



Department
for Environment,
Food & Rural Affairs

Agriculture Act 2020: Post-Legislative Assessment

March 2026

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Government of the United Kingdom

Department for Environment, Food and Rural Affairs

Agriculture Act 2020: Post-Legislative Assessment

Presented to Parliament
by the Secretary of State for Environment, Food and Rural Affairs
by Command of His Majesty

March 2026



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Table of Contents

Agriculture Act 2020: Post-Legislative Assessment.....	3
1. Origins of the Act	4
2. Policy Objectives	5
(i) Enhancing our environment.....	5
(ii) Transitioning Away from CAP and Towards Public Money for Public Goods	5
(iii) Fulfilling our responsibility to animals.....	6
(iv) Changing regulatory culture and simplifying schemes	6
(v) Risk management and resilience, including supply chain fairness.....	6
(vi) Supporting rural communities and remote farming.....	6
3. Provisions of the Act	7
(i) Part 1 – Financial Assistance.....	7
a) <i>Part 1, Chapter 1 – New financial assistance powers</i>	7
b) <i>Part 1, Chapter 2 – Direct payments after EU exit</i>	8
c) <i>Part 1, Chapter 3 – Other financial support after EU exit</i>	9
(ii) Part 2 – Food and Agricultural Markets.....	10
a) <i>Part 2, Chapter 1 – Food security</i>	10
b) <i>Part 2, Chapter 2 – Intervention in agricultural markets</i>	10
(iii) Part 3 – Transparency and Fairness in the Agri-Food Supply Chain	11
a) <i>Part 3, Chapter 1 – Collection and sharing of data</i>	11
b) <i>Part 3, Chapter 2 – Fair dealing with agricultural producers and others in the supply chain</i>	12
c) <i>Part 3, Chapter 3 - Producer Organisations</i>	12
(iv) Part 4 – Matters Relating to Farming and the Countryside.....	13
(v) Part 5 – Marketing Standards, Organic Products and Carcass Classification	14
(vi) Part 6 – World Trade Organisation (WTO) Agreement on Agriculture.....	15
(vii) Part 7 – Wales and Northern Ireland.....	16
(viii) Part 8 – General and final provisions	16
(ix) Schedule 1 – Agricultural sectors relevant to producer organisation provisions (Relates to Sections 30 and 32).....	17
(x) Schedule 2 – Recognised organisations: competition exclusions (Relates to Section 31)	17
(xi) Schedule 3 – Agricultural tenancies (Relates to Section 36)	18
(xii) Schedule 4 – Agricultural products relevant to marketing standards provisions (Relates to Section 37).....	19
(xiii) Schedule 5 – Provision relating to Wales (Relates to Section 46)	19
(xiv) Schedule 6 – Provision relating to Northern Ireland (Relates to Section 48)	21
(xv) Schedule 7 – The CMO Regulation: consequential amendments (Relates to Section 52).....	22

4. Implementation of the Act and Guidance.....	23
(i) Commencement.....	23
(ii) The development of the Agricultural Transition Plan	23
(iii) Reductions in direct payments/replacement with delinked payments	24
(iv) Launch of ELM schemes	25
(v) Other Schemes and Policies	26
5. Legal Issues	27
6. Preliminary Assessment.....	28
(i) Enhancing our Environment	28
(ii) Transitioning Away from CAP and Towards Public Money for Public Goods	28
a) <i>The phase out of Direct Payments</i>	28
b) <i>Introduction of the SFI pilot: lessons learnt</i>	28
c) <i>Introduction of the Landscape Recovery pilot</i>	29
d) <i>Rollout of the full ELM schemes</i>	30
e) <i>Stakeholder responses to the transition away from CAP towards public money for public goods</i>	30
(iii) Fulfilling our responsibility to animals.....	30
a) <i>Animal welfare and endemic disease</i>	30
b) <i>Identification and traceability of animals</i>	31
(iv) Changing Regulatory Culture.....	31
a) <i>Introduction of ELM Schemes</i>	31
b) <i>Impacts of removing cross compliance regulations</i>	32
c) <i>Stakeholder response to our changing approach to regulatory culture</i>	32
(v) Risk Management and resilience, including supply chain fairness	32
a) <i>Supply chain information, fair dealing, and producer organisations</i>	32
b) <i>Stakeholder responses</i>	33
(vi) Supporting rural communities and remote farming communities	33
(vii) Other measures	33
a) <i>Fertilisers measures</i>	33
b) <i>Agricultural tenancies</i>	33
c) <i>Agricultural products</i>	34
7. Annex 1: List of SIs	35
8. Annex 2: References and External Links (including to other reviews)	37

Agriculture Act 2020: Post-Legislative Assessment

1. This memorandum has been prepared by the Department for Environment, Food and Rural Affairs (“Defra”) for submission to the Environment, Food and Rural Affairs Committee (“the Committee”). It is published as part of the process set out in the document Post-Legislative Scrutiny – The Government’s Approach (Cm 7320).
2. Agriculture in the UK is a devolved matter, and the majority of the provisions in the Act are applicable only to England. Where provisions apply in one or more of the devolved nations, implementation has primarily rested with the devolved governments of those nations acting alone, or with the Secretary of State acting by consent of the devolved governments. Therefore, this memorandum provides the Committee with the Department’s summary of the provisions and preliminary assessment of the implementation of the Agriculture Act 2020 (“the Act”) in relation to England only.
3. This memorandum will be accompanied by a separate evaluation report, which will cover the impacts of the implementation of the Act in greater detail.

1. Origins of the Act

4. The [Agriculture Act 2020](#) was the first new major domestic agricultural legislation made since the [Agriculture Act 1947](#). The 1947 Act, which supported farming profitability and promoted food production by guaranteeing minimum prices for key agricultural products, had played a major part in shaping British agriculture in the early post-war years. However, when the UK joined the European Community (EC) in 1973, it was required to also join the Common Agricultural Policy (CAP). This meant agriculture in the UK became subject to rules laid down by the EC (now the European Union or EU).

5. By the time of the 2016 European Union membership referendum, the CAP functioned by providing Direct Payments (mainly through the Basic Payment Scheme, “BPS”) and rural development funding, and through Common Organisation of Agricultural Markets (CMO) schemes. The policy had been subject to persistent criticism in the UK and abroad. The way the EU budget and the CAP was designed meant importers of food, including the UK, were net contributors to the EU budget. CAP payments to farmers were largely area-based subsidies, rewarding land ownership or use, rather than environmental or productivity outcomes. CAP was often criticized for being bureaucratic, inefficient, and environmentally unsustainable. The UK had limited flexibility to tailor agricultural policy to its own needs and Defra administered CAP schemes within the constraints of EU regulations.

6. As a consequence of the 2016 referendum, the decision was taken that the UK should end its membership of the EU. Leaving the EU would mean the UK was no longer part of CAP, and that EU laws would no longer apply. Agriculture being a devolved policy area, each constituent nation of the UK would be able to set its own agricultural policy to best meet the needs of its farmers, the environment, and its broader public.

7. In England, “[Health and Harmony: the future for food, farming and the environment in a Green Brexit](#)”, was published by Defra on 27 February 2018 as a consultation paper. This document laid the policy groundwork for the Agriculture Act 2020 (and its predecessor the [Agriculture Bill of 2018](#)) and the Agricultural Transition Plan, shaping the UK’s independent agricultural future after leaving the EU.

2. Policy Objectives

8. The Agriculture Act 2020 was drafted and introduced into Parliament by the Conservative government of 2019-2024. The then-government intended the Act to be a comprehensive piece of legislation designed to modernise and reform the agricultural sector in England, making it more sustainable, productive, and fair for all involved.

9. In broad terms there were six policy drivers that influenced the government of the day in shaping the content of the Act.

(i) Enhancing our environment

10. The government aimed to address and reverse the environmental damage caused by agriculture. This included negative pressures on the environment through pollution and farming practices which lead to habitat and species loss, and greenhouse gas emissions from livestock farming contributing to climate change.

11. Farmers would be encouraged to undertake environmentally beneficial actions such as creation of new habitats for wildlife, increase biodiversity, reduce flood risk, better mitigate climate change and improve air quality by reducing agricultural emissions.

12. As part of this, the government aimed to support farmers in managing and reducing the impact of pests and diseases on the farming and forestry sectors.

13. This would be delivered through schemes incentivising actions including integrated pest management, crop rotation, the use of biopesticides and encouraging natural predators. In parallel, other legislative routes would enable strong regulation of pesticides and investigation of plant breeding techniques and genetics.

14. The government also anticipated that this policy objective would facilitate delivery of some of the key outcomes set out in its [25 Year Environment Plan](#) and [Clean Growth Strategy](#). These include 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 for the natural environment; and mitigating and adapting to climate change.

(ii) Transitioning Away from CAP and Towards Public Money for Public Goods

15. The Act aimed to address concerns about the CAP, which was felt to have distortive effects on the agricultural sector while doing little to incentivise sustainable farming. To encourage and incentivise farmers to implement environmentally beneficial farming practices, the Act intended to replace EU-derived Direct Payments with a system that would reward farmers for delivering environmental and other public benefits, an approach described as “Public Money for Public Goods”. This would involve phasing out Direct Payments and introducing Environmental Land Management (ELM) schemes and other new schemes designed to deliver these “Public Goods”.

16. In pursuing this policy driver, the government also desired to improve the profitability and competitiveness of domestic agriculture, which it felt was too reliant upon area-based farming subsidies. In order to meet this objective, the Act would ultimately include measures to increase transparency and fairness in this supply chain for farmers and food producers.

(iii) Fulfilling our responsibility to animals

17. The government recognised that endemic pests, diseases and health conditions could have a significant impact on agricultural productivity, with implications for animal welfare, antibiotic use, greenhouse gas emissions and resilience to disease threats. It proposed, in line with a commitment in its 25 Year Environment Plan, to address this by supporting industry initiatives to improve animal and plant health, including through better information-sharing. It also proposed funding innovative approaches to improving farm animal welfare. Additionally, the government noted animal welfare as a potential public good that could be supported through the Act.

(iv) Changing regulatory culture and simplifying schemes

18. The government desired to simplify environmental, animal health and welfare regulation, to reduce burdens, while upholding standards.

19. The government therefore set out its objective of using new schemes launched by the Act to change the regulatory culture and provide a more integrated, appropriate and targeted enforcement system.

20. The government also aimed to simplify existing schemes using powers in the Act, proposing simplifications to the Countryside Stewardship (CS) schemes, cross compliance rules and to the greening requirements associated with BPS.

(v) Risk management and resilience, including supply chain fairness

21. The government noted that farmers are exposed to year-on-year price volatility and other risks, which could negatively affect planning and investment for the future. The government aimed to promote resilience and support increases in farm productivity in the farming sector through a range of mechanisms, including the Act.

22. The government promoted better animal and plant health and proposed farmers should have access to the tools they need to effectively manage their risks and increase productivity. Act powers would support adoption of best practice and of new business models (i.e. the Farming Resilience Fund) and investment in new tools and technologies (i.e. the Farming Investment Funds).

23. In reviewing food supply chains, the government noted that transparent and properly functioning food chains should provide affordable, safe food for consumers. The government also wanted farmers, processors, manufacturers and retailers to receive a fair share of risk and reward for their work.

(vi) Supporting rural communities and remote farming

24. Considering the future of agriculture, the government noted the challenges faced by rural communities and remote farms, particularly in the uplands, including physical and digital connectivity. Improved connectivity increases innovation and productivity across the economy, bringing significant economic rewards. Upland areas, said the government, deliver many public goods that are worthy of public investment: not only are they a beautiful and rich part of the country's heritage, they can encourage biodiversity, protect water quality and store carbon.

