

**COUNTRYSIDE ALLIANCE BRIEFING NOTE**  
**BREXIT: ENVIRONMENT AND CLIMATE CHANGE**



The Voice of the Countryside

**House of Lords**

**“Debate on the Report from the European Union Committee, [Brexit: Environment and Climate Change](#)” (Lord Teverson, Lib Dem)**

**Thursday 23 March**

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**Background**

- The British countryside is famous around the world and is of great importance for our rural communities, wildlife and habitats, and tourist sector.
- The importance of farming and traditional land management in creating and sustaining some of our most iconic rural landscapes must be recognised in our approach to countryside management outside the EU. The work that the EU has done to improve environmental standards, particularly in water quality, should be continued and developed in a way that is appropriate for the UK.
- The UK produces some of the best food in the world, with the highest standards of safety and animal welfare. Our new relationship with the EU, and any new trade deals with non-EU countries, must protect these standards and allow our produce to be promoted globally and compete on the basis of quality.
- Leaving the EU provides the opportunity to develop an agricultural policy that is appropriate for the UK, targeting support payments for the public good provided by farmers.

**Countryside Management**

- Many areas of our countryside look ‘wild’ but the landscape is the result of existing management from farmers and other land managers which has developed over many centuries. Through the maintenance of fields, walls and hedges, woodlands and other landscape features, farmers play an important role in shaping and protecting some of our most iconic rural landscapes, including National Parks and Areas of Outstanding Natural Beauty.
- The decision to leave the EU has opened a public discussion about the future of countryside management, which we welcome. There are important questions about how

to manage our countryside and support rural communities after we leave the EU, particularly in upland and other marginal farming areas. However, we are concerned by the suggestion that existing management is part of the problem and that management should be withdrawn or scaled back as part of a policy of 'rewilding'.

- There is no single definition of 'rewilding'. A recent report from the House of Commons Environmental Audit Committee stated their preferred definition was "...*reducing human intervention in some areas, preferably in a planned way, so that natural environmental processes will have more scope to shape the composition and structure of such landscapes...*". The Committee acknowledged that 'rewilding' was a contested term and concluded that there was not enough evidence to recommend a general policy on this after we leave the EU, which we welcomed. However, we are concerned by the Report's suggestion that rewilding "may arise out of necessity" if changes to support payments or unfavourable trade deals "lead to less land being viable for profitable farming" after we leave the EU.
- Supporters of 'rewilding' often see farming as an obstacle to conservation but this ignores its benefit in many areas. Low intensity grazing plays a valuable role in preserving the Lake District's environment, which is home to extensive areas of rare habitat, internationally important rivers and lakes, and a key source of drinking water for cities in the North West. If remote areas in the UK were to be abandoned as part of a policy of 'rewilding' they would soon revert to scrub or woodland which would threaten some of our rarest moorland and grassland habitats.
- In many cases, 'rewilding' land management practices result in the loss of agricultural land or a reduction in its productivity. Land that is flooded as part of managed river and coastal flooding will be difficult to restore if there is a change in policy and the reintroduction of apex predators such as lynx and wolves can also make the land less productive by increasing predation. The economic advantages of 'rewilding' do not outweigh the potential loss of income to existing businesses or the social impact resulting from a loss of traditional employment in farming.
- Without a continuation of traditional land management practices many iconic rural landscapes would be lost with negative consequences for rural communities, wildlife and habitats and the tourist sector. It is vital that the UK Government continues to recognise the importance of traditional management and supports this after we leave the EU.

## **Environment**

- The EU has developed environmental policy in a broad range of areas, including air quality, climate change, and waste and water management. There have been significant improvements in many of these areas as a result of EU regulations and it is important that these are continued and developed after we leave the EU.
- One of the most important areas of EU environmental policy has been water quality and the impact of EU Directives on the UK has been highly significant. The most important change over recent decades has been on waste water treatment which has led to significant improvements in the quality of rivers and coastal waters. Many EU Directives aimed at improving water quality are also vitally important for protecting fish stocks and their habitats.

