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From George Eustice MP
Parliamentary Under Secretary of State for Farming, Food and Marine Environment

Dear Liz

Thank you for your letter of 29 October on behalf of your constituent farmers about the Common Agricultural Policy (CAP).

As you may be aware, a new CAP package was agreed in principle by EU Agriculture Ministers in June and we can now start the essential process of working together with interested parties to design the next CAP programme. Thanks to the UK we now have choices in how we implement CAP rather than a 'one size fits all' approach from the Commission. We now need to make those choices together, including how to implement greening of direct payments.

In the next seven years of the CAP the UK will receive £17.8 billion in Pillar 1 for direct subsidies for farmers, and £1.84 billion to spend in Pillar 2 on the environment and rural development. These are significant sums of money. It will be essential to ensure we implement the CAP in a way which is as simple as possible, affordable and effective in delivering the outcomes we all want to achieve.

On 31 October Defra issued a consultation on the implementation of the new CAP in England which includes inviting comments on the proposal of moving up to 15% of funding from Pillar 1 (Direct Payments) to Pillar 2 (Rural Development) – which has only about 10% of all UK CAP funding. We currently transfer 9% and have the option to increase this. There are real merits in rural development programmes, from helping our farmers to improve the environment through to giving them and other rural businesses broadband access. Farmers will still receive the vast majority of the Pillar 2 money we have moved from Pillar 1.

There is no such thing as a level playing field in the EU. There are already wildly differing payment rates across the EU and within any Member State. But what one farmer receives compared to the next is not a major contributor to competitiveness. Instead, what matters is investment in research and development, the uptake of innovative approaches, natural resource endowments, the structural legacy of the industry, employee salary levels, support for skills and training and planning controls.

Transferring funds to Pillar 2 will not make us uncompetitive against EU counterparts who have put more money into Pillar 1 (production). Pillar 2 funds will be invested in delivering real benefits to farming businesses and the rural economy, or will pay farmers for environmental work through agri-environment schemes. Focusing on factors such as



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Innovation, skills and training through Pillar 2 will help the competitiveness of farming in England.

I encourage your constituents to respond to the consultation and that they register their attendance at one of the workshops being organised so that they can share their views with us. The consultation document can be found at:

<https://consult.defra.gov.uk/communications/cap-consultation>.

You also raised the concern as to the NVZ slurry storage rules and the limitations on spreading manures. The rules in the Nitrate Pollution Prevention Regulations 2008, as amended, implement the 1991 Nitrates Directive. The Directive's objective is to reduce the amount of nitrate in our rivers, lakes and ground waters. Levels of nitrate in many of our waters are too high, and there can be major consequences for the health of our rivers. Agriculture is the biggest single source of nitrate in our rivers and lakes, being responsible for about 60% of what is there.

Scientific evidence shows that if slurry and fertilisers are put on the land in autumn and winter, a significant proportion of the nitrate (and other nutrients) gets washed into rivers and lakes when it rains or leaches through the soil to pollute fresh water over the winter period. This is because at this time of year any crops in the fields are growing slowly, if at all, so have very little need for nitrogen. So the Directive tells farmers in areas where there is too much nitrate in water not to spread slurry and fertiliser in autumn and winter. To make sure that happens it also requires farmers to have somewhere to put the slurry they are not spreading. Farmers themselves recognise that this is good management. Plants can only make use of the valuable nitrate (and other nutrients such as phosphate) that slurry contains when they are growing, so applying slurry and fertilisers in spring and summer also ensures that farmers get the maximum value out of them.

I understand your constituents' concern about regulatory burdens. The Government is determined to reduce regulatory burdens to the minimum necessary for effective implementation of its policies. Initiatives such as the Farming Regulation Task Force and the Red Tape Challenge have specifically looked at the red tape burdens on farmers, including from the Nitrates rules. As a result, we made several changes in the recent amendments to the Nitrates rules such as exempting low intensity farmers from some record keeping requirements, clarifying the extent of the rules for crops grown under glass and increasing flexibility for the application of composts; all of which will benefit farmers.

We also continue to look for further opportunities to work with industry leaders and find ways to improve the legislation. For example, earlier this year Defra set up a Joint Industry and Government Working Group to work on several slurry-related issues. The group was asked to assess the evidence and examine options and, in the spirit of the Macdonald Report, to jointly draw some conclusions and make recommendations about future policy. The issues it examined included whether we could introduce some flexibility to the start and end dates of closed periods (when farmers in NVZs must not spread fertilisers), which is an important issue for farmers. The group's report will be published shortly.

George Eustice

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