25. The government committed to support these areas through the schemes empowered in the Act, as well as a range of other measures.

3. Provisions of the Act

(i) Part 1 – Financial Assistance

a) *Part 1, Chapter 1 – New financial assistance powers*

26. Section 1 of the Act (*Secretary of State's powers to give financial assistance*) empowers the Secretary of State in England to provide financial assistance to beneficiaries such as farmers, foresters, and land managers, for a wide range of purposes. These include delivering environmental outcomes (clean air, water, biodiversity) through land and water management; enhancing public access, enjoyment, and education about natural environments; conserving and restoring cultural and natural heritage; mitigating and adapting to climate change; preventing or reducing environmental hazards; improving animal health, welfare, and disease control; conserving native livestock and equine genetic resources; protecting plant health and conserving agricultural, horticultural, and forestry species (including their wild relatives); and improving soil quality through decision-making support, monitoring, and research. Funding can be tailored to one-off capital investments or longer-term agreements, with illustrative examples ranging from targeted tree planting and peatland restoration to heritage building maintenance and agroecology knowledge sharing.

27. Section 2 (*Financial assistance: forms, conditions, delegation and publication of information*) establishes that financial assistance may be provided in any form, whether as one-off capital payments or ongoing environmental grant agreements. The Secretary of State may attach conditions to assistance, including recovery provisions, and may fund third-party schemes run by other organisations to deliver Section 1 objectives. Functions relating to assistance, such as issuing guidance or exercising discretion, can be delegated. Regulations may require publication of details on recipients, amounts, and purposes of payments, with those regulations subject to the affirmative resolution procedure. Key terms like “third party scheme” and “specified” are defined to ensure consistent interpretation.

28. Section 3 (*Financial assistance: checking, enforcing and monitoring*) empowers the Secretary of State to make regulations to check, enforce and monitor the conditions attached to financial assistance under Section 1 by verifying eligibility before and after payment, enforcing compliance, tracking whether intended outcomes are achieved and investigating suspected offences such as fraud. Those regulations may prescribe a broad, non-exhaustive suite of enforcement tools, including: information-gathering requirements; powers of entry, inspection, search and seizure; record-keeping obligations; recovery of funds (with interest); suspension or exclusion from schemes; monetary penalties; delegation of functions; and appeals mechanisms. Regulations under this section are subject to the affirmative resolution procedure, and the term “specified” is defined to ensure consistent interpretation.

29. Section 4 (*Multi-annual financial assistance plans*) requires the Secretary of State to prepare and have regard to multi-annual financial assistance plans that set out the Government’s strategic priorities, plan periods and details of existing or forthcoming schemes under section 1. The first plan must span seven years from 1 January 2021, with subsequent plans covering at least five years, and no plan may lapse without a successor ready to begin. Each plan (except the first) must be published and laid before Parliament at least twelve months before taking effect, and must be amended, published and laid before Parliament, whenever priorities change or information becomes outdated. In awarding financial assistance or setting scheme budgets, the Secretary of State must have regard to the plan’s priorities, and for the purposes of this section “the Government” is defined.

30. Section 5 (*Annual and other reports on amount of financial assistance given*) mandates that the Secretary of State produce an annual report for each financial year, beginning with 2021–22, detailing all financial assistance awarded under section 1, including the total sums disbursed, per-scheme expenditure and the extent to which each scheme met its terms (such as on-time payments), and may also cover assistance provided by means other than grants. The Secretary of State may publish interim or multi-year reports where useful (for example, three-year scheme reviews), and must publish and lay before Parliament every annual, interim or other report, with annual reports due by 1 October following the end of the relevant financial year.

31. Section 6 (*Monitoring impact of financial assistance etc*) requires the Secretary of State to monitor and assess the impact and effectiveness of all financial assistance under section 1, covering scheme uptake, required actions and public-good delivery, and to extend that monitoring and reporting to assistance provided via third-party schemes; the Secretary of State may determine the appropriate methods, duration and frequency of monitoring and reporting for each scheme or type of assistance, and must publish and lay every such report before Parliament.

b) *Part 1, Chapter 2 – Direct payments after EU exit*

32. Section 7 (*Meaning of “basic payment scheme” and other expressions in Chapter 2*) begins by defining key terms for England’s post-EU Exit Direct Payments regime during the agricultural transition period: the “basic payment scheme” covers the basic payment (about 70 percent of total support), the greening component (around 30 percent, conditional on environmentally beneficial practices) and the Young Farmers payment; “legislation governing the basic payment scheme” means the EU Direct Payments Regulation (No 1307/2013) and its assimilated UK subordinate legislation; the “agricultural transition period for England” is the timeframe over which Direct Payments are gradually reduced; a “direct payment” under the scheme may include or exclude the greening and Young Farmers elements; a “delinked payment” (per section 12(2)(a)) detaches the payment from land-farming requirements during the transition; and a “relevant payment” refers to either a Basic Payment Scheme direct payment or a delinked payment.

33. Section 8 (*The agricultural transition period for England and the termination of relevant payments*) establishes a seven-year agricultural transition period in England beginning in 2021. This means 2027 will be the last year for Direct Payments unless the Secretary of State, by affirmative resolution regulations made before the period expires, extends it. The section also provides that no further relevant payments can be made once the transition ends (apart from those tied to its final or earlier years), while allowing the transition period to be extended one or more times to address unforeseen circumstances, subject to the same procedural requirement.

34. Section 9 (*Power to modify legislation governing the basic payment scheme*) grants the Secretary of State authority to amend assimilated EU regulations governing the basic payment scheme (including greening and young farmers payments) where doing so would simplify or improve the scheme’s administration and effectiveness. The Secretary of State can also remove spent or unnecessary provisions, reduce burdens (defined as financial costs, administrative inconvenience, or obstacles to efficiency or profitability), ensure sanctions are appropriate and proportionate, or confine the scheme to land in England. This power expressly covers ending greening payments before the transition period concludes (provided the 30 percent greening budget remains available to compliant recipients, and is exercisable by way of regulations subject to the negative resolution procedure unless section 50(5) dictates the affirmative procedure).

35. Section 10 (*Power to provide for the continuation of the basic payment scheme beyond 2020*) empowers the Secretary of State to extend the basic payment scheme in England beyond the 2020 scheme year until it is replaced by delinked payments (earliest 2022) or phased out at the end of the agricultural transition. It does this by amending the assimilated EU Direct Payments Regulation to establish financial ceilings for subsequent years. This power allows regulations to set, publish promptly, and delegate the determination of those ceilings, ensuring continuity of payments, and automatically lapses if payments cease under Section 8 or upon introduction of delinked payments under Section 12(7)(a). It operates independently of the modification powers in Section 9, does not restrict any other authority to amend or revoke scheme legislation, and requires affirmative resolution parliamentary approval.

36. Section 11 (*Power to provide for phasing out direct payments*) grants the Secretary of State, during the agricultural transition period, the power to make regulations reducing Direct Payments under the basic payment scheme in order to phase them out, with those powers expiring automatically upon the introduction of delinked payments under section 12(7); it defines “phasing out” as applying such reductions during the transition, provides that any greening payments already ended under section 9(2) are excluded from the definition of Direct Payments (while the greening budget remains within the scheme’s overall funding), and requires that all regulations made under this section be subject to the affirmative resolution procedure.

37. Section 12 (*Power to make delinked payments*) gives the Secretary of State the authority to replace land-based Direct Payments with “delinked” payments, no longer tied to farming activity, during the agricultural transition period, ensuring overall support levels decline as payments are phased out. Regulations must define who qualifies (typically based on a pre-delinking reference period); set out how payment values are calculated (for example, using a single year’s or multi-year average of basic payment receipts); may allow recipients to opt out; specify circumstances that end entitlement; and provide for recovery of improper payments. Delinking cannot commence before 2022 at which point basic payment scheme payments cease and the Section 11 phasing-out powers automatically lapse. Delinking ends at the end of the transition period. All regulations under this section require affirmative parliamentary approval.

38. Section 13 (*Power to provide for lump sum payments in lieu of relevant payments*) gives the Secretary of State power to let farmers surrender their annual Direct or delinked payments (for any year of the agricultural transition except its final year) for a single lump-sum payment. Eligible farmers must apply, forfeit their remaining transition-period payments, and satisfy any additional criteria set by regulation. The Secretary of State also determines when and how these lump sums are paid, and all regulations under this section require affirmative parliamentary approval.

c) *Part 1, Chapter 3 – Other financial support after EU exit*

39. Section 14 of the Act (*General provision connected with payments to farmers and other beneficiaries*) empowers the Secretary of State to amend, for England, the assimilated EU “horizontal basic act” (Reg 1306/2013), which prior to EU Exit provided the cross-cutting framework for financing, managing and monitoring CAP schemes (Direct Payments, Rural Development and market-organisation measures). The Secretary of State can also use these powers to amend associated direct EU and domestic secondary legislation (including specified legacy rural development regulations). The power may be used to repeal obsolete provisions, simplify or improve efficiency, reduce burdens (financial, administrative or operational) on those governed by the rules, and ensure sanctions are appropriate and proportionate. Regulations made under this authority are subject to the negative resolution procedure unless section 50(5) requires affirmative resolution.

40. Section 15 (*Aid for fruit and vegetable producer organisations*) empowers the Secretary of State to amend or revoke, by regulation, the assimilated EU Common Market Organisation legislation and its associated Delegated and Implementing Acts underpinning the Fruit and Vegetable Aid Scheme in England, effectively ending its application, while transitional provisions under section 50(3)(d) ensure that any approved operational programmes can run to completion. Regulations made under this power follow the negative resolution procedure unless section 50(5) requires an affirmative procedure.

41. Section 16 (*Support for rural development*) grants the Secretary of State authority to amend or repeal assimilated EU rural development legislation in England. Although it does not give the Secretary of State powers to introduce new schemes, it permits the duration of the Rural Development Programme for England to be extended, its budget to be increased and expressed in a non-Euro currency, and empowers modifications to the Rural Development basic act and related direct EU legislation. It also defines the “core contribution,” removes time and extension limits on commitments, enables commitments to be converted or adjusted and legislation to cease effect, amends the Common Provisions Regulation to extend payment deadlines, provides definitions for key terms and legacy regulations, and stipulates that regulations made under this section follow the negative resolution procedure unless an affirmative procedure is required under section 50(5).

42. Section 17 (*Continuing EU programmes: power to provide financial assistance*) authorises the Secretary of State, Welsh Ministers, Scottish Ministers, and DAERA to provide financial assistance under continuing EU rural development schemes to existing rural development agreement holders and recognised Producer Organisations, with subsection (1) specifying which parties qualify for support and subsection (2) defining the key terms used to administer that assistance.

43. Section 18 (Assimilated direct EU legislation) ensures that, notwithstanding other repeal provisions, EU regulations governing rural development support, producer organisation aid, apiculture aid, agricultural promotion schemes, and the relevant horizontal CAP framework are preserved as assimilated direct EU legislation in UK law under section 7A of the EU (Withdrawal) Act 2018.

(ii) Part 2 – Food and Agricultural Markets

a) Part 2, Chapter 1 – Food security

44. Section 19 (*Duty to report to Parliament on UK food security*) mandates that the Secretary of State must, at least once every three years, prepare and lay before Parliament a report on UK food security. This may analyse statistical data on food availability, supply sources, supply-chain resilience, household food expenditure, food safety and consumer confidence, among other things. This would then inform resilience and policy thinking, with the first report due by the last sitting day before 25 December 2021.

b) Part 2, Chapter 2 – Intervention in agricultural markets

45. Section 20 (*Declaration relating to exceptional market conditions*) empowers the Secretary of State to declare that exceptional market conditions exist. This would mean a severe or threatened disturbance in agricultural (including horticultural) markets that causes or is likely to have significant adverse effects for producers, which in turn activates the intervention and financial assistance powers under section 21 (such as payments, loans, guarantees, public intervention and private storage aid). The declaration must specify the nature of the disturbance, the product affected and the grounds for justifying financial assistance; it comes into effect immediately upon publication, lasts for up to three months, and may be revoked, extended once by up to three months (if done within seven days before expiry), or reissued if conditions

persist. Every declaration, revocation or extension must be published and laid before Parliament as soon as practicable.

