

Farming Regulation Taskforce

Interim Response

November 2011

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Foreword

James Paice - Minister of State for Agriculture and Food:

Farming faces huge challenges in coming years. Feeding an increasing population whilst decreasing its environmental footprint within our limited land surface area, and remaining competitive, will test our ability to innovate and adapt. But with these challenges come opportunities. The same can be said about the challenges set out by the Farming Regulation Task Force. With over two hundred recommendations covering everything where Defra interacts with the farming industry, it offers a challenge to both government and the farming industry to change the way we achieve outcomes.

Farming and food production is complex and inevitably involves some risk to the environment, and those who work on farms. It is vital to maintain standards in food safety, worker safety, and animal welfare. The risk of exotic animal disease outbreaks is ever present so it is vital to maintain standards to prevent their spread. And because we all care about the landscape and wildlife, we need to find the optimum balance to allow the farming industry to thrive as a food producer as well as nurturing the countryside.

The consequences of getting it wrong can be serious, so in many cases regulation is for a good reason. But our approach to how regulation is implemented and enforced has become more fragmented and cumulatively burdensome with time. The Task Force report offers a thorough analysis of the opportunities for improving the way we ensure that our farming industry can achieve the highest standards in production, by focusing on outcomes rather than unnecessarily bureaucratic processes.

I am pleased with how my Department, our delivery partners and farming industry organisations have responded positively to this opportunity. This interim report sets out the work we have been doing to positively respond to the challenge the Task Force set us. It is only the start, and there is still much to do, and I will be responding more fully and setting out a clear agenda for implementation early next year.

Peter Kendall – President of the National Farmers Union:

Successive administrations have committed themselves to better regulation, lifting unnecessary legislation and simplifying administration. However, too few farm businesses have felt the benefit of the promised 'lighter touch'. When establishing Farming Regulation Task Force under Richard Macdonald's leadership, the Minister of State, Jim Paice made clear that a new approach was needed, one that trusted farm businesses more while retaining critical protection of the natural environment, livestock and food safety in the public interest. This challenges regulators to work in new ways with farmers and growers who in turn must seek the respect of regulators, it is a balance that in the NFU we strongly support.

The NFU made a significant input to the Task Force's work and continues to support Defra in implementing the report's recommendations. We have argued that legislation is one form of public intervention but that of preference Government's activity should focus on outcomes not legislative process and onerous compliance.

We have argued that farm level controls should account for voluntary effort (such as farm assurance) which already demonstrates a high level of legislative compliance. And we have argued for a cultural change amongst policy makers and regulators that would see Government and industry working in partnership, a partnership in which farmer and regulator understand each other's business better. But most all we argued for Government to adopt a consistent approach towards regulation with commitment to rapid change that lifts the burden of regulation.

We recognise that expectation of the Task Force and the Defra's response is high. For the NFU's part, we are committed to playing a leading part in finding solutions, whether this is working in Brussels on emerging European directives, with Defra to explain the impact of proposals or alongside our industry partners to deliver new approaches like the Campaign for the Farmed Environment and Farm Safety Partnership.

Royal Society for the Protection of Birds:

The RSPB supports the principle of moving to more efficient regulation, which reduces unnecessary burden while improving outcomes. However, maintaining environmental standards must be non-negotiable so we welcomed the commitment of the Farming Regulation Task Force, reflected in this response, that the essential protection provided by law must be maintained, or strengthened where necessary. At the same time as a farmer and land-owner, we understand the frustration of dealing with unduly complex or bureaucratic requirements and we also appreciate the need to find cost-effective ways of achieving environmental objectives. Some of our most important wildlife depends on sympathetic management by farmers and we agree that excessively onerous administration can make it more difficult for the desired result to be achieved. Whilst we believe that regulation will often be the most cost-effective tool for achieving the outcomes society needs, we welcome the fresh thinking encouraged by the Task Force and recognise that achieving these outcomes more effectively may involve a different balance of actions and ownership between Government, business and others. This interim response makes clear that an evidence-based approach with involvement of all stakeholders will be required and the RSPB will work with Government and other key players to ensure the use of measures that are best able to deliver environmental objectives.

1. Introduction

1.1. In June 2010, James Paice, Minister of State for Agriculture and Food, established the Farming Regulation Task Force, asking them to advise the Government on a new approach to regulation in England, from the point of view of a farmer or food processor. Following an extensive review of these regulations and the way they are implemented, the Task Force published its report on 17 May 2011.

1.2. The Task Force made over 200 recommendations covering the full range of the regulatory landscape that affects farming. The key strategic message in the report was that Defra, its agencies and delivery partners need to establish an entirely new approach to, and culture of, regulation. The Task Force called for the partnership between Government and the farming and food-processing industry to be strengthened, and for a tighter risk based approach to regulation, rewarding good practice with less frequent inspection.

1.3. This interim response provides an overview of the progress made so far in addressing the findings of the Task Force. It does not provide an update on the status of every individual recommendation. The Task Force's recommendations are bold and ambitious. The Government will also be bold and ambitious in finding solutions. However, in most cases, regulation is in place for good reasons. We should ensure that the regulations are fulfilling their purpose effectively, and that the essential protection provided by the law, whether for the market, human or animal health, or the environment, is maintained, or strengthened where appropriate. The challenge in the Task Force recommendations is to reduce the burdens in how controls are implemented at farm level. Many Task Force recommendations were not only directed at Government but at the industry itself - if farming organisations can find innovative solutions and take more responsibility and ownership for achieving outcomes, the pace at which Government is able to implement different approaches to regulation may be quicker.

1.4 This interim response follows the format of the chapters in the original Task Force Report. In each section we describe the progress made so far in addressing the recommendations, with specific examples of how some of the recommendations are already being put into practice.

1.5 The Task Force made several direct recommendations about food and meat hygiene inspections, which are the responsibility of the Food Standards Agency (FSA). The FSA Board is responding separately to those recommendations, and their response will be published in parallel to this report at www.food.gov.uk.

1.6. We welcome the Forestry Regulation Task Force Report, 'the Forestry Report', which was published last week. In particular, we are pleased to see the principles of earned recognition and better regulation gaining traction in a different sector.

1.7. A full and final Government response to the recommendations, which will provide more detail on specific actions and implementation plans, will be published early in the New Year.

2. Changing the way we work: from bureaucracy to responsibility and partnership.

2.1. We welcome the Report's challenge to the regulatory culture within Government. Defra and its Agencies are all committed to working in partnership with the farming and food processing industries to reduce unnecessary regulatory burdens so that we can increase food production sustainably, whilst safeguarding consumers and our environment. We hope that the recommendations will encourage industry to work in partnership with us to streamline regulation, whilst ensuring that we achieve outcomes in safe and nutritious food, environmental quality, animal welfare and a competitive agricultural sector.

Revisiting and Refining the Regulatory Culture

2.2. Regulation exists to counter the effects of genuine specific problems: rules develop for a reason. However, the Task Force has reminded us that it is outcomes which measure regulatory success. It is the resolution of the problem, rather than the process by which it has been resolved, that is of paramount importance. We recognise that this emphasis has been lost in the shaping of some of our regulation. We have made the process of complying with some regulations unnecessarily onerous making it more difficult for farmers to achieve the desired result. That must change.

