when ploughed land is converted to pasture or woodland. It is therefore essential to ensure that schemes designed to sequestrate carbon do not trigger increased arable activity elsewhere.

A better approach is to support agricultural systems that are known to favour soil carbon sequestration. The priority should be to ensure that existing carbon stocks are conserved rather than to embark on optimistic schemes to increase carbon stocks. It is particularly important to ensure that the large amount of carbon stored in peat soils is not degraded.

R5: Policies should encourage a return to mixed farming, particularly dairy/arable.

Mixed livestock and arable farming was standard in the UK, until the arrival of artificial fertilizers, since which it has declined. Reverting to mixed farms would bring many environmental and social advantages:

(i) Arable farms that became mixed farms would be less reliant on chemical fertilizers, more biodiverse, less dependent upon pesticides and herbicides and would sequestrate more carbon;
(ii) Dairy and other livestock farms that reverted to mixed farming would cause less pollution, would produce more food per acre, and would support more biodiversity;
(iii) Mixed farms would result in less transport, since straw and animal feeds would be used on site and a wider variety of goods would be available for local consumption;
(iv) A wider variety of agricultural jobs would be available in specific regions of the country.

Any decline in yield from converting to mixed farming ought to be relatively small.

R6: Organic farming should be promoted but a more all-inclusive way of rewarding organic husbandry should be investigated.

Organic farming has much in common with mixed farming in that it is dependent upon leys and break crops to build soil fertility. The rejection of artificial fertilizers, herbicides and pesticides etc. make it a more environmentally benign option than chemical mixed farming

There are however two main difficulties. First, yields of organic farms in the UK are up to 35 per cent lower than yields of many chemical farms - with the danger that conversion to organic may prompt additional farming pressure elsewhere.

The other problem is that the costs of organic certification and labelling are prohibitive for small and part-time farmers and other landowners. There are many thousands of acres of pasture land in the UK, which conform to organic standards, but are uncertified, with the result that their produce is undervalued, cannot be used by organically registered farmers and is often left unharvested.

R7: Beef farming should ideally be pasture-fed, comprised primarily of dairy progeny, and serve either as a subsidiary element of a mixed farm, or for conservation grazing.

The most sustainable option for the beef industry would involve:

(i) Conversion to grass-fed systems.
(ii) Slaughter at a younger rather than an older age (as is already the case with sheep), since weight gain is greater in earlier years.
(iii) Most beef animals being the progeny of dairy cows, and hence a byproduct of the dairy industry.

R8: Financial support for the uplands should be focussed on creating a more diverse and resilient local economy.

There has been too much emphasis on sheep in the uplands, allegedly resulting in a biologically depleted environment, poor water retention and a crippled local economy. The objective should be to establish a more diverse and self-sufficient agricultural economy, including reafforestation, rewilding, more cattle, dairy, horticulture, wool products and arable.

R9: Upstream water catchment policies should focus on water retention in areas of low agricultural productivity; and preventing soil erosion through catchment sensitive farming on more productive farmland.

Water catchment management has had a high profile recently, partly because of flooding episodes. A potential conflict has emerged between farmers who want to remove excess water as soon as possible from productive land, and downstream settlements whose ability to canalize this excess water and direct it towards the sea has not always kept up with the flow.

The matter is complicated by the fact that when water runs off fields it can remove soil, particularly when the land is poorly farmed. The silt which accumulates downstream has traditionally been dredged out, and can be reclaimed for agricultural or other use. However, in some cases, dredging has lapsed.

Where the upper reaches of a water catchment are of low agricultural value - typically upland rough grazing - there is a strong argument for slowing the flow of water, where feasible, through tree-planting and other water retention methods.

Where a river passes through productive farmland the issues are more finely balanced. Dredging often needs to be maintained, but farmers must adopt techniques that prevent soil erosion.

R10: Arable crops should not be used for biofuels. There may be a case for generating biomethane from grass as part of a mixed farming rotation, but this should not be endorsed on a wide scale until the technology has been fully assessed. The preferred biofuel on marginal land should normally be natural woodland.

