

## Debate Pack

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# Back British Farming Day and the future of domestic agriculture

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# 1 Background

## 1.1 Overview

This briefing highlights issues that are likely to be relevant to the debate on Back British Farming Day and the future of domestic agriculture, to be held on 15 September 2021 in Westminster Hall at 9.30am.

“Back British Farming Day”, which also falls on 15 September 2021, is part of the [Back British Farming campaign](#) led by the National Farmers’ Union (NFU) to support the UK food and farming sector. The NFU says that on Back British Farming Day, it will be “urging politicians to put their words into actions and give Parliament a say on how future trade deals impact British food and farming”.<sup>1</sup>

This briefing provides an overview of the UK agriculture sector, trade issues relating to UK farming, and an introduction to the new agriculture policies being pursued in the four UK nations post-EU exit.

## 1.2 The UK agri-food sector

The [Agriculture in the United Kingdom 2020](#) statistical publication provides the following headline figures for the UK farming and food sectors:

- In 2020 agriculture’s contribution to the national economy was 0.49% and its share of employment was 1.44%. Both figures were almost unchanged from 2019.
- From 2019 to 2020, total factor productivity of UK agriculture decreased by 6.7%. This was driven by a decrease in overall levels of production combined with a small increase in volumes of inputs.
- In 2019 the agri-food sector in the United Kingdom accounted for a total estimated Gross Value Added (GVA) of £127bn or 6.4% of national GVA, unchanged from 2018. The manufacturing sector increased 8.7%, followed by the agriculture sector at 6.5%.
- Employment in the agri-food sector fell by 1.0% over the 12-month period to the fourth quarter of 2020 to just under 4 million. The largest decrease was in wholesaling, falling by 17,000 employees (7.1%).

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<sup>1</sup> NFU, [Back British Farming](#) [accessed 13 September 2021]

- Total factor productivity of the UK food chain beyond the farmgate rose by 0.9% between 2017 and 2018. Productivity in the wider economy rose by 0.1% in 2018.<sup>2</sup>

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<sup>2</sup> Defra et al., [Agriculture in the United Kingdom 2020](#), 22 July 2021. Some figures for 2020 are provisional and subject to revision.

## 2 Trade and agriculture

### 2.1 Statistics for UK agri-food trade

In 2020, the UK exported £21.7 billion of food and animal feed and imported £48.7 billion, resulting in a trade deficit of -£27.1 billion. This was composed of a trade deficit with EU countries of -£27.1 billion and a deficit with non-EU countries of -£6.1 billion.

The value of UK agricultural exports fell by almost 9% between 2019 and 2020, though this should be viewed in the context of disruptions in international trade caused by the Coronavirus pandemic; agricultural exports to the EU fell by 7%, while exports to non-EU countries fell by 12%.

By contrast, the value of UK agricultural imports increased slightly between 2019 and 2020 – imports from the EU increased by 0.5%, while imports from non-EU countries increased by 1.3%.

#### UK trade in food, feed and drink, 2019 and 2020

£ millions

	Exports			Imports		
	2019	2020	% change	2019	2020	% change
EU	14,315	13,390	-6.5%	34,141	34,314	0.5%
Non-EU	9,452	8,279	-12.4%	14,244	14,425	1.3%
<b>Total</b>	<b>23,766</b>	<b>21,669</b>	<b>-8.8%</b>	<b>48,385</b>	<b>48,739</b>	<b>0.7%</b>

Source: HMRC, [UK Trade Info](#)

The statistics used here are for “food, feed and drink” – this includes a wide range of products, including raw agricultural products, lightly processed foods, such as meat, cheese and butter, as well as heavily processed foods, including confectionary and alcoholic beverages.<sup>3</sup>

In general, the UK exports a greater proportion of heavily processed foods and agricultural products than it imports and imports a greater proportion of lightly and unprocessed foods and agricultural products than it exports.

<sup>3</sup> This data uses the following SITC codes: [01] Meat, [02] Dairy, [03] Fish, [04] Cereals, [05] Fruit and vegetables, [06] Sugar, [07] Tea, coffee, spices, [08] Animal feed, [09] Miscellaneous, [11] Beverages, [22] Oil seeds and oleaginous fruit and [4] Animal & vegetable oils, fats & waxes. Data taken from HMRC, [UK Trade Info](#), extracted 13<sup>th</sup> September 2021

In 2020:

- 56% of UK exports of food, feed and drink were of heavily processed foods, 36% were of lightly processed foods and 8% were of unprocessed foods.
- 38% of UK imports of food, feed and drink were of heavily processed foods, 42% were of lightly processed foods and 20% were of unprocessed foods.

