



Response to Defra consultation - Health and Harmony: the future for food, farming and the environment in a Green Brexit

Version 1

8 May 2018

We are the Environment Agency. We protect and improve the environment.

We help people and wildlife adapt to climate change and reduce its impacts, including flooding, drought, sea level rise and coastal erosion.

We improve the quality of our water, land and air by tackling pollution. We work with businesses to help them comply with environmental regulations. A healthy and diverse environment enhances people's lives and contributes to economic growth.

We can't do this alone. We work as part of the Defra group (Department for Environment, Food & Rural Affairs), with the rest of government, local councils, businesses, civil society groups and local communities to create a better place for people and wildlife.

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Executive summary

The Environment Agency warmly welcomes the ambition set out in this consultation paper and the opportunities which come with a new approach to our food and farming sector

Our primary role as an agricultural adviser and regulator is to ensure a cleaner, healthier environment which benefits people and the economy.

We are responsible for:

- protecting our water quality and ensuring there is enough water for people, businesses and the environment
- maintaining land quality, promoting sustainable land management and acting to reduce the impacts of a changing climate
- protecting people, their property and businesses from flooding
- delivering catchment solutions as catchment coordinators and convenors, protecting our water environment by working with local communities.

Agriculture is important to the environment. Farming has a significant impact on the environment, on the quality of our beaches and a cost to the general public for treatment of drinking water.

Agriculture:

- provides the food we eat, and much of the water we drink passes through agricultural land
- takes place on more than 70% of the land in England and so impacts on virtually every part of the environment
- has regularly been responsible for more pollution incidents than any other sector in a given year
- is responsible for more 'reasons for not achieving good status' of water bodies and deterioration of water bodies (including due to abstraction pressures) than any other sector
- contributes to air pollution and is an important emitter of greenhouse gases
- can mitigate or increase flood risk, provide habitat for beloved species or when insufficient care is taken, degrade the soils it depends upon for its own future.

The Common Agricultural Policy (CAP)

The CAP our farmers have operated in since joining the European Economic Community in 1973 was successful in one of its original objectives – ensuring a secure supply of plentiful food. However the environmental impact of this policy has been bad. We have seen significant degradation in our soils, accumulation of nitrates in our groundwater and a disappearance of wildlife from our farmed landscapes and aquatic environments.

Successive reforms to the CAP have sought to remedy some of the environmental harm that it has unintentionally contributed to. Agri-environment schemes, the decoupling of farm payments from production, and the introduction of baseline environmental standards as prerequisites to support were all progressive measures designed to reverse the significant environmental decline. These measures have gone some way to halt further decline and small improvements in some areas have been registered.

Many farmers have also become increasingly environmentally aware, and have made considerable efforts to protect natural resources while also seeking to make a living. The decline in pesticide and fertiliser use, and more sustainable grazing levels achieved in the last decade are welcome.

However the Environment Agency does not believe these measures have yet gone far enough to ensure a genuinely sustainable agriculture sector. The government has recognised the importance of long term environmental planning if we are to achieve sustainable development and has set ambitious goals in the 25 Year Environment Plan. Farmers and land managers will have a key role in realising these goals; to improve the quality of our air; to ensure there is plentiful and clean water; to help reduce flood risk and to mitigate the effects of climate change.

The case for change as the Government sets out to design a new agricultural policy is therefore compelling.

We wish to see thriving, productive and sustainable agriculture and forestry sectors that value and enhance the natural environment on which they depend. In seeking the right change for the agriculture sector and the environment the Environment Agency has identified eight priorities.

1. Protection of environmental standards in future trade agreements

The future trading arrangements negotiated with Europe and the rest of the world as the UK leaves the European Union are the single biggest factor that will impact upon the profitability and sustainability of the agriculture sector in future. We want these arrangements to ensure enhanced environmental standards in line with the ambition of the 25 Year Environment Plan, while also enabling our farmers to compete fairly with producers operating in the countries we trade with.

2. Clear environmental baseline standards engrained in regulation

We want to see the development of a new regulatory culture for farming which is outcome focused and risk based. This will also require reviewing the existing European framework and looking for approaches which are better tailored to our specific UK environmental issues and situations. These regulations need to be robustly enforced and this work needs to be sufficiently funded, either by the government, or through wider permitting of the farming industry enabling full cost recovery. We also believe that the government should fully embed the polluter pays principle into agriculture policy and regulation, as has been the case with other sectors.

3. Public funding to farmers should be conditional on ensuring these baseline regulatory conditions are met

We strongly support the government's proposals for future environmental land management payments set out in the consultation. To achieve our environmental goals and to ensure public value for money, it is essential that farmers who are being rewarded for positive action on one part of their holding are not jeopardising what we seek to achieve elsewhere. We therefore believe that achieving baseline standards should be a requirement for entry to any public goods scheme and that sanctions, including payment deductions or exclusion from schemes, should be considered for failure to continue to meet these standards.

4. Public funding should be for a wide definition of "public goods"

We support the principle that public money should deliver beneficial public outcomes. We believe this is one of the biggest failures of the existing CAP arrangements. We welcome the government's proposals to take a wide view on what constitutes public goods, and would like to see these include all ten of the 25 Year Environment Plan goals: clean air; clean and plentiful water; thriving plants and wildlife; reduced risk of harm from environmental hazards such as flooding and drought; using resources from nature more sustainably and efficiently; enhanced beauty, heritage and engagement with the natural environment; mitigating and adapting to climate change; minimising waste; managing exposure to chemicals; enhancing biosecurity.

5. A new approach to calculating farm payments for environmental delivery which represents the value the public receives

The traditional approach to calculating environmental payments under the CAP was focused on compensating farmers for loss of agricultural income. We believe this is inherently flawed and sent an incorrect and damaging message that farming and environment are always in conflict. We would like instead to see an approach which rewards farmers in direct proportion to the environmental benefit they are delivering; and we believe that a natural capital accounting approach can contribute to this. Wherever practical payments should be based on results, to increase the engagement of farmers and truly harness their local knowledge and enthusiasm to help meet the environmental objectives we all seek.

6. Larger scale and longer term thinking in delivering environmental schemes

We would like to see greater use of co-operative and landscape scale approaches. These will be better able to deliver the full range of the benefits sought in the 25 Year Environment Plan, and may be essential to meet some key objectives such as natural flood management. In some instances the government will need to provide land managers with the confidence to invest both emotionally and financially in a change in direction: in some instances that will require longer term agreements and funding.

7. Broadening of the funding base to increase the longer term security of environmental land management measures

Despite its flaws, the CAP did have the advantage of offering a degree of budget certainty over a longer time horizon. The shorter timeframes of public spending reviews and UK elections does not provide the same level of security. To reduce this vulnerability and increase the overall funding available to support sustainable and environmentally-friendly agriculture, the government should look to facilitate the introduction of market based payment systems with potential private sector beneficiaries. Closer integration of funding between Defra and other government departments which are co-owners of the public goods being delivered would also help reduce risk and enhance outcomes.

8. An agri-food supply chain which takes greater ownership for ensuring that environmental standards are achieved

Farmers respond best to their markets. We want to work with retailers and assurance providers to embed better environmental standards into the environmental requirements that they expect and verify from their producers. This will enhance and protect the reputation of England's farm produce both at home and globally and drive agricultural practice that protects and enhances the environment. The Environment Agency itself would also recognise and reward farmers who adhere to these higher standards including through reducing the burden of regulatory inspections on them ("earned recognition").

