

WEDNESDAY 18 MARCH 2009

Present

Arran, E
Brooke of Alverthorpe, L
Brookeborough, V
Caithness, E of
Cameron of Dillington, L
Dundee, E
Jones of Whitchurch, B
Livsey of Talgarth, L
Palmer, L
Sewel, L (Chairman)
Sharp of Guildford, B
Ullswater, V

Witnesses: **Huw Irranca-Davies**, a Member of the House of Commons, Minister for the Natural and Marine Environment, Wildlife and Rural Affairs, **Mr Dan Osgood**, Deputy Director, Environmental Land Management, and **Miss Marian Jenner**, Head of Uplands and Commons Policy, examined.

Q568 Chairman: Thank you very much for coming. As for the formal bit, this is an evidence taking session, the usual note will be taken, you will get a copy of it, please correct it, and also it is being webcast, so there is a minute possibility that somebody might be listening somewhere. How is your thinking on the review of the LFA scheme developing in general? Give us a quick tour d'horizon.

Huw Irranca-Davies: Can I first of all thank you for the opportunity at what is a fairly early stage within this process to outline some of our thoughts, and also to flag up as well that this is a developing field for us. We have some pretty clear thoughts on this, but there are some areas that need some fine-tuning as well, so it is a good opportunity in the early stage. Can I just lay out why this is crucially important? I have two hats here: one as a UK minister, representing all of the UK area, including the liaison with our devolved counterparts and

representing their interests, and how they apply LFA, and how they seek to apply it in future. The other one is as, of course, the minister with the responsibility for England's farms and upland areas and so on. Now they do overlap, but there are some quite different nuances there. As a UK minister, first of all, we have a responsibility as a UK minister, playing a responsible role in the EU, to make sure that any measure like this achieves the objectives, and I know you will tease this out in a moment. So we do see this review as an opportunity to make sure that farmers across the EU are playing on a level field, where the measure is used, also LFA is very important for the devolved administrations. In Northern Ireland, they use it for the Less Favoured Areas Compensatory Allowance Scheme; in Scotland, the Less Favoured Areas Support Scheme; and in Wales, the Tir Mynydd scheme, the mountain ground scheme. It is lovely to have the opportunity to say a bit of Welsh in the Committee there, but I am conscious that when I say Welsh in the Commons, I have to translate immediately. But as English minister, you will be aware that recently, the Secretary of State announced the introduction of the new strand of environmental stewardship in the uplands, the Uplands ELS, the Uplands Entry Level Stewardship, and I have to say this was done in discussion with CLA, NFU and others, and a lot of work was put into that and it was quite warmly received. So we take a slightly different approach, which I know you will tease out in a moment. So we have the responsibility to our devolved colleagues, vitally important, and as an England minister as well. Although the Uplands ELS will not be delivered under the EU LFA measure, it is important to point that out, so even though we need to get this right, it is not directly tied into our Uplands ELS. The Uplands ELS will still provide additional and specific support directly targeted at our most severely disadvantaged LFA farmers. So there is a read across, even though we do not use the measure in the same way as our devolved colleagues. We are also going to continue to use the LFA measure through to 2014 for transitional payments in England to those on the classic or historic agri-environment schemes.

So LFA is still vitally important, regardless of what we do with the Uplands ELS. Just to come back to where I started from, it is worth noting that we are at the early points within the stages of the review, the Commission have not yet published their proposals, which are expected to concentrate on designation criteria. We expect that these negotiations may continue for some time, for a number of reasons: the political sensitivity around LFA support, right across the EU; the potential impact of future political changes, including co-decision. So in some areas our thinking is still developing, but I am very, very pleased to stress the importance of this to myself as an England minister, to our devolved counterparts, and to the UK as an entity, to make sure that whatever measure is brought through here at this point has to be right, and ensure a level playing field for all our farmers. I hope that helps, Lord Sewel, in setting out some of the broad context.

Q569 Chairman: That is very helpful. Absolutely crystal clear, if I may say so, Minister.

Huw Irranca-Davies: Thank you. I hope the rest will be as well.

Q570 Chairman: The interesting thing is quite honestly that in the evidence we have been taking, the evidence that your department has given us; when we went to talk to the Commission, the evidence the Commission gave us; and a couple of the NGOs, there was very much this emphasis that the LFA scheme should be seen absolutely centrally as a means of delivering environmental benefits through the maintenance of agricultural activity in the areas. But they were the only three voices we heard who argued like that. Virtually everybody else that we took evidence from adopted the line that it was basically a socio-economic support, and the maintenance of agriculture that was threatened because it was economically unsustainable in these areas, sustain it, and the emphasis very much on keeping the economic activity going, and not so much the environmental benefit. Basically, the

message we got was, you know, it is our money, we want it, do precious little to reform it.

Does that come as a surprise to you?

Huw Irranca-Davies: Not entirely, but I would say we are in full accordance with those views that were expressed to you, that this should be not simply a measure that is based on areas of disadvantage, you know, when I express my own interests in this, having a farming family who farm traditionally in the uplands, but it should not be simply on areas of landscape disadvantage, quality of soil and so on, it also has to do with the benefits that are derived from this. We have a measure immediately in front of us that we need to work on and get it right, but it does chime in very much with that point, Lord Sewel, of seeing this as very much a pillar 2 measure, not pillar 1, not getting it confused with issues around socio-economic factors. There are other avenues in which that can be delivered, can be explored perhaps, but not in this particular one, which is we see very much whilst the measure is in front of us as an entity on its own now and we need to make it right in that direction of travel. It also falls right against the overall context of what we have clearly stated we want to do with CAP reform as well, which is to see the public goods, the environmental benefits and others, delivered from this sort of payment. The critical thing, I think, to point out here is whilst I am not surprised that there were divergent views expressed to you on this issue, it is already set out in EU regulations that LFA support needs to go beyond the mere presence of a disadvantage, it is an Axis 2 rural development measure, and pillar 2, so we are very fixed on that, and certainly our discussions with our European colleagues and with the Commission would continue to articulate strongly that this does need to be not simply disadvantage, but needs actually to be what other benefits are delivered through this as well.

Q571 Chairman: Is that a perspective that is coming from other Member States? Do they share that perspective?