The production of biofuels is usually at the expense of other land uses, especially food production. If food has to be produced elsewhere and imported, then it is questionable whether there is any net carbon benefit, given that carbon emissions from land use change can be considerable. The use of high grade arable cropland for biomass, especially maize for generating electricity, is therefore to be discouraged. A wind turbine uses far less land to generate the same amount of electricity.

The use of lowland grass leys for biomethane production is more promising, since the grass can be derived from the fertility building element of an arable rotation, and the biomethane can be fed into the gas grid, replacing fossil fuel gas that would otherwise have been imported or fracked. However the system involves phenomenal amounts of transport, and would compete with the dairy industry for grassland.

On marginal land, natural, coppiced or plantation woodland is the preferred option since a firewood crop is normally a by-product of maintaining the wood for other purposes such as timber, amenity or shelter.

R11: EU legislation forbidding the feeding of food waste and slaughterhouse waste to pigs should be reversed, subject to robust health and hygiene conditions being implemented.

Leaving the EU provides the UK with an opportunity to reverse EU directives which ban the feeding of food waste and abattoir waste to pigs. Deforestation in South America for soya plantations has been directly attributed to both these bans. In the case of abattoir waste, the alternative of feeding the waste to insects and then to pigs should be examined.

Chapter 3. Social and Economic Goals

Objectives and strategies for achieving an economically sound and socially benign farming industry.

R12: Measures should be taken to prevent further concentration of the farming industry and abandonment of family farms.

Between 2000 and 2010, the number of farms in the UK declined by 47,000 - that is, 20 per cent of the total. Over the same period the average size increased by 33 per cent, from 169 acres to 226 acres - while the average size for the whole of Europe is 36 acres.

This process of gigantism threatens to replace family farms with highly mechanized corporate mega-farms, staffed by an elite of technicians and underpaid immigrant labour. It will reduce the opportunities for down-to-earth farming employment, further alienate the public from the business of food production, and undermine the vitality of rural communities. This is not what the British public want their farms to be, as can be seen by the mendacious labelling and advertising used by supermarkets to convince consumers that their produce comes from real farms.

R13: Agricultural policies should protect food sovereignty in the UK and respect it in other countries; meeting home demand for indigenous food should take precedence over establishing export markets.

The UK is only 60 per cent self-sufficient in food and only 52 per cent of the food eaten in Britain is produced here, giving rise to concerns about food security. There is also considerable cross-haulage (i.e. exporting goods that are very similar to goods that are imported.) The over-emphasis on trade has several harmful impacts:

• It adds appreciably to the transport, refrigeration, packaging and storage impacts and carbon emissions of food;

• Unnecessary trade deals undermine local food economies;

• Prioritizing trade can lead to perverse policy decisions. The slaughter policy carried out during the 2001 Foot and Mouth epidemic was largely driven by a desire to protect the British beef export industry;

• The pressure to expand and export leads wealthy countries to make assaults on markets in developing countries. For example the EU‘s attempt to gain access to India’s market for dairy products, which threatens the livelihoods of some 11 million small-scale farmers.

R14: Policies should actively support new entrants into farming, and facilitate access to land.

Between 2000 and 2009, 40,000 jobs were lost in the agricultural sector. Agricultural labour is currently low paid, precarious and open to exploitation, particularly for casual and migrant workers.

New entrants to farming often have little or no access to capital to pay for the cost of land, equipment, buildings and other basic infrastructure for starting up properly. This lack of infrastructure can significantly impact the productivity and profitability of the start-up farms. The experience of farms who have had some initial funding to start up is that over a few years they can become financially viable businesses - not dependent on significant annual area-based subsidies.

The Rural Development Programmes of England, Wales and Scotland constitute the existing methods whereby Pillar 2 of the CAP facilitates business start-up schemes. The UK needs to keep such programmes, making core production from sustainable agriculture one of their key prerogatives, rather than “diversification” into activities such as rural tourism.

R15: Agricultural policies should help to steer land prices downward.

Currently, agricultural land sells for about 100 times its agricultural rental value; in other words it would take about a century to pay off the purchase cost of land through normal agricultural practice. Small holdings which once offered a livelihood to people of modest means are increasingly becoming a luxury, affordable to only to wealthy hobby farmers.