The table below shows the change in value of UK agricultural exports by product. The value of exports of beverages fell by 19% – exports to the EU fell by 13%, while exports to non-EU countries fell by 22%. The value of fish exports fell by 17% – the value of fish exports to non-EU countries fell by 38%, while EU exports fell by 7%.<sup>4</sup>

### UK exports food, feed and drink, 2019 and 2020

£ millions

	2019	2020	% change
Meat & meat preparations	2,084	2,073	-0.5%
Dairy products & birds' eggs	2,001	1,825	-8.8%
Fish	2,027	1,678	-17.2%
Cereals & cereal preparations	2,466	2,292	-7.0%
Vegetables & fruit	1,292	1,286	-0.5%
Sugar, sugar preparations & honey	442	433	-2.1%
Coffee, tea, cocoa, spices	1,561	1,594	2.1%
Feeding stuff for animals	1,132	1,190	5.1%
Miscellaneous edible products	2,227	2,238	0.5%
Beverages	7,945	6,437	-19.0%
Oil seeds & oleaginous fruits	64	95	48.5%
Animal oils & fats	131	144	10.0%
Fixed vegetable fats & oils	273	264	-3.3%
Animal or vegetable fats & oils	121	118	-2.0%
<b>Total</b>	<b>23,766</b>	<b>21,669</b>	<b>-8.8%</b>

Source: HMRC, [UK Trade Info](#)

The value of imports of sugar, sugar preparations and honey fell by 7% between 2019 and 2020 - imports from the EU fell by 13%, while imports from non-EU countries increased by 7%, while the value of fish imports fell by 5% - the value of fish imports from EU countries fell by 4%, while non-EU imports fell by 6%.<sup>5</sup>

<sup>4</sup> HMRC, [UK Trade Info](#)

<sup>5</sup> HMRC, [UK Trade Info](#)

## UK imports food, feed and drink, 2019 and 2020

£ millions

	2019	2020	% change
Meat & meat preparations	6,699	6,368	-4.9%
Dairy products & birds' eggs	3,361	3,284	-2.3%
Fish	3,475	3,289	-5.4%
Cereals & cereal preparations	4,280	4,516	5.5%
Vegetables & fruit	11,610	11,605	0.0%
Sugar, sugar preparations & honey	1,214	1,135	-6.5%
Coffee, tea, cocoa, spices	3,832	3,978	3.8%
Feeding stuff for animals	2,448	2,568	4.9%
Miscellaneous edible products	3,488	3,716	6.5%
Beverages	6,049	6,040	-0.2%
Oil seeds & oleaginous fruits	525	733	39.7%
Animal oils & fats	105	99	-5.9%
Fixed vegetable fats & oils	999	1,084	8.4%
Animal or vegetable fats & oils	299	323	8.1%
<b>Total</b>	<b>48,385</b>	<b>48,739</b>	<b>0.7%</b>

Source: HMRC, [UK Trade Info](#)

## 2.2

## Issues for agri-food in trade policy

Following the UK's exit from the European Union (EU), the UK has ceased to participate in the European Union single market and customs union. The UK is able to pursue an independent trade policy. This has included "rolling over" existing trade agreements between the EU and other markets (so that the UK continues to enjoy beneficial trading terms), as well as seeking to negotiate entirely new trade agreements.

Throughout the negotiations over the UK's exit from the EU, and the passage of legislation such as the Agriculture Bill, considerable attention was given to the potential impact of future trade agreements on the UK agri-food sector. Some have expressed concern that liberalising trade will lead to UK farmers competing with producers who are not operating under the same standards. For example, the National Farmers' Union President, Minette Batters, has said in relation to trade negotiations with Australia and New Zealand that "opening up zero tariff trade on all imports of products such as beef and lamb means British farming, working to its current high standards, will struggle to compete" (see also next subsection).<sup>6</sup>

<sup>6</sup> NFU, [NFU joins calls for government to stand up for farmers in Australia and NZ deals](#), 19 May 2021

Others have argued that future trade agreements hold the potential to benefit UK consumers. The Institute of Economic Affairs think tank said in 2018 that “the liberalisation of agricultural trade would result in more choice and lower prices for UK consumers for a wide range of foodstuffs, including many (such as rice and citrus fruits) which UK farmers do not even produce”.<sup>7</sup>

The following subsections provide an overview of some of the key issues that have featured in debates over the impact of trade agreements on UK agriculture.

## Standards

One issue that has repeatedly been raised in debates about future trade agreements is whether standards applicable to UK agri-food products will be applied to imports under future international trade agreements.

The Government’s position has consistently been that it will not compromise UK standards, and that all current legal standards deriving from the EU, such as prohibitions on chlorine-washed chicken and hormone-treated beef, have been converted into domestic law at the end of the transition period, under the terms of the [European Union \(Withdrawal\) Act 2018](#) (as amended). The Government has said that any change to these rules would require legislative change.<sup>8</sup>

Some domestic legal requirements are already applied to imported foods (for example, under retained EU law, it is not lawful to import chlorine-washed chicken into the UK), but others, such as various animal welfare requirements on domestic producers, are not.<sup>9</sup> Some stakeholders have called for the Government to make a specific legal commitment that standards will be maintained in future trading relationships, such as through an amendment to the Agriculture Bill. For example, the National Farmers’ Union collected signatures to a petition calling for the Government to “put into law rules that prevent food being imported to the UK which is produced in ways that would be illegal here”.<sup>10</sup>

For background information on issues around standards in agri-food trade, see the Library briefing paper [Brexit: Trade issues for food and agriculture](#) (CBP 7974, 5 November 2019).