Huw Irranca-Davies: Yes, we are not alone in this. We are certainly not alone in this, but there is set against the backdrop of the overall CAP reform, as you know, different views on the way we should take that forward. I think we have come a long way with CAP reform, the CAP health check signalled the right direction, but I think we still need to keep on pushing. It is going in the right direction, we just need to keep on articulating that there are reasons; one to, in the overall scheme of things, find the right ways to actually free farmers up to get on with farming, to do what they do, but also where there are public benefits that can be accrued from pillar 2 measures, to go in that direction so that the support is there for the wider public good, environmental goods and so on, not simply support because you farm on an upland area.

Q572 Chairman: And that emphasis on environmental benefit, are you getting that sort of view from the farming unions?

Huw Irranca-Davies: Yes, I think so. The response to the Uplands ELS was interesting, which was, I think, a very good example of very close engagement with the most relevant stakeholders, including, I have to say, green NGOs as well, but we came to a point where the clear and explicit drive of the UK Government towards rewarding farmers in disadvantaged areas, in these upland areas, for the additional benefits that we actually get from them farming in those areas, that should be the basis of what we did. Actually the response to the Uplands ELS I think showed to me that there is now a recognition amongst the NFU, the CLA and others that that is indeed the right way to go. I am absolutely adamant, and I will say this here as I have said it directly to the NFU, as I have said it to green NGOs and so on, that farmers ultimately are the best stewards of our countryside. They have done it for years. I do not think we are into a whole mindset change here, but what we do need to do is just keep on pushing at this. I suspect this is something of an open door now, that there is a realisation that they are not only farmers, it is food production, it is food security, it is all of those things, but

also it is to do with stewardship of this country that we all love and we want to pass on to our children.

Chairman: Perhaps single farm payments have helped in that direction as well.

Q573 Viscount Brookeborough: Good morning. How do the objectives of the LFA scheme as you see them contrast with or complement those of other CAP instruments, such as the single farm payment and other agri-environment schemes?

Huw Irranca-Davies: I think this goes to the core of it and what we were just discussing, because certainly, we need to go back to first principles here, to consider what sort of outcomes we are trying to achieve with farmers and land managers in future, and what the appropriate mix of mechanisms is. In terms of the current situation, what we are looking at, we are concerned about the potential for overlap between LFA and SPS payments to LFA farmers, and I am talking here right across the EU. I will make it absolutely clear once again that LFA support should not be for subsidising disadvantage by compensating farmers for not earning as much as non-disadvantaged area farmers. This would in effect make LFA what it should not be, it would make it a pillar 1 measure. So we have to be crystal clear on that. It is not only unintended, it is not consistent with our view of our reform of CAP as well. But having said that, our agri-environment and LFA have complementary objectives. They should and can work together. I mentioned what we were doing with the Uplands ELS, which is a very good example. We do not in England use the LFA designation in the same way that other countries do to say LFA equals payments directly there. What we have chosen to do is target very specifically those most severely disadvantaged areas, and that works, and it has been well received in that way. But they complement each other, I think what we need to avoid is the overlap with pillar 1 and pillar 2, and that is where the nub of this early stage of discussion is, to make sure that as this evolves in the European Parliament and the

Commission, we get to a point where there is clear delineation. Regardless of what we do in wider CAP reform, this measure needs to be quite clear in what it is trying to do.

Q574 Viscount Brookeborough: In order to keep the countryside in the state that it is currently, in LFA and such areas, there has to be a meaningful income to those people who are there, and for the future generations who indeed might expect more than the current ones.

Huw Irranca-Davies: Indeed, I entirely agree with that, I entirely accept it. When we talk about environmental aspects, the uplands we know are critical to us, not only in terms of biodiversity, but also in terms of the climate change benefits, et cetera, et cetera, regardless of open access to common land, moorland and so on, the recreational benefits, the health benefits. All of those aspects we know are critical. There are some very fine scientific decisions to be taken, which our thoughts are still evolving on, on how many sheep you should have on a certain hectare and so on to actually make sure you are delivering those benefits, and so on, but ultimately, you are right, we need to find a way to sustain what some may view as a traditional way of life in these areas, but actually, in terms of our wider global public objectives of environment, climate change, biodiversity, are actually very modern 21st century objectives. So it just may be that if we can get it right on this measure, and our longer term CAP reform, then we will find, as we have done with Uplands ELS, ways to reward what is being delivered for us, not only in food production and food security, but also stewardship. At one time, I think stewardship was something of a dirty word in a sense; not all, but some farmers would say, we do not want to be paid to be stewards, but actually, they are. You know, my family who have done it, people that you know in Brecon and Radnor, which I know well, they have always been the best stewards. We need to find a way to recognise that in the way the payments are made.

Q575 Viscount Brookeborough: But you have to leave them with some ambition in their lives, with a sense they can improve their lot, rather than just having it and being a custodian.

Huw Irranca-Davies: I agree, but there are certainly farmers out there who will acknowledge, in these disadvantaged and severely disadvantaged areas, that they are never going to become millionaires. I was interested reading some extracts from papers recently where the Uplands ELS was being discussed, and I think it was a farmer in Exmoor or Dartmoor was saying, "Look, it is tough, it really is tough, it has always been tough, but I tell you what, I would not do anything else, and as long as I have a future, then I am not expecting to be able to retire at the age of 50 and disappear with my family, in fact I do not want to do it", but it is important that we give hope. One of the interesting things at the moment is we have our rural advocate, the CRC, Stuart Burgess, currently undertaking an analysis of upland hill farming, specifically to look at what is happening on the ground, but we do know at the moment that there is not, for example, a big concern over the demand for upland farming. The demand for people to take over upland farms is still there. People still want to get involved. There are changing fluctuations in the marketplace at the moment; sheep prices, for example, over the last couple of years, thank goodness, have come on compared to what they were a few years ago. But you are right in what you say, if we are serious about delivering these public benefits that I have talked about, as well as what we do with other payments, single farm payments and so on, we also need to reward the environmental aspects that we get and make sure that people want to continue living and working the land.

Q576 Baroness Sharp of Guildford: You indicate that you wish to fine-tune the LFA designation resulting from the EU-wide biophysical criteria, in order to apply it on a regional basis. If the Commission were to meet all your concerns about the primary criteria, about accepting things like field capacity days and so forth, why would a second layer of criteria be necessary?