46. Section 21 (Exceptional market conditions: powers available to Secretary of State) activates whenever the Secretary of State has declared exceptional market conditions under Section 20, empowering him to deploy bespoke domestic interventions to English farmers whose incomes are or may be adversely affected, alongside the use of public intervention purchases and private storage aid schemes. These measures can be targeted by sector or region, made subject to any conditions or repayment terms the Secretary of State deems appropriate, and remain available for applications submitted during the declaration period even after it has expired.

47. In Section 22 (Modification of certain assimilated EU legislation in connection with exceptional market conditions and for general purposes), the Secretary of State is empowered to amend assimilated EU public intervention and private storage aid legislation so that these surplus-removal schemes (designed to buy in or pay for storage to stabilise farm prices) can be precisely tailored to domestic needs during exceptional market conditions declared under Section 20, suspended or modified more generally in England, and adjusted in terms of eligible products and operational rules. These amendment powers cover both crisis-specific tweaks and broader scheme reforms, are exercised by regulation under the negative resolution procedure (or affirmative where specified), and temporarily extend to actions under existing EU crisis measures in assimilated legislation until those are formally revoked.

(iii) Part 3 – Transparency and Fairness in the Agri-Food Supply Chain

a) Part 3, Chapter 1 – Collection and sharing of data

48. Section 23 (*Agri-food supply chains: requirement to provide information*) empowers the Secretary of State to require persons in, or closely connected with, England's agri-food ("farm to fork") supply chain to provide information about their relevant activities, either (under section 23(1)) by direct written notice where the class of recipients is readily identifiable or (under section 23(2)) by regulations (affirmative procedure) where it is not. The information-gathering powers apply only to activities in England, extend to the Crown, and expressly exclude ultimate consumers and any legally privileged material.

49. Section 24 (*Meaning of "agri-food supply chain"*) establishes definitions for the chapter, defining the "agri-food supply chain" (or "farm to fork") as all stages from primary producers through processors and retailers to consumers, covering plant products (cereals, fruit and vegetables) and animal products (meat, dairy and eggs), including wild-sourced goods; it also defines "persons closely connected" to the chain while clarifying that this list is not closed, and provides further technical definitions in subsection (6).

50. Section 25 (*Requirement must specify purposes for which information may be processed*) stipulates that any requirement to provide information must explicitly state the purposes for which the data may be processed. The permissible purposes fall into defined categories: supporting agri-food supply chain participants in boosting productivity and managing risk; promoting transparency and fairness in agri-food supply chains (including price monitoring and combating unfair trading practices); improving animal health, welfare and traceability as well as plant, fungi and soil health; minimising environmental harms (such as nutrient runoff or greenhouse gas emissions); reducing waste throughout the chain; and monitoring or analysing related markets which can be used to inform crisis management. The section concludes by referencing the definitions set out in Section 24.

51. Section 26 (Requirements under section 23(1): duty to publish draft requirement) requires the Secretary of State to publish a draft information requirement under section 23(1) before it can be finalised. After the consultation period, the Secretary of State must decide, in the light of the comments received (and any other relevant matters), whether the requirement should be issued in its original or a revised form. Once the final text is agreed it can be imposed on the relevant persons at any time.

52. Section 27 (*Provision of required information and limitations on its processing*) ensures that any information requested under section 23 may only be used for the specific purposes set out in the requirement. This duty binds both the initial recipient and anyone they pass the data on to. Requirements may detail how, when, and to whom information is to be provided, and must specify the permitted processing operations (such as aggregation, publication, statistical analysis, or benchmarking) and the forms in which data may be disclosed. Any processing (including disclosure) outside those parameters is prohibited. Proposals to disclose non-anonymised data must assess potential harm to commercial interests and are barred if harm would or might occur unless the Secretary of State considers that the public interest justifies release. Processing is defined to encompass tasks like creating statistics, making information accessible, and other specified data operations.

53. Section 28 (*Enforcement of information requirements*) empowers the Secretary of State to introduce secondary legislation that enforces any information-gathering requirements imposed under section 23(1) or (2). Enforcement includes monitoring compliance, investigating non-compliance, and dealing with non-compliance. Secondary legislation may include provision: for the imposition of monetary penalties for non-compliance and the recovery of such amounts; about the giving of advice or warnings; giving persons functions in connection with enforcement of requirements; or for appeals against enforcement decisions. Regulations made under section 28 are subject to the affirmative parliamentary procedure.

b) Part 3, Chapter 2 – Fair dealing with agricultural producers and others in the supply chain

54. Section 29 (*Fair dealing obligations of business purchasers of agricultural products*) empowers the Secretary of State to introduce regulations that impose fair-dealing obligations on business purchasers of agricultural products in relation to the contracts they make to purchase these products from qualifying sellers (primary producers, Producer Organisations (POs) recognised under the Agriculture Act, their associations, or non-processing aggregators). These regulations must promote fair contractual dealing by business purchasers of agricultural products from qualifying sellers. Examples of the kinds of obligations that may be imposed on business purchasers under section 29 include requiring written contracts; prescribing which clauses must or must not be included (for example, minimum termination notice periods or information on pricing mechanisms); mandating adherence to fair-dealing principles (such as treating surplus product equitably in exclusive contracts); and, in certain circumstances, addressing problematic pre-contractual conduct. Section 29 also empowers the Secretary of State to make regulations enforcing these obligations, which could include requiring complaints to be referred to a specified person; setting out how such complaints are to be investigated; specifying applicable penalties in cases of non-compliance and providing for appeals against such penalties.

c) Part 3, Chapter 3 – Producer organisations

55. Section 30 (*Producer and interbranch organisations etc: application for recognition*) sets out the conditions that need to be met for groups of agricultural producers (operating in one or more of the agricultural sectors listed in Schedule 1) to qualify for recognition under the Agriculture Act as one of three types of organisations – POs, Associations of Producer Organisations (APOs), and interbranch organisations (IBOs). Much of the detail of the conditions are to be specified in regulations to be made by

the Secretary of State under this section. An organisation may apply to the Secretary of State for recognition as a PO if it meets criteria which include that its membership consists only of agricultural producers; that its constitution meets requirements to be specified in regulations and that it carries out, on behalf of its members, one or more activities to be specified in regulations. Among other things, the specified conditions are designed to ensure that the organisation is representative of the sector (or sectors) in which it operates, that it carries out activities that will improve the market position of its members, and that its members control it in a fair and democratic way. Once recognised, a PO's members may collaborate under competition-law exemptions.

56. Recognised POs can form APOs and apply for recognition under section 30 if all members are POs and if it was formed on the initiative of those members, enjoying similar exemptions to POs. An organisation of agricultural businesses can apply for recognition as an IBO where, among other things, it has at least one agricultural producer member and at least one member involved in processing or distribution of agricultural products and it carries on activities to be specified in regulations on behalf of its members. IBOs are intended to unite stakeholders from different supply-chain stages (including at least one producer member) to tackle broader market issues such as R&D or export development, face stricter exemption conditions due to their wider competitive impact. The section also permits additional recognition requirements, mandates regulations to set application timeframes and decision notification processes (including alerting the Competition and Markets Authority and publishing each decision granting a recognition), and provides regulation-making powers to set out further application rules such as on supporting evidence, fees, appeals, and to amend the list of defined "agricultural sectors" in Schedule 1.

57. Section 31 (*Recognised organisations: competition exemptions and further provision*) embeds into UK law the competition-law exemptions for recognised POs, APOs and IBOs via Schedule 2 amendments to the Competition Act 1998 that are equivalent to exemptions for POs under EU legislation. This allows members to coordinate certain activities that would otherwise breach competition rules so long as their organisations comply with conditions intended to ensure that the benefit of their coordinated activities justifies any adverse effects on competition. Section 31 also empowers the Secretary of State to make further regulations setting out ongoing requirements and monitoring and enforcement mechanisms in connection with this competition law exemption. These regulations may also include provisions on the ability for POs, APOs and IBOs to delegate some of their functions to third parties. This is aimed at clarifying that those third parties can benefit from these competition law exemptions in such circumstances.

58. Section 32 (*Regulations under sections 30 and 31*) clarifies that the Secretary of State's regulation-making powers under sections 30 and 31 in respect of application requirements and conditions, include the ability to delegate recognition functions (such as deciding applications) to another body and to introduce sector-specific rules for POs, APOs or IBOs, potentially with bespoke recognition criteria, where certain conditions are met. Section 32 specifies the circumstances in which the affirmative or the negative parliamentary procedure will apply to such regulations. The circumstances in which the affirmative procedure is required include where the regulations contain new sector-specific provisions or make amendments to Schedule 1. It requires the Secretary of State to consult representatives of any affected agricultural sector, and anyone else affected, before making such regulations.

(iv) Part 4 – Matters Relating to Farming and the Countryside

59. Section 33 (*Fertilisers*) amends [Part 4 of the Agriculture Act 1970](#) (fertilisers etc). These amendments modernise UK fertiliser law by widening the legal definition of "fertiliser" and enabling function-based regulation, so biostimulants, soil improvers and traditional mineral fertilisers can each have bespoke safety and quality requirements. The amendments also empower ministers across the UK to establish a

comprehensive regime of conformity assessment, market surveillance and enforcement. New provisions 74A (1A–1E) allow authorities to designate market surveillance bodies, require suppliers to maintain traceability data, prescribe how assessment infrastructures, recognition and appeals processes and charging frameworks operate, and grant enforcement powers, such as inspections, sampling, seizure, sale prohibitions and financial penalties, while safeguarding data-protection rights. The Secretary of State may also amend or repeal assimilated EU fertiliser regulations, and the first wave of regulations, along with subsequent rules conferring surveillance functions or altering EU-derived law, must follow the affirmative parliamentary procedure, with corresponding updates to Northern Ireland’s statutory modifications.

60. Section 34 (*Identification and traceability of animals*) overhauls the UK’s animal identification and traceability framework by inserting a new section 89A into the Natural Environment and Rural Communities Act 2006 to empower a designated board (for example, the Agriculture and Horticulture Development Board) to collect, manage and share digital animal ID, movement and health data, assign individual identification numbers, and build the Livestock Information Service across England, Wales, Scotland and Northern Ireland, subject to devolved administration approval and data-protection safeguards. It also updates the Animal Health Act 1981 by replacing “marking of animals” with “means of identifying animals,” extending identification orders to bind the Crown and embracing modern technologies such as electronic tagging, and it provides for the future disapplication in England and Wales of assimilated EU cattle, sheep and goat traceability regulations, to be superseded by domestic orders under the Animal Health Act.

61. Section 35 (*Red meat levy: payments between levy bodies in Great Britain*) empowers the Secretary of State together with the Scottish and Welsh Ministers to establish, amend, suspend or revoke a red meat levy redistribution scheme under which levy bodies in England, Scotland and Wales can transfer part of the producer levy raised at slaughterhouses to reflect the economic value animals have gained across borders. The scheme may specify how payments are calculated, who determines and administers them, their timing, duration and any criteria linking animals to the receiving country, and it treats transferred funds as if they were a locally collected levy. It also allows the scheme to include additional provisions or confer new functions on levy boards, imposes a duty on affected boards to comply, and requires ministerial agreement and publication – while leaving existing levy collection arrangements and board responsibilities intact.