There are a number of reasons for the high cost of land:

- demand from non-agricultural uses;
- low interest rates which make investment in land an attractive option;
- the inflated price of farmhouses and farm buildings for non-agricultural use;
- CAP direct payments which are based on area.

Renting is much more affordable, but under the terms of the 1995 Agricultural Tenancies Act, it is often hard to find a landlord who will rent land with security for a reasonable period.

R16: The right of people to engage with the natural world through farming and similar land based activities should be acknowledged; access to land should be facilitated; and people so interested should be encouraged and assisted to farm productively and with due regard for the environment.

Many people express a need to engage with the natural world, and this need arguably extends to humanity as a whole. It is recognized by parents who send their kids to forest schools, and by local authorities who pay considerable sums to place adults with special needs and school pupils with behavioural problems in dedicated "care farms".

If farming is a remedial activity for people with special needs, then in all likelihood it is a beneficial occupation for people with normal needs. But while large amounts of public money are pumped into care farms, there is no government support, financial or otherwise, to make farming more accessible and attractive to small-scale and part-time farmers.

R17: Small farms are essential to a thriving rural economy and should be supported.

Large corporately owned farms, even if they employ a few local people, bring comparatively little wealth into the local community, since they produce commodities on a scale that can only be conveniently sold to processors and supermarkets, who take the lion's share of the added value. Family farms, smallholdings and small-scale forestry enterprises are better equipped to process and sell goods locally, through village and farm shops, local markets, box schemes and so forth, keeping money circulating within the local economy.

R18: There should be targeted support from government for horticulture.

The area of land under horticultural cultivation dropped by 27% between 1985 and 2014 (and by considerably more, if fruit is included). Further, the trade gap for fruit and vegetables of £7.8bn per annum is by far the greatest of any agricultural sector. It is imperative therefore to rejuvenate the horticultural sector. Eighty per cent of vegetable imports come from the EU and 39 per cent of fruit, so the UK's exit from the single market, should that occur, would provide a good opportunity for expanding production.

R19: Policies should promote the use of Green Belt and other periurban land for local food production.

Much of the green belt, particularly around London, despite its privileged position in relation to markets, is underused. In 2010, eighteen per cent of green belt land was found to be "neglected" and only 40 per cent judged to be well-maintained, compared to 61 per cent of England as a whole.

This underused land could be used for local food production, and for hosting farm visits from schools, etc. A survey of the public by Natural England and CPRE in 2010 found that over 80 per cent of respondents would rather buy food grown in the Green Belt that surrounded them than food produced elsewhere.

Chapter 4. Trade

The UK's existing international trade relations and how they might change.

R20: (1) In order to achieve the objectives for agriculture and environmental land management listed above, and to protect UK farmers against the volatility of world prices, a regime that allows a greater degree of flexibility in the imposition of tariffs is to be preferred.

(2) Any move to relinquish measures that support agriculture in order to enhance free trade of other commodities (notably financial services) should be firmly resisted.

(3) Any solution that exempts agriculture from Free Trade agreements would likely be beneficial to UK agriculture as a whole, though not to producers dependent upon exports.

The UK has a trade deficit in agricultural and forestry goods which is about 10 times the amount handed out in subsidies for farmers. In 2014, it imported goods worth €57 billion and exported goods worth €26 billion — the deficit of €31 billion is larger than the total value of exports. Roughly two thirds of this trade is with the EU. If, after Brexit, trading arrangements were such that trade between the EU and the UK was reduced - let us say halved - then the UK's trade balance would improve, and UK farmers would have a larger market.

The 'Wageningen' report commissioned by the NFU compared three scenarios: (i) a Free Trade Agreement with the EU, (ii) a policy of trade liberalization and (iii) a policy of imposing tariffs to the extent permitted by the WTO, The result, unsurprisingly, was that UK farmers will fare best under scenario (iii) in which tariffs on imported agricultural goods are highest.

One potentially attractive solution for the farming industry might be for the UK to join the European Economic Area (EEA) through membership of EFTA, which currently includes Norway, Iceland and Liechtenstein. These countries have open access to EU markets, except in respect of agriculture and fisheries, which are protected. The EEA option would require the UK to make substantial financial contributions to the EU budget, accept all EU regulations without being able to influence them, and agree to free movement of people, so it would not be popular with many hardline Brexiteers.