Huw Irranca-Davies: Right, it is an issue once again for us in England, Wales, Scotland and Northern Ireland, but also across the EU. We need to make sure that this is, as I said, a level playing field. We want to make sure that the appropriate land is recognised within this, so we do think there is a need for this fine-tuning of secondary physical criteria. Now the reason for this is we estimate at the moment, if I purely relate it to England, under the current proposals, and we think where we currently designate LFAs -- and bear in mind we come down, based on our land classification system, literally to a field level, not all our European counterparts have the ability to do that, but we can, we have good land mapping, so we think we are pretty accurate, we have got it right. But the current proposals, and they are vague at the moment, we estimate could mean an increase of 50-75 per cent of land in England. So I am arguing as an England minister, I do not think that is appropriate, I think actually we need to find a way in England to fine-tune it. Because what you do not want is simply a spread for the sake of spread. The same argument applies in our European partner nations, that they apply it there. Let me give you a specific example, by the way, in terms of England. One of the things that we are hoping that will be included within these criteria is the specific maritime climate that we have here in England and Wales, and throughout the isles. We have times of the year when the water content in the soil means that in fact many areas are completely unworkable. In some areas, it could be from October right through to April. Now that also applies in some parts of Europe, but not in the way that it does right across the range in this country. But there is another aspect, summer rainfall. Now when we look at fine-tuning summer rainfall, which is a specific thing within this country, we experience in the UK restricted production during the summer as well. The Commission sees this as a comparatively localised issue, we might well agree on this, but in that case, that is where the fine-tuning does come in, the ability of all member nations to say, well, we do not actually want this to be a broad brush

thing. If the LFA has value, it has value because it is specifically targeted right down to the local as well in recognising local and regional characteristics.

Q577 Baroness Sharp of Guildford: Would that not be picked up by field capacity days though?

Huw Irranca-Davies: The field capacity days would pick up the issue over the winter, but it would not pick up, and I only use one example, the issue of our heavy rainfall in the summer months. Another country will have different aspects that they should be applying as well, to their particular characteristics. So if the field capacity days are included, that will go some way on this, but it will not cover everything. So we think that there is fine-tuning to be done beyond that, and we would like to see the flexibility, but it has to be a flexibility that is used to rein back, not to scale up.

Q578 Baroness Sharp of Guildford: Are you confident that other Member States will see it in the same way?

Huw Irranca-Davies: Yes.

Q579 Chairman: Are you confident that Scotland will see it in the same way?

Huw Irranca-Davies: Yes, we are arguing the fine-tuning should only be for reduction, not for increase, so that is what we are arguing. If we get the EU-wide methodology correct, what the fine-tuning would allow is for states to say actually, quite sensibly, we do not -- let us take a member nation that does not do what we do in England, that does use the LFA designation to actually pay directly; is it in their interests to have an inaccurate map of what is LFA land? I would argue no. It is in their interests to get it right, because what they want to do is actually provide that funding to the right farmers in the right area where there is severe disadvantage, but also where the environmental benefits and public benefits are being

delivered. They do not want it suddenly spreading out across whole regions, because ultimately, what benefit is there in that? But we need to get the control right, we need to get the monitoring right and so on. But yes, reduction only with the fine-tuning, not increase.

Q580 Chairman: There are certainly cases of representatives of Member States that we have talked to who had it completely round the other way: increase the area as much as possible, which would enable us to sort of shift money to farmers that we want to crudely buy off.

Huw Irranca-Davies: That is exactly the risk, and that is why we are quite firm and we will continue to argue that there is a strong case for fine-tuning, but the fine-tuning has to be more accurate, to target it more effectively, not to be more widespread and scattergun in the approach. The whole basis of LFA, as we explored right at the beginning, is that it is to reward those wider benefits that come from farming in disadvantaged areas, not to tackle issues around socio-economic factors. Those can come elsewhere, it may be under a different axis, under different pillars. There might be a reason for doing that, but it is not this measure.

Q581 Lord Livsey of Talgarth: Can I ask one short question: have you taken a lateral view about this? All the evidence is with global warming that there is more evaporation going on in the Atlantic, for example, the last two summers being a classic example of that. It is likely to increase. Has that been actually thought about?

Huw Irranca-Davies: We have discussed with officials, if we bed this down effectively, if we get the outcome that we want, which is an accurate measure, a clear measure, what happens in terms of climate change, what happens in change of production? Let me give a clear example here. You could argue that severely disadvantaged areas in parts of the Mediterranean are those areas that are used for growing of grapes, except that the very type of production, the growing of grapes, responds well to those what for other forms of agriculture would be deemed unfavourable. What happens in climate change if we find that areas that initially are

mapped out to say, well, these are LFA, but within three, four, five years, then that changes? Well, there is the opportunity within this to revisit it on a period of seven years within the rural development programme. I would say at that stage we would be well into as well the bigger picture of reform of the Common Agricultural Policy as well, but certainly there is the opportunity to revisit that. I think the fine-tuning, in addition to the broad criteria EU-wide that we were talking about, may also give the opportunity to recognise that sort of thing, not to change it each year, I have to say, but to bolt down for the foreseeable future where individual countries see that that challenge is going to come, with a changing challenge on a disadvantaged area.

Q582 Chairman: Is not the European danger that in some areas, LFA and LFA scheme will be used to try and maintain agriculture in an area where basically, because of climate change, we have to accept that agriculture cannot be maintained?

Huw Irranca-Davies: That is why, and I am sure we will tease this out this morning, even though it is early days, we have some concerns over some of the stages being identified at the moment which do talk about what we would consider socio-economic factors; for example, as well as looking at disadvantaged areas, talking in respect of that plot of land, constraints on yield, yield capacity coming off that, if it is below a certain amount and so on. Well actually, we are into the socio-economics there, and there are other areas that we can look to deal with that, outside of this. I think you are right in what you are pushing at, and it is interesting, the theme that we are developing here this morning is one that we are very fixed on, is that this has to be one that does not take into account socio-economic -- when we get the big headline criteria fixed, those criteria should not allow either myself as an England minister or devolved colleagues or whatever to say, well, we can tweak this simply to subsidise disadvantage in an area. That is not what this measure is about. So we do need to bolt down those headline criteria as well as the fine-tuning that comes after. If the headline criteria are wrong, it would

allow the ability of a Member State to say, well, we can interpret this to not only look at disadvantaged land but also our farmers here are having a bit of a bad time, so we are going to direct some funding towards it.