62. Section 36 (*Agricultural tenancies*) establishes the legal framework for agricultural tenancies by delegating all the detailed rules—such as tenancy types, lease terms and duration, rent-setting and review mechanisms, succession and assignment rights, termination grounds and dispute-resolution procedures—to Schedule 3, thereby consolidating the substantive provisions in one place and allowing for agile adjustments via secondary legislation without amending the principal act.

(v) Part 5 – Marketing Standards, Organic Products and Carcass Classification

63. Section 37 (*Marketing standards*) empowers the Secretary of State, by affirmative-resolution regulations, to establish, amend or revoke marketing standards for agricultural products marketed in England—applying to the products listed in Schedule 4—and to tailor those standards (covering substance restrictions, classification criteria such as grading into classes, sizing, weight and age, and any other matters) to domestic needs rather than assimilated EU rules. The regulations may also include enforcement measures—such as powers of entry (but not into private dwellings without a warrant), summary offences, monetary penalties and appeals—and subsection (5) allows the Secretary of State to add, remove or alter the description of products in Schedule 4 to keep the framework up to date.

64. Section 38 (*Organic products*) provides powers to establish, amend and enforce the UK's organic framework by regulation, covering organic certification (of products, processes and operators), delegation of certification to control bodies, and the objectives, principles and standards of organic production including labelling, marketing and sale. It also enables controls on imports—recognising equivalent standards or trade agreements—and on exports through specified procedures, as well as enforcement measures such as prohibiting non-compliant activities and charging certification fees. The section concludes by defining key terms (“marketing,” “organic production,” “organic product”) and listing which products qualify for organic status.

65. Section 39 (*Organic products: supplementary*) clarifies that regulations under section 38 may be made UK-wide by the Secretary of State—including in devolved areas—and by Scottish Ministers, Welsh Ministers and the Northern Ireland Department of Agriculture, Environment and Rural Affairs within their respective competences; it requires the Secretary of State to obtain consent from the relevant devolved authority before including any provision that those authorities could themselves make; and it prescribes the parliamentary approval routes, using the affirmative resolution procedure for regulations on organic production objectives, principles and standards (and where section 50(5) applies), with affirmative resolution on first use and the negative procedure thereafter for other provisions.

66. Section 40 (*Carcass classification*) empowers the Secretary of State, by affirmative-resolution regulations, to prescribe the classification, identification and presentation of bovine, pig and sheep carcasses in English slaughterhouses—originally introduced for market support but now used to calculate producer payments and to enhance market transparency as a de facto marketing standard. It enables amendment or revocation of assimilated EU and domestic carcass classification rules or the introduction of new, tailor-made standards, and allows accompanying enforcement provisions—such as powers of entry, summary offences and monetary penalties—provided that entry to private dwellings without a warrant remains prohibited.

67. Section 41 (*Power to reproduce modifications under section 37 for wine sector*) empowers the Secretary of State to reproduce by regulation any amendments made under Section 37 to Annex 7 of the CMO Regulation—covering wine marketing definitions, designations and sales descriptions—so that these changes automatically feed into the reserved provisions in Section 2, Chapter 1, Title 2 of the CMO Regulation, and it stipulates that such regulations are subject to the negative resolution procedure unless Section 50(5) requires the affirmative route.

68. Section 42 (*Reports relating to free trade agreements*) requires the Secretary of State, before laying any new free trade agreement under Part 2 of the Constitutional Reform and Governance Act 2010, to submit a report to Parliament assessing whether the deal's agricultural provisions preserve the UK's statutory protections for human, animal and plant health, animal welfare and the environment; to share that report with the devolved administrations and interested parliamentary committees; to tailor each report to the partner country and to draw on independent expert advice as needed; and it exempts agreements solely with the EU or its Member States, as well as certain early post-Exit deals involving pre-Exit FTA partners, from this reporting obligation.

(vi) Part 6 – World Trade Organisation (WTO) Agreement on Agriculture

69. Section 43 (*Power to make regulations for securing compliance with WTO Agreement on Agriculture: general*) authorises the Secretary of State, by affirmative-resolution regulations, to secure the UK's compliance with its WTO Agreement on Agriculture obligations—encompassing limits on domestic support (section 44) and the classification of that support (section 45). Those regulations may confer or delegate

functions to other bodies (including devolved authorities) and establish discretions for decision-making. The section also defines “Agreement on Agriculture,” “domestic support,” “appropriate authority” (the Secretary of State or a devolved authority), “devolved authority” and “WTO Agreement.”.

70. Section 44 (*Regulations under section 43: limits on provision of domestic support in the United Kingdom*) gives the Secretary of State the power, by affirmative-resolution regulations, to cap the UK’s amber-box domestic support—trade-distorting agricultural subsidies subject to WTO limits—to secure compliance with the Agreement on Agriculture. It clarifies that these limits apply to “relevant” forms of domestic support, allows the UK-wide ceiling to be set below the WTO maximum (reserving part for crisis measures or other special needs), empowers the division of the remaining support between England, Scotland, Wales and Northern Ireland, and permits the Secretary of State to factor in spending for offshore territories when determining the aggregate cap.

71. Section 45 (*Regulations under section 43: classification of domestic support*) empowers the Secretary of State to establish, by affirmative-resolution regulations, a framework for classifying all forms of UK domestic agricultural support in line with the WTO Agreement on Agriculture’s green, blue and amber box definitions, including processes for regular review and for resolving disputes between UK authorities over classification, with the Secretary of State retaining final binding authority to defend the UK’s classifications at the WTO; it also ensures the UK meets its notification obligations by requiring annual reporting of support levels and justifications for green- and blue-box measures. The reporting obligations are set out in paragraph 8 of [The World Trade Organisation Agreement on Agriculture \(Domestic Support\) Regulations 2020](#), which is based on this section of the act.

(vii) Part 7 – Wales and Northern Ireland

72. Section 46 (*Wales*) sets out that further provisions relating to Wales can be found in Schedule 5.

73. Section 47 (*Duration of provision in relation to Wales*) sets a sunset date at the end of 2024 for the Wales-specific provisions (including section 46, Schedule 5, section 52(b), and specified parts of Schedule 7) and empowers Welsh Ministers to enact any necessary transitional, transitory or saving regulations. It also stipulates that regulations made under this section generally follow the negative resolution procedure, except where they amend primary legislation, in which case the affirmative resolution procedure applies.

74. Section 48 (*Northern Ireland*) defers to Schedule 6 for detailed Northern Ireland arrangements, ensuring that the Department of Agriculture, Environment and Rural Affairs can continue making payments to farmers and land managers after EU exit and that Executive Ministers retain the flexibility to develop and adapt agricultural policy in Northern Ireland.

(viii) Part 8 – General and final provisions

75. Section 49 (*Data protection*) safeguards existing data protection laws, including the General Data Protection Regulation (GDPR), by making clear that any power or duty under Parts 1–6 of this act to disclose or use information must neither undermine nor conflict with those laws, and it also provides a definition of “data protection legislation” to ensure consistent interpretation.

76. Section 50 (*Regulations*) establishes that all regulatory powers under this act are exercised by statutory instrument for the Secretary of State and Welsh Ministers, or by statutory rule for DAERA; sets out the full scope of those powers, including the ability to amend primary legislation, assimilated EU law, or subordinate instruments; and lays down the parliamentary procedures for doing so, requiring affirmative resolution for any modifications to primary legislation, while most other regulations follow the negative

procedure (with a built-in option to upgrade to affirmative); applies section 41(3) of the Interpretation Act (Northern Ireland) 1954 to regulations laid before the Northern Ireland Assembly; and confirms that none of these provisions affect regulations made under section 57.

77. Section 51 (*Interpretation*) provides information on how terms should be interpreted in the act.

78. Section 52 (*Consequential amendments*) makes consequential amendments in respect of Schedule 7 and the CMO Regulation.

79. Section 53 (*Power to make consequential etc provision*) empowers the Secretary of State, Welsh Ministers, Scottish Ministers and DAERA to make by regulation any supplementary, incidental or consequential provision needed to implement this act, subject in the Secretary of State's case to the constraints set out in subsections (5) and (6); and to amend primary legislation, assimilated EU law or subordinate instruments to that end. It specifies that any regulations under this power that modify primary legislation must follow the affirmative resolution procedure, while all other such regulations are subject to the negative resolution procedure.

80. Section 54 (*Power to make transitional etc provision*) empowers the appropriate authority (whether the Secretary of State or a devolved minister, as designated) to make any transitional, transitory or saving regulations needed to bring provisions of the act into force, and it specifies exactly which authority is responsible for making commencement regulations for each part of the legislation.

81. Section 55 (*Financial provision*) details the purposes for which Parliament will be required to provide money.

82. Section 56 (*Extent*) defines the territorial reach of the act's provisions, specifying that the measures listed in subsection (1) apply only to England and Wales, those in subsection (2) apply only to Northern Ireland, those in subsection (3) extend to England, Wales and Scotland, and all remaining provisions not covered in subsections (1)–(3) apply across England, Wales, Scotland and Northern Ireland.

83. Section 57 (*Commencement*) sets out when the act's provisions take effect: subsection (1) brings specified measures into force on Royal Assent; subsections (2)–(4) allow other provisions to be commenced by regulations on dates appointed respectively by the Secretary of State, Welsh Ministers, or DAERA; subsection (5) permits different commencement dates for different purposes; and subsection (6) provides that any remaining provisions not covered by those paragraphs automatically come into force two months after the act is passed.

84. Section 58 (*Short title*) contains the short title by which the act may be cited.

(ix) Schedule 1 – Agricultural sectors relevant to producer organisation provisions (Relates to Sections 30 and 32)

85. Schedule 1 sets out the list of agricultural sectors relevant to the new producer organisation regime in Part 3 of Chapter 3.

(x) Schedule 2 – Recognised organisations: competition exclusions (Relates to Section 31)

86. Schedule 2 amends Schedule 3 of the Competition Act 1998 to introduce equivalent exclusions from competition law for POs and APOs recognised under the Agriculture Act which are available to POs and APOs recognised under the EU's CMO Regulation.

87. The centrepiece is the “Recognised Producer Organisation (RPO) exclusion,” which overhauls paragraph 9 so that the Chapter 1 prohibition under the Competition Act does not apply to agreements among members of recognised POs or APOs to plan production, optimise production costs, place products on the market or negotiate supply contracts. This is subject to two conditions being met:

- a a PO (or an APO) must concentrate supply and place the products of its members (or the members of the PO the APO represents) on the market, whether or not there is a transfer of ownership to the PO or APO (or the POs the APO represents); and
- b a member of a PO (or an APO) is not a member of another PO (or a PO which is a member of another APO) operating in the same sector (although the Secretary of State may still decide the RPO exclusion applies if every producer which is a member of more than one PO holds production units in different parts of the country and it is appropriate in all the circumstances for the exclusion to apply).

88. Schedule 2 also inserts a new paragraph 10 establishing the “Recognised Interbranch Organisation (RIBO) exclusion” from Chapter 1 prohibitions for IBOs. The exclusion applies to agreements between the IBO members aimed at carrying out an activity specified in regulations under section 30(6)(e). It is conditional on the Competition and Markets Authority (CMA) deciding that the exclusion should apply to that agreement (or the CMA failing to decide that it should not apply within 2 months of receiving all required details). In making this decision, the CMA must consider whether the benefit of the RIBO exclusion outweighs any potential impact on fair competition in the UK. The CMA may give a direction at any time that a RIBO exclusion no longer applies. In making this direction, the CMA has the same powers to require information and is subject to the same requirements as it is when making a direction that an agreement is no longer subject to the RPO exclusion under paragraph 9(3) of Schedule 3 of the Competition Act.