However agriculture represents a very small part of the total UK economy and its interests are likely to be sacrificed for other ends. A UK government with neo-liberal leanings would be happy to lower or discard tariffs on agricultural goods in return for the UK gaining free access to other economies for its financial services.

Chapter 5. The Common Agricultural Policy

This chapter examines the CAP, and its two pillars, as it currently functions.

Pillar 1 subsidies are 'direct payments' to farmers, allocated according to the amount of land that they farm. They are unrelated to productivity, and only tenuously related to environmental performance. They therefore tend to favour large farmers who are less in need of subsidy, and they serve to increase the price of land.

Pillar 2 subsidies deliver a smaller amount of money for environmental and rural development purposes. The UK's environmental subsidy schemes under Pillar 2 are viewed as moderately successful and they provide a useful framework to build on in a post-Brexit era.

R21: World Trade Organization rules concerning environmental subsidies dictate that 'the amount of payment shall be limited to the extra costs or loss of income involved in complying with the government programme.' In other words, aside from any funding provided for carrying out works, payment is contingent on there being a decline in productivity. This is unhelpful because funding is ideally directed towards activities that improve environmental performance without diminishing productivity, and the environmental improvement in question may be something that is worth paying more for than the WTO criteria allow.

To address this and avoid WTO censure, market-orientated environmentalists have adopted the concept 'payment for

ecosystem services', which casts environmental improvements as commodities which consumers, such as water companies, or governments, pay for. This is unhelpful, not least because it potentially pits landowners against each other in a bid to provide these services (see R27 below). It may occasionally be expedient for the Green Party to employ these terms, but we do not see them as a secure foundation for analysing what is actually needed in the way of funding for public benefits.

R22: All financial support for individual farmers should be directed towards 'active farmers' performing a defined 'minimum activity'.

The EU has had some difficulty determining what constitutes a *bona fide* farmer meriting a subsidy, and has been handing out grants to landowners who do little or nothing in the way of farming. Recent moves by the EU to limit hand-outs to farmers performing a defined "minimum activity" have the potential to fall foul of WTO regulations on production subsidies. Nonetheless these remain in place; any UK farm subsidies should similarly be restricted to active farmers achieving a minimum prescribed level of production.

Chapter 6. Financial Support For Farmers

Proposals for subsidies paid directly to each individual farm holding.

R23: Direct payments based on area of land owned would be scrapped.

Any payments for environmental benefits based on the area of land managed or on headage of livestock should also be weighted according to the grade and ecological classification of the land. All such payments should be tapered, so that larger areas of land received less per hectare, on the grounds that there are economies of scale. All such payments should be capped over a certain threshold, to help support a healthy mix of small and family farms.

R24: All subsidies for individual farmers should flow through a single Whole Farm Management Scheme (WFMS), to include:
(i) Environmental options;
(ii) Start-up schemes for new holdings, new enterprises or conversions;
(iii) Other capital grants;
(iv) Contributions towards organic certification;
(v) Forestry planting and management;
(vi) Special grants for innovative farm structures;
(vii) Grants for taking trainees and training.

To reduce paperwork for farmers and the government, all farm support, as far as possible, should be delivered through a single scheme, the Whole Farm Management Scheme (WFMS). This scheme would comprise a number of components or options, but it would involve just one application, one monitoring procedure and one payment. We also suggest that each farmer would be assigned an employed adviser to assist them with the process, much as people have a personal doctor or bank manager. Organic certification could be carried out by the same body of advisers, as part of the same scheme.

The WFMS would be loosely based on the framework of the various Stewardship schemes. These have been moderately successful in their aims, and although they are voluntary, they have been widely taken up, covering 70 per cent of the country in the case of ELS/HLS. There is an existing team of Natural England advisers which could be built on - although, since the objectives of the scheme would include rural development and agricultural productivity as well as environmental protection, a separate ad hoc administrative body might need to be established. This might absorb existing organic certification inspectors.