Q583 Lord Brooke of Alverthorpe: Good morning, Minister. Can I stay on this theme, and I reiterate the point made by our Chairman, that when we were in Brussels, the majority view that was coming through to us was: what we have got, we hold. In many respects, if you are seeking, as you said, beginning to achieve a level playing field, I think there will be some obstacles encountered in the course. You talk about us doing some fine-tuning in the UK within parameters, but is there not the distinct possibility that each authority, each state will seek to use the fine-tuning process to replicate its existing LFA designations, and is there really any new way in which the Commission is going to be able to maintain control over this in the future?

Huw Irranca-Davies: I think there will be, but your concerns are very valid. I would say that probably the UK delegation on this is slightly ahead of the curve in our thinking, this is why even at this early point we are able to articulate quite clearly the way we see it going. Now we have discussed this review with several key Member States, French, Germans, the Czechs, who are in the Presidency this year, but it is worth pointing out, and you may well have picked this up in your visit as well, that actually a large number of Member States have yet to give it their full consideration. They have not really focused on it, they have not adopted a position on it. We are slightly ahead of the curve, which gives us some advantage in being able to get in there early and discuss this both with the Commission but also with other Member States.

Q584 Lord Brooke of Alverthorpe: Is it true to say that those who already have a considerable advantage have given some thought to it?

Huw Irranca-Davies: Yes, and I think as this rolls along, it will become clear to them that whilst we would argue that there are significant advantages in clarifying the purpose and the principles behind this measure, and then applying it correctly, in the way that we have described, that indeed, individual Ministers in other countries will want rightly to make sure that they are protecting their own agricultural concerns and their food production and so on. I think our discussion with them will be along the lines of, to be absolutely clear, this measure is specific to pillar 2, so there may be other ways in which, through axis 3 measures, where you could actually look at socio-economic factors, that you could choose, if you so decided, in your country, to find a way to actually support your farmers in other direct socio-economic ways, but this is not the one. So your concerns are absolutely valid. We are aware of them. We are aware that not every member nation will be as clear as us at this point, but we are certainly quite keen and are engaging with them now to present why our argument we think is absolutely right, absolutely valid, and is currently enshrined within the EU documents relating to this measure. But just to flesh that out a little bit, you are right in saying, I expressed my concern over how, even though it is at an early stage, there is potential within this as it develops in one way or other to bolt in some socio-economic factors. Our position on that is to work with the Commission to resist that, and go along the first principles that I laid out on this, because it is this measure in front of us, but what we would not want this measure to do is to kybosh our wider discussions, our longer-term discussions, on CAP reform.

Q585 Earl of Dundee: You point out that extensive farming is in itself well suited to promote the aims of good landscaping and environmental planning. That leads you to call for a third stage in designating LFAs. This would be, I think in your view, the identification of such areas of extensive farming activity. How then do you think that third step as proposed would then work?

Huw Irranca-Davies: You have actually summed it up very, very well indeed. We do think that there is a third step, and this third step is critical. The first step, identifying the areas of disadvantage, could be through the use of designation criteria. Secondly, narrowing that down to areas only of high environmental value, where those values are maintained or delivered by extensive farming; this is in effect then the LFA. The third step then becomes using eligibility rules to limit payments to extensive LFA farmers only. Now our concern at the moment is that the Commission's proposals could miss out the middle step, so the mere presence of disadvantage becomes enough to pay LFA support to extensive farmers. Simply disadvantaged, extensive farmers, bang, leaving out the issue of the high environmental value, the goods that they deliver. Now we would argue that actually, that is a key step to delivering what this measure is set out to do. If I can suggest, one of the most obvious ways to include this step would be by using EU and national designations, so where we have SSSIs, AONBs, I am very fond of AONBs, having been born in one, national park designations; so you can further narrow down the land identified by the EU methodology. We are currently discussing this with the Commission and other Member States, but we think that could be a way forward.

Q586 Earl of Dundee: But if such areas of extensive farming activity were to be brought in in this way as you propose, why do you think that their inclusion would necessarily be more effective at the designation stage rather than through eligibility criteria?

Huw Irranca-Davies: I was saying we are at a fairly early stage with this, we could actually do both or either.

Q587 Earl of Dundee: Which would you do? Would you do both, or one or the other?

Huw Irranca-Davies: We are fairly relaxed, this is an area where we are at a very early stage. We could either do it through eligibility conditions or designation. I do not have a strong

preference at the moment for one or the other, but I do have a strong preference to say we need it in there.

Q588 Viscount Ullswater: Could I just clear up one thing, if there is going to be this further step for delimitation, which is maintaining extensive farming activity in LFAs, and I am just trying to get the consistency for the European approach, we heard from Finland that 100 per cent of their agriculture is within LFA, so that means extensive, intensive, as much as they can be intensive, maybe even growing things under plastic, I do not know. So all their land, all their farming, they say, is a struggle. As the Chairman would say, why do you farm at all? I am not putting words in his mouth. So I am just wondering, if you are going at it from a European perspective, Finland has to have a voice in this, has it not? All their land is LFA, due to biophysical criteria.

Huw Irranca-Davies: Yes, it does, but I think we need to rule out intensive farming, for the reason I mentioned before, and this includes -- in England, we could imaginatively apply LFA to, let us say, the Fens. Historically, problems with drainage, waterlogging, and so on and so forth, but actually, in areas like the Fens, we have overcome those problems by our engineering solutions on drainage. Now that means for me, as an England minister, and I know my devolved counterparts, and the same applies by the way to, if you like, the grape production on those barren but very good for grape production slopes, where it has been overcome, whether it is through technical innovations, whether it is through cloches or land drainage or whatever, and it is intensively farmed, our argument is very strong, that should not be within Less Favoured Area status, we have overcome those problems. What we should be focusing on are those areas where the very nature of it means that there is an extensive style of farming that delivers public benefits. There are other mechanisms that may well be there to look at the issues on socio-economic activity and other forms of support, but this one is very, very different. So I think you are right in saying Finland and other countries will have

strong views on this, and they need to be taken into account as this is fleshed out. It is right that they should be, and if I was the minister there, I would be arguing that quite strongly. I just think it is important that going back to the first principle of what this measure was originally set out to do, and as we come to this opportunity to look at how it has worked, and how it should be taken forward, we do go back to first principles as to what this is supposed to do, and it is not to support or reward intensive farming.

Q589 Viscount Brookeborough: Could I just ask you very quickly, you brought up drainage as being something that, of course, is a great help; I live in Ireland, and unless climate change means that it stops raining there, which is unlikely, we are going to continue to have the problem. But where we have drained, we have to continuously redo it, and it would depend actually on when you looked at it, because the type of soils and the amount of rain, the drains literally clog up with this sort of iron substance. Therefore if you came immediately after draining, you would say, "Right, you have improved it, you are no longer less favoured", but we have to continuously re-invest in that, because it goes very, very quickly back to what it was. Are you going to hit us for this?

