



**The All Party Parliamentary
Game and Wildlife Conservation Group
Minutes**

Tuesday 27th March 2018
12:30pm -13:30pm
Jubilee Room, Westminster Hall

Acceptances:

Name	Representing	Name	Representing
Sir Nicholas Soames	MP	Gareth Morgan	RSPB
Angela Smith	MP	Stefan Jimenez Wisler	CLA
Bill Wiggin	MP	James Somerville-Meikle	Countryside Alliance
Chris Davies	MP	James Legge	Countryside Alliance
Alister Jack	MP	Tom Keen	NFU
Richard Benyon	MP	Owen Pugh	Woodland Trust
Glyn Davies	MP	Nigel James	South Downs NPA
Lord Ullswater	House of Lords	Dr Sharon Hall	Potato Processors' Assoc.
Duke of Montrose	House of Lords	Andrew Davis	CRAG
Lord Caithness	House of Lords	Lord Abergavenny	CRAG
Lord Dear	House of Lords	Charlie Pye-Smith	
Lady Byford	House of Lords	Peter Geldart	
Lord de Mauley	House of Lords		
Lord Marlesford	House of Lords	Dr Ludivine Petetin	Cardiff University
Ben Webster	The Times	Dr Alastair Leake	GWCT
Matt Ridley	The Times	Teresa Dent	GWCT
Abi Kay	Farmers Guardian	Sue Evans	GWCT
Fiona Harvey	The Guardian	Joel Holt	GWCT
Ed Wills	Shooting Times		
Karl Schneider	Farmers Weekly		

Minutes:

Sir Nicholas Soames chaired the meeting which addressed "Balancing environmental payments and trade". Concerns have been expressed that the Government's declared intent to pursue free trade agreements will result in the high environmental standards (including animal health and welfare) of UK farming plc being compromised. In addition future trade policy will have an impact on how farmers are rewarded for environmental gains due to the need to comply with WTO frameworks.

Sir Nicholas introduced Dr Ludivine Petetin from the School of Law and Politics at Cardiff University as guest speaker. She made the following points:

1. Future UK standards need to be equivalent or higher than the EUs. This gives EU legislation additional territoriality over UK standards – the Brussels effect.
2. Article 20 of GATT provides a defence if GATT is breached. The relevant measures relate to public morals (possibly can use to support animal welfare), protecting human, plant & animal health (including animal welfare?) and conserving non-renewables but no protectionism allowed.

3. Non-tariff barriers to trade (SPS & TBT measures) rely on standards set by non-WTO bodies. In case of SPS if deviate from international standards need to base on science. TBT measures allow protection of animal life & health and the environment (Article 2.2) so higher standards could be supported.
4. WTO Agreement on Agriculture allows 3 forms of agricultural subsidy:
 - a. Amber box: trade-distorting support allowable up to 'de minimis' levels (5%) otherwise subject to UK negotiating share of Aggregate Measurement of Support. Amber box support measures could be a way for the UK to make the transition from direct payments to environmental payments.
 - b. Blue box: support that limits production. No maximum but ceiling applied. Given UK focus on farm productivity and food security unlikely to be relevant unless ceilings can be set high enough.
 - c. Green box: Annex 2 measures that are allowed without limits must have no or minimal trade distorting effects. Not exhaustive list of measures so can create own. Support must meet 2 types of criteria – Basic = Government funded and not involving price support; Policy –specific = paragraphs 2-13.
5. Green box support is best opportunity to secure WTO compatibility for UK domestic support programme but given fixed level of payments ("the extra costs or loss of income involved in undertaking agricultural production") potential problems if move away from area based payment to outcome based. Concern about level of payments as EU has strictly interpreted income foregone requirement but possible for the UK to set its own baseline.
6. Most relevant Green Box (Annex 2) possibilities are paragraphs:
 - a. 2 – not linked to income foregone as related to services such as new technologies, food quality and training;
 - b. 6 – decoupled payments (such as current BPS and greening) – no limit;
 - c. 12 – environmental programmes so could possibly include payment for ecosystem services; and,
 - d. 13 – assistance for farmers in disadvantaged regions based on legal or regulatory criteria.
7. Devolution – agriculture and environmental protection are devolved issues with the devolved nations taking different policy directions. Allocation of funds for agriculture support could therefore impact on these policies.
8. Concerned that Agriculture Bill does not identify food production and security as central pillars. Increased productivity can lead to a more efficient agriculture with economic benefits so should not be public good.

Her talk was followed by Dr Alastair Leake, GWCT's head of policy, who focused on the opportunities working outside the European Union might offer. He emphasised the need for a universally accessible environmental scheme similar to that Sir Donald Curry advocated in his 2002 report. 70% of farmers did take it up, until the EU rules made it too difficult for them. Dr Leake pointed out that within the EU there has been no agreement on soils. Leaving the CAP provides an opportunity for the UK to create its own effective soils directive.

Dr Leake also welcomed the government's 25-year environment plan from DEFRA, particularly the intention to address a 93% failure of last year's woodland planting target, and the direction indicated by the Agriculture Bill (which is currently in consultation) although he raised concerns about losing the benefits of greening measures, application of the Polluter Pays Principle and potential impacts on the consumer and how natural capital will be effectively valued.

Questions were varied but there was much discussion on the ability to use Amber Box product and non-product specific de minimis support, what the income foregone baseline should look like and need for a workable domestic policy. Possibility of directing support towards Amber box to start with and then develop schemes which are Green box compliant. This would not offer the unrestricted funding

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available under our current agreement, but would allow for subsidies to be tested before applying for a higher level of support. Concern is that if Government creates Green box schemes without great thought and understanding, it could open itself up to a challenge within WTO. It is important to make sure that payments cannot be challenged by other countries. EU interpretation of income foregone they argue is restricted by evidence but evidence out there is that there is flexibility.

Questions also focussed on the possibility of maintaining farm profitability under the Government's intended approach of public money for public goods. Given that a lot of farms are only profitable because of the BPS once out of the CAP it will be far harder for these farms, the bottom 25%, Hence the need for a transition period. The top 25% will thrive; the focus of the Government's policy appears to have been on the middle 50%. Dr Petetin also suggested that farmers are effectively operating in a trade bubble due to protective tariffs and so once the UK is removed from this bubble, farm incomes will be subject to price volatility.

The meeting was brought to a close by Sir Nicholas Soames who thanked all attendees and the two speakers for an interesting debate on the topic under discussion.

8th June 2018