What the Environment Agency can bring to Future Farming policy

We believe the Environment Agency has a critical role to play in ensuring a better, more sustainable and more environmentally friendly farming sector. Our current involvement in agriculture and land management policy development and delivery includes:

- implementing the permitting regime for 1259 intensive pig and poultry farms
- developing and running the Intensive Pig and Poultry Assurance Scheme which now has 988 members benefitting from earned recognition and reduced permitting costs
- issuing permits for a range of other on farm activities including disposal of sheep dip, applications of material to land, abstracting water or carrying out works on or near a water course or in the flood plain
- working with a range of other supply chain players e.g. LEAF, Red Tractor and retailers to advise on environmental standards
- gathering the water quality evidence base and modelling to provide information on where best to target interventions in Catchment Sensitive Farming and the Countryside Stewardship scheme
- developing Diffuse Water Pollution Plans, identifying sources contributing to water quality failures and modelling potential interventions to resolve them
- providing technical support to Defra on policy and regulatory developments, including Nitrate Vulnerable Zones and the recently introduced outcome based Farming Rules for Water
- responding to around 700 pollution incidents on farms each year, ensuring action is taken to mitigate the impacts, providing advice to reduce future risks, and prosecuting in the most serious instances
- taking a risk based and targeted approach to enforcement of a range of existing environmental protection regulations governing farming
- administration of the Water Environment Improvement Fund and other partnership work in agricultural catchments delivering water quality benefits
- acting as convenors and catchment coordinators in over 100 catchments, encouraging, part funding and focusing investment to deliver local environmental priorities
- as active partners in the Cumbria Catchment Pioneer project testing tools and methods for applying the natural capital approach to land management.

We would like to see a simplified delivery landscape with clearly defined roles for the main government agencies within the future agriculture policy framework. We believe the expertise and experience gathered from these roles means the Environment Agency is well placed to support the development and delivery of future farming policy. We look forward to continuing to work closely with Defra and our other partners, including - critically - farmers themselves, to ensure we maximise the opportunities available at this key juncture to deliver a Green Brexit that works for the environment, for farmers, and for the country as a whole.

Our farmers have proven time and again that they can respond magnificently to the needs of society and the challenges of a changing world. They responded spectacularly to the need to produce more food domestically from the 1940s onwards. They have proven resilient to the challenges of disease outbreaks and severe weather. They have innovated and begun to respond to the challenges and opportunities that climate change brings, including diversifying their production and branching out into new income streams supporting renewable energy production.

The Environment Agency believes that given the right support and direction the sector will also rise to the challenge of protecting and enhancing our environment while also raising overall productivity. We believe that this is a once in a generation opportunity to rethink and rebalance our policy and legislative framework to support the agriculture industry while ensuring a better environment for all.

We warmly welcome the fresh approach set out in the government's consultation document which provides the basis for a coherent and integrated way forward. We look forward to working closely with the government, farmers and others to create a successful future for farming, a cleaner and greener environment, and a better place for people and wildlife.

Our following specific comments are structured according to the headings of the Consultation Paper.

Reform within the CAP

Simplification of Countryside Stewardship Scheme

The Environment Agency recognises there will be constraints on the scope of change whilst the UK is still bound by the CAP. We believe that the government should focus the majority of its time and resources on ensuring that the right frameworks and policies are in place once these constraints fall away.

Nevertheless we still believe improvements to the current Countryside Stewardship scheme could be made: for example, through further simplification of the application process, extension of advice to land managers, potentially through the Catchment Sensitive Farming scheme, and by a further expansion of the package approach. We do however caution that a balance must be struck between the simplification of Countryside Stewardship and maintaining the quality and environmental outcomes of the current scheme.

Above all the Environment Agency believes it is essential that changes introduced in the interim period are consistent and coherent with the longer term direction of travel, such that the farmers being asked to participate are not expected to constantly change their approach thereby losing confidence in, and engagement with, the schemes' objectives.

An 'agricultural transition'

Transfer away from Direct Payments

The Environment Agency supports the proposal to reduce direct payments during a transition period in order to free up money to pilot environmental land management schemes and to help land managers unlock their full potential for sustainable production. This could include grants for infrastructure or loans or other financial tools to help businesses meet regulatory requirements during this period. Replacement of aging slurry storage facilities, for example, would have a significant impact in reducing pollution incidents on dairy farms. Aside from increased environmental protection, modern infrastructure would also lower pollution incidents rates, saving government resources currently spent on incident response and recovery. Any grant, loan or other financial instrument would need careful consideration to avoid 'rewarding bad behaviour' or to be supporting an otherwise unviable business.

We accept the need for a staged reduction in direct payments to enable the industry to adjust. It is important that the transition period should be just long enough to enable farm businesses to adapt to the changing economic conditions without risking environmental damage or loss of environmental benefits accrued from previous CAP schemes. It should equally still be fast enough to encourage the change in thinking that will be required to flourish under the new policy.

To drive forward this behaviour change towards taking a long term outlook, looking to enhance the environment and seeking productivity improvements, we think it is sensible that the phased reduction of payments begins early for most farmers, and not simply by capping those with the largest holdings. We would be supportive of a rate of reduction at the high end or indeed faster than those suggested. The goal of the reductions should be to encourage an increase in productivity and to free up money to trial options for the new Environmental Land Management scheme. The rate of reduction should be set with those goals in mind.

Rules and regulations during the agricultural transition

The Environment Agency agrees with the proposal that the greening rules tied to current direct payments should be dropped in future. We do not believe that the bureaucratic burden they inflict

upon farmers and the paying agency is in any way proportionate to the relatively minimal environmental benefit gained from them. We accept in principle that the de-coupling of direct payments from land ownership could have significant benefits in terms of encouraging transition out of the farming sector and thus freeing space for those who wish to enter the industry. This could potentially increase innovation both in agricultural production and environmental performance.

However, we are keen to ensure that all payments farmers receive are underpinned by basic environmental protection requirements. This includes those aimed at longer term resilience to water scarcity in light of changing climate and growing demand. The risk of losing payments through cross compliance penalties has been more effective at driving compliance with some of our environmental requirements than the existence of rules within the current wider regulatory baseline. The time costs of pursuing deterrent penalties limit a regulator's scope to address anything other than the most serious and negligent activities.

The principle of requiring baseline environmental standards to be met as a condition of receiving public money should be carried forward into future environmental land management provisions for similar reasons. We do however, see some opportunity to reduce the burden of cross compliance during transition through simplification, although we would be keen to retain buffer strips along watercourses (GAEC 1) and soil protection measures (GAECs 4, 5 & 6).

We would also seek the continued applicability of the standards in the Best Available Techniques Reference Document (BREF) for the intensive rearing of poultry or pigs through the agricultural transition period, pending a future decision by the government on their continued use.