- The Urban Waste Water Treatment Directive 91/271/EEC made it illegal for untreated sewage and industrial chemicals to enter waterways, which helped to transform rivers like the Thames, Tees and Mersey, enabling fish stocks and wildlife to return. The Water Framework Directive 2000/60/EC established a system for the protection and improvement of all aspects of the watercourse including rivers, lakes, estuaries, coastal waters and groundwater. The revised Bathing Water Directive 2006/7/EC requires the UK to monitor and assess beaches used by large numbers of bathers for certain bacteria and includes a classification and notification system so that the public are aware of the status of the bathing water.
- It is important that these improvements are not lost and we welcomed the UK Government's commitment to maintain existing EU environmental legislation and regulations as part of the 'Great Repeal Bill', although we are concerned that this will not include all existing environmental protections. It is also important that necessary arrangements are in place for robust implementation and enforcement of environmental protection from government agencies. This should include a guarantee that the income from the rod licence is ring-fenced to ensure that the Environment Agency has the necessary resources to continue to improve water quality.
- The UK Government and the Devolved Administrations should take the opportunity of leaving the EU to review existing levels of environmental protection to ensure that they are fit for purpose and appropriate for the UK, as well as fulfilling our international obligations. This should include the development of a national fisheries policy, covering both marine and freshwater fish, which takes much greater account of the interests and requirements of recreational fisheries.
- There is abundant evidence that where rivers are managed for fishing, other wildlife benefits and many fishers undertake conservation work for its own sake. In 2015 the rod licence raised nearly £23 million for the Environment Agency to use for management of inland water and angling is worth more than £3 billion to the UK economy. The role of fishing in conservation should be recognised in Defra's 25 year plan for the environment.

## Trade

- Trade is vitally important to the success of our food and farming sector. For over 40 years the UK has been part of a single European market, which prohibits tariffs on goods travelling between the UK and other Member States. For agriculture, membership of the Single Market has meant significant protection from non-EU food imports, the creation of an internal market where competition is primarily between Member States, and unrestricted access to the EU market.
- Approximately 62 percent of UK agricultural exports go to the EU, while approximately 70 percent of UK agricultural imports come from the EU. Food production and the processing supply chain is complex and often involves several countries within the EU. In recognition of the importance of trade with the EU, it is vital that the UK Government seeks to maintain tariff-free access to the EU market for food and agricultural produce.
- Agricultural goods generally carry higher trade tariffs than other commodities. If the UK Government does not establish a new trade agreement with the EU prior to leaving and adopts World Trade Organisation terms, the £12 billion worth of food and agricultural produce which the UK exports to the EU each year would face the prospect of high tariffs. This would be damaging to UK producers and EU consumers.

- Approximately 90 percent of UK beef, sheep, and dairy exports go to the EU and high tariffs would be particularly damaging to some of our most rural areas where farming is a vital part of the local economy and community. The EU market is particularly important for certain cuts of meat and offal where there is little domestic demand and therefore exports are a significant proportion of carcass value.
- The EU is obliged by the World Trade Organisation to offer tariff-free import opportunities to certain types of agricultural produce from outside of the EU and there is currently a Tariff Rate Quota (TRQ) in place for lamb from New Zealand and hormone-free beef from the USA. The UK Government must ensure that the TRQs for agricultural produce are not passed back to the UK unless there is a guarantee that UK farmers will continue to have tariff-free access to the EU market.
- As well as maintaining tariff-free trade with the EU, the UK Government must ensure that food and agricultural produce are central to any new trade deals with non-EU countries to open up new export markets. We welcome the UK Government's continued efforts to open up markets in Asia, particularly China, where there is a growing demand for British food.
- As the UK Government develops new trading relationships with non-EU countries, it must be ambitious but it must also be pragmatic. A shift towards promoting export markets outside of the EU is likely to increase the need for UK agriculture to become more competitive, but there will be some farmers who will always struggle to compete on price in the global market. Farmers in the uplands, and other marginal areas, are not in fair competition with global producers who are operating in very different environments, often with fewer safety and animal welfare laws to comply with, meaning their production costs are significantly lower. This type of upland and marginal farming does, however, provide a vital public good in maintaining some of our most iconic rural landscapes and the interests of these farmers must be safeguarded in any new trade deals.
- Food and agricultural products should be treated as 'sensitive' in trade negotiations with non-EU countries to recognise that the high standards of safety and animal welfare which UK consumers expect, and our laws require, adds to the cost of production for our farmers. There are significant differences in legislation and best practice between the UK and many non-EU countries in areas such as biotechnology, hormone growth enhancers, and pathogen reduction treatments. There must be recognition for these differences in any new trade deals to avoid downward harmonisation and a lowering of our high standards. Flooding the domestic market with cheaper imports would put UK farmers at a competitive disadvantage.
- Many of the countries with which new trade deals are seen as a priority, such as Australia, the USA and Brazil are also large meat exporting countries. These countries are likely to seek extensive agricultural concessions as part of any agreement with the UK and our farmers must not be used as a 'bargaining chip' in the negotiations. This is particularly important as World Trade Organisation rules do not allow the process by which something was produced to be taken into consideration when providing support payments which are considered to have a distorting effect on the market.
- The ability of the UK to produce its own food must not be undermined. In a volatile world, food security remains important and the ability to produce food domestically must be safeguarded. Food security should not be mistaken for self-sufficiency as the UK will continue to import food and agricultural produce, just as it will continue to export. Food

security will be achieved by ensuring fair competition for UK farmers and producers in EU and non-EU markets and this must be priority for the UK Government.