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<sup>7</sup> IEA, [UK has much to gain and little to fear from trade deal with US](#), 12 February 2018

<sup>8</sup> Rt Hon Elizabeth Truss MP and Rt Hon George Eustice MP, [Dear Colleague letter](#), 5 June 2020, linked from ENDS Report, [Scepticism as Truss and Eustice pledge ‘no compromise’ on food standards](#), 8 June 2020 [paywall]

<sup>9</sup> The poultry washing restriction is under [Regulation \(EC\) No 853/2004](#).

<sup>10</sup> NFU, [Food standards petition](#) [accessed 13 September 2021]



## Parliamentary scrutiny of trade agreements

Some stakeholders, including the NFU in its Back British Farming Campaign, have called for Parliament to have a greater role in scrutinising new trade agreements, as a safeguard against deals that could be argued to disadvantage British farmers.

Parliament's formal role in UK trade agreements is limited. Its role in the ratification of treaties is governed by the Constitutional Reform and Governance Act 2010 (CRaG). The Government has also agreed to some increased transparency, consultation and scrutiny for free trade agreements. For further information, see section 3.4 of the Library paper [How Parliament treats treaties](#) (CBP 9247, 1 June 2021).

On 30 October 2020, the Government tabled an amendment to the Agriculture Bill, placing a duty on the Secretary of State to lay a report before Parliament, before a trade agreement containing “measures applicable to trade in agricultural products” could be laid before Parliament. The report would need to explain “whether, or to what extent” relevant elements of the trade agreement are “consistent with the maintenance of UK levels of statutory protection” in relation to human, animal or plant life or health, animal welfare, and the environment. The requirement to report would not apply to trade agreements where each other party is “a member State or the European Union”, or where the agreement is with a country that had a trade agreement with the EU containing agri-food measures immediately prior to exit day (i.e. including “rollover” agreements), provided the new agreement is negotiated within two years of the end of the transition period (i.e. by 31 December 2022).<sup>11</sup> This now forms section 42 of the Agriculture Act 2020.<sup>12</sup>

## Trade and Agriculture Commission

The Trade and Agriculture Commission (TAC) is a body formed to advise the Government on how new trade agreements could secure opportunities for UK farmers while ensuring that standards are not undermined.<sup>13</sup> Its formation was originally announced by the International Trade Secretary, following calls by external stakeholders, in July 2020. The TAC was initially to exist for six months and submit an advisory report; the report and recommendations were published on 2 March 2021.<sup>14</sup>

During the parliamentary stages of the Agriculture Bill 2019-21, non-Government amendments were proposed with the aim of placing the TAC on a statutory footing. In November 2020, the Government announced that the Trade and Agriculture Commission (TAC) would be extended past its initial

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<sup>11</sup> House of Commons Library, [The Agriculture Act 2020](#), CBP 8702, 3 December 2020, pp 140-141

<sup>12</sup> Agriculture Act 2020, [section 42](#)

<sup>13</sup> Department for International Trade, [Trade and Agriculture Commission: terms of reference](#), updated 12 March 2021

<sup>14</sup> Trade and Agriculture Commission, [Final Report](#), March 2021

six-month term and given “a more active role through a new legislative underpinning, to be reviewed every three years”.<sup>15</sup> This is now provided for in Part 3 of the Trade Act 2021, although (as of 14 September 2021) the provisions creating a statutory framework for the TAC have not yet been brought into force.<sup>16</sup>

The Government said that the TAC will produce a report on “the impact on animal welfare and agriculture” of “each free trade deal” signed after the end of the transition period. This report will be laid in Parliament before the start of the 21-day CRaG procedure. The Government press release stated that the move “will allow Parliamentarians access to independent and expert advice when reviewing the impact of each trade deal on farming”.<sup>17</sup>

The Chair of the Commons Environment, Food and Rural Affairs Committee, Neil Parish MP, wrote to the Trade Secretary in June 2021 to express disappointment that the timetable for appointing members of the TAC was unclear.<sup>18</sup> The Trade Secretary responded explaining that the Government is “considering if it may be appropriate to amend the [statutory TAC provisions], to compensate members for their time, as opposed to paying expenses only”, and for this reason the statutory provisions had not yet been commenced. Instead an “interim non-statutory body” would be established “in the short term”.<sup>19</sup>

For further information on the TAC, see the Library debate pack [Role of the Trade and Agriculture Commission in international trade deals](#) (CDP 2021-0127, 19 July 2021).

## Individual trade agreements

The trade agreements the UK has signed since EU exit have largely “rolled over” existing agreements between the EU and various countries. The first “new” trade deal reached by the UK is with Australia and was announced on 15 June 2021. This deal is currently in agreement in principle, with some details remaining to be finalised and the deal has yet to be put into legal text.

Under the agreement in principle, full tariff and quota free access for imports from Australia will be phased in over a number of years. Full access for beef and sheepmeat imports will not occur for 15 years. However, the amount of beef and sheepmeat allowed into the UK, in the first year of the agreement, is significantly larger than the volumes currently imported from Australia. Tariffs on dairy imports from Australia will be gradually removed over five years and on sugar over eight years.