(xi) Schedule 3 – Agricultural tenancies (Relates to Section 36)

89. Schedule 3 implements Section 36 of the act by updating both the Agricultural Holdings Act 1986 and the Agricultural Tenancies Act 1995. Its two-part structure brings legacy tenancies and modern farm business tenancies into a cohesive framework, clarifying rights and obligations, streamlining procedures, and embedding up-to-date dispute-resolution processes. The overarching aim is to balance security for tenants with flexibility for landlords, reflecting today’s farming practices and family arrangements.

90. Schedule 3, Part 1 (*Amendments to the Agricultural Holdings Act 1986*) modernises the rent review and dispute resolution framework of the Agricultural Holdings Act 1986 by replacing the traditional “demand for arbitration” with a flexible “notice of determination”, allowing landlords and tenants to jointly appoint an arbitrator or third party at any point before the review date. It broadens the pool of appointing bodies beyond the Royal Institution of Chartered Surveyors (RICS) President to include the Presidents of the Central Association of Agricultural Valuers and the Chair of the Agricultural Law Association, and empowers Ministers to update this list via regulation.

91. A new section 19A enables tenants to refer landlord-consent requests or term-variation applications (needed to access financial assistance schemes or meet statutory obligations) to arbitration or third-party determination, ensuring disputes over restricted activities can be resolved formally. Schedule 2 amendments also clarify that tenant-financed landlord improvements (and any benefit to the tenant) must be ignored when calculating rent changes until the tenant’s payment obligations are complete.

92. The Part further brings succession and exit provisions into line with modern demographics by raising the retirement notice trigger from age 65 to pensionable age, abolishing the Commercial Unit Test (subject to new Suitability Test regulations), and granting Ministers power to define suitability criteria (covering farming competence, environmental standards, finance, character and holding condition) for prospective successors. It also removes the 65-year minimum for retirement-based succession applications and updates statutory instrument procedures to reflect both UK and Senedd scrutiny.

93. Schedule 3, Part 2 (*Amendments to the Agricultural Tenancies Act 1995*) begins by formally applying Section 36's change-making power to the 1995 Act, signalling that a suite of modernisation measures will mirror those in the 1986 Act to bring Farm Business Tenancies into line with today's needs.

94. The core amendment (paragraphs 23–29) broadens the pool of bodies landlords and tenants can turn to for arbitration appointments. No longer must parties rely solely on the RICS President: they can now choose the President of the Central Association of Agricultural Valuers or the Chair of the Agricultural Law Association, giving them more options and faster access to independent experts.

95. Any future amendments to that appointing-body list (made by the Secretary of State (England) or Welsh Ministers under the 1986 Act's regulatory powers) will automatically flow through to the 1995 Act. This "one-stop" alignment ensures consistency across all agricultural tenancy dispute processes and lets authorities update the framework seamlessly as the sector evolves.

(xii) Schedule 4 – Agricultural products relevant to marketing standards provisions (Relates to Section 37)

96. Schedule 4 lists the agricultural products to which the marketing standards in Section 37 apply.

97. Products in this list are:

- a Milk and milk products;
- b Spreadable fats;
- c Beef and veal;
- d Poultry and poultrymeat;
- e Eggs and egg products;
- f Fruit and vegetables, other than olives;
- g Olive oil and table olives;
- h Hops;
- i Wine and Aromatised wine.

(xiii) Schedule 5 – Provision relating to Wales (Relates to Section 46)

98. Schedule 5 extends similar powers to the Welsh Ministers as those conferred on the Secretary of State in Part 1 (Chapters 2 and 3), Part 2 (Chapter 2), Part 3 (Chapter 1) and Part 5 of the act. The powers are intended to be temporary and section 47 (duration of provision in relation to Wales) provides that Schedule 5 and certain related provisions will expire at the end of 2024 (subject to certain savings provision as set out in section 47). Alternative provision will be made by a Wales Agriculture Bill to be introduced in the

Senedd. The powers in this act are needed to ensure continuity and ensure effective operation of the internal market in the UK.¹

99. Part 1 of Schedule 5 (*Financial support after exiting the EU*) gives Welsh Ministers, until a standalone Welsh Agriculture Bill is enacted, the power to define and deliver Direct Payments in Wales (including the basic payment, greening component, young farmer payment and a unique redistributive top-up on first hectares) and to amend both the domestic legislation underpinning that basic payment scheme and assimilated EU rules on CAP financing and monitoring, apiculture and rural development so far as they operate in Wales. Those modification powers may be used to simplify and streamline scheme administration, remove spent or burdensome provisions, ensure any sanctions or penalties are proportionate, limit payments to Welsh land, terminate greening payments without reducing overall entitlements, extend the scheme beyond 2020 or design domestic equivalents, all subject to the negative- or affirmative-resolution procedures as prescribed.

100. Part 2 (*Intervention in Agricultural Markets*) grants Welsh Ministers, until a standalone Welsh Agriculture Bill is enacted, the power to declare “exceptional market conditions” in the agricultural sector using a two-part test, and to publish a declaration that lasts up to three months (with rights to revoke, extend by up to a further three months, or re-declare if conditions persist). While a declaration is in force, Ministers may offer financial assistance to producers facing, or likely to face, income losses and invoke assimilated EU CAP powers for public intervention and private storage aid. They can also amend assimilated EU legislation on market intervention and storage aid, tailoring scheme operation, eligibility of products, and geographic scope to Wales and limiting provisions to periods of declared emergency (through regulations subject to negative or, where specified, affirmative Senedd procedure). These Welsh market-intervention powers mirror those conferred on the Secretary of State for England under sections 20–22 of the act.

101. Part 3 (*Collection and sharing of data*) empowers Welsh Ministers, until a standalone Welsh Agriculture Bill is enacted, to require any person in or closely connected to an agri-food supply chain in Wales to provide information on their Welsh activities by making regulations under paragraph 10 (subject to affirmative Senedd resolution). It defines key terms like “agri-food supply chain” in paragraph 11, mandates that each data requirement specify its processing purposes – such as boosting productivity, managing risk and market volatility, and supporting animal and plant health (paragraph 12) - and imposes a duty to publish a draft requirement for consultation before imposing final obligations (paragraph 13). It also sets out procedures for processing those requirements (paragraph 14) and allows affirmative-procedure regulations for enforcement of the duty to provide information (paragraph 15), with these powers closely mirroring the collection and sharing powers granted to the Secretary of State for England.

102. Part 4 (*Marketing standards and carcass classification*) empowers Welsh Ministers to make, amend or revoke marketing standards for agricultural products marketed in Wales and to prescribe classification, identification and presentation requirements for bovine, pig and sheep carcasses at Welsh slaughterhouses. It allows modification of both assimilated EU and domestic legislation, the introduction of new Wales-tailored criteria on appearance, production methods, storage and transport, and enforcement measures, such as powers of entry (excluding private dwellings without a justice of the peace warrant), summary offences and monetary penalties. Regulations under paragraphs 16, 17 and 18, including updates to the list of products subject to standards, are all subject to the affirmative Senedd resolution

¹ Many of the powers provided to Welsh Ministers under Section 46 and Schedule 5 of the Agriculture Act 2020 were subsequently transferred by Section 55 and Schedule 2 of the [Agriculture \(Wales\) Act 2023](#), which received Royal Assent on 17 August 2023.

procedure. These Welsh powers closely mirror the Secretary of State’s marketing standards and carcass classification powers for England under sections 37 and 40 of the act.

103. Part 5 of Schedule 5 (*Data Protection*) ensures that any power or duty conferred on Welsh Ministers under this Schedule to collect, disclose or use information must operate in a way that neither requires nor authorises anything that would conflict with existing data protection legislation, while still taking those Schedule 5 obligations into account when assessing compliance; and it defines “data protection legislation” for the purposes of those provisions, mirroring the safeguards set out in Section 49 for the rest of the act.

(xiv) Schedule 6 – Provision relating to Northern Ireland (Relates to Section 48)

104. Schedule 6 extends similar powers to DAERA as those conferred on the Secretary of State in relation to Part 1 (Chapter 2 and Chapter 3), Part 2 (Chapter 2), Part 3 (Chapter 1) and Part 5 of the act.

105. Part 1 of Schedule 6 (*Financial support after exiting the EU*) grants DAERA time-limited powers to continue and tailor Direct Payments in Northern Ireland after EU exit by defining the “basic payment scheme” to include the basic payment, greening component, young farmer payment and optional redistributive or natural-constraint top-ups; and by empowering DAERA to amend the domestic legislation underpinning both the basic payment and the coupled support schemes, simplifying administration, improving efficiency, terminating greening or young farmer elements without reducing overall entitlements, securing scheme continuation beyond 2020; and to modify assimilated EU CAP rules on financing, management and monitoring, plus apiculture and rural development legislation all under affirmative-resolution regulations that closely mirror the Secretary of State’s English powers (aside from transition-period, phasing-out and fruit/vegetable PO aid provisions).

106. Schedule 6, Part 2 (*Intervention in Agricultural Markets*) empowers DAERA to safeguard Northern Ireland’s agricultural markets by authorising it to grant financial assistance to producers facing severe, or seriously threatened, market disturbances and to deploy assimilated EU public intervention and private storage aid as alternatives or in tandem with direct support. It also enables DAERA to amend or repeal the assimilated EU legislation on market intervention and private storage (including adjusting which products qualify) via regulations subject to the affirmative resolution procedure, closely mirroring the Secretary of State’s intervention powers for England (aside from the exceptional-market-conditions declaration in section 20).

107. Part 3 of Schedule 6 (*Provisions relating to Northern Ireland*) empowers DAERA to require persons in or closely connected with Northern Ireland’s agri-food supply chains to provide information about matters connected with any of the person’s activities connected with the supply chain; it establishes key definitions (such as “agri-food supply chain”), mandates that each data-collection requirement specify its processing purposes (for example, boosting productivity, managing risk and market volatility, or supporting animal and plant health), obliges DAERA to publish draft requirements for public consultation before finalising them, sets out rules for processing the collected information, and authorises DAERA to introduce enforcement regulations, closely mirroring the equivalent data-sharing provisions for England.

108. Part 4 of Schedule 6 (*Marketing standards and carcass classification*) empowers DAERA to establish, amend or revoke marketing standards for any listed agricultural products marketed in Northern Ireland (including criteria such as appearance, production methods, storage and transport) and to set rules for carcass classification, identification and presentation of bovine, pig and sheep carcasses by local slaughterhouses. It allows DAERA to tailor assimilated EU and domestic legislation to domestic needs, introduce new standards, regulate enforcement (conferring powers of entry, creating summary offences

and monetary penalties, but barring entry to private dwellings without a warrant), and to add or remove products from the marketing-standards list. All regulations under this part are made by affirmative resolution, closely mirroring the Secretary of State's powers for England under Part 5 of the act.

109. Part 5 of Schedule 6 (*Data protection*) ensures that any DAERA duty or power under this Schedule to collect, disclose or use information must operate consistently with data protection legislation (it cannot require or authorize anything that would breach those laws, although the Schedule 6 obligations themselves still count when assessing compliance) and it defines "data protection legislation" for clarity, mirroring the safeguards established by section 49 for the rest of the act.

(xv) Schedule 7 – The CMO Regulation: consequential amendments (Relates to Section 52)

110. Schedule 7 delivers consequential amendments to the EU Common Market Organisation Regulation by disapplying those Commission powers that are superseded by the new UK powers on exceptional market conditions, marketing standards and carcass classification: removing Articles 219–222 (exceptional measures), Articles 19(6), 20(p)–(u) and 21 (carcass classification), and Articles 73, 75, 78(3)–(5), 80(3)–(5), 86–88, 91, 119(3)(b), 122 and 123 (marketing standards and wine labelling) for producers and slaughterhouses in England, Wales and Northern Ireland; while at the same time saving any tertiary EU regulations made under those articles so that existing carcass classification, marketing standards and wine labelling rules continue in force despite the disapplication of the underlying delegated powers.