A successful future for farming

Investment to improve productivity

The Environment Agency is supportive of the need for public investment in farming to increase competitiveness and drive forward productivity. Unfortunately the original design of the CAP which coupled funding with production has encouraged the view that productivity is equivalent to the size of output. This holds true despite decoupling subsidy from production over a decade ago and is an indicator of how carefully considered any new framework for public support needs to be to avoid perverse outcomes. The view that size of output has an equivalence to productivity has led to significant negative environmental outcomes. In particular it has driven investment decisions focused on up-scaling production rather than achieving smarter production. The investment in greater outputs has often come without the investment required for environmental protection. The dairy sector demonstrates the impact of this dependency on high volume to compensate for low margins. Average dairy herd sizes have increased over the last decade by around 25% while producer numbers have fallen by a third. In this time we have seen a large increase in pollution incidents from the sector.



A catastrophic slurry store failure

Dairy pollution history (slurry stores, and runoff associated with having insufficient storage only.) Source: AHDB & Environment Agency.

Year	Total cows	Registered producers	Average herd size	Incidents
2006	1,259,000	11,320	111	83
2008	1,199,000	10,077	119	99
2010	1,160,000	9,271	126	82
2012	1,121,000	8,820	127	113
2014	1,143,000	8,421	136	136
2016	1,156,000	7,806	145	119

Investment support from the government should focus firstly on achieving smarter production and circular economy solutions. Support for up-scaling should be conditional on the necessary environmental protection mitigation measures, ideally with an element of future proofing built in. Otherwise we will simply push the problem further down the road to the next period of industry consolidation. Taking a longer term view and having due regard for resource protection and natural capital in investment decisions is key to a successful future for farming which enhances rather than depletes the natural environment.

New entrants and tenancies

The Environment Agency also considers that diversification and innovation will be key to building future resilience into the farming sector. We note that the longer run rebound of the New Zealand farming economy after the initial shock generated by removal of subsidy coincided with a significant influx of new smaller farm businesses and greater diversification of enterprises, in part due to the space freed up by outgoing farmers and land managers. We can learn from and improve upon this example to ensure that innovation and diversification go hand in hand with improved environmental outcomes on farms.

We believe that the removal of direct payments will assist somewhat in enabling new entrants to join the industry, but would also be supportive of other measures such as tax breaks or soft loans. Other departments (particularly Department for Business, Energy and Industrial Strategy and HM Treasury) also have a role to play here in supporting and stimulating access to the sector for a new entrepreneurial cohort, through business start-up funding and advice.

We encourage the government to consider carefully the particular circumstances of tenanted and contracted farming in future policy. We have concerns in some situations that short term contracts or tenancies can create a culture of short-termism which damages the environment rather than longer term husbandry of natural resources. Short term contracts can also act as a disincentive to capital investment in measures which protect the environment such as adequate slurry storage. Ultimately of course it is in a land-owner's interest to ensure that their land is farmed in a sustainable way, and we support the government's efforts to this end.

Research and knowledge transfer

The UK remains a world leader in land based research with some world-class facilities and considerable individual expertise. The research undertaken includes cutting edge investigations of how farming productivity can be enhanced while also improving the environmental footprint of the sector. Institutions have historically benefitted from significant amounts of European research funding as well as domestic investment. If that advantage is to be retained and fully exploited in

future, the Environment Agency believes it is important that research funding in this area does not decline as the UK exits the EU. This will help to ensure the government's commitments to develop research in areas such as soil health, integrated pest management and agri-tech are met (as outlined in the 25 Year Environment Plan).

Despite this world class research base, the UK does not have such a good record of new technology uptake compared to some of our competitors. We believe knowledge transfer is not currently as effective as it could be and welcome the consultation's proposal to take steps to improve this. These steps could include a light touch entry accreditation scheme to demonstrate Continuous Professional Development linked to access to new funding streams, or government support for access to high quality agricultural consultancy. In our own experience peer to peer group and benchmarking approaches have been particularly successful in driving up standards and encouraging the uptake of new ideas; and a modern, professional and informed farm business is much more likely to be one which is also compliant with environmental regulation.

Public money for public goods

Conditionality of funding

The Environment Agency strongly supports the approach of public money for public goods. We also believe that it is important for the integrity and reputation of future public goods schemes that the underpinning minimum regulatory standards upon which those public goods can be delivered are also requirements of participation in future schemes. For example, to pay on the one hand for riparian management to enhance the water environment while elsewhere on the farm poor soil husbandry is leading to run off and sedimentation of the watercourse would make little sense and would rightly attract criticism through audit or public scrutiny. A similar principle could be maintained for the baseline which underpins other public goods interventions such as animal health and welfare.

Where should the funding go?

We believe all of the environmental outcomes listed in the consultation document are important public goods worthy of government support. In principle we believe it is important to ensure that all ten of the 25 Year Environment Plan goals are included as public goods. Therefore we would add "Reduced risk of harm from environmental hazards such as flooding and droughts" and "Mitigating and adapting to climate change" to those outcomes outlined in the consultation. Within both the existing Countryside Stewardship (CS) and Countryside Productivity (CP) schemes there are important options that can support both of these goals. For example:

- the CS option Making Space for Water helps to re-naturalise the water course and reconnect it with the flood plain. As well as slowing the flow of water, this also helps to create diverse habitat which shelters aquatic life from extremes such as flooding, drought or heat
- the CS Woodland Creation, Riparian Strips and Natural Flood Management options, which help to keep rivers cool and to reduce the risks from increased rainfall events
- the CP grants which encourage efficient use of nutrients and resources such as the winter storage reservoir grant which support both businesses and the natural environment to adapt to the changing climate.

These important options should be retained in future schemes. We also have an opportunity to improve some to deliver better environmental outcomes. In the case of the winter storage reservoirs, for example, relaxation of the CAP eligibility ruling would have the effect of moving abstraction away from the summer low flow period of the year so improving water quantity in many catchments and allowing more farmers to be eligible for funding.