2.3. All the Task Force recommendations are being actively considered by policy teams in Defra and its Agencies. We consider ways to reform regulation as part of the usual process for developing and implementing policy. For example, measures already being brought forward to ease the burden of regulation include:

- reforming the regulations applying to reservoirs to make them more risk-based;
- simplification of the contaminated land and local authority pollution control regimes;
- development of new guidance on the date marking of food, and;
- implementation of EU chemicals legislation.

2.4. Defra has already committed to reviewing all key areas of regulation over the next two years. We are accelerating this process using opportunities provided by the Government's Red Tape Challenge. We have already radically overhauled our strategic approach to managing regulation. This overhaul is supported by a **Strategic Regulatory Scrutiny Panel**, which was set up in response to the recommendation that we use independent expertise to scrutinise the impact of our regulatory programme. The Panel will hold us to account over these objectives. Its independent members are Andy Robertson, a member of the Farming Regulation Task Force, and East Sussex Council, Christine Tacon, Managing Director of the Co-Operative Farms Group, and Peter Young, Strategy Director at SKM Enviros and Chairman of the Aldersgate Group.

Cultivating and Celebrating Partnership

2.5 The Task Force does not only challenge us to address specific regulatory issues: it asks us to examine our entire approach to working with industry. In recent years, there has been an increasing emphasis on partnership approaches to solving specific problems.

Examples of Partnerships and Voluntary Approaches in Farming Industry

- Early engagement with industry in response to the threat of Bluetongue in 2006-7, leading to the formation of a core group of industry stakeholders that prepared a disease control strategy that involved a voluntary rather than a statutory approach to vaccination.
- The Campaign for the Farmed Environment (CFE) is a ground-breaking industry initiative in partnership with NGOs, Government and environmental organisations. Farmers are encouraged to voluntarily retain and exceed the environmental benefits that used to be provided by set-aside. This aims to achieve desired environmental outcomes without further regulation.
- The Animal Health and Welfare Board brings together experts including farmers, veterinarians, welfare experts and other with experience across the breadth of the farming industry, together with the Chief Veterinary Officer and other civil servants to make direct recommendations on strategic policy affecting the health and welfare of all kept animals, such as farm animals, horses, and pets. Each external member of the Board will have responsibility for engaging with a portfolio of stakeholder groups and ensuring that the views of those groups are articulated in the Board's decision-making processes. This is an innovative and exciting approach to creating a more direct link between those making Defra policy and those experiencing the delivery of that policy.
- The industry and Government are working together in a reinvigorated Dairy Supply Chain Forum, which challenges senior sector representatives to discuss the health and future of the dairy sector and identify opportunities. These include exploring new export markets or replacing imports with British products to improve our trade balance and therefore demand for British milk supplies. We have also encouraged and supported industry's development of its own voluntary code of practice on contractual relationships, and the industry-led Dairy 2020 project, which is helping processors, retailers and producers to develop and communicate a common understanding of what has to happen to ensure a successful, thriving and truly sustainable industry.

2.6. Although we have made good progress in this area, the Task Force challenges us to develop our partnership approach even further, to find solutions and achieve results.

Dairy Contracts – an example of voluntary approaches and partnership working

Defra has challenged producers and processors to work together and create a voluntary code of practice to secure better and clearer milk contracts, rather than imposing a further regulatory burden.

The EU Dairy Package would, as proposed, give member states the option to make contracts compulsory through legislation. But the Government believes that more can be achieved through voluntary arrangements, rather than forcing people to change through a regulatory route, that may not, in any event, deliver the desired results. Although some parts of the industry were initially concerned about this approach, and have experienced difficulties with current legislation and practice, they have engaged with, and responded positively to this new way of working. Industry has risen to the challenge and is now committed to developing a voluntary code of practice as a key solution.

By working closely with representatives of farmers and processors, Defra has encouraged the industry to work together to seek to achieve a helpful and effective outcome. The Government hopes that the voluntary code will encourage fair bargaining, improve contractual relations and provide greater clarity for dairy farmers. And it should deliver a better, faster result for industry than that envisaged by the EU proposals.

Task Force Implementation Group

2.7. Our regulatory programme influences the environmental performance of many types of business across the UK economy. As mentioned above, we have established a Scrutiny Panel to take a strategic overview of regulation. The Task Force recommendations are detailed, specific, and clearly directed at the regulation of the farming and food-processing industry. We know industry wants us to take demonstrable action on these recommendations, and we want to act with transparency on our endeavours to do so. We will establish a group, in partnership with the farming industry, to hold us all to account on our work in implementing these proposals. The group will include key farming organisations and an environmental NGO, among others, and will be chaired by Richard MacDonald. The core membership will be announced in due course.

2.8. We want this group to push for progress on implementing the proposals and help to establish a closer relationship between us and the farming community. We want it to provide a forum for exploring opportunities for innovative approaches to responsibility sharing and achieving the outcomes we all need. But we do not want our search to end there. We are looking for ways to encourage an exchange of ideas between the group, farmers and others in the industry, delivery agents, and other interested parties. We want to have a dynamic conversation with people who have ideas about how we can do things differently, and do them better. To encourage this exchange of ideas we will:

- Create an internet forum where we can continue our active engagement and dialogue with industry and others;
- Continue to work with NFU and other stakeholders at a local level, and;
- Encourage visits to farms, and attendance at local meetings and events, to work through issues at a practical level.

The European Union

2.9. Around 80% of the costs of regulation for which Defra is responsible implements EU legislation. We are following our **Action Plan on EU Regulation** which is designed to improve our ability to influence the direction of EU regulatory policies both upstream (before and during negotiations) and downstream (transposition and implementation). Upstream work includes developing Better Regulation strategies for key dossiers and contributing to the Commission's "Smart Regulation" programme, in particular seeking to influence the Commission's pilot "fitness checks" of EU legislation such as that covering water, and proposing other areas for review. Downstream activities include working with the Better Regulation Executive (BRE), the Cabinet Office and the Foreign and Commonwealth Office to put into practice the Coalition Government's Guiding Principles for EU legislation.

2.10. We are already working with industry colleagues to identify suitable opportunities to bring industry views in at the start of EU processes or initiatives. We recognise the importance of considering the practical implications of new proposals early in the development process. We will, therefore, work with industry and delivery partners to consider implementation issues as early in the negotiations as possible. For example, we will create a dedicated consultative group before the end of 2011 to advise us on our policy for the negotiation of the new Animal Health Law, alongside our existing arrangements for consulting animal keepers. Similarly, the CAP negotiations provide an ongoing opportunity to embed this approach. We will also seek for industry to take the lead in producing guidance as recommended by the Task Force.

3. Improving Inspections through Earned Recognition

3.1 The Task Force recommended that changes should be made to improve the way inspections are carried out. They recommended a reduction in duplicated visits by separate bodies, which places an unnecessary burden on farmers. Instead they suggested that inspections be targeted where they are most needed. The Task Force recommended the adoption of the approach of earned recognition, i.e. giving official recognition to the farming businesses that are demonstrating compliance and achieving the required outcomes. We welcome these recommendations and have started work to develop how the concept of earned recognition can be developed and applied in different situations.

