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My Lords,

**2<sup>nd</sup> June 2020 debate - Direct Payments to Farmers (Crop Diversification Derogation) (England) Regulations 2020**

Thank you for all your contributions to the debate on the Crop Diversification on 2 June. Many questions were asked, and I thought it would be helpful for all noble Lords to see my responses to all the questions where I agreed to write and provide further information.

I would like to turn first to the questions raised by Lord Devon.

On the question of whether crop diversification rules will be a part of the Environmental Land Management (ELM) scheme, which was also been raised by my Noble Lord, Lord Liddle. We are considering what entry requirements may need to be met by land managers that want to enter into an ELM agreement as part of developing proposals for the ELM scheme design. At present no decisions have been taken. In developing proposals, we are learning from the experience of existing and past schemes and will also be engaging with stakeholders at the appropriate point.

On maintaining environmentally beneficial crop rotation, it is right to point out that crop diversification and crop rotation are separate practices, and that the practice of crop rotation is well-established in England. A Special Report, carried out by European Court of Auditors in 2017, found that crop diversification rules do not influence farmers' decisions to use crop rotation techniques, and so we would not expect this derogation to have an impact on those decisions.

On the evidence which underpins this derogation and how many farmers were affected, this derogation was based primarily on meteorological data from the Met Office and Environment Agency, which included rainfall and river flow data compared with the long-term average. For example, England experienced rainfall at 267% of the long-term average over the month of February. Due to the widespread impacts of the wet weather, causing disruption across England, we have concluded that the requirement for this derogation is comprehensive, and

that it cannot be meaningfully isolated to a particular region. As these rules confer little to no environmental benefit, we do not intend to carry out monitoring.

As to whether we intend to extend this derogation into 2021, we do not have any plans to extend this derogation into 2021. It applies for BPS scheme year 2020 only. Were future circumstances to warrant a derogation from the scheme rules, we would need to consider this at the time and an SI would be introduced as necessary.

Baroness McIntosh congratulated the government on the issue of our investment in forecasting. On future flood response and the forecasting of extreme weather events, we will continue to build our world class response capabilities and ensure that all communities are able to respond quickly and effectively when necessary. Over 1.4 million people are already signed up to the government's free flood warning service, and we will go further.

In addition to a world leading Flood Forecasting Centre, we have committed £1.2 billion for a state-of-the-art supercomputer to improve severe weather and climate forecasting, adopting the latest supercomputing technology and unleashing the full potential of weather and climate data. Data will be used to help more accurately predict storms and select the most appropriate locations for flood defences. Forecasting improvements will also help us to better predict the likelihood of rain that might lead to flooding from surface water. Since 2018 we have been investing £5.4 million to expand the Environment Agency flood warning service to cover all communities in England at the highest risk of flooding from rivers and the sea.

Lord Carrington, asked how farmers could plan effectively for the future without full details of the plans for reduction of Basic Payment Scheme (BPS) payments. We understand the importance of providing certainty for farmers. That is why we have set out the start and length of the agricultural transition, during which we will phase out Direct Payments. We have set out the maximum reductions we intend to apply to Direct Payments under BPS in the first year of the transition, 2021.

More broadly on funding to farmers, the Government's election manifesto also guaranteed the current annual budget in every year of the new Parliament, giving significant certainty on funding for the coming years. In England this will enable the Government to provide financial support for the purposes set out in this Bill. The exact budgets will be set at future fiscal events.

Finally, Lord Addington, has asked whether diversity is expendable in extreme conditions. First, I would like to stress that we are derogating from the crop diversification rules this year as an emergency response measure rather than a policy decision.

That said, we are confident that removing this requirement for the 2020 Direct Payments scheme year will have a negligible effect on the environment. It is generally recognised that the crop diversification rules do not deliver the environmental and climate-related outcomes they were designed for, and this view was documented in the European Court of Auditors 2017 Special Report on greening. It is important to distinguish between crop diversification, a specific practice intended to reap soil quality benefits as well as spreading production and income risk, and diversity more broadly.

Careful consideration was given, before introducing this derogation, as to whether removing crop diversification rules was 'necessary and justifiable' in the context of the weather conditions experienced over the autumn and winter of 2019/20. Given that large areas of farmland had either been under floodwater or were severely waterlogged, it was not possible for farmers to comply with crop diversification rules.

I hope noble Lords find this additional information helpful. I am copying this letter to all those who took in the debate and a copy of this letter has been placed in the libraries of the House.

Yours ever,  
John