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<sup>15</sup> GOV.UK, [Trade and Agriculture Commission put on statutory footing](#), 1 November 2020

<sup>16</sup> Trade Act 2021, [Part 3](#)

<sup>17</sup> GOV.UK, [Trade and Agriculture Commission put on statutory footing](#), 1 November 2020

<sup>18</sup> [Letter from Neil Parish MP, Chair of the EFRA Committee to Liz Truss, Secretary of State for International Trade](#), 15 June 2021

<sup>19</sup> [Letter from Liz Truss to Neil Parish](#), 30 July 2021

The agreement will also contain a chapter covering animal welfare and antimicrobial resistance. For more information on the UK-Australia trade agreement and its impact on agriculture, see the Library briefing paper on the [UK-Australia free trade agreement](#) (CBP 9204, 3 September 2021).

As well as Australia, the UK Government has said that its other priorities are negotiating trade agreements with the United States and New Zealand. It is also considering joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).<sup>20</sup> The Government has also consulted in 2021 on trading arrangements with India, Canada and Mexico.<sup>21</sup>

## 2.3 Promoting UK agri-food products

There are a number of initiatives and schemes which seek to promote and/or add value to UK agri-food produce, for both the domestic and export markets.

### Levy boards

The [Agriculture and Horticulture Development Board](#) (AHDB) is a statutory body funded by a levy on agri-food sectors. Its work includes market intelligence, promotional activities and facilitating knowledge exchange among farmers and growers.<sup>22</sup>

In the devolved nations, as well as work by the AHDB, market development for the meat sector is also carried out by the following levy bodies:

- [Quality Meat Scotland](#), the public body responsible for helping the Scottish red meat sector improve its efficiency and profitability; and maximise its contribution to Scotland's economy.
- [Hybu Cig Cymru](#) (Meat Promotion Wales), the industry-led organisation responsible for the development, promotion and marketing of lamb, beef and pork from Wales.
- [Livestock & Meat Commission](#), whose mission statement is to support, examine and inform the marketing and development of the Northern Ireland beef and sheep meat industry.

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<sup>20</sup> GOV.UK, [The UK's trade agreements](#) [accessed 9 September 2021]. The CPTPP is a free-trade agreement (FTA) between 11 countries around the Pacific Rim: Canada, Mexico, Peru, Chile, New Zealand, Australia, Brunei, Singapore, Malaysia, Vietnam and Japan. See the [Institute for Government explainer on the CPTPP](#).

<sup>21</sup> GOV.UK, [Trade with India: call for input](#) and [Trade with Canada and Mexico: call for input](#) [both accessed 9 September 2021]

<sup>22</sup> AHDB, [What we do](#) [accessed 22 April 2021]

### Assurance schemes

There are a number of voluntary assurance schemes in which food businesses can participate. These are generally accredited by the [United Kingdom Accreditation Service \(UKAS\)](#). Examples of UK assurance schemes include:

- [Red Tractor](#), whose website states that its approach to standards is based on the four key principles of animal welfare, environmental protection, food safety and traceability.
- [Farm Assured Welsh Livestock](#), owned by Welsh Lamb and Beef Producers, an agricultural cooperative society.
- [Quality Meat Scotland](#) operates a number of assurance schemes.
- The Livestock & Meat Commission operates the [Northern Ireland Beef & Lamb Farm Quality Assurance Scheme](#).
- [British Lion eggs](#), including a requirement that hens be vaccinated against salmonella and a “passport” system ensuring that all hens, eggs and feed are fully traceable.
- [RSPCA Assured](#), which according to its website “assesses farms, hauliers and abattoirs to the RSPCA’s strict [animal] welfare standards”.

In addition, businesses marketing food as “organic” in the UK must be registered with a recognised organic control body, such as the [Soil Association](#). A list of approved UK organic control bodies is given on GOV.UK.<sup>23</sup>

### Geographical indications

Food, drink and agricultural products with a geographical connection or that are made using traditional methods can be registered and protected as intellectual property. This protection is called a geographical indication (GI) and it protects the product name from misuse or imitation.

Until the end of the transition period, the UK was covered by the EU’s GI schemes. The UK has now set up its own similar GI schemes, to which food producers can apply for protection. All products registered under the EU schemes on 31 December 2020 remain protected under the UK schemes. Registered products sold in Northern Ireland continue to be covered by the EU schemes.<sup>24</sup>

The UK GI schemes protect products sold in Great Britain, whether they originate from the UK or elsewhere. There are 4 UK GI schemes:

- food, agricultural products, beer, cider and perry

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<sup>23</sup> GOV.UK, [Organic food: UK approved control bodies](#) [accessed 22 April 2021]

<sup>24</sup> GOV.UK, [Protected geographical food and drink names: UK GI schemes](#) [accessed 23 April 2021]

- wine
- aromatised wine
- spirit drinks

There are UK GI logos that represent 3 designations of GI product:

- protected designation of origin (PDO) – a UK example is [Stilton Blue Cheese](#).
- protected geographical indication (PGI) – a UK example is [Welsh beef](#).
- traditional speciality guaranteed (TSG) – a UK example is [Traditional Bramley Apple Pie Filling](#).

For more information on the UK GI schemes, see GOV.UK guidance on [Protected geographical food and drink names: UK GI schemes](#). For information on the EU schemes, see the European Commission web page [Quality schemes explained](#).