Reducing duplication of visits

EU rules require annual statutory 5% checks on cattle ID. Cross compliance checks contribute to this total, but others are needed. These inspections (CII) require herds to be gathered for individual animal inspection. For a farmer, this is a time-consuming process. Other procedures also require whole herd gathering, for example bovine TB testing. One way to reduce the burden on the farmer is to make sure that herds chosen for CII are checked at the same time as they have a TB test. Following a successful pilot trial this has been adopted as normal procedure, but to help it work to best effect, AHVLA will formalise arrangements to ensure that Official Veterinarians conducting bovine TB testing for the Government will contact the RPA to inform them of planned visits so that TB testing can be routinely combined with CII checks.

Principles of Inspection and Removing Duplication

3.2 Defra and its delivery agents have signed up to adhere to the Regulators' Compliance Code which asks regulators to perform their duties in a business-friendly manner, by planning regulation and inspections in ways that cause least disruption to business. The code was drafted in response to the Hampton Review of the UK's regulatory system, which proposed the principles of better regulation based on a risk-based approach and proportionality to regulatory enforcement.

3.3 A group of representatives from Defra, its key delivery partners, NFU and Assured Food Standards has been meeting with the intention of identifying opportunities to improve co-ordination of inspections and enforcement in farming. The vision of this 'On Farm Inspections Steering Group' (OFISG) is that:

- Policies and regulations are clear on the level of compliance desired and how that will best be achieved;
- All inspections are risk-based (except some Cross Compliance inspections which must be random and Pillar 2 compliance inspections which are targeted on a risk and random basis) and take into consideration voluntary assurance schemes where possible;
- Farmers only have to submit information to Defra and the network once;

- Farmers understand who is inspecting them and why, and;
- There are fewer, shorter inspections, meeting the principles of the Hampton report.

Data and Information Sharing

3.4 The Task Force recommendations have given a real impetus to OFISG to reinvigorate its efforts and ensure that delivery partners work together to deliver solutions to agreed priorities. In September 2011, the group was charged with identifying opportunities for improved information and data sharing between agencies that could improve a risk based approach to targeting and co-ordinating inspection activity.

3.5 Sharing data is fundamental to the principle of earned recognition. To that end, we will work with industry bodies and delivery agents to develop the concept of a single data protection statement that could allow the future sharing of necessary information between Defra and its delivery agents, with the intention of underpinning an improved risk-based approach to visits and inspections. This would also aim to reduce the need to provide the same information more than once.

National Farmers Union:

“The potential benefits of data sharing between government agencies should be significant for farm businesses. Not only will the frequency of basic requests for information decline but also inspections will be better targeted and forms will be pre-populated. The NFU will work with Defra to develop the concept of a wider data protection statement that allows information to be shared more effectively between agencies.”

Earned Recognition

3.6 The Task Force set out its thinking about an over-riding principle that would make a dramatic difference to the interface between the private and public sectors - earned recognition. We want to reward farmers that have a record of high compliance and applying good practice, for example by being certified through particular assurance schemes, with a reduction in inspections. This would allow us to focus finite resources on farms and activities presenting the highest risks thereby delivering a more robust risk based approach to visits but, more importantly, better outcomes in terms of compliance and disease risk management. The Task Force report offers an opportunity to make a big difference in how we work with the private sector to develop a climate where assurance schemes can be recognised and trusted to deliver levels of compliance across a range of areas.

Earned Recognition in practice

Animal welfare on farms is monitored and enforced officially by Government delivery bodies (the Animal Health Veterinary Laboratories Agency (AHVLA) and local authorities), predominantly on a risk basis. They prioritise visits to farms primarily using intelligence received or following up on previous non-compliance and, less frequently, on an elective basis to new enterprises or farms being inspected for other

reasons. AHVLA also use a risk model to allocate inspections to claimants under cross compliance regulations.

In 2009 Defra and the Welsh Government jointly commissioned research to assess whether membership of a farm assurance scheme or certification under an organic scheme affected compliance with animal welfare legislation. The project undertaken by researchers at Warwick University considered data from the main farm assurance and organic certification schemes in England, Wales and Scotland, and found a reduced risk of non-compliance for livestock on farms that were assured/certified compared to farms where that livestock sector was not assured/certified.

Earlier this year, a consultation exercise evaluated the evidence for reduced risk for those farmers already inspected by a farm assurance scheme or a certified organic scheme. Following the consultation, membership of a farm assurance scheme or a certified organic scheme, will now be included in the AHVLA risk model for allocating inspections for 2012 and beyond.

Lessons learned from this initiative will feed into how the principles of “earned recognition” can become central to Government regulatory implementation.

3.7. Our first priority is to identify and agree with industry and delivery agents those accredited assurance standards and audits that might be taken into account in official risk-models. We are working closely on this with Assured Food Standards, Linking Environment and Farming (LEAF), NFU and delivery partners. We have also asked the NFU and delivery agents to consider how businesses and farmers might provide other information about their status and activity so it can be taken into account in a risk-based approach to visits and inspections.

3.8 This will reduce the chance of a normally compliant farmer being chosen for a cross compliance inspection (other than as part of the random element of the annual inspection programme). To make those decisions we are working with all interested parties to address the following important issues:

- Which accredited assurance schemes provide appropriate coverage and can be considered for potential earned recognition?
- Should earned recognition be based on common outcomes or detailed analysis and comparison of standards?
- Can membership of an assurance scheme give confidence of good practice/competence in other areas of a business that are not covered by that scheme?
- Are there EU legal or audit standards that must be satisfied?
- Are there costs implications for changes to IT systems? Are there other issues would affect timetables for change (e.g. changes to CAP rules, statutory processes, development of new systems)?

3.9. This will provide an important foundation to developing a way forward on how we can apply Earned Recognition in practice, and make it happen. The pace at which we will be able to take forward earned recognition is highly dependent on the degree of engagement that industry offers, and is one of the key areas where

Government simply cannot deliver alone. So far, we have had excellent engagement and support for earned recognition and we look forward to continuing to work in partnership with industry to achieve this aim.

National Farmers Union:

“Earned recognition should ensure that those who work to high and demanding standards benefit from reduced frequency of inspection. Inspections should help farmers comply – providing advice and consistent messages, and arranged to fit in with the farming calendar. The inspector and farmer should be on the same side – one helping the other ensure that standards are being achieved. The NFU recognises this is a complex undertaking, but that farming organisations have a key role to play in achieving an improved outcome. We will play our part in helping this work make progress.”

Assured Food Standards:

“We have accepted Defra’s invitation to work with them and industry bodies and take up the Task Force’s challenge of developing and extending the current limited operation of earned recognition. Assured farmers already demonstrate through the scheme that they apply high standards and have good compliance with regulations; so we welcome the opportunity that this should ‘earn recognition’ from regulatory bodies and remove unnecessary duplication, bringing benefits for our scheme members.”