R25: WMFS grant options should be voluntary, but registration with WMFS should be obligatory to monitor compliance with statutory land use obligations, as well as for taking land and livestock census information.

Affiliation to the scheme would be obligatory for all commercial holdings and all holdings of agricultural land over a certain size. This would be to ensure and enforce compliance with statutory environmental conditions, such as prevention of nitrate flow into water courses; and also for the purpose of collecting agricultural census information. However all subsidized components would be voluntary, and only accessible to active farmers producing over a certain threshold.

R26: Consideration should be given to including organic certification amongst the roles of the WFMS.

There might also be a case for having organic certification carried out through the WFMS, instead of through independent bodies such as the Soil Association. The potential advantages are:

(i) It would mean only one set of paperwork and officials for organic farmers to deal with;

(ii) It would make it easier and cheaper to certify small plots of land;

(iii) It would make organic certification a more accessible and mainstream option.

R27: The existing Countryside Stewardship (CS) scheme offers a useful framework for managing subsidies designed to provide environmental and other public benefits, and embodies a great deal of expertise, particularly in respect of biodiversity. An updated scheme should offer higher rewards for sound farming practice than it offers for mitigating harmful practices; and work towards an agreed vision for UK farming as a whole.

Whereas the most recent Countryside Stewardship is competitive and only expected to cover 40 per cent of the land in England, the WFMS would be mandatory, even for farmers who didn't intend to take up environmental options.

Some elements of the CS scheme reward farmers for mitigating their harmful impacts - for example by paying for biofilters to decontaminate pesticide washings. It would be sensible to gradually splice in the concept that the polluter pays, rather than society.

The literature accompanying the CS scheme conveys little in the way of overall vision or strategy. What, for example is the future role of the uplands — more sheep, more trees or more diversity? Organic farming is supported, but nowhere is it explained whether the objective is to expand the area under organic cultivation, or just maintain sufficient area to provide a niche product for green consumers. Various elements of rotational mixed farming are subsidized, but we are not told whether or not the government endorses the FAO's verdict that mixed farming is the most environmentally beneficial form of farming. The WFMS should be explicit about the vision it is seeking.

R28: Grants for the improvement of water management and retention should be applied through the WFMS, on a regional and catchment basis, after consultation with relevant stakeholders through the agency of Catchment Partnerships. Levies may be applied to major beneficiaries such as water companies, or to householders via a precept applied through Council Tax.

There has been considerable support recently for providing water catchment benefits through direct payments from users, such as water companies, to a consortium of contiguous landowners, for ecosystem services they provide. This is an unsatisfactory arrangement for several reasons:

(i) Measures are not carried out at catchment scale but at consortium scale;

(ii) Landowners who win a contract will be rewarded while others won't be. This could inject an unnecessary and unhelpful element of competition into relations between landowners.

(iii) The proposal chimes with the current notion that farmers should be first of all businessmen and adds a knowledge burden that many would perhaps rather not have.

(iv) The measures to be taken may have multiple benefits enjoyed by multiple users - in other words, the general public. There is already a well-tried means of getting the public to pay for public goods, namely taxation; trying to arrange payment through contracts with private beneficiaries is needlessly complicated. There is, however, a case for imposing a levy on obvious large-scale beneficiaries.

Suggested proposals for water catchment subsidies are therefore as follows:

(i) Water catchment grants come through the public purse, but a significant amount is raised by a levy on water companies and other major beneficiaries.

(ii) Broad decisions concerning which activities receive funding and how much is available is decided on a regional basis, under the aegis of the Environment Agency (formerly National Rivers Authority), in consultation with farmers' representatives, ecologists and conservationists, water engineers, representatives of water companies, and other stakeholders.

(iii) More targeted local decisions about which subsidies are available are made on a Catchment Area basis, with a consultation process involving the relevant local water professionals, local farmers and other interested parties.

(iv) Water catchment subsidies, along with most other subsidies, are granted through the WFMS, so that there is a one stop shop for farmers.

(v) Some water policies come under cross compliance (i.e. they are obligatory).

(vi) The rest are voluntary, i.e. the farmer gets more money for carrying them out. They are not competitive; every farmer can undertake any option that is appropriate for the land they manage.