- As well as providing food security, UK agriculture also underpins our food manufacturing sector by providing over 60 percent of the produce and raw materials involved. This is a vitally important sector, sustaining 3.8 million jobs and adding over £21 billion (GVA) to the UK economy every year. Food manufacturing is nationally important and benefits communities across the country, although it has particular importance in many rural areas. The UK's new relationship with the EU and any new trade deals with non-EU countries will be vital to the future success or otherwise of food manufacturing in this country.

## **Support Payments**

- Farmers in the UK benefit from support payments as part of the EU's Common Agricultural Policy (CAP). CAP payments are currently divided into two categories which paid UK farmers a combined total of £2.8 billion in 2015. The majority of funding is provided as direct payments under Pillar 1 and additional payments are available to help farmers implement development schemes under Pillar 2. Support payments from the EU currently make up approximately 50- 60 percent of farm income in the UK.
- Support payments play an important role in the food and farming sector and the wider economy. In 2015, it was estimated that the contribution of farming to the UK across all areas was worth 7.4 times the funding it received in direct payments under Pillar 1 (approximately £2. 2 billion). This is particularly important in rural areas where farming remains an important part of the economic and social life of the local community. We welcomed the announcement from the UK Government that funding under Pillar 1 will be guaranteed until 2020 and the commitment that projects under Pillar 2, signed before the Autumn Statement in 2016, will also have their funding guaranteed.
- It is important that CAP is replaced with a fully funded UK agricultural policy to be in place and ready to be implemented before existing funding is removed. Farming in the UK has developed within the framework of CAP for the last 40 years and therefore the introduction of a new agricultural policy will need to include transitional arrangements to ensure that farm businesses in the UK are able to adjust as decisions often need to be taken years in advance. Farmers, particularly in upland and marginal areas, are often small to medium sized enterprises and a sudden change in agricultural policy would risk the sustainability of some of these businesses which are dependent upon support payments.
- The administration of the new agricultural policy must recognise the fact that many farmers are still unable to receive high speed broadband and those who are connected do not always have the skills to be able to use it to full advantage. The UK Government and the Devolved Administrations must ensure that applications under a new agricultural policy are able to be made by post as well as online for as long as required.
- The UK Government has indicated that it wants to see a more market-orientated agricultural policy with a focus on competitiveness. Policies designed to make our farmers more competitive should be welcomed, however this must not be done to the detriment of the environment.
- Farmers already play a vital role in conservation. Using the skills and experience of farmers is often the best way to improve biodiversity and secure the future our vital

natural resources. Farmers also manage the landscapes that are so important to our cultural heritage and provide the recreational opportunities people value so much. This work clearly has a public benefit and a new agricultural policy must support and incentivise farmers and land managers to ensure they can continue this important work. This means ensuring that support is provided to the people and businesses who have the task of carrying out this work on a daily basis.

- Despite efforts and incentives to improve competitiveness, there will continue to be some parts of the UK where farmers cannot survive on the profits of food production alone and this needs to be addressed in a new agricultural policy as well as continued efforts to support diversification. Farmers in the uplands and other marginal areas are limited to low intensity grazing which has small profit margins and is often more exposed to market volatility than other sectors of the industry. Their work, however, often provides the most amount of public good in maintaining and improving some of our most iconic rural landscapes, on which rests much of the UK's vitally important tourism sector. A new agricultural policy should target support payments to those farmers who are providing the most amount of public good but are not rewarded for this by the market.
- Farming in upland and marginal areas is often central to the economic and social life of some of our most rural communities. As well as support payments helping to keep livestock on the hills, they also help to keep the local school open and provide employment in the wider rural economy from shops and garages to hotels and pubs. The importance of support payments to rural communities needs to be recognised when developing a new agricultural policy as without this support many of the most rural communities face the prospect of becoming unsustainable.
- The scope and level of funding of the new agricultural policy will be constrained by World Trade Organisation (WTO) rules which state that *"the amount of payment shall be limited to the extra costs or loss of income involved in complying with government programmes."* The principle of income foregone limits the extent to which payments can be used to support the provision of public good when there is no market for this and the UK Government will need to consider how best to provide support whilst remaining compliant with WTO trade rules.