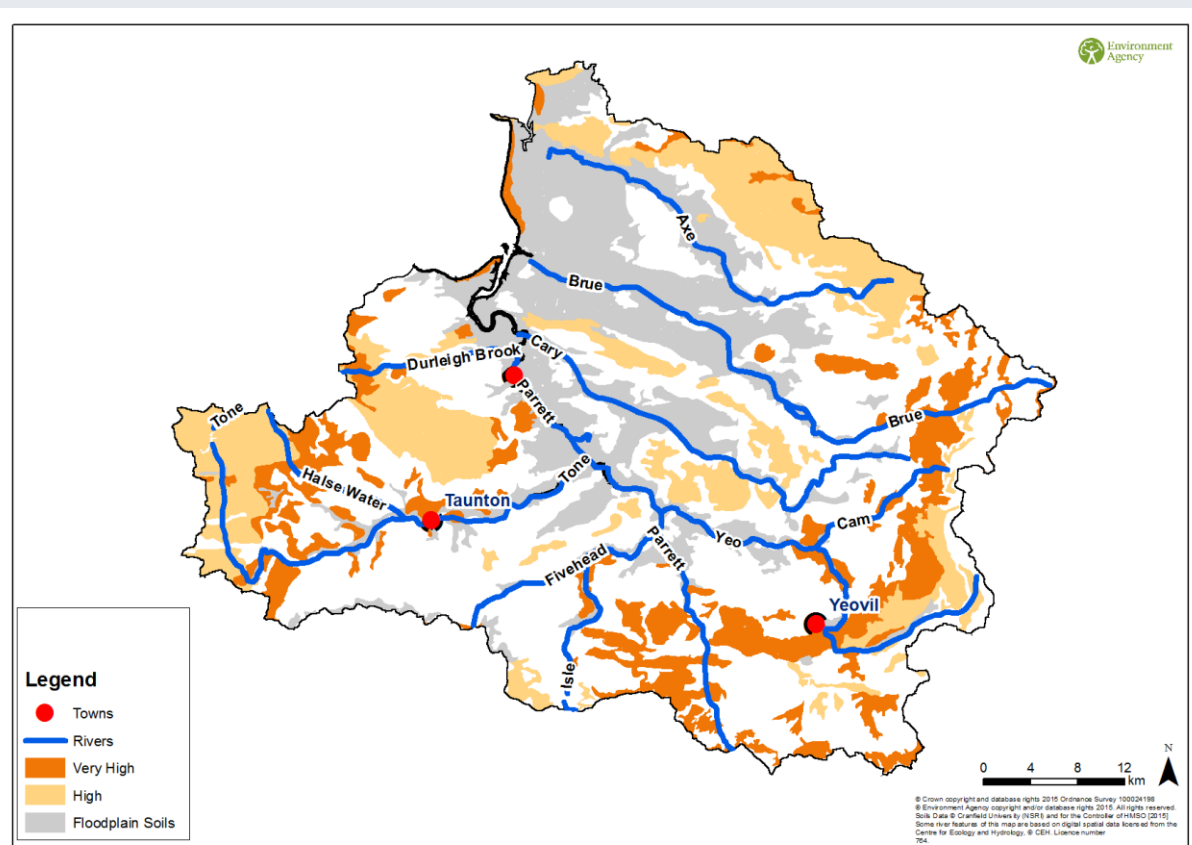
The opportunity to deliver multiple outcomes through post-CAP funding (synergies) is important as this will also deliver better value for money and better environmental outcomes.

Case study: Hills to Levels Project

The Hills to Levels Project was developed by Farming and Wildlife Advisory Groups South West (FWAG SW) to deliver a full range of catchment measures outlined in the 20 year flood action plan. Catchment Sensitive Farming (CSF) and FWAG SW worked together to develop and implement a pilot on integrated advice delivery for soil management and surface runoff detention.

An intensive programme of farm engagement catalysed offers from farmers to accommodate runoff attenuation features, encouraged the development of farmer-led soil management best practice groups, encouraged CSF uptake, and created wider benefits and synergies for water quality and flood risk. This linked in with FWAG SW's role as host for the Catchment Based Approach for Somerset.

This case study demonstrates the benefits of an integrated approach to delivering catchment management. Strong Partnerships helped to: make the best use of all available funding streams; provided room for creative problem solving; and structure for ongoing management. This model could be rolled out more widely to generate cost effective multiple benefits.



Winter soil water storage potential in the Somerset Levels & Moors

Source: CSF and FWAG SW January 2016. The Somerset Levels & Moors Flood Action Plan Update – Executive Summary.

For example, using natural flood management to store flood water for agricultural use helps to both slow the flow of water and improve water resource management, as trialled in the Deben and Witham catchments. The Hills to Levels Project described in the case study above is also another good example.

The uplands arguably offer the greatest potential to deliver across the full suite of public goods. Post-CAP funding mechanisms should recognise the full societal value of positive land management in the uplands. We also welcome high animal health and welfare standards as these often go hand in hand with high environmental standards, but payments should not be for basic standards that the public already expect.

While there are important national priorities, the Environment Agency also acknowledges that there will be different interests from potential beneficiaries all across the country and particular place-based priorities and challenges. Encouraging public debate locally on priorities could increase community understanding of what farmers are doing and widen the support base for continuing public support. Local and national environmental priorities could be managed under the oversight of a flexible national framework that required incorporation of national objectives into schemes for approval but gave significant opportunity for bespoke action locally.

Ultimately payment should be made to those who have control over how the land is managed, i.e. those delivering positive outcomes, rather than to those who simply own it.

Enhancing our environment

Operating at scale

The Environment Agency welcomes the commitment to piloting more landscape and catchment scale approaches. Stronger catchment focus is also highlighted in the Government's Water Abstraction Plan. We are keen to be involved in the development of these schemes. Our experience of delivering benefits for the whole water environment (quality, quantity, flow and habitat) has illustrated that operating at catchment scale is the best way to deliver significant sustained improvements. We believe this approach is an integral part of achieving several of the 25 Year Environment Plan goals, particularly clean and plentiful water, thriving plants and wildlife and ultimately enhanced beauty, heritage and engagement with the natural environment.

Working at landscape scale can also be an important prerequisite for delivery of many of the other public goods in certain circumstances, for example recreation and species recovery. Equally many of the other goods could be as well delivered nationally or at individual farm level. Therefore the delivery mechanisms may need to vary in scale to reflect this while ensuring opportunities to participate are available as widely as possible.

The Environment Agency believes the best way to coordinate work across catchments and landscapes is through a catchment coordinator or convener type model. This involves coordination of water management across all sectors, including supply and flood risk management. Ideally, we believe a "whole system approach" should be adopted to enable a fully coordinated approach to water management from source to sea.

We are working with Defra and other partners exploring how use of catchment coordinators or conveners can be developed further within the "Pioneer Catchments" as described later in this document.

Co-operative agreements

We are supportive of the aspiration to enable co-operative agreements between groups of farmers which in many cases would work well in conjunction with landscape scale or catchment approaches in particular. The Environment Agency sees many benefits from these schemes including greater knowledge sharing between participants and consequently engagement with scheme objectives, potential administrative savings and in the best examples a growth in social capital locally which can engender much wider benefits than those intended through the scheme

alone. Much could be learnt from international examples such as those in the Netherlands and closer to home from the Pontbren, and Glastir Commons in Wales. We believe the secret to success is ensuring the right level of support and investment in setting up these agreements. There is also a potentially important role for third sector organisations to play in helping to agree objectives and providing advice on the ground. Collaboration also provides an opportunity to bring in local partners not previously able to access CAP, private funding and other sources of government funding. Collaboration between the existing 107 catchment partnerships across England, Rivers Trusts, Wildlife Trusts, water companies and Catchment Sensitive Farming has already helped to coordinate funding and priorities.

Case study: “The Dutch Model” - Agri-environment cooperatives

In 2016, following the EU introduction of the option of group applications for agri-environment measures, the Dutch Government made the decision to implement joint applications only. As of 2016, individual applications were no longer available and 160 regional cooperatives were established as a result. This approach fits within a long-standing tradition in The Netherlands of environmental cooperatives.

How does this approach work in practice?

This scheme is based on the “front door – back door principle”. At the front door, the government signs a contract with the regional cooperative, setting the environmental targets and describing the types of conservation activities that will be used to achieve these targets. This contract establishes a six year, results-based obligation on a specified area of land. Payments per hectare are calculated based on habitat types and the activities prescribed in the contract. At the back door, the cooperative secures contracts with individual land owners/users specifying activities and payments needed at field level to realise the habitat and landscape scale objectives established in the government contract.

There is a significant degree of regional control and fine-tuning of conservation activities and payments in between the front and back door levels (e.g. selecting target species and habitats, designating areas, allocating budgets).

What benefits have been observed as a result?