Huw Irranca-Davies: The difference between an area where you can, with engineering or technical innovations, overcome those, albeit with constant maintenance and investment and so on, is different from an area of extensive farming where the disadvantage is not only material but enduring, and where you could not put a substitute. No doubt I will be challenged by somebody now who says they are doing it, but it would be hard to conceive, on the uplands of Exmoor, growing Chateau Exmoor up there and so on; the very nature of the ground, the nature of the soil, the stoniness, et cetera, et cetera, means that it has so many disadvantages going against it, things that cannot be engineered out of the way. Whereas in other areas we can do that. So I think it does come back to this basis of how do we see this LFA mechanism working, where do we see it applying? Is it something that is very much

targeted at those areas where there are insurmountable obstacles, but actually we need to sustain the working farmers on there, because they not only deliver food production but also wider environmental benefits; or do we spread it wider, and the danger with that comes into the points that were previously made, you could interpret that in a very, very flexible way across Member States in a way that would take it away from its pillar 2 focus of rewarding environmental goods within disadvantaged areas.

Chairman: Let me just check with Lord Arran that he is okay with what you said about Exmoor.

Q590 Earl of Arran: The sun never shines on Exmoor.

Huw Irranca-Davies: We look across at you from the Brecon Beacons, we are in common territory with the clouds on top.

Q591 Lord Palmer: Minister, you have stressed the importance of being able to designate LFA at land parcel level rather than at ward level. What is the view of other Member States, do they share this concern, and how receptive do you think really the Commission is going to be?

Huw Irranca-Davies: Sorry, I am just conferring for a moment, because I know exactly where we are. I think the difficulty with this, you have rightly identified, we have a long history of very accurate extensive land mapping, our land designation criteria are very clear, very well worked out. That is not universally the case throughout other states. But what we are saying is the proposal to actually go down to parish level, which is the broad proposal that is on the table at the moment, albeit early stages, would actually be a retrograde step for us. We have farmers that straddle two or three parishes, and they may have a parcel of land that is disadvantaged in one part but is not in the other one. If we actually go to a parish level, then it will look slightly odd that we are going back against our best science, our best mapping,

and all the innovations and inroads that we have made in recent years. So I think we acknowledge there will not be the capacity universally across other Member States to deliver this, but we can, so as a result what we want is the flexibility to do this. I think our farmers, I have to say, recognise how good and accurate we are at this, they are used to it.

Q592 Lord Palmer: You have used the expression level playing field several times; does it not make a slight mockery of the fact that other countries, and we have heard this from other witnesses, have very, very incomplete and indeed perhaps no maps at all?

Huw Irranca-Davies: I think certainly as this whole area evolves, and I will use that phrase again, we are slightly ahead of the curve here in this country in our approach to the science of land mapping, and there is an issue, I think, of how we, as time goes by, spread that expertise. There is no reason why that accuracy could not be applied elsewhere as time goes by. It is not a question of forcing other people's hands, I have to say, but certainly we have a fair degree of expertise in this. From my perspective as a UK minister, knowing that this approach could not be rolled out everywhere at this moment, but we would advocate it is a very good approach, I just want to make sure that in the UK, we have the ability to do this. I would say our soundings from the Commission at the moment are they see that being perfectly acceptable, that we are not going to have to go backwards, if you like, to a parish level, we will do it on our landscape mapping that we currently have. But I do take your point, I would love to be in a position to say that this sort of standard of mapping was evident right across Member States, but we know even with accession countries as well, there are different levels of competence, there are different stages towards this process, but I think the direction of travel from everybody is going that way. It is going to have to be. It is going to have to be as we try and deliver more accurately the benefits we want of measures like this, the environmental benefits. We need to know what land we are working with, what the

restrictions are, what the benefits are out of different land types. So everybody is moving in this direction, it is just at slightly different speeds.

Q593 Lord Livsey of Talgarth: We have covered quite a lot of ground in my question actually. You indicate that you favour the development of an EU framework that would guide Member States' choice of eligibility criteria without prescribing those criteria. Can you elaborate on what you have in mind? We had some evidence last week from the Macaulay Institute, they are actually working quite hard on these matters. Clearly our LFA areas originally were as a result of land classification very clear. Are efforts really being made, not just to talk about this, but to actually persuade some of the more progressive EU countries that perhaps they should be doing that next year?

Huw Irranca-Davies: Yes is the direct answer to that last question, and certainly we share the Commission's concerns and the IEEP's concerns about the quite wide variety in eligibility conditions. That is why we are quite intent that we need to get those -- I am not always in favour of top down, but we do need to get those top level eligibility criteria decided right across the EU, rather than take this evolutionary bottom up one, because we do have the situation at the moment where some LFA schemes contain rules, for example, relating to residence of the applicant, or whether farming is the main source of income, or if they are full-time or part-time. Now these are about income support, not environmental delivery, so we are having those discussions with quite a few of the countries, the main partners within this at the moment. We do support a strong EU-wide framework for these LFA rules; and having set that framework, to then allow for what we describe as these localised differences to be taken into account. So an element of flexibility, but it has to be within a clear framework, and that framework underpinned by first principles about what this measure is about. Now this is consistent with what the Commission is trying to do, and a framework in fact sets out the issues that then national and regional rules can address, but it limits them then back to the

framework. So we are having those discussions, it is still early days, but we are certainly hopeful that we can bolt down the things on the framework at the EU level, because that is going to be critical, so what has perhaps evolved is the variation based not on what this measure was intended to do, but localised socio-economic or income support factors.

Q594 Earl of Arran: Minister, we have already hovered very closely above this question, but as you are well aware, the Commission does have anxiety and concern that some eligibility criteria are either irrelevant or incompatible with the WTO rules. Would you support the introduction of a framework that undoubtedly explicitly excludes the use of such criteria?

Huw Irranca-Davies: Yes, we would, as long as the framework was right. We would support that. The LFA measures, as we look at it now, should ideally provide this framework for setting the rules regionally relevant to its objectives. They need to be WTO compliant; they need to be, I have to say, simple to administer as well. My double hat in here is the minister within DEFRA for better regulation, bearing in mind the huge propensity we have, of all Whitehall departments, for regulation, so they need to be simpler to administer. They need to be simple for farmers to understand as well, and also achieve this consistency of implementation right across the EU, but as long as we get that framework right, then yes, we would be supportive of the approach that explicitly excludes the use of some criteria.