LEAF:

“LEAF (Linking Environment And Farming) is committed to working with Defra and its agencies to deliver earned recognition to provide smarter approaches to help reduce the inspection burden on farmers. The LEAF Marque and other tools, such as the LEAF Audit, help farmers improve their economic and environmental performance at the same time as reassuring government, its agencies, and consumers that LEAF farmers are protecting and enhancing the environment and are a low risk. This low risk will enable government and its agencies to deliver more targeted inspections and demonstrate stronger and more effective, working partnerships between government and the industry.”

4. Business and Management

4.1 The Task Force recommended that the National Planning Policy Framework (NPPF) should recognise the importance of food production and agricultural businesses. We worked closely with colleagues in CLG to ensure that the first draft of the Framework reflected this position. The draft NPPF was published by the Government on 25 July 2011. While it does not contain the exact wording suggested by the Task Force, it does contain an equivalent statement of support. The consultation period closed on 17 October 2011 and the document is currently undergoing further post consultation development. Clearly the timing of the consultation and the sensitivity of the subject matter precludes us from saying anything while the document is undergoing revision. We will look at the planning related recommendations in light of the outcome of the consultation and in terms of the guidance that is issued around the implementation of the framework.

Village greens and public rights of way

4.2 We have recently consulted on proposals to reform the system for registering new town or village greens. The Government wants to achieve an improved balance between providing protected green space for local communities and reducing the administrative burden on local authorities and landowners. We plan to announce our conclusions early next year.

4.3 The Natural Environment White Paper published earlier this year set out the Government's intention to consult on simplifying and streamlining the processes for recording and making changes to public rights of way. This will be based on proposals made by Natural England's Stakeholder Working Group on unrecorded rights of way, in its report 'Stepping Forward' (March 2010). We expect to make an announcement on this later this year. The Group, which included the full range of rights of way stakeholders, including the NFU and CLA, believes it produced a balanced package of measures which would offer benefits to all concerned.

4.4 Defra proposes to consult informally with stakeholders about a pragmatic solution and code of practice for temporary diversions.

Gangmasters Licensing Authority (GLA)

4.5 The Task Force made recommendations to the GLA about how they communicate with stakeholders and also their approach to inspection and enforcement. In response, the GLA is considering how to improve effective engagement with all of its stakeholders and to explain and promote its role and priorities more clearly.

4.6 The GLA will continue to implement a lighter-touch enforcement regime across all sectors and as part of that will draw on the outcomes of its Forestry Pilot scheme which is due to be completed by August 2012, which includes the application of earned recognition principles. The GLA is also currently in the process of revising and improving its inspection procedures in respect of the selection of workers to be interviewed.

4.7. The Task Force recommended that the GLA explore alternatives to licensing of labour providers. There are no plans to end licensing in the sectors regulated by the GLA, but it will consider carefully the outcomes of the Red Tape Challenge and the ongoing employment compliance and enforcement review led by the Department for Business, Innovation and Skills.

4.8 In relation to guidance, the Authority recognises the importance of continued close working with labour user representatives, and labour users, to ensure that their views and needs are met and that guidance is clear and easy to understand. The GLA has committed to looking at potential improvements, such as establishing user groups to obtain grass-roots views.

5. Paperwork

5.1 We want to minimise the burden caused by paperwork and form-filling. The Task Force highlighted useful 'principles of paperwork' and we will adopt these, wherever possible. We will identify where we can remove duplication by working with our delivery partners to join up information gathering. Data protection legislation can sometimes make it a challenge for us to share information easily. We are looking at ways to find a workable solution. When we do find a solution, we will pre-populate forms as far as possible.

5.2 We have commissioned research into businesses' experience with regulation and regulatory guidance, especially for areas for which we are responsible. The key themes of this research are:

- Improving regulatory guidance to farmers;
- Collating available evidence on environmental impacts and compliance rates of micro-businesses, and;
- Piloting placing farmers at the centre of initiatives for cutting red tape. Farmers and industry will play an active role in identifying how we can rethink business regulations, and then help us to put their ideas into practice.

5.3 The results from this research will be available towards the end of 2011 and will inform our approach to implementing the Task Force's proposals.

5.4 The Task Force noted that some of the administrative obligations on the farming industry are attached to the receipt of public money. We will streamline forms as far as possible, but we agree that some documentation – the June and December 'surveys', for example - suffers from the perception that it serves no purpose when this is not, in fact, the case. We are looking at the paperwork for the Single Payment Scheme to see how we can reduce and streamline processes. However, industry also has a role to play here by ensuring that its business plans include time to complete paperwork and by encouraging farmers to take up on-line options which help to manage data effectively.

5.5 The online facility for submitting Single Payment Scheme applications was used by over 13,000 farmers in 2010, its first year of operation. In 2011, uptake more than doubled, to over 27,000 applicants. We want to see this upward trend continue. The SPS online system means that users can amend and access their data, check and mend errors and receive an instant on-screen acknowledgement that RPA has received the application. Users can also use the 'track claims' service to track the progress of their application, and can view claims and entitlements statements from 2009 onwards. Feedback on this scheme has been very positive and we are working to further streamline the process.

5.6 We will continue to work in close partnership with industry and stakeholders to streamline cross-compliance guidance. In response to the recommendation to issue guidance in the form of a 'summary note' rather than the usual booklet we proposed to: move the full guidance online; sending out a brief document highlighting changes since last year, and directing farmers to the online edition. The

overwhelming response from the industry and stakeholders was that stripping down the Guide from its current format would actually hinder farmers' understanding of their responsibilities under cross compliance rather than improve it. Our industry partners also felt that a condensed version of the Guide would fail to provide clear and comprehensive guidance and therefore increase the risk of non-compliance, with the attendant effect on farmers' receipt of the SPS. Publication of paper copies of the full Guide will go ahead this year, but we are committed to finding alternative, online solutions after that. We will look to industry to help us achieve this before the next update is required.

5.7. We need to gather information on agricultural trends and practices: it is an EU requirement that we do so. But it is not a purposeless, purely bureaucratic, procedure. This data is used to consider the impact of policy and to decide on the best use of EU money. Without this information both Government and industry would be unable to track trends, plan for the future and benchmark output. Government also uses this data to develop policy and consider appropriate interventions to assist industry and achieve our aims. We agree with the Task Force's comments on perception of agricultural surveys. While they need to remain we will seek to make them as straightforward as we can.

5.8. We have already done a lot of work with our agencies and delivery partners to reduce and rationalise process and paperwork. The Task Force recommendations have provided added impetus to pull this activity together into a coherent plan. For example the Pig Movement Project [see 8.4] replaces paper-based reporting of 190,000 pig movements in England and Wales per annum. These were previously reported on an entirely paper based system, requiring manual input by over 120 Local Authorities. By April 2012 we expect that 65% of movements will be recorded electronically with the potential for this to reach 80% (circa 150,000 movements) in the years following. We will continue to accelerate and promote ideas like this. The plan we have signed up to deliver in December, in response to the Task Force recommendations, will set this out in more detail.