- A coordinated cross-farm approach is claimed to be more effective for species and habitats (e.g. through the creation of ecological corridors) and for reducing negative externalities to improve water, soil and air quality.
- Scheme implementation by an organisation close to the farmers increases participation and consequently scheme coverage.
- Regional coordination provides opportunity for partnership working at a local level.
- The cooperative approach provides significant guidance and support to land managers therefore increasing the effectiveness of the scheme, educating participating farmers and professionalising the management.
- Increased flexibility at a regional level provides room for environmental innovation allowing adaptations to be made based on uncontrollable factors (e.g. weather).

Source: Terwan, P., Deelan, J.G., Mulders, A. & Peeters. E., (2016) The cooperative approach under the new Dutch agri -environment-climate scheme. Ministry of Economic Affairs (NL)

Case study: Catchment Partnership in Action: Working together in the Upper Derwent to address flood risk and WFD failures – Environment Agency, Forestry Commission, and East Yorkshire Rivers Trust

The Upper Derwent catchment is characterised by swift-flowing upland streams, which drain off Fylingdales Moor on the North York Moors National Park. Much of this catchment is managed by the Forestry Commission (FC) having been heavily planted with conifer trees during and after the WWII. The FC have been managing these sites with the multiple objectives of nature conservation, recreational access, habitat improvements and harvesting timber as a commercial crop.

The Environment Agency, East Yorkshire Rivers Trust and FC have been working on the Upper Derwent and Crosscliffe Beck to identify opportunities for further wetland habitat creation, sediment reduction and 'slowing the flow'. Recently clear felled areas of land have exposed land drainage grips and gullies that were dug when the forests were first planted and springs and streams that were modified to facilitate planting. These gullies have increased the rate at which water and sediment flows off the site, contributing to sediment and flood risk problems downstream.

By using natural flood risk management techniques such as woody debris to deliberately block these drainage features, a series of small ponds has been created. This in turn helps to keep water in the Upper Catchment, trapping sediment, preserving the peat and creating important wetland habitat. Relatively simple and very low cost techniques were deployed to great effect as demonstrated in the photographs below.



From this...



To this...in under 5 years.

Source: Duncan Fyfe, 2018. Catchment Partnerships in Action

Increasing value added for farmers and the taxpayer

The Environment Agency supports exploring innovative approaches with the potential to achieve better environmental outcomes and improve value for money. We also believe it will be important for any new system of payment to be able to reward farmers for a broad suite of activities undertaken across the farm. This will be especially important in areas or farms where the income that can be generated from core farming activity is marginal. Approaches to calculating payment which move away from the prescribed 'income foregone and cost incurred' and place greater emphasis on value derived are required to offer due recognition. Natural capital could be used as part of that value assessment in line with the approach set out in the 25 Year Environment Plan.

Case study: The Environment Agency's Natural Capital Programme - Catchment Trail Phase I & II

The Environment Agency's (EA) Natural Capital Programme is addressing the question: 'What is different as a result of a natural capital approach?' It aims to provide quantitative and tangible evidence to compare this new concept with the EA's current method of planning for water and flood risk.

Initial evidence suggests that integrating flood risk and water management plans and re-designing environmental interventions to protect natural capital might bring more and wider benefits for every pound spent. This concept needs to be tested more thoroughly to understand what practical steps the EA and Defra Group could take to implement it. If it is shown to work in trials, it could offer wiser investment opportunities, halt degradation of natural capital and bring more benefits for society.

Phase I of this trial was desk based and used data from the Bristol Avon Urban catchment to apply a natural capital approach:

- A suite of alternative, natural capital-focused interventions were developed for the catchment using evidence from land cover maps and other natural capital asset-type data.
- The interventions were designed to enhance and protect natural capital, whilst meeting flood risk and WFD targets.
- The predicted costs and benefits of these measures were compared to existing Flood Risk Management Plans and River Basin Management Plan costs and benefits.

Phase II of this trial will 'ground test' the concept and the alternative interventions with the catchment's partnership group and stakeholders. The process is:

Step 1 – Build the evidence base. Understand the current extent and condition of natural capital within the catchment and the ecosystem services it provides

Step 2 – Develop natural capital focused management options

Step 3 – Run an economic appraisal on options and share results

We welcome an outcome-based approach. Giving flexibility to land managers to decide how best they achieve the results that they have agreed to deliver could improve uptake, engagement and the effectiveness of delivery.

There are however also risks from an outcome-based approach – not least because without proper advice and knowledge farmers may fail to reach the required goals to obtain payment despite incurring costs. There are also risks that factors outside of farmers' control mean that meeting the objectives are unobtainable. It makes sense to pilot these approaches using relatively straightforward field based proxy outcomes first (e.g. vegetation structure, soil organic matter etc.), or when fully outcome based then ensuring payment is made as a bonus for the outcome in conjunction with payment for abeyance with the more traditional prescriptive requirements. There are good examples across Europe of fledgling outcome based schemes and hybrid approaches, with those applied in Austria perhaps an exemplar of a risk balancing approach.

Additional approaches to ensure value for money could include the introduction of reverse auction based systems which can work well at landscape or catchment scale and particularly where the objectives are narrower in scope. These can help set a more realistic market price for the environmental outcomes we seek. The approach has worked well for delivery of measures to improve soil management in Australia and water quality in several North American catchments.

Wessex Water's EnTrade scheme provides a good local example of the benefits and challenges of adopting such approaches, which could be learnt from in embedding a new pilot scheme.

Case study: EnTrade - Wessex Water's reverse auction approach to tackling nitrate pollution in the Poole Harbour catchment

The Wessex Water catchment team use EnTrade, a reverse auction system, to invite farmers to bid for funding to grow cover crops over winter to reduce the nitrogen leaching into the watercourse. Their first auction ran in June 2016, advertising a 20 tonne target and received:

147 bids from

19 farmers for

47.5 tonnes of nitrogen savings across

1,141 hectares of land.

The auction also saved Wessex Water 30% on their nitrogen costs compared to previous methods of interacting with farmers.

Two further auctions were run in February 2017 comprising of:

A second cover crop auction which received bids for a further 40 tonnes of nitrogen savings against a target of 15 tonnes, at a lower price than the previous auction.

An auction for arable reversion which received bids for 8 tonnes of savings over 3 years across 66 hectares.

Source: EnTrade (2017). Case Study. EnTrade Background. Available at: <https://info.entrade.co.uk/> (04.04.18)

The Environment Agency believes it is particularly important that the design of new schemes facilitates a move towards longer term sustainable management which is less reliant on direct government support. There are significant opportunities to do this, particularly where co-operative agreements are being set up. Environmental Land Management co-operation schemes should be integrated where possible with support to facilitate local produce branding, generation of income from wildlife tourism or recreational opportunities, as well as carbon trading.

In some of the very best examples, notably the paddy field stork recovery scheme in Shiga prefecture of Japan, these interventions reward farmers in higher prices for their produce and have generated significant spin off benefits to the local GDP through tourism and development of local added value produce markets, providing a longer term self-sustaining model.

The move to 100% domestic funding of these schemes also provides a greater degree of vulnerability if departmental settlements in future are skewed unfavourably. The current and potential benefits of favourable land management - public health, education, business diversification, maintenance of cultural heritage, etc - fall across a range of government departments. Recognition of this through a more integrated and load sharing approach to funding would provide greater resilience against changing political priorities.