Protected geographical indications are distinct from legal requirements to label the country of origin of a food. Not all foods need to be labelled with the country of origin. For information on country of origin labelling requirements applicable to certain foods, see GOV.UK guidance on [Food labelling – what you must show](#).<sup>25</sup>

### “Buying British”

A number of initiatives have sought to promote the benefits of supporting the UK agri-food sector. A January 2021 report by the AHDB examined consumer attitudes to farming and the environment. It found that “overall, consumer perceptions of farming in the UK are positive”, with 66% of people feeling “very or somewhat positive about British agriculture”.<sup>26</sup> The report suggested that British producers could improve their competitiveness by demonstrating environmental credentials:

As other sectors such as transport, manufacturing and energy have forcibly had their carbon emissions reduced as a direct consequence of lockdowns, agriculture’s share of emissions will look worse as a consequence, even temporarily which will apply more scrutiny. In this context, it is vital that British agriculture continues to be on the front foot in confronting the issues around the environment and to continue to demonstrate positive progress. Commitments to net zero are hugely positive, but the industry will need to make good on these commitments if it wants to retain the high trust levels it currently benefits from.

We know that preference for buying British is higher among those who prioritise the environment. Ultimately, prioritising and demonstrating

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<sup>25</sup> GOV.UK, [Food labelling and packaging](#) [accessed 23 April 2021]

<sup>26</sup> AHDB, [Trust in Farming and the Environment: The Consumer Perspective](#), January 2021, p. 3

care for the environment has the potential to become a compelling point of difference for the UK, both for exporters and domestically.<sup>27</sup>

The National Farmers Union's "[Back British Farming](#)" campaign has sought to drive support for UK agriculture through "simple actions like buying British produce, enjoying the countryside responsibly, and spreading the word with friends and family".<sup>28</sup> The AHDB has also run a number of campaigns promoting various British agri-food products, which can be accessed on the "[Marketing](#)" page of its website.

### Welfare labelling

Amid discussions around import standards during the passage of the Agriculture Act 2020, the UK Government said that it would carry out "a serious examination of the role of labelling in promoting high standards and high welfare across the UK market".<sup>29</sup>

On 13 September 2021, Defra [launched a call for evidence](#) on labelling for animal welfare. This is intended to inform any future policy proposals on labelling for animal welfare. The call for evidence, which relates to England, Wales and Northern Ireland, will close on 6 December 2021.<sup>30</sup>

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<sup>27</sup> Ibid., p. 11

<sup>28</sup> NFU, [Back British Farming](#) [accessed 13 September 2021]

<sup>29</sup> HC Deb 12 Oct 2020, [c73-4](#)

<sup>30</sup> Defra, [Call for Evidence - Labelling for Animal Welfare](#) [accessed 13 September 2021]

## 3

# Future farm support policy

Having left the European Union, the UK no longer participates in the EU Common Agricultural Policy (CAP). Under the CAP, farmers could receive payments under a number of schemes. The largest was the Basic Payment Scheme (BPS), which made payments to farms based on the area of land under agricultural use. Other schemes include agri-environment payments, which pay land managers for actions such as improving biodiversity. In 2019, total CAP payments in the UK totalled just over £3.79 billion.<sup>31</sup>

Agriculture is largely devolved and all four UK nations are pursuing their own approach to future farm payments. The UK Government and devolved administrations have also decided to continue some elements of the CAP system, at least in the short term, and have introduced legislation to enable this to happen following EU exit.

For background information on the development of post-EU exit agriculture policy in the initial years following the referendum, see the Library briefing paper [Brexit: UK agriculture policy](#) (CBP 8218, 11 September 2018).

## 3.1

# England

The Department for Environment, Food and Rural Affairs (Defra) has been developing a new agricultural policy for England, following the UK's departure from the European Union Common Agricultural Policy (CAP). This is being done using powers contained in the [Agriculture Act 2020](#).

From 2021 to 2027, Defra intends to phase out CAP-style direct payments to farmers across a seven-year “agricultural transition”. This will be accomplished through phased reductions to Basic Payment Scheme payments, beginning in 2021. After 2024, payments will be “de-linked” from the requirement to farm land.

At the same time, the Department will pilot and roll out components of a new environmental scheme, collectively referred to as Environmental Land Management (ELM). ELM will pay farmers and other land managers for delivering a range of environmental outcomes. It is intended to consist of three components:

- Sustainable Farming Incentive (SFI), which will reward farmers for producing public goods on their land, such as reducing water pollution and improving biodiversity. SFI is currently being piloted, and a wider roll-out of some elements of SFI will take place in 2022.

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<sup>31</sup> [UK CAP payments database](#) [accessed 13 September 2021]

- Local Nature Recovery, which will pay for locally-specific actions to support local nature recovery and deliver local environmental priorities, such as restoring habitats and natural flood management. The scheme will begin piloting in 2022, and launch in 2024.
- Landscape Recovery, which will support landscape and ecosystem recovery through long-term projects such as peatland restoration and large-scale woodland creation. The scheme will begin piloting around 10 projects in 2022, and launch in 2024.<sup>32</sup>

Defra's [Agricultural Transition Plan](#), published in November 2020, also contains various schemes and initiatives alongside the reduction of direct payments and roll-out of ELM. Further information has been published on Defra's [Future Farming blog](#), and a [fuller progress update on the Transition Plan](#) was published in June 2021.