4. Implementation of the Act and Guidance

(i) Commencement

111. The Agriculture Act received royal assent on 11 November 2020, in the first Parliamentary session of the 2019-2024 Conservative administration, becoming the Agriculture Act 2020. Royal assent was received less than two months before the end of the UK-EU transition period, on 1 January 2021. During the passage of the bill, the then Government recognised a need to fast-track commencement of certain aspects of the act. Provisions in the act therefore allowed the following provisions to come into force on 11 November 2020, immediately upon royal assent: sections 17 and 18; provision of Parts 1 to 7 which conferred a power to make regulations, or modified legislation so as to confer a power to make regulations or a power to make an order by statutory instrument; other provisions of those Parts so far as it, or a modification of legislation it makes, affected the exercise of such a power (for example by defining an expression used in the provision conferring it); and Part 8 of the act, apart from section 52 and Schedule 7.

112. The act laid down that sections 20 and 21, so far as not brought into force by the above, would come into force subject to commencement orders made by Defra ministers. Sections 20 and 21 were brought into force on 1st January 2021 by the Agriculture Act 2020 (Commencement No. 1) Regulations 2020.

113. The act laid down that the following provisions, so far as not brought into force by the above, would come into force subject to commencement orders made by Defra ministers: sections 30 and 31 and Schedules 1 and 2; so far as relating to England and Wales, sections 34(3) and (4), paragraphs 10 to 16 and 18 of Schedule 3, and section 36 so far as relating to those paragraphs; and Parts 1 and 3 of Schedule 7, and section 52 so far as relating to those Parts. Of these, paragraphs 10 to 16 and paragraph 18 of Schedule 3 of the act, and section 36 as it relates to those paragraphs, were brought into force in England on 1st September 2024 by the Agriculture Act 2020 (Commencement No. 1 and Transitional Provision) (England) Regulations 2021; and part 1 and part 3 of Schedule 7 to the act (with the exception of paragraph 11 of Schedule 7 so far as it relates to Article 88(1) of Regulation (EU) No 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (EUR 2013/1308) (“the CMO Regulation”), together with section 52 so far as it relates to those provisions, was brought into force on 30th November 2022 by the Agriculture Act 2020 (Commencement No. 2) (England) Regulations 2022.

114. The other provisions of the act came into force at the end of the period of two months beginning with the day on which the act was passed, i.e. 11th January 2021.

(ii) The development of the Agricultural Transition Plan

115. The UK Government’s February 2020 policy statement, [*The Future for Food, Farming and the Environment*](#), marked a strategic shift away from the EU’s CAP towards a framework for England focused on public goods. It outlined a phased transition from area-based Direct Payments to a system rewarding environmental stewardship, animal welfare, and innovation. Key initiatives included tests and trials for ELM, support for new entrants, and investment in resilience and productivity. The statement emphasised a collaborative relationship between government and land managers, aiming to build a more sustainable and responsive agricultural sector.

116. [*The Agricultural Transition Plan 2021–2024*](#), published in November 2020, further developed these plans, detailing the gradual reduction of Direct Payments from 2021 to 2027 and the introduction of three ELM schemes: the Sustainable Farming Incentive (SFI), Local Nature Recovery (LNR), and Landscape

Recovery. These schemes were intended to incentivise sustainable practices, restore biodiversity, and support landscape-scale environmental projects. The plan also introduced grants for farm innovation, exit schemes for retiring farmers, and support for new entrants. It aligned with broader government goals, including the [25 Year Environment Plan](#) and Net Zero targets, and committed to co-designing schemes with farmers to ensure practicality and uptake.

117. The Agricultural Transition Plan's [January 2024 Update](#) represents the most significant upgrade to farming schemes in England since the UK's exit from the EU. It confirmed that ELM payment rates would be increased by an average of 10%, introduced around 50 new actions under ELM, and trailed the streamlining of application processes by merging SFI and Countryside Stewardship Mid Tier into a single service. The update set out that the government would prioritise scale, ambition, and trust – aiming for 70% uptake of environmental actions by 2028. It introduced premiums for high-ambition packages, enhanced support for upland and tenant farms, and promoted farmer-led innovation. Regulatory reforms focused on advice-led compliance and risk-based enforcement, while new funding mechanisms and infrastructure support aimed to boost productivity and environmental outcomes.

(iii) Reductions in direct payments/replacement with delinked payments

118. England's agricultural transition began in 2021 with the aim of moving away from CAP, particularly the BPS, which provided area-based subsidies. The 2021–2022 annual report marked the first year of this transition, during which progressive reductions to BPS payments were introduced, and greening rules were removed to simplify compliance. The Agriculture Act 2020 provided the legal framework for this shift, enabling the government to phase out direct payments and introduce new schemes focused on environmental outcomes and productivity. Early pilots of the SFI and Landscape Recovery were launched, alongside increased support for Countryside Stewardship and Farming in Protected Landscapes (FiPL).

119. In 2022–2023, the transition accelerated with further reductions in BPS payments and the announcement of the introduction of delinked payments, which were no longer tied to land ownership or farming activity. This allowed farmers to receive financial support without needing to farm the land, offering greater flexibility and encouraging innovation or retirement. The Lump Sum Exit Scheme also began supporting farmers who chose to leave the sector. Environmental Land Management schemes expanded, with increased uptake in SFI and Countryside Stewardship, and the first Landscape Recovery projects entered development. These changes were supported by extensive stakeholder engagement and pilot evaluations to refine scheme design and delivery.

120. In financial year 2024/25, delinked payments fully replaced BPS in England, with approximately 82,000 farmers receiving payments, representing 99.8% of eligible claimants. The Lump Sum Exit Scheme continued, payments beginning in November 2022 and paying out £14m in financial year 2022/23, £9m in financial year 2023/24, and £2m in financial year 2024/25. The government published an update to the Agricultural Transition Plan, confirming the direction of travel and refining schemes based on feedback. SFI was iterated to improve user experience and value for money, while Landscape Recovery expanded to 34 new projects. The transition was managed to ensure continuity of support while aligning payments with environmental and climate goals, supported by improved digital services and regulatory reforms.

121. In 2024–2025, the transition was largely complete. Delinked payments accounted for £811 million in spending, a significant drop from the £1.873 billion spent on direct payments in 2020–2021. The Lump Sum Exit Scheme continued with a modest £2 million spend. The focus shifted to environmental land management, with £1.394 billion invested in schemes like SFI, Countryside Stewardship, and Landscape Recovery. These schemes supported sustainable farming practices, habitat restoration, and climate

resilience. The transition was achieved through phased reductions, legislative support, pilot testing, and continuous engagement with farmers, ensuring a smooth shift from subsidy-based payments to outcome-based support.

(iv) Launch of ELM schemes

122. Alongside work on beginning the phase out of BPS, Defra announced plans to rollout new ELM schemes, based on the public goods set out in section 1 of the act. Initially, Defra planned to introduce three entirely new ELM schemes: SFI, a universal scheme shaped around outcome-focused actions; LNR, a targeted habitat restoration scheme; and Landscape Recovery, a large-scale landscape change scheme. The statement of February 2020 opened a consultation on initial ELM design principles, emphasising co-design with farmers and testing through pilots from 2021 to 2024.

123. The *Agricultural Transition Plan* of November 2020 formally committed the government to investing in the three ELM schemes, using funds saved by reducing direct payments. This was followed by the first transitional year (2021–22), in which Defra began rolling out revenue-only tests and trials, including the SFI Pilot, recruiting 850 farmers into early SFI agreements covering soil health, hedgerow enhancement and integrated pest management. By the end of 2022, 5,500 farmers had joined the SFI Pilot. Simultaneously, Countryside Stewardship rates were updated by an average of 30%.

124. In 2022 Defra published "[A summary of the SFI in 2022](#)", in which the government announced plans to extend the core SFI standards (arable, horticulture, improved grassland) to all BPS recipients. At the same time, CS administration was further simplified, with continuous open windows for capital grants and expanded mid-tier offers to increase scheme uptake beyond 30% of holdings.

125. In 2022–23, the first full year of the ELM rollout, Defra expanded SFI standards (hedgerows, nutrient management, catch-cropping) to 18,000 farmers on 700,000 ha by March 2023, while CS agreements grew to 12,000 participants on 1.2 million ha. The Landscape Recovery competition attracted 51 Expressions of Interest. Of these, 22 were selected to develop detailed Landscape Recovery projects, representing hundreds of farmers and landowners working together, and collectively covering over 40,000 hectares. Together the selected projects aimed to restore nearly 700km of rivers and protect and provide habitat for at least 263 species.

126. Defra confirmed in January 2023 that, rather than stand up a brand-new Local Nature Recovery scheme, it would evolve and expand the existing CS offer. Taking this approach recognised the widespread take-up of the existing CS scheme, and the level of understanding and trust stakeholders had in it. Defra also hoped that building on an established scheme would reduce the potential for delays and administrative costs associated with launching an entirely new programme.

127. The January 2024 update to the Agricultural Transition Plan increased SFI and CS payment rates by 10% on average, added 50 new actions (e.g., moorland restoration, wetland creation), and merged SFI and CS mid-tier applications into a single streamlined service. It also introduced a new SFI management payment (£20 per hectare for the first 50 hectares) to improve cashflow for small farms, and committed to a routine three-year rolling review of prices and actions to maintain scheme attractiveness.

128. In the 2024–25 financial year, Defra reported that around 39,000 farmers were engaged in ELM schemes. Revenue reinvestment from BPS reductions (£500 million annually) had funded two rounds of LR project expressions and supported the 56 selected projects through their Project Development Phases.

It also supported 25% more CS mid-tier agreements and a streamlined single-application portal serving both SFI and CS participants.

(v) Other Schemes and Policies

129. The power to make payments to improve animal health and welfare has been used to set in place measures to try and make improvements under the Animal Health and Welfare Pathway. This includes grant funding for equipment and infrastructure to improve health and welfare on farm, as well as funding to pay for testing for endemic diseases and advice from vets on how to control and eradicate them on farm through the Get Funding to Improve Animal Health and Welfare scheme.

130. Part 2, Chapter 1: The government fulfilled the duty under section 19 by preparing and laying before Parliament the first UK Food Security Report in December 2021. The government has a duty to publish similar analytical updates at least once every three years, and a further report was published in December 2024 in line with this commitment.

131. Part 2, Chapter 2: The Secretary of State's power under Section 20 to declare "exceptional market conditions" was used in November 2021, in relation to [exceptional market conditions in the pigmeat sector](#). Subsequently the Private Storage Aid for Pigmeat (England) Regulations 2021 used various powers, including those under Section 22 for the first time, to introduce a Private Storage Aid scheme for pigmeat in England.

132. Part 3, Chapter 2: [As at 31 March 2025](#), Defra had introduced the Fair Dealing Obligations (Milk) Regulations 2024 which came into force on 9 July 2024. The Agricultural Supply Chain Adjudicator (ASCA) exercises the enforcement functions in these regulations on behalf of the Secretary of State.

133. Part 4, Section 34: Section 34 (1) amended the [Natural Environment and Rural Communities Act 2006](#), to allow for functions relating to animal identification and traceability to be assigned to bodies established under the act. The [Agriculture and Horticulture Development Board \(AHDB\)](#) is such a body. This power enabled the making of the AHDB (Amendment) Order 2021 to allow AHDB to provide livestock movement reporting services and a service to allocate official animal ID codes. Since 2022 a statutory livestock traceability service has been delivered in England by an AHDB/DEFRA joint venture - Livestock Information Ltd.