Q595 Earl of Arran: You do have undoubtedly some worry about simplicity, as opposed to complexity?

Huw Irranca-Davies: The framework needs to be very, very clear in what it sets out, so that anything that flows from that, in terms of eligibility criteria, can be brought back to these parameters. The acid test, and I know the Commission is seized by this, is getting those top level criteria within the framework absolutely right. This is actually where a lot of the

discussion has gone today, it is how to bring different Member States together to agree what we are trying to get out of this.

Q596 Chairman: When we were with the Commission, they were suggesting that they could offer three economic indicators, and leave it to Member States to select which of the three they could use in deciding eligibility. Do you have concerns about that?

Huw Irranca-Davies: I am looking to my expert advisers here at the moment.

Q597 Chairman: It is not in the list of questions, it has just come up --

Huw Irranca-Davies: It is University Challenge, I am conferring. No, I do not think we have actually got to that --

Q598 Chairman: Are you still a student?

Huw Irranca-Davies: Well, curiously, I may be actually undertaking an NVQ soon. But I will come back to that.

Q599 Chairman: Tell us more.

Huw Irranca-Davies: It is part of the government's drive in terms of apprenticeships, for ministers as well.

Q600 Chairman: Apprentice ministers? Most of them do not last long enough to fulfil the time requirement.

Huw Irranca-Davies: At one time, I taught right up to postgraduate level, but I also taught NVQs, so I am a big subscriber to basic skills. Anyway, sorry, we are off on a tangent. This is an area where we have not got into the detail yet at all. I was just looking to my advisers to see whether this is surfacing at the moment. We are not at that stage of detail yet.

Chairman: Yes, it is something to keep your eye on, I would have thought, because it could be worrying.

Q601 Earl of Caithness: Minister, can I change the subject to monitoring? You were right in saying that the framework has to be absolutely clear, but that if you are going to allow all the flexibility that you want, there is going to have to be some fairly detailed monitoring. How do you see this actually happening in practice, and is it going to affect how the Commission works at the moment and how you work at the moment?

Huw Irranca-Davies: Yes, we would agree with both the Commission and the IEEP I have mentioned; it is not only the variability in terms of how this is applied, and if we learn from the past, then we need to make sure that it is applied right, and then it is monitored effectively. So we would certainly see a role for requiring the Commission or some independently verified scrutiny elsewhere of Member States' designations, of the rules, and the payment rates. Now I am not talking about adding on a wholly complexity of bureaucracy, but I think it is right that an appropriate level of monitoring and control is in place to ensure that it is being applied correctly, because we are learning from what has gone on in the past. It is to make sure that they are consistent with the principles of the measure, with the overarching framework, and we are continuing to work with the Commission on this, as this review progresses.

Q602 Earl of Caithness: Two questions to follow up from that. If you are going to allow all the flexibility that you want, are we not going to have a revised Court of Auditors' report in 20 years' time highlighting exactly the same concerns as their last one, and how much more bureaucracy is this going to mean for the farmer in your monitoring? Are you not just creating a whole lot more work for the farmer when at the moment the LFA is a very simple scheme for them to operate?

Huw Irranca-Davies: As you know, we already have the existing framework for monitoring and evaluation, the EU common monitoring evaluation framework for all of these RD measures. I suspect what we are looking at is not re-inventing a whole new bureaucracy, but actually, based on the experience we now have of how this has worked, fine-tuning to make sure that if we do what we are suggesting, which is to get the framework right, to get the eligibility criteria right, to get an element of local flexibility but within the framework we have talked about, we do then need to make sure that the existing mechanisms are effectively monitoring it on the ground. I think we are being quite clear and quite frank in how we see this measure being applied, and the benefits we see that could come out of this measure, but in order to do it, we do need to look at past experience, and that does mean effective monitoring. It will not necessarily be me, but I do not want some successor to appear in front of this Committee or elsewhere in five or ten years' time and say, "Well, we are back where we are again". We have the opportunity here to do it and do it well and do it right and achieve all the benefits we know we can get out of this measure. To do it, as Viscount Ullswater said, we need to work with our European partners, the European Member States, but then we need to agree to apply it effectively in the rules that are there. That is a challenge, I know, but we are up for it.

Q603 Viscount Ullswater: Minister, if I could ask you to look to the future, in your memo, you explain that you are taking forward work on the future of the CAP, and argue that the role of individual measures, obviously the LFA scheme being one, within that should not be taken in isolation. I think what we have been discussing today is this review is rather a technical one of the framework of the LFA land, and you have said that you are in early stages of negotiation, and that negotiation may take some time, and there is only a limited time in the LFA scheme before it will be replaced in 2013. Do you think perhaps this is a case for rolling this LFA review into the broader review of the CAP, and of course parallel the forthcoming

budget review, so that although you can do the technical bit, the sort of money side will be taken up with the review of the whole CAP, in 2013 on?

Huw Irranca-Davies: This might seem a slightly odd answer, but I do not necessarily want to roll this forward into the wider review. We are very clear on where we are going to go with the wider review. But neither do I want, as you rightly say, the very technical administrative discussion on this to set a direction on the wider review of CAP. So whilst this is in front of us, there is a necessity, for the reasons I set out at the beginning, for myself and for our devolved colleagues to actually bolt this down and get it right now. It is essentially a technical measure. I guess the dangers with rolling this forward into a wider discussion is we would not want something like this to start setting directions for what we see as a fundamental strategic overarching and quite radical review of CAP. I do not think it would, but we would not want it to even have the opportunity to compromise that review of where we are with the CAP budget. So for those reasons, I think I am quite set as a minister with having this in front of us, getting on with this, as an entity in itself, but not actually rolling it forward. I can see that some people may say, well, it is an advantage, this fits into an overall direction; the only danger with that is it is immediately in front of us, I think we need clarity on this, there is a reason to have clarity, both for myself and devolved partners, but also the member nations, and I would not want this to be kicked into a longer discussion that would pre-empt what are going to be quite tough discussions on CAP reform and budgets.