Digital by default

5.9. We want to encourage a move towards digital by default. We aim to move as many services and guidance on-line as possible, and reduce paper-based systems as quickly as possible, to make it easier for farmers to access up to date information that is right for their circumstances. We are working to identify opportunities for integrating reporting and data storage systems so that we can use existing records to pre-populate forms and support a more risk-based approach to inspection and enforcement, which underpins Earned Recognition. Whilst we know that not all farmers currently have access to online services, improvements in broadband coverage – in particular the roll-out of the Rural Broadband Partnership Scheme – and the use of agents who can act as intermediaries, show that access is becoming easier.

5.10 Our online services for farmers were converged with Business Link in February 2011, making the Business Link Farming Theme the central hub for guidance and transactions. Alongside help and guidance, farmers and their agents can find:

Department for Environment, Food and Rural Affairs

- RPA Online, the Rural Payments Agency's online service to manage Single Payment Scheme (SPS) claims;
- CTS Online, the British Cattle Movement Service's Cattle Tracing System, to report cattle births, deaths and movements;
- ELS Online, Natural England's system to make Entry Stewardship Scheme claims straightforward, and;
- Defra Farming Online (formerly WFA) providing the Surveys and Assessments service, giving access to a range of tools on cross compliance, soil protection, nitrate vulnerable zones, catchment sensitive farming and the June Survey.

5.11. We are working with industry and delivery agents to improve online services to meet the needs of farmers and other customer's experience, in particular:

- a) Improving access to sites hosting different services, so that farmers can access what they need quickly through a minimum number of portals;
- b) Expanding the range of online tools and guidance that can help farmers deliver and comply with requirements as easily as possible, for example creating guidance filters that use key questions to identify and package up guidance relevant to a particular farming practice or sector;
- c) Information sharing and pre-population of forms;
- d) Encouraging the submission of information to support earned recognition and risk based inspections and visits, and;
- e) Exploring possibilities for performance bench-marking. For example: providing risk ratings that help farmers to identify the key risks that need to be reduced to minimise the need for inspections; providing data to enable them see how they are performing against their peers and the cost-benefits available to them in changing practices.

5.12. We are also looking at options for developing a 'farmer's page' for earned recognition that would be accessed by both farmers and stakeholders and show progress, how industry is working with us, ideas being tested, and allow us to share data and gather feedback.

6. Environment and Land Management

6.1. The Task Force considered that burdens on farmers can be reduced without compromising environmental outcomes. Environmental legislation forms a large component of the requirements on farms because it is important that the natural resources and landscape on which food production, wildlife and the rural economy, for example tourism, depend is protected.

6.2. A number of recent initiatives, including the Natural Environment White Paper and the National Ecosystem Assessment, illustrate the continued importance that the government attaches to protecting the environment. The Task Force has made it clear that maintaining environmental standards is non-negotiable.

6.3. Along with those in many other countries, farmers in England face the challenge of producing food for an ever growing population, against the challenges posed by climate change including more extreme weather patterns such as more frequent flooding and periods of water scarcity. The UK Foresight Report on the Future of Food and Farming has challenged us to produce more food more sustainably – that is, achieving increased yields whilst reducing the impact on the environment. The Task Force identified that in many cases environmental legislation is process driven, potentially putting inappropriate emphasis on record keeping, rather than encouraging farmers to use information and performance as an integral part of growing a sustainable business, and achieving enhanced environmental, economic and social outcomes.

6.4. Those outcomes cover a wide range of issues, from improving water quality to reducing greenhouse gas emissions, from protecting our important biodiversity to minimising local air pollution. But in many cases, the appropriate implementation of a range of measures or land management practices on farm can deliver multiple positive environmental outcomes

Nitrates

6.5. The Task Force has made it clear that good nutrient management is an essential component of good farming practice. A number of recommendations were made about how existing requirements under the Nitrates Directive should be changed, with a view to achieving outcomes rather than focusing on processes. We will soon be consulting on amendments to the regulations that implement the Nitrates Directive. And in response to the Task Force recommendations we will be consulting on proposals to:

- Reduce the level of prescribed record-keeping.
- Address the recommendations on low-intensity farming, and;
- The use of materials with low readily available nitrogen and closed periods.

Any new provisions will come into effect from January 2013 onwards.

6.6. We also share the Task Force's aim of delivering a more outcome rather than process-based approach to environmental regulation in the EU. The Water

Framework Directive's message of integrated management of pollutants to deliver an ecological outcome and so secure vital ecosystem services is the right approach. The continuing treatment of nitrates by EU legislation in isolation from the many other factors that affect water quality diverts attention to compromise the efficient delivery of our principal objectives. Nevertheless, it is important that we make progress in achieving the results we need within the framework we have now, so that it provides a foundation to demonstrate to the EU that there are more effective ways of achieving desired outcomes in future revised legislation.

6.7. Nitrates, together with other diffuse pollutants, continue to be a problem in certain geographical areas. The catchment-based approach offers an opportunity to target diffuse pollution with a focus on clear and communicable evidence and getting the necessary results. To be successful this depends on a strong partnership between the Environment Agency, farmers, water companies and other local key players. This is an opportunity for the farming industry to work closely with others to identify and solve specific problems and develop fit-for-purpose solutions.

Simplified and Integrated Environmental Messages for Farmers

6.8. The Task Force recommended that we set out a framework to deliver better integrated and prioritised environmental messages to farmers and their advisors. There is a lack of clarity in the farming community about the package of environmental outcomes that need to be delivered. The Task Force report offers a real opportunity to change the way we approach achieving the environmental outcomes we want. We have started a cross-cutting project to develop options for how we can do things differently, so that in the final response we can set out how we will meet the challenge set out by the Task Force on this issue. We will work with the farming industry, environmental organisations and delivery partner organisations to:

- achieve clarity about the environmental outcomes we want achieved and agree on shared priorities;
- achieve clarity on what the evidence is telling us;
- agree how, in partnership, we provide clear messages about the specific actions and priority measures that we think will best help farmers to achieve results locally;
- investigate how the catchment-based approach can be developed to achieve closer working partnerships between groups of farmers, the EA and water companies, that takes into account the particular geographical circumstances;
- review how the evidence base can be used at the local level to inform targeted action that will achieve the necessary results, taking into account that farming activities may not be the primary cause of pollution in parts of some catchments, and;
- find improved ways of incentivising uptake of the identified priority measures.

RSPB:

“The RSPB welcomes the recognition that environmental protection must be maintained, and in some cases strengthened, as part of the process of moving to more effective regulation. Provision of streamlined, integrated advice is central to delivering improved environmental outcomes and we will work in partnership with the key players to encourage the uptake of essential measures.”

National Farmers Union:

“Better regulation should not imply or result in a decline in environmental standards any more than producing more food should be contradictory with environmental care. However, we expect environmental priorities to be more clearly stated in the future than they been in the past. Government advisers must sense check ‘environmental asks’ so that they are mutually compatible and easily understood by farmers, growers and their advisers. In most circumstances these ‘asks’ should achieve several environmental goals with simple integrated actions while remaining compatible with more productive farm businesses – the definition of sustainable intensification. The NFU is committed to providing practical input into how these messages and incentives should be shaped.”