R29: Woodland planting should be designed so as to provide multiple benefits including; timber, biomass (firewood), carbon sequestration, water retention, biodiversity, game cover, shelter, amenity, education and employment.

In particular the employment potential of woodland needs to be enhanced. There has been a revival of labour-intensive woodland industries in recent years including coppicing, charcoal production and horse-logging, and this needs to be built upon. Planting distances prescribed under the WFMS should be sufficiently close to provide a crop of thinnings after a few years, and ensure the growth of timber grade wood.

R30: Support payments to assist small-scale farmers and new entrants should be provided, modelled, with appropriate adjustments, on the Scottish Small Farms and New Entrants Grant Schemes.

The Scottish Government's Small Farms Grant Scheme and New Entrants Capital Grants Scheme 'are designed to aid and develop agricultural production on small or recently established agricultural businesses - sustaining the economic basis of farming and helping retain people in rural communities.' They are available to farms of between 3 and 30 hectares. (The WFMS scheme we advocate would accept commercial holdings of one hectare, or even less if they were for market gardens or other specialized enterprises). The Scottish schemes provide capital investment for a wide variety of possible installations and improvements, including agricultural buildings, fencing and hedges, electrical equipment, etc. Recipients of these grants must repay the grant if they sell or abandon the holding within three years.

R31: Start-up funding should be made available for innovative farming structures, including Community Supported Agriculture, farm hamlets and farms linked to settlements.

Community Supported Agriculture refers to farms where affiliated consumers or members have a share in the farm, taking on some of the risks, as well as benefiting from the produce. CSAs provide a measure of security to the farmer, who can be assured of an income, and they connect the public with the business of food production. They could play a particularly valuable role in the management of land in Green Belts and on the edge of towns and large villages.

Farm hamlets are projects where a number of small farmers club together to purchase land and operate a number of smallholdings that benefit from being contiguous and sharing facilities. The have great potential for increasing productivity and biodiversity on previously marginal land, and for reviving the local economy. Lammas in Wales is the most notable example.

Farmland bordering cities, towns and large villages is well placed to provide consumers with fresh produce with a minimum of food miles - yet few farms take advantage of this market opportunity. Planning issues and the elevated price of periurban land are obstacles that stand in the way of prospective market gardeners and farmers who seek to establish

themselves close to an urban market. The WFMS would be a suitable vehicle for capital grants designed to help prospective farmers overcome these difficulties, and establish retail outlets, such as shops, delivery rounds, or milk vending machines.

R32: Instead of a universal direct payment, Special Payments should be made to farmers in targeted sectors, with payments graduated according to the number of workers employed, up to a certain ceiling.

While there is no case for direct payments to be made to all farmers, there are sectors of the farming industry that will need support from time to time, and these should be eligible for Special Payments. These payments should be based not upon the area farmed but vary (i) according to the type of farm enterprise and (ii) according to the number of people employed on the holding (including farmer and family labour).

Targeting payments at certain types of farm enterprise would allow the government to give additional support to sectors which were struggling or needed to expand, and to provide reduced or zero support to sectors that were thriving. Currently the dairy industry is an obvious example of a struggling sector, while horticulture is a sector that needs to expand.

This proposal is not ideal, since it is compensating for market failures resulting from WTO dictates, but it is better than the existing system. The number of people employed is a better indicator of contribution to the rural economy than the number of acres owned. And it would not result in capitalization of the price of land. However, if robust tariffs and/or price regulation could be established, then the need for such payments would diminish or fade away completely. A number of difficulties with this proposal are addressed in the full report.

7. Other Subsidies

Proposals for subsidies not paid directly to farmers.

R33: Capital funding and start-up grants should be available for marketing initiatives, processing facilities and similar projects.

There are a number of facilities connected to the farming industry which would benefit from subsidy, but which cannot be reached through the WFMS process, because they are not initiated, owned or managed by single farms. These relate to such matters as extension services, training, research, processing systems and facilities for direct marketing, etc. They are particularly needed by smaller scale farms, since larger farms are served by private sector companies (ADAS, food processors such as Arla, supermarkets, etc.) which are not interested in or equipped for meeting the needs of smaller farms.