134. Section 34 (2) has in England and Wales replaced the term "the marking of animals" in section 8(1)(a) of the Animal Health Act 1981 with "the means of identifying animals" to encompass modern forms of animal ID including electronic identification (EID) ear tags, ruminal boluses, and injectables. EID is mandatory for all sheep and EID tagging is being introduced in the near future for cattle.

5. Legal Issues

134. There have been no legal challenges brought against the decision to phase out direct payments under the Basic Payment Scheme from 2021 under section 11 of the Agriculture Act 2020, the introduction of Delinked Payments from 1 January 2024 by regulations made under section 12 of that act, the associated annual percentage reductions to Delinked Payments for 2024 and 2025 by regulations made under section 12 and 50(3) of that act or the introduction of the Lump Sum Exit Scheme under section 13 of that act.

135. There have been no legal challenges brought in relation to the first or second UK Food Security Reports, nor in relation to the declaration of exceptional market conditions made and published by the Secretary of State in 2021.

136. There have been no legal challenges in relation to declaration under sections 20 and 21 of Agriculture Act, or in relation to section 19.

137. There have been no legal challenges to regulations made by the Secretary of State under section 29 of the Agriculture Act (fair dealing obligations).

6. Preliminary Assessment

(i) Enhancing our Environment

138. Between the start of the agricultural transition and 2025, Defra has rolled out the Environmental Land Management (ELM) schemes to farmers and land managers. ELM supports the delivery of Defra's Environmental Improvement Plan targets. In 2019 24,000 businesses were in agri-environment agreements, and in 2025 there were 49,500 businesses with agri-environment agreements.

(ii) Transitioning Away from CAP and Towards Public Money for Public Goods

a) *The phase out of Direct Payments*

139. To phase out area-based subsidies, a power in section 11 of the Agriculture Act 2020 was used to gradually reduce the annual spend on Direct Payments under the BPS in England, beginning in 2021. Using a power in section 12, reductions were also applied to delinked payments when they replaced BPS in 2024. Spend on BPS in financial year 2020/21, before the start of the agricultural transition, was £1,873m and spend on delinked payments in financial year 2024/25 was £811m. By reducing spend on BPS and delinked payments, Defra has successfully freed up money for its other farming schemes which deliver public goods.

140. Each year, the reductions have been applied in payment bands, with higher percentage reductions applied to amounts in higher payment bands (like income tax bands). This meant that all farmers faced some reductions from the start of the agricultural transition, but that the largest farms tended to face the highest reductions. This approach took account of the responses to the [2018 consultation](#) on the future of food, farming and the environment.

141. The then Government announced the planned reductions for 2021 in September 2018 and the planned reductions for 2022 to 2024 in November 2020. Defra considers that this advance notice was important in helping farmers with their business planning.

142. To meet its intention to simplify Direct Payments as they were phased out, powers in sections 9 and 14 of the Agriculture Act 2020 were used to make a package of simplifications to BPS in England in 2021, building on some made in 2020. This included extending some administrative deadlines for farmers, removing some rules which served little purpose and simplifying the administrative rules for farmers who had land both in England and in other parts of the UK. It also included removing the greening rules, which Defra considered had delivered little environmental benefit while adding administrative burdens for farmers. These simplifications meant the scheme guidance was reduced by around half.

143. A power in section 12 of the Agriculture Act 2020 was used to replace BPS in England with delinked payments in 2024. Delinked payments are a simpler type of payment, as they are not linked to land area. This change has resulted in a further reduction in burdens for farmers. For example, it has removed the need for recipients to submit an annual application.

b) *Introduction of the SFI pilot: lessons learnt*

144. Over the duration of the SFI pilot, process and impact evaluations have been conducted which assess the value for money, scheme design, and operational delivery of the Pilot. These evaluations are drawn from research including participant surveys, workshops, and interviews, user research, operations

observation, and environmental surveys and monitoring. We anticipate publishing evaluation information towards the end of 2025.

145. Learnings from the Pilot have directly fed into design and iteration of live ELM schemes. The live SFI scheme application system was simplified based on findings from the Pilot to streamline the customer experience. A more proportionate and effective approach to monitoring and compliance was successfully trialled in the Pilot; 19% of participants had a positive view of monitoring in government schemes before the pilot, rising to 60% percent of participants at the end of the pilot. This approach was taken forward into live schemes.

146. As well as processes, the content of live ELM schemes have been informed by Pilot research. We moved from the Pilot model of “standards” to a broader menu of actions in SFI 24, backed by guidance, from which farmers could choose the most appropriate selection for their farm / holdings. This followed feedback on a desire for more flexibility and we have carried out choice architecture research to identify the best way to present actions to farmers. Individual actions have been updated after workshops and surveys focused on feasibility of implementation.

147. The Pilot has supported over 800 farmers in preparing for new schemes and moving through the agricultural transition with more confidence than they would otherwise have had, whilst building a more trusting relationship between farmers and Defra. 55% of participants said their confidence to deliver environmental actions increased during the pilot. 69% of participants are now likely to recommend Defra ELM schemes to others. 52% are more aware of their environmental impact after participating in the pilot.

c) *Introduction of the Landscape Recovery pilot*

148. Landscape Recovery aims to support groups of farmers and organisations to deliver high ambition environmental improvement alongside farming. The scheme was designed in 2021 and a first round launched in early 2022, inviting projects between 500 and 5,000 hectares from across England. 51 applications were received, most involving collaborative groups. 22 projects were successful in the competitive application process and received a two-year grant for the Project Development Phase (PDP). During the PDP projects were asked to develop details of a prospective 20+ year grant agreement with Defra to deliver landscape-scale change with the farming community and other local organisations. Plans had to include some private income that would be blended with public funds to achieve more than either could on their own. This is a core characteristic of the scheme.

149. A second round of Landscape Recovery was launched in 2023 for projects over 500 hectares. 67 applications were received, with 34 awarded a PDP agreement.

150. Near the end of the PDP agreement, projects submit six plans for Defra to evaluate. These are the Land Management Plan, Project Management & Governance Plan, Blended Finance Plan & Business Model, Stakeholder Engagement Plan, Site Access Plan, and Monitoring & Evaluation Plan. Together these provide Defra with a holistic view of what the project will deliver, how it will deliver it, and how much it will cost. Putting these plans through specialist review and analytical frameworks, Defra can negotiate various aspects of the project to arrive at an agreed project scope and cost that provides excellent value for money and delivers high quality environmental outcomes that deliver for our Environmental Improvement Plan targets.

151. Projects that pass the assurance stage are recommended for an Implementation Agreement. These agreements govern the relationship and obligations between Defra and the project. They also define the

bespoke funding arrangement to the project covering capital grants, revenue grants, a payment by result component, a carbon guarantee, and potentially other innovative funding mechanisms that a project may design to help secure private finance and income.

152. In total, the Landscape Recovery projects in the two rounds cover 250,000 Ha and are set to restore 600km of river, restore more than 35,000Ha of peatland, create over 7,000Ha of new woodland, and protect or restore many other areas of wildlife rich habitat.

153. Scheme level learning from the two pilot rounds will be used to design future rounds of Landscape Recovery so that it continues to maximise value for money, deliver ambitious outcomes, operate at the landscape scale, support collaboration and actions that would not be supported by other schemes, and be administered at a sustainable cost to serve.

d) Rollout of the full ELM schemes

154. Uptake of ELM schemes has increased four-fold since 2024, particularly since the first SFI agreements started in 2023. This has been the biggest single influence on uptake, approximately doubling ELM scheme agreement numbers by March 2025. The total area covered by Environmental Stewardship, Countryside Stewardship and Sustainable Farming Incentive scheme agreements in England at 31st December 2024 is estimated to be around 5.6 million hectares.

e) Stakeholder responses to the transition away from CAP towards public money for public goods

155. The [October 2024 Farmer Opinion Tracker](#) showed that 81% of farmers viewed environmental payments as important to their business and 60% expect them to be very important in future. Support for the principle remains strong but confidence in delivery was weaker, with 66% of respondents expressing they were not confident that changes to schemes and regulation will lead to a successful future for farming. Only 46% feel confident their business can adapt and 53% say they have all or most of the information needed to plan ahead. Overall sentiment is supportive but cautious, reflecting recognition of the long term value of environmental payments alongside frustration with how schemes are currently being rolled out.

156. Throughout the agricultural transition, farming organisations in England highlight a lack of stability and limited financial attractiveness of new schemes as key barriers to confidence and participation. Many stress the need for predictable support during the transition to safeguard business viability.

157. Environmental NGOs express stronger confidence in the policy direction, viewing it as a positive step for nature and climate outcomes. Yet they share concerns about delivery pace and accessibility, noting that uneven uptake could limit environmental impact if trust and scheme consistency are not strengthened.

158. There has been co-design work with farming and environmental stakeholders to refine and improve the ELM schemes. This includes structured engagement through stakeholder forums, monthly calls, working groups, regional tests and trials and formal consultations on scheme standards and payment rates. Insights from this process have informed updates to scheme design, clearer guidance and more practical delivery models.

(iii) Fulfilling our responsibility to animals

a) Animal welfare and endemic disease

159. The power to make payments to improve animal health and welfare has been used to set in place the Animal Health and Welfare Pathway. This provides grant funding for equipment and infrastructure to improve health and welfare on farm, as well as funding to pay for testing for endemic diseases and advice from vets on how to control and eradicate diseases on farm through the Get Funding to Improve Animal Health and Welfare scheme. Although it is early in the scheme and too soon to ascertain the full impact, our early evaluation has suggested that 95% of farmers have already or intend to implement recommendations from the advice given through this scheme.

b) Identification and traceability of animals

160. Section 34 (1) amended the Natural Environment and Rural Communities Act 2006, to allow for functions relating to animal identification and traceability to be assigned to bodies established under the act. AHDB is such a body. This power enabled the making of the AHDB (Amendment) Order 2021 to allow AHDB to provide livestock movement reporting services and a service to allocate official animal ID codes. Since 2022 a statutory livestock traceability service has been delivered in England by an AHDB/DEFRA joint venture – Livestock Information Ltd.

161. Section 34 (2) has in England and Wales replaced the term “the marking of animals” in section 8(1)(a) of the Animal Health Act 1981 with “the means of identifying animals” to encompass modern forms of animal ID including electronic identification (EID) ear tags, ruminal boluses, and injectables.

(iv) Changing Regulatory Culture

a) Introduction of ELM Schemes

162. The Agriculture (Financial Assistance) Regulations 2021 used powers provided by the Agriculture Act 2020 to make provisions for the checking, monitoring and enforcement of financial assistance awarded through new ELM schemes. This instrument limits when powers can be exercised to ensure they are used proportionately and do not place an excessive burden on the agreement holder. For example, site visits now only take place at a mutually agreed time or, if that cannot be achieved, after giving the agreement holder a minimum of 48 hours’ notice, contrasting with the CAP where no notice was required and only a maximum of 48 hours could be given.

163. The Agriculture (Financial Assistance) Regulations 2021 also include a more proportionate approach to enforcement, with more emphasis on allowing minor breaches to be rectified, and when this isn’t possible taking a more proportionate approach to the remedy to be applied, so that breaches are not overly penalised. It gives the Secretary of State the ability to take the following steps when non-compliance is discovered:

- Offer an opportunity to rectify the breach;
- Recover financial assistance already paid;
- Withhold financial assistance; and
- In the most serious cases, prohibiting a person from receiving financial assistance under any scheme up to a period of two years.

This approach allows space for farmers, land managers and agencies to trial new processes and learn from experience.