6.9. In the Natural Environment White Paper we committed to review how we use advice and incentives for farmers and land managers to create a more integrated and streamlined approach that is clearer for farmers and yields better environmental results. This project will complement the work outlined above by focusing how we can set up systems to improve delivery. We plan to assess the effectiveness and suitability of the existing schemes, such as Entry Level Stewardship Training and Information Programme, Farm Advisory System, advice associated with Catchment Sensitive Farming, for example, in delivering against current and future challenges. We are building on the findings of the Integrated Advice Pilot project which has involved the farming industry and advice providers and will look to involve key interested stakeholders in the work as it progresses

6.10. We acknowledge the work that has already been carried out by the farming industry partnership to deliver the Greenhouse Gas Action Plan. This is focusing on promoting a set of practical actions and measures that represent agricultural best practice – not only in terms of the environment, but also in delivering clear business benefits through more efficient production. This existing voluntary initiative represents one way forward in achieving outcomes through focusing on the measures that need to be put in place rather than the processes.

Integrated Pollution Prevention and Control and Waste

6.11. The European Commission conducts a review of IPPC every two years, and has agreed that the regulations need to be simplified and that action needs to be taken at EU level. We are actively engaging in Europe to ensure that these outcomes are achieved.

6.12. The Task Force welcomed the efforts made by the Environment Agency to make the permitting system more understandable and to reduce delays, but believed that more could be done. We agree that there is scope to make it more user friendly. The registration of waste exemptions is already online, and in the short term the EA will look to embed links to relevant permitting and exemptions forms on the Farming

Theme of Business Link. This will mean farmers and their intermediaries can access services more efficiently through a single portal.

6.13. The EA is producing new guidance for its planning and permitting officers to set out their role and remit to ensure that EA staff are delivering joined up and consistent advice on new agricultural development. EA will be consulting industry informally about this sometime this autumn. Furthermore, work is underway between EA and Natural England to parallel track the planning and permitting process and to develop increasingly streamlined ways of working.

6.14. The EA agrees that the industry must have confidence in and trust its risk assessment process and the science upon which it is basing its decisions. It is important that evidence used to underpin decision making is as robust as possible. To this end two groups have been established by EA, NE and CCW to develop risk assessments and guidance to ensure critical emission loads on habitats are not exceeded, and to improve site surveys and modelling of ammonia at SSSIs. This will help shape a more robust permitting approach that benefits all nature conservation sites, and has the confidence and support of the farming industry.

Fly Tipping

6.15. Fly-tipping is a complex issue that affects many landowners, including the farming community. It is a problem that has persisted for too long. The Task Force recommended that the EA reclassify fly-tipped material on farms as household waste, so that farmers can dispose of it at council waste sites at no cost. This has been looked into in some depth and there is no simple solution. We recognise that, whilst the problem has a national cost and is widespread, the solutions to dealing with it are more likely to be found at a regional or local level.

6.16. On prevention, we are encouraging Local Authorities and other business organisations, including waste management companies and trade associations, to work with Small and Medium sized Enterprises (SMEs) to ensure that there are easy mechanisms available to manage their waste and thus confront some of the causes of fly-tipping. On 19th October Defra launched the Business Waste Commitment for Local Authorities, which includes, for example, encouragement to open up Household Waste Recycling Centres to small businesses. The Waste and Resources Action Programme (WRAP) has also produced a best practice guide to make it easy for local authorities or waste management companies to set up “bring sites” which can be more convenient for small businesses if they are located in business parks, cash and carries or in builders’ yards.

6.17. Similarly, the Waste Industry Responsibility Deal, which Government launched in June, commits the waste industry to offering more accessible contracts to smaller businesses and to help small businesses understand their individual waste management responsibilities and how to dispose of their waste legitimately e.g. duty of care. We are also working with the Chartered Institution of Waste Management to promote business take up of their waste awareness certificate. At the same time, local authorities will continue to publicise the consequences of breaking the law.

6.18. We are also working with the National Fly-Tipping Prevention Group (NFTPG) to galvanise progress on this problem. We encourage farming groups to work with other affected parties and local authorities to use their local knowledge, expertise

and on the ground experience, to create innovative and workable solutions that can be championed by the NFTPG. We strongly encourage farmers and landowners to report fly-tipping incidents to improve local intelligence and help illustrate the overall scale of the problem.

6.19. In parallel, the Government is committed to ensuring that tough enforcement action is taken against those who break the law on fly tipping. We are therefore proposing to strengthen the existing legal framework, by introducing broader powers for local authorities and the Environment Agency to stop, search and seize vehicles suspected of use in fly-tipping. We are also working with the Sentencing Council to help raise the courts' awareness of the serious impact of fly-tipping and consultation on a new sentencing guideline for fly-tipping is expected in the next few months.

6.20. We believe local and regional partnerships are the way forward. There are good examples of innovative approaches being taken at the local level. We propose to hold a Ministerial summit meeting with key organisations, to ensure everyone is able to learn from those active at local level that have experience of pioneering approaches to managing rural fly-tipping. Building on such initiatives, we are looking for a step change in making clean up easier, and looking further into prevention strategies.

Managing Water Resources

6.21. We agree with the Task Force's recommendation that on-farm reservoirs benefit both the environment and farmers, and their construction should be encouraged where it is safe and productive to do so. On-farm reservoirs can dramatically help the health of rivers in the summer, by reducing abstraction and promoting sustainable water supplies to cover extended dry periods. During the drought in 2011, there were many examples of farms with reservoirs that benefited from a secure supply of water. Not only do they help to reduce the cost of water, they enable a farm business to be more resilient to water shortage, although they do not provide a complete answer to this problem.

6.22. It is important that reservoirs are safely positioned and built well, so that they do not pose a threat to life or property. Currently, all dams with a capacity greater than 25,000 cubic metres are inspected and examined to ensure they are structurally sound and safe. The Flood and Water Management (FWM) Act 2010 included provisions to lower this threshold from 25,000 to 10,000 cubic metres. But we will not enact this provision unless evidence suggests there is a widespread and significant risk to life or property.

6.23. The Act also included provisions to move to risk-based regulation of reservoirs. This will lower the regulatory burden for those reservoirs that are not identified as 'high risk'. These provisions are expected to come into effect on 1 October 2012 and will apply to all reservoirs over the 25,000 cubic metre capacity thresholds in a first phase of implementation. Once the provisions are commenced, any large raised reservoir that is not designated as high risk will be deregulated.

6.24. We want to provide clarity to farmers about safety requirements for reservoirs. It makes good business sense to provide for sustainable water supplies for extended dry periods. We want to encourage farmers to invest in safe structures to enable this. We are developing technical guidance to assist farmers in building safe reservoirs.

We have formed an Advisory Group on Reservoirs Act, (AGEAI), which will meet in November, and will continue to involve stakeholders to agree next steps.

6.25. But there is nothing to stop farmers building on-farm reservoirs now. It makes good business sense. Forward planning will avoid problems with planning and safety. Advice about positioning and construction methods is available now from local Environment Agency experts.