R34: A nationwide agricultural advisory service providing information for all land-managers, large or small, should be developed in conjunction with agricultural colleges, following the model of US extension services.

Various studies have concluded that ‘small-scale farmers are under-serviced by formal advisory services,’ and that ‘advice for small-scale farmers needs to be publicly funded.’ The UK lost its only agricultural extension service, as such advisory bodies are called, when ADAS was privatized in 1997.

An advisory service could be revived relatively cheaply, through the government providing funding to agricultural colleges for that purpose, most of which are county based. This would be modelled on the US Co-operative Extension Service, the brainchild of the Smith-Lever Act of 1914, which stated that the US Department of Agriculture should provide funds to state agricultural universities to provide extension services (as well as to county-based extension agencies, of which there are still 2,900 throughout the US).

An extension service should also address the needs and concerns of non-commercial landowners, including hobby farmers, owners of amenity land, horse owners and people taking on the management of an acre or two of ‘wildflower meadow’ or ‘woodland.’ The area of land so managed is now so extensive that a department of every county extension service should be devoted to informing and assisting such people.

R35: More funding should be made available for the development of seed varieties and agricultural techniques suitable for organic, low input and smaller-scale farming.

The majority of agricultural research carried out in the UK, and globally, is orientated towards high input chemical agriculture. It is estimated that 95 per cent of organic crop production is based on varieties for non-organic agriculture, which lack the traits required for successful organic production.

Chapter 8. Taxes and Licensing

Suggested penalties for causing environmental impacts.

R36: The fuel tax exemption for farmers (red diesel) encourages excessive use of fossil fuels and should be scrapped.

All fossil fuels should be taxed more heavily, but this is beyond the scope of this report.

R37: VAT should be imposed on meat products.

There are a number of ways of taxing meat in order to reduce consumption. None are entirely satisfactory, but the most promising is to put VAT of 20 per cent onto meat and meat products. This would be easy to apply, and would probably be accepted by the public with relatively little fuss, since there is already VAT on some luxury foods.

The principal advantage of VAT as a meat tax is that it is progressive, in the sense that smaller scale farmers with a turnover under £82,000 can remain exempt. They would therefore be able to sell their meat to consumers more cheaply than larger farmers and supermarkets. Since many of the environmental and welfare problems with livestock occur through overcrowding, VAT on meat would tend to favour better livestock husbandry, as well as smaller farms and local economies.

R38: The strategy of taxing harmful inputs should be given consideration.

Applying the 'polluter pays' principle to farming would mean licensing and taxing farmers for using poisonous chemicals, precautionary antibiotics, and artificial fertilizers. Such a tax could be calibrated so that farmers only resorted to such measures when they felt it was necessary, resulting in reduced levels of pollution and antibiotic resistance. It would also have the advantage of bringing in funds that could then be used to subsidize environmental forms of farming.

There are two problems with such an approach. Firstly, there would be great resistance to any such measure from the industrial farming lobby. Secondly, industrial farmers would also argue, probably correctly, that there would be a reduction in yields, and that this might result either in expansion of arable farming in the UK, or reliance upon ghost acres elsewhere, for example through increased imports of soya or corn. The surest and greenest way of preventing this happening is to reduce animal feed production (as discussed elsewhere in this paper). Probably taxation of these harmful inputs can only be feasibly carried out in conjunction with a decline in meat consumption - an ambitious project.

R39: The cost of informing consumers about the presence of chemicals, precautionary antibiotics and GM material in food should be borne by the farmers and food producers using these inputs.

At the moment the cost of labelling food so that consumers can identify whether it has been produced with agro-chemicals is borne by those consumers who do not want to consume such food. It is they who pay for the considerable costs of organic certification and labelling. It is perverse for the cost of informing the public about the use of chemicals in food to be borne by consumers who do not want to buy such food.

As well as being inequitable, the current organic labelling system is also inefficient, since there are large areas of land which are not subject to chemical management and yet are not certified organic.