For background information on the development of the new policy in England, see the Library papers on the [Agriculture Bill 2017-19](#) (CBP 8405, 25 October 2018) and the [Agriculture Act 2020](#) (CBP 8702, 3 December 2020).

## 3.2

### Scotland

The Scottish Government's 2018 consultation [Stability and simplicity](#) proposed a five year transition period for farming and rural support. It proposed that the majority of CAP schemes would continue, but could be subject to simplification and improvements.<sup>33</sup> The [Agriculture \(Retained EU Law and Data\) \(Scotland\) Act 2020](#) makes provision for payments from 2021 by providing for the continued operation and amendment of the CAP legislation in domestic law in Scotland.<sup>34</sup>

In August 2021, the Scottish Government published a consultation containing an overview of the key themes and recommendations emerging from a process of Farmer Led Groups, which had been established in 2020 to recommend ways farmers and crofters could consider the effects of land use change and reduce emissions. The publication also set out several questions intended to inform wider work on the development of agricultural policy.

The Scottish Government said that an Agriculture Reform Implementation Oversight Board (ARIOB) will support and inform the development of a

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<sup>32</sup> Defra Future Farming blog, [How farming is changing](#), 23 June 2021

<sup>33</sup> Scottish Government, [Stability and simplicity: proposals for a rural funding transition period](#), 20 June 2018

<sup>34</sup> Anna Brand, Scottish Parliament Information Centre (SPICe) briefing, [UK Direct Payments to Farmers \(Legislative Continuity\) Bill 2020](#), 15 January 2020



statutory consultation, intended to be published in 2022, that will set out proposals for a future Agriculture Bill.<sup>35</sup>

The Scottish Parliament Information Centre has also published a FAQ page with further information: [Brexit FAQs: fishing, farming and support for businesses](#) (updated 18 January 2021).

### 3.3

## Wales

The UK [Agriculture Act 2020](#) included powers for the Welsh Government to continue the Basic Payment Scheme beyond 2020. In December 2020, the Welsh Government Minister for Environment, Energy and Rural Affairs, Lesley Griffiths, confirmed that farmers would receive “the same level of total payment”, across BPS and associated schemes, in 2021 as they had in 2020. This takes account of a “new simplified BPS calculation”, and the removal of the separate “greening” payment. The Welsh Government has also said that it intends to continue BPS in 2022, “subject to confirmation of funding from the UK Government”.<sup>36</sup>

Following a number of consultations, the Welsh Government published an [Agriculture \(Wales\) White Paper](#) for consultation in December 2020. The White Paper explains the Welsh Government’s approach, which it said would be legislated for through an Agriculture (Wales) Bill in the subsequent Welsh Parliament term (following the Senedd election in May 2021). The Welsh Government’s approach to future support centres on promoting Sustainable Land Management (SLM), “enabling current and future generations of farmers to be rewarded for the sustainable production of food and for their contribution to the health and wellbeing of our nation”. It is proposed to replace BPS and agri-environment schemes with a single Sustainable Farming Scheme:

The White Paper sets out our proposals to replace the Basic Payment Scheme (BPS) and other EU agri-environment schemes with a single direct support scheme for farming. Our proposed Sustainable Farming Scheme will reward farmers appropriately for the production of additional non-market goods (improved soils, clean air, clean water, improved habitat condition, actions to reduce global warming) at levels above those set by regulation through the management of land in a

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<sup>35</sup> Scottish Government, [Agricultural transition - first steps towards our national policy: consultation](#), 25 August 2021

<sup>36</sup> Welsh Government, [Written Statement: Publication of the Agriculture \(Wales\) White Paper](#), 16 December 2020

sustainable way. It will also provide advice and support for farmers and farm businesses.<sup>37</sup>

The consultation on the White Paper closed on 26 March 2021, and responses are currently being reviewed.<sup>38</sup>

For further information on agriculture policy in Wales, see the Senedd Research article [A new landscape for farmers and nature?](#) (25 May 2021), and articles in the collection [Agriculture and land management](#).

## 3.4 Northern Ireland

As in Wales, the UK [Agriculture Act 2020](#) provides powers to the Northern Ireland Department for Agriculture, Environment and Rural Affairs (DAERA) to continue and modify the Basic Payment Scheme. DAERA Minister Edwin Poots announced in November 2020 a number of modifications to the rules governing direct payments for 2021.<sup>39</sup>

During the period when there was no functioning Northern Ireland Assembly or Executive, DAERA conducted a stakeholder engagement exercise on a possible future agricultural policy framework between August and October 2018.<sup>40</sup> Following the restoration of the Assembly and Executive in January 2020, Minister Poots published the Future Agricultural Policy Framework Portfolio in August 2021. This sets out a portfolio of measures being developed to deliver the four key outcomes of increased productivity, environmental sustainability, improved resilience and a responsive supply chain.

DAERA said that a public consultation on the more detailed policy proposals emerging from the Framework will be issued in autumn 2021.<sup>41</sup>

The Northern Ireland Assembly Research and Information Service (RaISe) paper [UK Agriculture Bill 2019-20](#) (19 February 2020) provides some background information on agriculture policy in Northern Ireland. The RaISe briefing [Agricultural Support and Ireland/Northern Ireland Protocol](#) (12 October 2020) also provides information on how the provisions Ireland/Northern Ireland Protocol of the Withdrawal Agreement might impact farm support.