On-Farm Reservoirs

The Environment Agency is producing a water security pack for stressed areas in East Anglia, to promote on-farm storage to abstractors, where it is suitable. The Environment Agency and Cranfield University have also produced a useful guide to irrigation reservoirs: 'Thinking about an irrigation reservoir: A guide to planning, constructing and commissioning a water storage reservoir'.

Defra however recognise that on-farm reservoirs are not suitable in all situations. Regional differences, for example where winter flows are not reliable enough to fill the reservoir, are an important consideration. During dry winters, the Environment Agency may have to restrict abstraction to fill reservoirs to protect other water users and the environment. If this happens, the Environment Agency will work closely with farmers to reduce the impact of any restriction. In the longer term, climate change is likely to increase the duration and intensity of summer rainstorms, so farmers should be encouraged to vary their abstraction licences to take advantage of high summer flows or install rainwater-harvesting systems to capture water from their roof areas. The Environment Agency recognises this need for flexibility and during the 2011 drought introduced a temporary fast-track application process to allow farmers to take high flows to top-up reservoirs.

Some farmers have formed Water Abstractor Groups (WAGs) to help them manage their water resources collectively. The WAGs formed for a variety of reasons, such as sharing water or responding to drought, and these groups are in a good position to pool their finances and abstraction licences to construct a joint reservoir. Groups may be in a stronger position to get grants for reservoirs than an individual. This is the sort of good practice that should be supported.

In November 2011, Catchment Sensitive Farming is funding an event in Hereford, (with support from the Environment Agency and sponsorship from the Potato Council) to raise the profile of on-farm reservoirs and the potential of Water Abstractor Groups. The event acts as a one-stop-shop for farmers, Local Authorities, architects and archaeologists, to understand the planning process and other aspects of on farm reservoirs. More events like this are likely to be held across the country to highlight the benefits of on-farm reservoirs.

The Water White Paper

6.26. We recognise that the agricultural sector and others will face increasing challenges in meeting their water needs due to climate change, and increasing demands on water from population growth. The Government announced in the Natural Environment White Paper, published in June this year, that we will reform the abstraction management regime to facilitate investment to meet water needs and protect water ecosystems. We will announce more details of the direction and

process for this reform in the Water White Paper, as well as measures to facilitate trading of abstraction licences in the shorter-term. In the meantime, we have already initiated research into the barriers to individual and collective investment by irrigators into reservoirs which is likely to be a key part of adaptation to climate change.

Renewable Energy

6.27. We are committed to increasing the production of energy from waste through anaerobic digestion. We believe that anaerobic digestion has advantages in dealing with certain types of wastes such as food wastes and manures and slurries produced on farms. These advantages include reduced greenhouse gas emissions from diverting waste from landfill and the production of renewable energy and fertilisers.

6.28. In our Anaerobic Digestion Strategy and Action Plan www.defra.gov.uk/publications/2011/06/14/pb13541-anaerobic-digestion-strategy/, we set out some concerns about the use of energy crops in anaerobic digestion. It is important to consider how we achieve a balance between growing crops for food and energy. In our Strategy we recognised that, at farm scale, some energy crops may be needed in combination with slurries in order to achieve optimum efficiency. These crops can be grown as part of the normal agricultural rotation. Furthermore, there is land available which is not suitable for the production of food crops but which may be used to supply energy-crop only plants. However, there are issues relating to land use, food production and biodiversity if significant areas of crops are grown as feedstock for anaerobic digestion plants. We are organising a workshop in November to consider the evidence on the sustainability and use of crops as feedstock for anaerobic digestion and we will publish the outcomes of that meeting shortly afterwards. The conclusions of the workshop will also be reflected in the Government's Bioenergy Strategy and proposals from the Department of Energy and Climate Change on future support for renewable energy under the Feed in Tariffs scheme.

7. Common Agricultural Policy

7.1 We want CAP reform to prepare the agriculture sector for the long term, beyond 2020, ensuring a more competitive agriculture sector which can rise to global challenges, including sustainable food production. A future CAP must be affordable and significantly better at delivering important public benefits, including for the environment. The Government strongly supports the Commission's stated objective to simplify the CAP, and the Commission's proposals for reforms to apply from 2013 provide the opportunity to make significant advances in this direction. There is a strong feeling amongst Member States that the administrative burdens and costs flowing from the CAP need to be reduced: but in the first discussion of the proposals in the EU Council of Ministers meeting on 20 October a number of Member States, the UK included, expressed disappointment that the apparent level of complexity attached to some of the proposed measures ran counter to the Commission's objective of simplification. We are working with other Member States to continue to push for administrative simplicity - we want to reduce burdens wherever possible, and where this is not possible we will insist that any increase in administrative complexity is fully justified by the benefits it yields. In March 2011 we made a significant contribution to a set of "simplification principles" that was endorsed by 25 Member States, and this will help us to judge the extent to which the Commission's proposals promise reductions in administrative burdens. We know that these are uncertain times for farmers, but we are doing all we can to get the best result for the UK industry.

7.2. The Task Force recommended that England should move to a system with one, or at most two, appropriately skilled inspectorates responsible for the annual statutory inspections under cross compliance, which are calculated as a percentage of SPS claimants. The Report proposed that the primary inspectorate should be the RPA, with AHVLA support on animal health issues. From 1st January 2012, inspections currently carried out by the Environment Agency (GAEC 18 and SMRs 2, 3 & 4) will transfer to RPA. This means that RPA will inspect all standards other than those scrutinised by AHVLA. Making use of AHVLA's existing inspection regime, to satisfy the quota for cross-compliance inspections, will reduce the overall number of visits required and avoid duplication. We will ensure that the expertise of NE and the EA will still be utilised if necessary. This is a very positive first step forward and clearly demonstrates our commitment to providing a streamlined and more efficient system of inspection, which will benefit industry by minimising time spent on inspection visits.

7.3. The Task Force also noted that they expect NE and the EA to inform RPA where they see evidence of a breach of cross compliance, whilst undertaking other regulatory inspections. Currently, such a report can generate extra inspections to prove the cross compliance breach. We are, however, working to streamline and improve the process of referrals, so that substantive evidence is given the appropriate weight and serious breaches can be dealt with without recourse to further unnecessary verification. We are working with delivery agencies to ensure that there is better intelligence sharing and joining up of the results of inspections.

7.4. The Taskforce recommended that the requirements for soil protection under cross compliance, the Soil Protection Review (SPR), should be replaced by a duty of

care for soils. We have completed an initial analysis of how a duty of care approach might be implemented. We suggest that this should be considered alongside a wider range of options, for example, reviewing the potential role of existing industry schemes and standards. While we accept that the Soil Protection Review could be improved, it does provide a risk based approach to managing soil degradation without the need for intensive field work, which would greatly increase the time spent on farm during inspection. The challenge now is for industry to help us find a viable alternative. Starting now, we will work with industry to explore these options with the aim of putting new arrangements in place when the current SPR ends in 2013.