The Environment Agency would also support other design principles for a new Environmental Land Management scheme. Funding should be targeted to where measures are of most value. Future funding should be used to add value to the environment and not be reserved just for those who already have high natural capital land. Whilst high natural capital land should be protected, funding for these areas is less likely to add value. Funding should also be used to address

intensively managed land where there is potential to reduce pollution to the water environment, improve soil structure and carbon levels or hold back flood water.

Duration and coverage of agreements

We believe the new suite of Environmental Land Management schemes should avoid adopting a one size fits all approach. In many cases, especially in less intensively farmed areas, the security of longer term agreements which reward a basket of public goods being delivered across the whole farm will be necessary. This should not preclude opportunities for farmers to also be paid to undertake part farm and/or short term interventions, especially where this is contributing to wider delivery at catchment or national scale e.g. in terms of water quality improvement, flood adaptation or carbon emission mitigation.

Fulfilling our responsibilities to animals

The Environment Agency is not directly involved in managing or regulating animal welfare and health. However we recognise the importance high standards of animal welfare have in increasing consumer confidence and reducing the likelihood of disease outbreak. We are also well aware that major outbreaks of disease can have significant indirect impacts on the natural environment due to immediate and longer term changes in livestock management practices. In addition our officers find that practices that harm the environment are often correlated with examples of poor animal welfare on farms.

We agree that funding could be used to pilot improved animal welfare schemes. We recognise that increased outdoor access and enhanced environmental protection are not inherently mutually exclusive. Allowing livestock to access the outdoors comes with many benefits including animal welfare, biodiversity and increased sustainability, but there are also potential conflicts with other outcomes we seek to achieve on soil health, carbon emissions and water quality. We do not object to more outdoor livestock, but it must be well managed. We will continue to engage with key partners to find innovative solutions to the challenges faced, which are economically viable, more sustainable, healthier to people, livestock, wildlife, and the environment.

Supporting rural communities and remote farming

The Environment Agency understands the challenges remote farming brings and supports action to increase resilience in these areas. There are measures that the government can take and is taking to address the challenges faced by rural communities and businesses which will also benefit the environment. Improved telecommunications, increased access to skilled labour (and training) and access to finance could all help rural communities to find innovative solutions to the challenges they face. Any expenditure to support these measures from the post CAP settlement should not come at the expense of cutting funding for rural areas from the respective relevant departments.

While there are challenges for remote rural farming, these areas also have significant advantages in the move to a public goods model. They are often well placed to deliver across a wider suite of environmental outcomes than lowland farms. Carbon capture, flood mitigation, recreation, landscape and the historic environment are good examples of where the uplands in particular are ideally placed to deliver public goods. We do not believe that there is a need for a bespoke scheme for these areas, but rather that it is critical the future Environmental Land Management schemes are designed in a way which is flexible enough to recognise and pay for the full basket of goods these farms can deliver. A natural capital approach to valuation in particular would allow this be supported through a universal approach as opposed to an uplands specific land based scheme.

Case study: Hills to Sea - Lake District National Park Partnership and Cumbria Catchment Pioneer Project

Hills to Sea is a pioneer project to develop pilot approaches with landowners to trial catchment-scale sustainable future farming options. This includes a review of the current use of agri-environment funding. This work explores the choices for land management and farming, balancing the system benefits across productivity, environmental improvement and wider society.



Buttermere, Lake District

Significant quantities of agricultural land in Cumbria are in tenancy agreements with large landowners, including United Utilities and the National Trust. This provides the opportunity to work with landowners and tenants to test different land management models, including how upland farm systems can maximise the use of public money for public goods. This includes delivering direct catchment benefits e.g. improved water quality and reduced flood risk, and also linking to the role of land management as part of community economics and structures - all within the context of the World Heritage Site designation. The ambition is to understand how we can develop local land management strategies, within any new national Post-EU Exit Farming framework. This project links with Natural Capital, innovative finance and systems thinking activity.

This project has subsequently developed into a joint working group between the Catchment Pioneer and the Lake District National Park Authority. The group is not only focussing on the pilots, but is becoming an influential place for discussions on the future of land management in Cumbria, within the context of the Lake District National Park, World Heritage site and the 25 Year Environment Plan. The Pioneer and 25 Year environment plan principals have been applied in the development of a joint offer for locations to Defra for universal (National) scheme pilots.

Changing regulatory culture

Better regulations

The Environment Agency welcomes the government's intentions to maintain a strong regulatory baseline of standards that reflect the 'polluter pays' principle, replace cross compliance and to modernise the regulation of agriculture. These aims align with the Environment Agency's own advice-led, risk based and proportionate approach to regulation, based on advice and guidance to help farmers who want to do the right thing combined with enforcement of the regulations where necessary and tough action against the worst and most persistent offenders. We believe the Environment Agency will continue to have a central role in enforcement and maintenance of environmental standards for farming after EU Exit.

The commitment to maintain and in some cases enhance regulatory standards, as outlined in the consultation, is positive and important if we are to address the issues that our pollution incident responders confront on farms. We believe this is fundamental to achieving the Government's clean air and water targets (to halve the effects of air pollution on health by 2030 and to improve three quarters of our waters to be as close to their natural state as soon as practicable) as well as reversing biodiversity losses as outlined in the 25 Year Environment Plan.

We are already working closely with Defra to ensure any future change to the regulatory baseline is sustainable for both industry and the environment and will continue to pursue these twin aspirations. In particular we believe that future approaches should increasingly use a simpler outcome focused approach to drafting regulations which empowers the farmers to utilise their own knowledge of their land and encourages innovative behaviours to meet the desired outcomes. The new Farming Rules for Water are a good example of modern outcome based regulations.

We see an opportunity to further streamline and simplify the current diverse farm based environmental protection regulations into a set of measures which will make it easier for farmers to understand their obligations and which do not discriminate based on age of infrastructure. The opportunity arising from EU Exit makes this a timely moment to address this issue so that at least measures on nutrient management, water protection, soil quality and slurry management are marshalled in one easy to follow set of regulations.

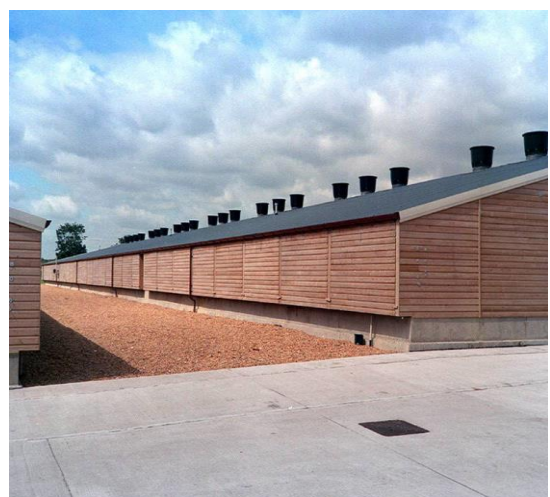
The dairy sector is currently outside the Environmental Permitting Regulations (EPR) regime used for other intensive agriculture sectors (pigs and poultry) but is responsible for the largest proportion of significant pollution incidents that we see on farms. Dairy farming is also a major emitter of gases like ammonia and methane which can impact on human health. We would like to open discussions with the industry to explore the feasibility of integrating dairy farms into a more formal control framework to remedy this situation. We believe it would provide greater clarity to the farmers on what requirements are expected of them and drive standards upwards. We believe it is also necessary to include the supply chain in these discussions to ensure there is greater shared responsibility for the risks of milk production and to identify opportunities to reduce the regulatory burden wherever possible.