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<sup>37</sup> Welsh Government, [Written Statement: Publication of the Agriculture \(Wales\) White Paper](#), 16 December 2020

<sup>38</sup> Welsh Government, [Agriculture \(Wales\) Bill](#) [accessed 18 June 2021]

<sup>39</sup> DAERA, [New agricultural policy to be biggest shake up in 40 years](#), 18 November 2020

<sup>40</sup> DAERA, [Northern Ireland Future Agricultural Policy Framework](#) [accessed 13 September 2021]

<sup>41</sup> DAERA, [Poots publishes vision for future farming policy in NI](#), 24 August 2021

## 4 Press coverage

NFU

[Back British Farming](#)

Countryside Online

[Get involved in Back British Farming Day 2021](#)

[How can I support British farmers?](#)

Department for Environment, Food and Rural Affairs booklet

[Farming is Changing](#)

Updated June 2021

Farmers Weekly

9 September 2021

[NFU urges farmers to support Back British Farming Day](#)

Geographical Magazine

9 September 2021

[Dossier: Could opening up the UK to meat from other continents end the Great British farm?](#)

Farming UK

3 September 2021

[Government told to protect UK standards in NZ trade deal](#)

Farmers Weekly

18 August 2021

[Farm resilience fund – where and how to access free advice](#)

Farming UK

17 August 2021

[Farmers urged to sign up to Sustainable Farming Incentive](#)

Country Land and Business Association (CLA)

1 July 2021

[Defra's Sustainable Farming Incentive: CLA analysis](#)

Department for Environment, Food and Rural Affairs blog

30 June 2021

[Sustainable Farming Incentive: information about the rollout of our new environmental scheme](#)

Department for Environment, Food and Rural Affairs blog

29 June 2021

[How farmers are helping us to design the first of our environmental land management schemes](#)

BBC News Online

2 June 2021

[Farmers' opposition to UK-Australia trade deal grows](#)

BBC News Online

19 May 2021

[How much power do UK farmers have over trade deals?](#)

Guardian

18 May 2021

[Farmers warn post-Brexit trade deal with Australia could hit UK agriculture](#)

Observer

14 February 2021

[UK-US Brexit trade deal 'could fill supermarkets with cancer-risk bacon'](#)

Farming UK

3 February 2021

[Food standards warning as UK applies to join CPTPP](#)

FT

8 October 2020

[UK government set to defy campaign on imported food standards](#)

## 5

# Parliamentary material

## Debates

Westminster Hall debate: [Trade and Agriculture Commission: Role in International Trade Deals](#)

HC Deb 21 July 2021 | Vol 699 c400WH-

Lords exchange of questions: [Environmental Land Management Schemes](#)

HL Deb 24 May 2021 | Vol 812 c812-

Westminster Hall debate: [British Meat and Dairy Products](#)

HC Deb 28 April 2021 | Vol 693 c139WH-

Commons statement followed by questions: [Agricultural Transition Plan](#)

HC Deb 30 November 2020 | Vol 685 c38-

## Committee Inquiry

Commons Environment, Food and Rural Affairs Committee current inquiry: [Environmental Land Management and the agricultural transition](#)

## PQs

[Trade and Agriculture Commission](#)

Asked by: Poulter, Dr Dan

To ask the Secretary of State for International Trade, when the Trade and Agriculture Commission will be formally constituted; and when the Trade and Agriculture Commission will hold its first meeting.

To ask the Secretary of State for International Trade, what steps her Department has taken to ensure representation of farmers on the Trade and Agriculture Commission.

**Answering member: Greg Hands | Department: Department for International Trade**

The Department for International Trade (DIT) invited Expressions of Interest for independent advisors to sit on the Trade and Agriculture Commission (TAC) in July, and DIT will announce the membership in the coming weeks.

The TAC will be composed of independent experts in their fields, in line with the provisions of the Trade Act 2021. This will include expertise in UK animal welfare standards, UK animal and plant health standards, UK environmental standards relating to agricultural products, and international trade law and policy.

**HC Deb 07 September 2021 | PQ 40833; PQ 40834**

### [National Food Strategy: Small-scale Family Farms](#)

**Asked by: Neil Parish**

The National Food Strategy has recommended that the Government must define the minimum standards we will accept in future free trade deals and a “mechanism for protecting them”. The report says that without that there is “serious peril” that tariff-free deals could not only “compromise” our own attempts to drive up these standards, but allow cheap imports, which would “undercut” our farmers. Given that the Trade and Agriculture Commission already made exactly that recommendation in its March report, almost five months ago, can the Secretary of State tell me when these core standards will be set out and whether that mechanism for defending them will be in place before the Australia deal is signed?

**Answered by: George Eustice | Department: Environment, Food and Rural Affairs**

The Government are working on a sanitary and phytosanitary policy statement that will set out the UK’s farm-to-fork approach on these matters, the science of good farm husbandry and how that improves food safety standards. We also have some key things in our legislation, such as bans on the use of hormones in beef and of chlorinated washes. Those are in our legislation and will not change.