8. Livestock Movement & Identification

8.1 This was a major topic considered by the Task Force, as Ministers and the livestock industry felt that the rules had become over complex. Many of the measures originated in the 2001 FMD disease outbreak and had developed piecemeal since, and there was a lack of clarity and understanding of national and EU-based requirements on movement, reporting and identification of livestock and how these measures contribute to restricting the potential spread of disease and providing ready traceability of animals. As a result, effective disease control may be at risk from an increased likelihood of non-compliance, whether through misunderstanding or by cutting corners or failure in the current paper-based movement reporting systems.

8.2 We welcome the Task Force's considered and substantive package of measures which suggest a way to simplify procedures and increase understanding, without weakening controls. This package is wide-ranging and will require short and longer term approaches to consideration of implementation. Some changes have been made already and we are pleased with the progress we have made in this area; others will require much more evidence and detailed risk-assessment before we can make informed, risk-based decisions about whether they can be accepted as proposed.

8.3 Whilst everyone recognises that exceptional measures must be taken during a disease outbreak, the Task Force also charged the livestock industry to take greater responsibility for improving general understanding of the importance of bio-security and movement controls when there is not a disease outbreak.

e-Reporting of livestock movements and simplification of cattle passports

8.4 On 1 October 2011, we rolled out (in England) a system for e-reporting of pig movements. We are keen to move forward with assessing the case for similar arrangements for sheep (also goats and deer), including provision for electronic submissions of batch movement data and a commercial database that can provide additional services to Government and industry, such as individual recording and management requirements. An invitation to tender will be issued later this year.

8.5 The design and format of cattle passports has been simplified. From 1 August 2011, all new passports have been issued as a single page document to replace the bulkier 'cheque book' style.

Movement Controls: Changing aspects of the six day standstill and Rationalisation of County/Parish/Holding numbers (CPHs)

8.6 The Task Force recommended significant changes to the six day movement regime, in particular, to abolish standstills resulting from farm-to-farm movements and remove Sole Occupancy Agreements (SOAs) and Cattle Tracing System (CTS) links. To help us consider the effect of such changes, we have commissioned

epidemiological modelling to establish the difference between the levels of protection provided by the current standstill arrangements when compared with the simplified regime proposed by the Task Force. Emerging findings of this work are due to be available by the end of October and a final report by the end of November. Evaluation of this modelling should be completed in time to report more fully in the final response to these recommendations early in 2012.

8.7 The Task Force recommended simplification of the rules for defining livestock premises, so that the same rules can apply across species to offer potential benefits. Significant work needs to be done to quantify the effect of these proposals; we are preparing an impact assessment to identify costs and benefits for industry and for Government.

Sheep Electronic Identification

8.8 We have discussed with the EU Commission the potential to provide some flexibility on single farm payment penalties in cases where individually identified sheep are not read at Central Point Recording Centres. For England, we are considering whether this can be implemented in light of the costs and benefits of doing so.

9. Growing and Crops

9.1 The concerns raised with the Task Force by arable and horticulture growers were mostly not specific to these sectors but concerned more general issues, such as planning, labour and enforcement, and these are covered elsewhere in this report. Two main issues of concern were EU Fruit and Vegetable Producer Organisation Scheme and pesticides regulations.

Producer Organisations

9.2. The Farming Regulation Task Force welcomed Ministers' acceptance of the recommendations of the Fruit and Vegetables Task Force (as published in August 2010) and further recommended that they were built upon in terms of improving clarity and trust. In March 2011, Defra and RPA published additional guidance on Producer Organisation scheme criteria to provide further explanation and understanding of the scheme requirements, which was drawn up in close consultation with the industry and the National Farmers' Union, including a Government/Industry Working Group. The RPA then undertook a comprehensive review of all UK Producer Organisations (POs) to determine their compliance with scheme rules and eligibility for aid. Their review concluded in September and the outcomes have been discussed individually with Producer Organisations. The review was a challenging process and Government appreciates that it presented some difficult outcomes for those POs that were suspended from the scheme. However, the guidance and the clarity contained within it provides a firm basis for the scheme going forward.

Pesticides

9.3. It is important that, in order to be competitive, the agricultural industry has access to safe and efficacious plant protection products. It is also important that these products are stored and used as safely as possible in order to minimise risks to human health and the environment. It is important that the approvals mechanism and regulation of pesticides is effective and efficient. We acknowledge the progress that the agricultural industry has made in driving best practice and continual professional development of pesticide users through the Voluntary Initiative.

9.4. As the Task Force suggests, many of the issues surrounding Pesticides regulation are EU-based, and frustratingly are difficult to resolve in the short-term. We agree that the future lies with a risk-based, not a hazard-based approach, and that Government will continue to press this case in the EU. Defra's Chief Scientific Adviser is actively engaging with EU Member states to shift opinion on this matter.

9.5. In terms of pesticides approvals, we will continue to press strongly for the zonal approach for approvals – this provides for a quicker more harmonised approach to securing approvals across the EU for pesticides including minor uses where agricultural and environmental conditions may be the same in different Member States. The UK chairs an expert group on behalf of the European Commission considering the development of the national authorisation procedures, and we continue to press for further harmonisation. We need to be realistic about how long it will take to achieve an EU agreed outcome where pesticide approvals in

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other Member States can be available immediately in the UK. Above all, it is important that the final outcome works – both in terms of securing access to plant protection products, but importantly that we maintain standards in safety.

10. Conclusion

10.1. We have made a lot of progress and worked across Defra, and with our delivery partners and key stakeholder organisations to build foundations on which to base implementation of the Task Force recommendations. In the next two months we will be working further to develop ideas into specific proposals for integrated and simplified environmental messages and earned recognition, among others. Our final report will be clear on specific actions and timelines and we will be held to account on progress by the new implementation group led by Richard Macdonald.

10.2. We will continue to overhaul our regulatory stock: reducing, simplifying and streamlining wherever possible. The Task Force report has provided us with a further opportunity to build on existing Better Regulation activities and push forward on these changes, ensuring that they are fully embedded in our departmental approach to policy making.

10.3. The Task Force wants us to develop alternative approaches for encouraging action to achieve the required outcomes. We will embed partnership approaches at the earliest stage of policy development and encourage voluntary initiatives to solve problems where possible, rather than compelling compliance by regulation by default. But if we are to succeed in achieving the Task Force's vision, it is vital that industry is willing to take responsibility for compliance and make voluntary initiatives succeed in delivering desired outcomes.

10.4. Engaging those farmers who are hard to reach is particularly challenging. Our delivery partners need support from the industry to be confident that their finite resource is being used to effectively target the highest risks. We want to work in collaboration with industry to share understanding on how to influence and incentivise best practice. Farming is a highly diverse sector of the economy, with different motivations and geographical circumstances, so a range of incentives is needed. We know that in most cases farmers want to do the right thing. We need to consider how to make it easier for them to comply, and how to reward those who are already demonstrating best practice. The key issue is what can the farming industry do to help to make this happen, in addition to government?

10.5. The Task Force recommended that key industry bodies publish individual responses to their report, demonstrating the role they are going to play in meeting these obligations. We look forward to considering their responses and building on them to make progress on the recommendations. Our final response, setting out an agenda for implementation, will be published early in 2012.