Many farmers are already required to obtain permits and licences issued by the Environment Agency for various activities carried out on a farm (for example discharges to water, applications of material to land or operating an intensive pig or poultry unit). We would also like to explore the possibility of consolidating permitting requirements so that farmers have a single permit for the range of activities they wish to undertake on their farm. A single set of easy to follow, outcome focussed environmental protection controls could improve transparency and reduce bureaucracy as well as enabling more effective action against persistent polluters. Any future legislation to implement such an approach should be drafted in a way that enables easier pursuit of sanctions where necessary akin, for example, to the use of General Binding Rules in Scotland.

Much of the cost of regulating agriculture by the Environment Agency is currently borne by the tax payer. The costs for most of our advice and guidance, enforcement and the roughly 600 integrated farm visits per year are Grant in Aid funded by the government. Overall almost 70% of the cost of our agricultural activity (excluding permitting) is Grant in Aid funded. We are strongly supportive of adopting the polluter pays principle into future legislative proposals. A move to a fuller adoption of the polluter pays principle in agricultural policy would drive the right behaviour by farmers, incentivising them to avoid pollution and farm sustainable, provide clarity on what the government expects of the farming industry, and allow full cost recovery for the Environment Agency's agricultural regulatory activity so that it does not depend as now on government grants.

Efficient inspection regime

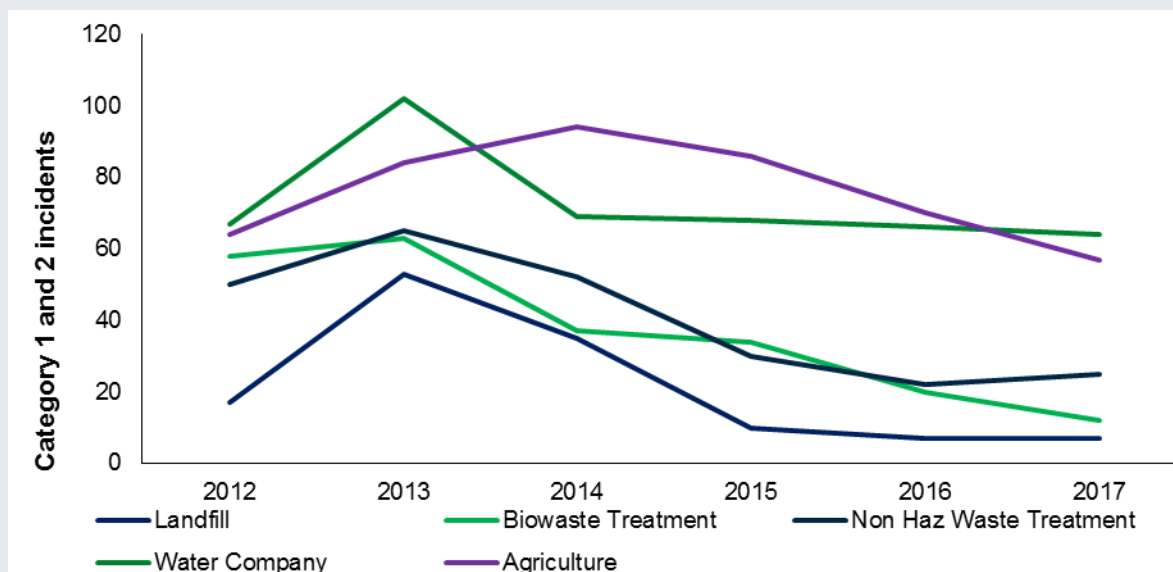
We also look forward to the independent review of farm inspections led by Dame Glenys Stacey. Currently the Environment Agency uses an advice-led approach to enforce environmental legislation. We advise land managers of a failure to comply and highlight actions to rectify non-compliance. In the event of significant failings, and or, a lack of progress in addressing issues, we take a firmer stance in accordance with our published Enforcement & Sanctions Policy. Prosecutions are typically reserved only for the most serious incidents



A typical intensive poultry farm

or for persistent offenders. We support the continued availability of prosecution for persistent or serious offenders.

We believe that a number of the tools that we currently use including remote sensing, risk based targeting and earned recognition for environmentally sensitive farming practice can be adopted more widely. However it is the Environment Agency's view that current compliance levels with some aspects of agricultural regulation are not sufficient. In order to achieve greater compliance more resources are needed for those empowered to enforce regulations. From recent experience we would also recommend improvements to data and technology sharing and IT to promote a joined up approach to inspections across agencies. We look forward to contributing to the review and receiving the recommendations later in the year.



The most serious category 1 & 2 pollution incidents by sector (top 5 sectors responsible for the most incidents). Despite a recent reduction in incidents agriculture remains highly susceptible to weather events in terms of pollution performance.

Supply chain assurance

When looking at current levels of regulatory compliance in the farming sector we do not believe that our inspection regime and available enforcement tools alone are sufficient to effect behaviour change, and we are already involved in facilitating new approaches.

In particular we recognise the important role the market could play in maintaining and driving standards upwards. The Environment Agency would like the whole agri-food sector to recognise their duty of care and achieve a more coherent approach to the protection of the natural resources upon which they are fundamentally dependent.

We already work with food chain assurance providers and would like to move towards a model whereby the industry takes on more responsibility to improve compliance with environmental protection standards. Aside from reducing the necessity for regulators to visit farms, this can also have huge benefits for sustaining and enhancing the reputation of our farmers and their produce and giving consumers at home and our export markets greater confidence. We have already been instrumental in the development of a successful Pig and Poultry Assurance Scheme and are keen to work with other sectors and food chain players to facilitate expansion of these approaches.

To further the benefits of this approach, membership of a suitably certified assurance scheme could also be used. This would ascertain compliance with the regulatory baseline necessary to

qualify land managers for post-CAP funding, again potentially reducing the burden of inspection visits on farm. We would support the creation of a new scheme if existing schemes were unable to do this.

Case study: LEAF Marque earned recognition scheme

The Environment Agency (EA) has worked closely with LEAF Marque to develop an “Earned Recognition” scheme. Earned Recognition means that farms which hold LEAF Marque status are not visited by EA inspectors on a routine basis. This is based on strong evidence over several years that LEAF Marque farms hold a very low risk for non-compliance of environmental regulations.

Earned Recognition is beneficial for the farmer, in that they are subject to fewer inspections, and hold an enhanced reputation with suppliers and consumers, who value their sustainable approach to agriculture.

This self-regulation of farms reduces the regulatory burden on the EA, and allows resources to be concentrated where they are most needed.



Working with farmers

Risk management and resilience

Volatility measures

The Environment Agency recognises that farming margins can be volatile, providing peaks and troughs in farm profitability that can be hard to manage. Guaranteed income from direct payments and interventionist measures from the EU to support income in times of downturns may have led to a reluctance to purchase insurance in the past and the removal of these measures may in itself generate a growth in this market.