HC Deb 22 July 2021 | Vol 699 c1109

Land Use

**Asked by: Blackman, Kirsty**

To ask the Secretary of State for Environment, Food and Rural Affairs, what assessment his Department has made of the environmental impact of land use practice in the UK.

**Answering member: Rebecca Pow | Department: Department for Environment, Food and Rural Affairs**

The Government recognises that the way land is used and managed has a range of environmental impacts, both positive and negative. We regularly review and assess these impacts, working closely with the Ministry of Housing, Communities and Local Government.

Increasing the public and private benefits of land-use, and of land management, will be critical to achieving our environmental goals – particularly on climate change and nature recovery.

It is critical that the right environmental actions are delivered in the right places, while maintaining food security and sustainable development. In recognition of this, we have recently published our trees and peat actions plans. In addition we are:

- o developing new schemes that will reward environmental land management;
- o introducing a mandatory Biodiversity Net Gain via the Environment Bill; and
- o introducing Local Nature Recovery Strategies across England that will propose priority locations for nature recovery and the delivery of nature-based solutions.

HC Deb 22 July 2021 | PQ 35683

Environmental Land Management Scheme

**Asked by: Wakeford, Christian**

To ask the Secretary of State for Environment, Food and Rural Affairs, what assessment his Department has made of the potential effect of the Environmental Land Management schemes on greenhouse gas emissions from the agriculture sector; and what assessment he has made of the compatibility of the objectives of those schemes with the UK's net zero target.



**Answering member: Rebecca Pow | Department: Department for Environment, Food and Rural Affairs**

Defra is taking action to tackle climate change, in line with our net zero target, by making consistent contributions towards reducing emissions from agriculture and agricultural land and increasing the amount of carbon that is sequestered and stored. All three of our Environmental Land Management schemes will pay farmers to provide agreed environmental outcomes, including actions to reduce greenhouse gas emissions.

The soil standards recently announced as part of the first year roll out of the Sustainable Farming Incentive will play a part in this.

Initial projections of the SFI arable/horticultural soil and improved grassland soil standards estimate average potential carbon savings of up to 0.8 megatons of CO<sub>2</sub> equivalent in England annually over the CB6 period (the sixth carbon budget period under the Climate Change Act, from 2033 to 2037). These savings are roughly equivalent to a total of up to 400,000 cars off the road per year over the CB6 period (based on annual emissions by an average car on the road in 2019). Improving soil health is an important potential mechanism to sequester more carbon, but we know that we must do more to deliver our Net Zero ambitions.

We are continuing to consider a wide range of measures for how to reduce emissions from agriculture and increase the amount of carbon captured by the land, as we roll out the Environmental Land Management schemes.

A more detailed overview of our departmental plans to help the UK meet its climate targets will be set out in the Net Zero Strategy, to be published ahead of COP26.

**HC Deb 16 July 2021 | PQ 29172**

[Environmental Land Management Scheme](#)

**Asked by: Offord, Dr Matthew**

To ask the Secretary of State for Environment, Food and Rural Affairs, what estimate his Department has made of the number of farmers who will leave the industry under the exit scheme of the Land Management System.

**Answering member: Victoria Prentis | Department: Department for Environment, Food and Rural Affairs**

Our proposed lump sum exit scheme will provide support for farmers in England who wish to exit the industry.

In 2018, we undertook a survey of around 1,000 farmers as part of our planning for the Agriculture Act. Six per cent of those surveyed said they

wanted to leave farming but felt they were not able to do so at that time. Financial reasons were given as the main barrier.

There will be a range of factors which will affect individual farmers' decisions about whether they wish to take the lump sum and exit farming. The consultation will be used to gather further evidence about likely uptake.

Our consultation can be found here:

<https://consult.defra.gov.uk/agricultural-policy/lump-sum-and-delinked-payments-england/>. This consultation is open until 11 August 2021.

**HC Deb 14 July 2021 | PQ 28158**

### *Environmental Land Management Scheme*

**Asked by: Lord De Mauley**

To ask Her Majesty's Government whether the area under certain environmental schemes on agricultural land under ELMs could count towards the Government's objective of protecting 30 per cent of terrestrial land by 2020; and if so, under what circumstances.

**Answering member: Lord Goldsmith of Richmond Park | Department: Department for Environment, Food and Rural Affairs**

Our new environmental land management schemes will support the delivery of our ambitious national targets and commitments for the environment, including the Government's commitment to protect 30% of the UK's land by 2030. We are exploring the potential contribution that the three schemes could make to the achievement of this commitment. This contribution could include: management of farmland in an environmentally sustainable way; supporting local nature recovery and delivering local environmental priorities; management of designated sites; and encouraging collaboration between farmers, including through landscape-scale habitat creation and restoration, or securing long-term management and protection for wildlife-rich habitats.

**HL Deb 12 Jul 2021 | PQ HL1453**

## 6 Further reading

### Briefing papers

[UK-Australia free trade agreement](#) (CBP 9204, 3 September 2021)

[The Agriculture Act 2020](#) (CBP 8702, 3 December 2020)

[Brexit: Trade issues for food and agriculture](#) (CBP 7974, 5 November 2019)

### Debate packs

[Future of the Welsh rural economy](#) (CDP 2021-0095, 18 June 2021)

[British meat and dairy products](#) (CDP 2021-0068, 27 April 2021)

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