Q604 Baroness Jones of Whitchurch: Minister, do you think there is a danger that we are going to place too much emphasis on the role of payments, however they are quantified, in terms of delivering the environmental obligations that we increasingly face? We had some research here a couple of weeks ago from a research institute that said that there was no real correlation between the payments that people received and their willingness to stay on the land and carry on farming, that there were all sorts of other factors which you can imagine

which came into effect as well. I just wondered if the government has other things in mind. We are facing now the fact that anecdotally, everybody is saying older people are still on the land but the next generation do not want to stay on the land, that is not just about payments or profitability and subsidy, there are other factors at play there. I just wondered, in the rounder picture, if there were other things the government felt they needed to do to make sure that the uplands are still farmed, that people stay on the land, and so on.

Huw Irranca-Davies: Yes, there are, and I think it comes back to what we have been saying already. We do recognise the different streams of rural and agricultural payments that come forward, some for cross-compliance, some under pillar 1, but also, I think, the absolutely right direction of travel that we need to be looking at of rewarding farmers for what we get out as a society from them farming on the land, and recognising that in some cases, if farmers were to actually walk away from that, then it would compromise what we are doing on climate change. The challenges that I have, that we have as a government, we have as a country, and internationally are on biodiversity. So I think it is right that the support mechanisms are there, but it is right that we have a frank dialogue with farmers, with landowners, about the changes in those support mechanisms, that it is not harking back to the old CAP, the days of artificially constructed butter mountains and so on and so forth, this is much more innovative, much more clever, and does recognise that society gains from having the land farmed in particular ways and in particular areas. When I travel through across those big estates on the Brecon Beacons, much of which is common land, but much of which is farmed, farmed in terms of livestock being on there, the highest point in South Wales. We know that there would be a material difference to not only the landscape, but the environmental quality of that landscape, if we were to simply withdraw any support for farmers in that area, and to allow them to walk away. You know, it could be catastrophic. So I understand what you are saying. I would be interested to see, if you could share it with us, the report on the survey you

have had, I would be interested to look at that, but this is why I think it is more important than ever that we have commissioned Stuart Burgess, the Rural Advocate, to actually go and look specifically at issues around upland farming, for example, to look at what is happening. I know it is anecdotal, and I know when I stand at farmers' markets and chat with people, they will say with a smile to me, "It is going better now than it has for a while, we are okay", but they will also say, "But I tell you what, when I pack it in, my son is not going to take it over, he has gone off to university, he is doing something else". That is why we do need to look at this, the longevity of it, but as I would say, the point I made before, one of the interesting things, unless Stuart Burgess' report tells us something different, at the moment, we are not seeing any lack of demand for when an upland hill farm comes on, there is always more than one person there willing to buy it, and they are people who are wanting to farm the land.

Lord Cameron of Dillington: My question is about the growing convergence between single farm payments and the LFA support, and the trouble with being the last question is, as you are probably aware, you have really already answered it. I quote to you what you said earlier, you said we need to avoid the overlap between pillar 1 and pillar 2, and you also said this measure is specific to pillar 2. But the trouble is, if you and the Commission say this payment is not for subsidising disadvantage, which again is a quote from what you said earlier, it means that there is a great deal of similarity between LFA payments -- you are paying area payments with cross-compliance, and it is not for social disadvantage, it is because you want to keep the environment in these LFAs, and, of course, with a single farm payment, you pay less in LFAs, but then you reconstitute it with the Less Favoured Areas payment support. I suppose my question is: it has not gone unnoticed, this similarity with other Member States, we noticed in our evidence, and reading between the lines of their evidence, there is obviously quite a lot of enthusiasm for putting these pillar 2 payments into pillar 1, for obvious reasons, because then the co-financing does not apply. Spain, for instance, to take an example, has

huge areas of land that could be designated as LFAs, but they make sure their eligibility criteria is such that they actually only pay a very small proportion of it. The moment it went into pillar 1, they would. So there is a great danger here, you are arguing to actually make these payments area payments with cost compliance, what is the difference between single farm payments and discounts?

Q605 Viscount Ullswater: We will award you an NVQ after that.

Huw Irranca-Davies: You said that everybody had asked the questions and you were repeating; this is a whole new area! We know that the bulk of CAP is currently spent through direct payments to farmers, it is something around the area of €33 billion in 2007, but these do not actually have clear justification as to what the benefit of the spending is. They do not have clear objectives. We would argue that very often, across the EU, they deliver pretty poor value for money. We have been absolutely clear and consistent that what we want to do is actually phase out pillar 1, and there are a number of reasons for this. This would include direct payments in the long term, not overnight like that, but in our reform of the CAP; to phase out direct payments, phase out what we would in the old language have termed market support measures, and to do this by 2015/2020, something like that, so we can see it come in. We have been articulating this for quite some time. Now why? Because we have already had the discussion about some forms of payments rewarding environmental goods, but what we also want to do, and I know this is a moot argument with farmers and landowners, but the argument is strongly that if we move away from the old style CAP of some curiously badly targeted interventions of money without any real justification, we should surely be saying, and I am looking to my left here at Lord Livsey, the example of Welsh lamb, and there are plenty of others, a brand, an entity, a quality product that has competed, has collectively got together, has gone out there in the market, and has argued the case for it on cost and quality and so on, and is now enormous. Now why do I use that as an example? Because really what

we would see is if you can get rid of some of the artificiality around some of the stuff in the industry, actually free farmers up to farm, actually free farmers up to do what they are good at, and I know this from my own family's background, when we were selling high quality cheese up in Neal's Yard in Covent Garden and so on, free not only to be good farmers, but also collectively or individually to be good businessmen, to respond to what the market is wanting, to drive their products upstream. I am not shy about this, because we know that in this country, we can give them the opportunity to do it, but at the moment we have market interventions through CAP that distort across the whole of the EU our ability to actually compete freely, to allow farmers to get on with freedom, to farm and to get out there and package, produce, market their high quality products. That is why we are absolutely committed and clear on this aspiration. We know that there will be other views across Member States, but certainly moving from pillar 1 to other forms of funding under pillar 2 or elsewhere that are clearly targeted for those additional benefits that we get from farmers, but not to do with market interventions and market support. A lot of farmers would say to me, "Minister, get off our backs, times have changed, we want the freedom to get on with this", I think that is the direction of travel that we are trying to do within the UK government at the moment, and we know that this will be challenging, we know that this will cause some people concern, but we do think it is the right way, allow farmers to get on and farm, allow farmers to do what they are very best at, allow them to get the best quality product on the market, but also where farmers face significant disadvantage in areas, and also have these characteristics of extensive farming, and also deliver environmental benefits that otherwise would be lost without them, then put the funding in there to actually support that activity, because they are doing things for the public good.