164. In addition, the responsibility for enforcement of domestic legislation on farming now lies solely with the relevant Arm Length Bodies (ALBs), which has enabled a much wider range of sanctions. The

Department supported the expansion of regulatory resource for the Environment Agency to enable them to support farmers to take the right activities in the right areas on their farms. The Department and its ALBs also developed more risk-based approaches for inspections and field visits to reduce the burden on farmers and a more advice-led, pragmatic approach to deal with non-compliance by supporting farmers to meet the requirements.

b) Impacts of removing cross compliance regulations

165. Applicants under BPS and land-based rural development schemes had to meet standards for the environment, public, animal and plant health and animal welfare, known as cross compliance. The regulatory cross compliance provisions were revoked in relation to England on 1 January 2024 as part of the move away from the CAP and towards a new regulatory approach.

166. Since cross compliance ended, laws have continued to protect the environment, public, animal and plant health and animal welfare. However, the cross compliance rules for hedgerows were not already fully covered by existing law, so new regulations were introduced in 2024 to improve protections for hedgerows on agricultural land in England.²³

c) Stakeholder response to our changing approach to regulatory culture.

167. Following the changes to enforcement of minor paperwork breaches for 2021 onwards, the number of complaints dropped by 95% for 2022, with a similar level for subsequent years. Following stakeholder concern about the loss of rules introduced in cross compliance, a consultation on protecting hedgerows in 2023 received nearly 9,000 responses and demonstrated widespread support for further regulation to protect hedgerows and new legislation was introduced to do this. The Hedgerow Management (England) Regulations 2024 came into force on 23 May 2024.

168. Farming organisations generally support the review of regulation, with focus on working with government to get clarity on new processes, funding and regulatory processes. There is hope that the simplification of guidance will reduce costs to farmers and support compliance. A balance must be struck between having broader guidance, but with enough detail to avoid drastic changes.

(v) Risk management and resilience, including supply chain fairness

a) Supply chain information, fair dealing, and producer organisations

169. The Fair Dealing provisions of the Agriculture Act 2020 have been deployed to strengthen farmers' resilience by addressing contractual imbalances and improving transparency. Following consultations, the first regulations were introduced in the dairy sector through the Fair Dealing Obligations (Milk) Regulations 2024, which came into force on 9 July 2024. These require written contracts between producers and buyers, with clear terms on pricing mechanisms, contract variation, and termination notice periods. These interventions reduce producers' exposure to sudden price shifts or unilateral changes, supporting longer-term business planning and investment.

170. In accordance with section 28 of the Small Business, Enterprise and Employment Act 2015, and subject to any exceptions to that duty, regulations introduced under section 29 of the Agriculture Act 2020

² [The Management of Hedgerows \(England\) Regulations 2024](#)

³ [Rules for farmers and land managers - GOV.UK](#)

are subject to a statutory review which must take place within five years of the regulations coming into force. Further reviews must take place at least every five years thereafter.

171. The data collection and transparency powers contained in the Agriculture Act, as well as the provisions on recognising and supporting producer organisations, have not yet been exercised.

b) Stakeholder responses

172. Stakeholder responses to the fair dealings regulations for milk and pigs have been strongly positive. Farming unions and representative organisations, including the National Farmers Union and National Pig Association, have welcomed the introduction of legislation as critical to addressing farmers' lack of bargaining power and as a foundation for greater resilience. There is broad consensus that the new regulations will help stabilise farm incomes and mitigate risks arising from concentrated buyer power, without undermining the flexibility that buyers require to operate in the wider marketplace.

(vi) Supporting rural communities and remote farming communities

173. Support to rural communities is provided through the Shared Prosperity Fund (SPF) which is delivered by the Ministry of Housing, Communities and Local Government, and does not come within the powers of the Agriculture Act. The rural elements of the SPF are funded by Defra and there is an evaluation of the Fund currently in progress. Agriculture Act specific mechanisms are limited to support for uplands farmers under the various schemes enabled by the act, rather than bespoke scheme for remote farming communities. These including funding through FiPL (which include upland National Parks), funding made available through the various ELM and productivity focussed schemes. Evidence does not suggest that upland or remoter farming communities have been disproportionately disadvantaged by the delivery of the schemes designed to benefit all farming communities in England.

(vii) Other measures

a) Fertilisers measures

174. Clause 33 updated the definition of fertiliser, and provided the powers to develop a modernised assessment, monitoring and enforcement regime, and supporting infrastructure.

175. We plan to launch a consultation and call for evidence by Spring 2026 to inform how we modernise regulation, and then work with stakeholders to develop the rules and standards that will enable the placing on the market of safe and efficacious fertiliser products.

b) Agricultural tenancies

176. We have little data to assess impacts at this stage, but the changes have been broadly well received across the tenanted sector. The updated legislation has provided a more effective operational framework for tenants and landlords, and removed legislative barriers to investment and productivity improvements. Additionally, the reforms have given tenants greater flexibility over when to apply to the Tribunal for succession on retirement. Tenants of Agricultural Holdings Act agreements (AHAs) have been provided with a dispute process which can be used by some tenants to access future financial assistance schemes. These reforms have given tenants more flexibility to adapt their business to change.

c) *Agricultural products*

177. Section 37 provided the Secretary of State a power to make provision relating to marketing standards for agricultural products marketed in England through regulations. This includes the ability to amend or revoke the current marketing standards as set out in assimilated EU legislation and in domestic legislation, as well as the flexibility to introduce new standards that will be tailored to suit the domestic agricultural sectors. In practice, the powers have been used infrequently to address specific practical issues, for example to make The Eggs (England) Regulations 2021 and The Free-Range Egg Marketing Standards (Amendment) (England) Regulations 2025. Longer term plans to build an evidence base to support a wider review of domestic marketing standards have not progressed, and were paused as of 31 March 2025.

178. Oenological practices set out in UK legislation are almost entirely derived from resolutions adopted by consensus by members of the International Organisation of Vine and Wine (OIV). The UK is a member of the OIV, along with almost every other wine producing region of the world. Domestic producers have to wait for new domestic legislation to amend assimilated law to benefit from newly adopted OIV oenological practices. Progressing those changes via the affirmative resolution process further delays this process, extending the time they are at a competitive disadvantage to imported wine.

7. Annex 1: List of SIs

Agriculture Act Secondary Legislation made as at 31 March 2025

1. Direct Payments to Farmers and Cross-Compliance (Simplifications) (England) (Amendment) Regulations 2020 (SI 2020/1387, made 30 November 2020)
2. Direct Payments to Farmers (England) (Amendment) Regulations 2020 (SI 2020/1513, made 10 December 2020)
3. World Trade Organisation Agreement on Agriculture (Domestic Support) Regulations 2020 (SI 2020/1578, made 16 December 2020)
4. The Agriculture Act 2020 (Commencement No. 1) Regulations 2020 (2020/1650 (C. 52), made 29 December 2020)
5. Direct Payments to Farmers (Reductions and Simplifications) (England) (Amendment) Regulations 2021 (SI 2021/407, made 25 March 2021)
6. Agriculture (Financial Assistance) Regulations 2021 (SI 2021/405, made 25 March 2021)
7. The Agricultural Holdings (Transitional Provision) (England) Regulations 2021 (SI 2021/324, made 16 March 2021)
8. The Agriculture Act 2020 (Commencement No. 1 and Transitional Provision) (England) Regulations 2021 (2021/597 (C. 20), made 17 May 2021)
9. Private Storage Aid for Pigmear (England) Regulations 2021 (SI 2021/1269, made 11 November 2021)
10. Organics (Equivalence and Control Bodies Listing) (Amendment) Regulations 2021 (SI 2021/1266, made 12 November 2021)
11. Common Organisation of the Markets in Agricultural Products (Marketing Standards and Organic Products) (Transitional Provisions) (Amendment) Regulations 2021 (SI 2021/1396, made 9 December 2021)
12. Eggs (England) Regulations 2021 (SI 2021/1413, made 13 December 2021)
13. Agriculture (Financial Assistance) (Amendment) Regulations 2022 (SI 2022/389, made 25 March 2022)
14. Direct Payments to Farmers (Reductions) (England) Regulations 2022 (SI 2022/407, made 25 March 2022)
15. Agriculture (Lump Sum Payment) (England) Regulations 2022 (SI 2022/390, made 25 March 2022)
16. Common Organisation of the Markets in Agricultural Products (Marketing Standards and Organic Products) (Transitional Provisions) (Amendment) Regulations 2022 (SI 2022/609, made 6 June 2022)
17. Direct Payments to Farmers (Advance Payments and Activation of Payment Entitlements) (Amendment) (England) Regulations 2022 (SI 2022/706, made 27 June 2022)
18. Rural Development (Amendment) (England) Regulations 2022 (SI 2022/765, made 5 July 2022)
19. Common Organisation of the Markets in Agricultural Products (Amendment) Regulations 2022 (SI 2022/1150, made 7 November 2022)
20. The Agriculture Act 2020 (Commencement No. 2) (England) Regulations 2022 (SI 2022/1255, made 29 November 2022)
21. The Market Measures Payment Schemes (Amendments, Revocation and Transitional Provision) (England) Regulations 2023 (SI 2023/124, made 7 February 2023)
22. The Rural Development (Amendment) (No. 2) (England) Regulations 2022 (SI 2022/1225, made 22 November 2022)
23. Alcoholic Beverages (Amendment) (England) Regulations 2023 (SI 2023/312, made 8 March 2023)

24. The Agriculture (Financial Assistance) (Amendment) Regulations 2023 (SI 2023/351, made 22 March 2023)
25. The Direct Payments to Farmers (Reductions) (England) Regulations 2023 (SI 2023/456, made 20 April 2023)
26. The Direct Payments to Farmers (Eligible Hectares and Afforested Areas) (Amendment) (England) Regulations 2023 (SI 2023/718, made 28 June 2023)
27. The Fruit and Vegetables Aid Scheme Closure (England) Regulations 2023 (SI 2023/743, made 3 July 2023)
28. The Agriculture (Removal of Cross-Compliance and Miscellaneous Revocations and Amendments, etc.) (England) Regulations 2023 (SI 2023/816, made 17 July 2023)
29. The Direct Payments to Farmers (Reconsideration and Appeal) (Modification) (England) Regulations 2023 (SI 2023/1181, made 7 November 2023)
30. The Common Organisation of the Markets in Agricultural Products (Marketing Standards and Organic Products) (Transitional Provisions) (Amendment) Regulations 2023 (SI 2023/1246, made 21 November 2023)
31. The Agriculture (Delinked Payments and Consequential Provisions) (England) Regulations 2023 (SI 2023/1430, made 19 December 2023)
32. The Wine (Amendment) (England) Regulations 2024 (SI 2024/115, made 29 January 2024)
33. The Fair Dealing Obligations (Milk) Regulations 2024 (SI 2024/537, made 16 April 2024)
34. The Agriculture (Delinked Payments) (Reductions) (England) Regulations 2024 (SI 2024/691, made 22 May 2024)
35. The Rural Development and Farming Advice Service (Amendment) (England) Regulations 2024 (SI 2024/1221, made 26 November 2024)
36. The Common Organisation of the Markets in Agricultural Products (Marketing Standards and Organic Products) (Transitional Provisions) (Amendment) Regulations 2025 (SI 2025/18, made 8 January 2025)
37. The Free-Range Egg Marketing Standards (Amendment) (England) Regulations 2025 (SI 2025/62, made 22 January 2025)

8. Annex 2: References and External Links (including to other reviews)

Links:

[Farming for the Future](#) (February 2020)

[Agricultural Transition Plan](#) (November 2020)

[Agricultural Transition Plan, January 2024 Update](#)

[SFI 2022](#)

[FCP Annual Report 2021-22](#)

[FCP Annual Report 2022-23](#)

[FCP Annual Report 2023-24](#)

[FCP Annual Report 2024-25](#)

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