As outlined earlier in this response we are supportive of increasing the productivity of the sector. Smarter farming which focuses on efficiency and higher margins is much less vulnerable to downturns than farming techniques which focus primarily on outputs. Multi-annual income for those participating in environmental land management schemes will also continue to provide a “hedge betting” approach to income resilience once basic payments are removed.

Should demand increase for insurance products we would support the government providing advice to the industry, and especially measures to ensure against mis-selling. We believe it is important however that future UK government intervention in agricultural markets is restricted to promoting business-like behaviours from the industry.

Extreme weather

Greater resilience against flooding can be provided through good farming practice, especially good soil management. However we recognise that good stewardship will not always be enough to prevent losses from flooding. We would therefore support a Flood Re¹ for Farming scheme which could support those in areas particularly prone to inundation. We strongly encourage all land managers, not just lowland, riparian land managers, to understand their [flood risk](#).

We also encourage the government to consider longer term resilience needs in light of our changing climate. Productivity is likely to be affected by wetter winters and drier summers in the coming decades: again good land management practice can provide resilience against these stressors. The Climate Ready [Farm Business Resilience Health Check Tool](#) is a good example of combined business and environmental risk planning which could help the sector to reduce the risk of harm from environmental hazards.

In terms of specific actions farmers or land managers can take to build resilience against climate change we encourage use of storage reservoirs (to protect against flooding in winter and provide a summer water source), changing irrigation practice (for example irrigating at night), or forming abstractor groups with neighbours to pool licensed abstraction volumes. Winter storage reservoirs are an example of infrastructure we would support receiving a grant to encourage their uptake.

Protecting crop, tree, plant and bee health

Disease outbreaks

The Environment Agency recognise the potentially catastrophic and landscape changing impacts of failing to manage against pests and diseases, particularly when these are invasive new arrivals to the UK. We encourage investment to better understand the increased risk from pests and diseases that will arise as a result of climate change to enable preparation in advance of arrivals of new threats.

We recognise the role trees play in maintaining good environmental health. Woods and forests offer many benefits to society, environment and the economy. Therefore we believe it is important to act swiftly and effectively to tackle outbreaks of disease, support landscape recovery, and ensure no long term detrimental effects to the environment. The Environment Agency has played an important contributory role as part of the wider Defra group in response to previous disease and pest outbreaks and retaining a level of preparedness in staff training is also important to this.

Protecting crops

The UK is moving towards an independent system for the regulation of plant protection products (PPPs), such as pesticides. After EU exit this system will decide which PPPs are available on the UK market. To ensure the widest possible choice of PPPs the UK plant protection product approval process should be funded so that the costs of placing PPPs on the UK market is not disproportionate to the value of the UK market. We wish to be an integral part of the decision making process to ensure robust evidence on environmental risks and impacts is considered during product approval or product reviews, as part of a systematic PPP vigilance approach. This would help maintain public confidence in UK regulation of PPPs. The Environment Agency can help contribute to this through a strategic surveillance network to monitor chemical and ecological

¹ Flood Re is a flood re-insurance scheme that helps householders in need of insurance in flood risk areas.

quality, building on the current Catchment Sensitive Farming monitoring network. We also believe that wider use of integrated pest management (IPM) would increase the resilience of the farming industry, as well as providing environmental benefits and therefore support the government's commitment as part of the 25 Year Environment Plan to incorporate IPM at the heart of a holistic approach for future pesticide policies.

Ensuring fairness in the supply chain

The Environment Agency supports the view that risk and reward should be shared fairly throughout the entire supply chain. Businesses in the supply chain should have a duty of care towards farmers and the natural resources on which primary production depends and the wider environment their produce is sourced from.

We currently support Defra's Healthy Ecosystem programme delivered by Business in the Community ([BiTC](#)), which explores the benefits of collaboration between supply chain businesses, including water companies, to solve local environmental impacts: for example, engaging the brewing industry and water companies to address the impact of nitrates on groundwater quality, and using their influence to mitigate nutrient loss in crop production at farm level.

We also support the promotion of Producer Organisations and other formal structures within the industry. These measures have the potential to improve farming productivity and resilience and can also be a more co-ordinated route through which more sustainable food production initiatives can be facilitated.

The Environment Agency believes that the supply chain has a duty to ensure plastic waste is properly processed so that it poses little risk to the environment. As such we would support an extension to the existing Producer Responsibility scheme for plastics to include agricultural plastics (silage bale wrap, crop cover, mulch films etc.) Some farmers rely on paying expensive waste collection costs for all their plastic waste. Recycling rates are currently around 20%. A collection and recycling scheme run and funded by the producers would greatly increase plastics recycling and reduce the waste management costs for farmers.



Farm plastics

Devolution: maintaining cohesion and flexibility

The Environment Agency currently works closely with our respective devolved counterparts including on practical cross border issues and idea sharing to support the development of our respective regulatory approaches. We look forward to clarity on how the future UK frameworks, to be set out in the Agriculture Bill, will be implemented, and will continue to work in conjunction with devolved agencies where appropriate to ensure effective environmental protection and a coherent approach to the management of common resources.

International trade

The Environment Agency welcomes the government's commitment to maintain or enhance our current levels of environmental protection. We have set out in previous chapters how we believe these protections should develop as we leave the EU. It will be necessary to be mindful that trade and agricultural policy is interdependent. The health of our agriculture industry will be, at least in part, dependent on the industry's ability to sell its produce internationally. However it is vital that trade policy does not undermine the government's stated aim to maintain or enhance environmental standards, or the aims set out in the 25 Year Environment Plan.



The Environment Agency would not support trade policy that undermined current environmental protections or prevented enhanced protections in future. Raising consumer awareness of how their food from farms is raised or grown is important in this context. We support continued development of assurance scheme standards as a product differentiator. We also support further professionalisation and environmental and animal welfare benchmarking by the industry to help develop a strong British brand whose values are understood to consumers at home and abroad.

Legislation: the Agriculture Bill

We agree with the aims and outcomes of the new approach as outlined in this consultation. The Bill should include the necessary powers to ensure that we are able to support delivery of those aims and outcomes, including transition away from existing schemes, rules and funding frameworks. We encourage the government to consider how this legislation will link to existing UK legislation, e.g. environmental legislation for floods and water management; water, soil and air protection; biodiversity; waste management; land drainage and climate change.

Conclusions

Our farmers have proven time and again that they can respond magnificently to the needs of society and the challenges of a changing world. They responded spectacularly to the need to produce more food domestically from the 1940s onwards. They have proven resilient to the challenges of disease outbreaks and severe weather. They have innovated and begun to respond to the challenges and opportunities that climate change brings, including diversifying their production and branching out into new income streams supporting renewable energy production.

The Environment Agency believes that given the right support and direction the sector will also rise to the challenge of protecting and enhancing our environment while also raising overall productivity. We believe that this is a once in a generation opportunity to rethink and rebalance our policy and legislative framework to support the agriculture industry while ensuring a better environment for all.

We warmly welcome the fresh approach set out in the government's consultation document which provides the basis for a coherent and integrated way forward. We look forward to working closely with the government, farmers and others to create a successful future for farming, a cleaner and greener environment, and a better place for people and wildlife.

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