Lord Cameron of Dillington: I accept all that, but you have not really answered the question. You might be shooting yourself in the foot by claiming that LFAs must have cross-

compliance, and therefore be similar to pillar 1 payments, but that is obviously a political debate you have to have.

Chairman: But basically it is music to our ears, is it not?

Lord Cameron of Dillington: Yes, we accept all that.

Lord Livsey of Talgarth: Could I just respond, as I was addressed by the Minister, I am just going to respond, as you addressed it to me, yes, the marketing of Welsh lamb has been incredibly successful, but it has not prevented a 20 per cent drop in the number of ewes in the last five years, and that is because historically it has not been a profitable situation, and now we are hitting the buffers on food security and things like that, and there is no younger generation to actually continue the process.

Chairman: I am tempted to ask if you can give us the number of Welsh ewes we need to have.

Lord Livsey of Talgarth: Perhaps there is a formula -- if I were a lecturer, I should say "discuss".

Lord Cameron of Dillington: The reduction of 20 per cent is the best thing to happen to Welsh lamb, because it means you have quality lamb rather than quantity.

Q606 Baroness Sharp of Guildford: Nevertheless, you do hit the whole issue of the relative disadvantage of different areas. We are talking about giving sort of some support on the socio-economic side, which I thought was coming from pillar 1, and if we are going to phase that out, then we are not going to be providing that. Now you equally argue that we want to sustain them as working farmers because they are not only farm but they also deliver environmental benefits. I would argue that those are joint benefits, those are joint products, and if they are joint products, it is very difficult not to provide something on the socio-economic side. You may want to separate the two of them, but if they are joint products, you still have to look at them, because they come jointly.

Huw Irranca-Davies: I do understand what you say, and actually, within agri-environmental schemes, there are elements of cross-compliance.

Q607 Baroness Sharp of Guildford: But if you are going to move away from pillar 1 completely?

Huw Irranca-Davies: That is what we are trying to move away from, is the idea that you purely direct funding at farmers for socio-economic means, under this sort of measure, on its own. If farmers however are delivering wider public goods -- because they correlate, very often those wider public goods are delivered in those very areas that we are talking about, the disadvantaged areas are particularly --

Baroness Sharp of Guildford: We have been talking about how very necessary it is to separate out the socio-economic from the agri-environment, but I think it is difficult to do so.

Q608 Chairman: The point is surely that if you pay people, it has an economic impact, it is basically as simple as that, but it is not just an arid conceptual difference, it is an important difference, because if you said that socio-economics were an eligibility factor, then you would pay people to do anything. That is the difference.

Huw Irranca-Davies: Indeed. You are right, it is the difference between the rationale of supporting those wider public goods, environmental goods, or income support. I would point out, however, the discussion today has quite rightly focused on this one measure. Within the overall rural development programme, it can cover all, environmental, competitiveness, et cetera, et cetera. Within that, individual measures like this need to be properly targeted, so we can measure their effectiveness. The problem I think with the broad brush approach is very much coming back to the discussion we had earlier, if you apply a broad brush approach, it can be interpreted very, very differently on the ground, in terms of what farmers, what parcels of land, what places it can be applied to. Our argument is quite clear, this measure should be

very accurately targeted, and should not be being given to those farmers, whether it is in England or Wales or in Italy or Poland, where they have actually overcome those disadvantages, where they are not delivering wider public goods. This is one measure in a big parcel of things that we do for the rural economy.

Q609 Lord Brooke of Alverthorpe: I should declare an interest, Minister, I am a strategic adviser with Accenture plc. I do not know if in your busy life you had the chance of reading Simon Jenkins' article in the Sunday Times on beauty, it is worth having a look at, because it was particularly about the landscape and public good and what people want and people need in the longer term, and it struck me as I was reading that about the review that we are undertaking, I thought LFA scheme, we have had this title now since, what is it, 1975, when the scheme first came in. Is it really an LFA scheme, what does that convey? Does it give the public value for money and benefit from a title like that, or convince them that we are trying to do the right thing? I am not advocating in the short-term that you try to change it, but I just ask whether you have thought about that, and whether in fact some thought is given to schemes generally which are available for assisting farmers and the public good and the benefit we get from the landscape, that these ought to be thought about and changed in the longer term to convey a different image entirely to what we are trying to do and where we are going?

Huw Irranca-Davies: Yes, we have, we are, and I think it does tie into that -- I say it is longer term, but it is imminent, it is on us now, the actual reform of the Common Agricultural Policy. I think you are right in saying that there is an issue here perhaps that it has been perceived as an area of specialism that is particular to the farming and the rural economy. My argument would be actually that CAP reform is not just about farming and the rural economy, it is actually about all of us, wider society, very much in line with what we have been talking about this measure today, but we can look at other examples. We are coming to the

realisation that the land management that we do in the UK, and throughout the European Union, is critical to our quality of life, our well-being as a nation, we all value these areas as well, we are on to a slightly wider discussion, but also of measurable benefit to my biodiversity targets as a Minister and to Ed Milliband Secretary of State's targets in terms of climate change. We need to be able to effectively expand this discussion to make it relevant to all members of the public, not simply those who are concerned with either rural or farming issues, it is a far bigger issue than that. Perhaps one of the understandable shortcomings of the Common Agricultural Policy as it evolved over the years is that it became a discussion that was very limited to those people who saw they had a direct interest in the funding, and so on and so forth.

Q610 Lord Brooke of Alverthorpe: Or those who said they were against it.

Huw Irranca-Davies: Yes, or those who were against it. It has a wider societal impact, a wider international impact. I will be shortly going out on a visit to farms where there are environmental schemes being run, not by the way in disadvantaged areas, in intensely farmed areas, but I am going out not only with the RSPB but also with the NFU to see work that they have jointly been doing, to try and tackle issues around biodiversity and so on. This is a much wider thing. We are coming to the understanding now that we cannot divorce farming from the major issues, and Hilary Benn, the Secretary of State, said this in his speech on 5 February, the critical issues more than ever now are food production and food security, but equally there is a bigger gain here as well. Those things need to tie in with how farming actually delivers and does deliver and has delivered and needs to do even more in terms of the environmental benefits.

Q611 Chairman: Thank you very much. I think that just about brings the formal evidence taking session to an end, and we wish you what we wish the Commission, the best of luck.

Huw Irranca-Davies: Thank you very much.