The alternative would be to establish a licensing and labelling regime whereby supermarket goods so produced were obligatorily labelled 'produced with pesticides/artificial fertilizers/antibiotics/GM.' Much food produced organically

would then not need to undergo certification since it would be regarded as 'conventional,' and the price differential between organic and non-organic would be radically altered - leading to much greater public uptake of organic food.

Chapter 9. Land Use and Ownership

Suggested measures to assist access to land.

R40: The County Farms estate should be maintained, enhanced and expanded.

The County Council Farms' estate has undergone a continuous decline from 137,664 hectares in 1984 to 96,206 hectares in 2006, a reduction of 30%, while the decline in the number of tenants was 58 per cent.

This process needs to be reversed. County Smallholdings are very sought after, they offer affordable opportunities to new entrants, and they enable local authorities to initiate farming projects in strategic places, for local food provision, care farms, farms linked to educational facilities, etc.

R41: The Land Registry should not be privatized. It should be made easily accessible to the public, with cadastral maps in district council offices and available free on line, as in France. All parcels remaining unregistered should be registered.

R42: The National Planning Policy Framework and the General Permitted Development Order should be revised so as to protect the availability and affordability of farm infrastructure, and promote the establishment of small farms and farming hamlets providing local produce.

In recent years there has been a succession of planning policies and legislation that has been prejudicial to the farming sector - most recently Class Q Permitted Development Rights, which allow a landowner to convert agricultural buildings to market residences without seeking planning permission. This measure will make it harder and more expensive for new entrants to acquire land with agricultural buildings - with the result that they are more likely to purchase bareland holdings.

This in turn raises another obstacle for smallholders and horticulturists, since they often have severe problems securing permission for relatively small agricultural buildings — whereas larger scale farmers can construct barns up to 465 sq. metres in area through permitted development rights.

The planning system has a major role to play in promoting the establishment of peri-urban farms supplying local food.

Finally it would be good to see a planning policy throughout the UK that encouraged farm hamlets. The Welsh One Planet Development policy is a useful model, though a target that was less focussed on subsistence and more on providing food for the wider community would be more conducive to sustainable agricultural productivity.

R43: A report should be commissioned examining the sustainability and social and environmental impacts of the equestrian industry.

There are nearly a million horses in the UK, which probably occupy at least a million acres of pasture land. Hardly any do any useful work nowadays, but they do provide enjoyment and employment to a section of the population.

If there is increasing pressure on land for food production, energy, biodiversity and carbon storage, then it is legitimate to ask whether pastimes that use extravagant amounts of land, such as horseyculture and golf, should be sustained. To start restricting such pastimes would be unpopular with many people and viewed as killjoy. But there would be no harm in commissioning a much-needed research study into the sustainability or otherwise of the horse industry.

Chapter 10. Feasibility

The political feasibility of the above policy recommendations.

It is unlikely that tariffs will be imposed on gratuitous food imports to the UK, owing to powerful interests that oppose them. However, of the other main proposals in this report, the WFMS and Special Payments are not particularly controversial. And VAT on meat is probably the most publicly acceptable way to tax meat.

R44: The existing payment to UK farmers of €3.8 billion euros should be ring-fenced for agriculture, and the €4.1 billion extra that has been paid towards the EU agricultural budget should be made available as necessary to improve environmental performance and ensure the viability of the farming industry.

There is a potential budget of at least £3 billion and up to £10 billion to devote to agro-environment schemes. This is a tiny proportion of total government expenditure, and a small price to pay for a reliable supply of healthy food, and a measure of environmental protection.

R45: The Green Party should seek to participate in or help establish a forum of like-minded organizations to explore the possibility of a common programme based on a synthesis of recommendations made in this report with whatever strategies may be advanced by other groups.

For the policies we have proposed in this report to have any resonance, it is important that they harmonize with similar proposals from like-minded organizations, so that a coherent and solid front can be formed, with sufficient weight to win the attention of the media and the public. The Green Party should therefore seek out partners, possibly through the forum initiated by Sustain, or perhaps initiate a forum itself.

In this respect we emphasize that the policies advocated in this report are those that the authors consider to be the most promising - but they are by no means the only way ahead that is politically acceptable. A desirable outcome is most likely to occur by adapting these policies as part of a process of alliance building.