

The role of the Common Agricultural Policy in flood risk mitigation

Summary

- Common Agricultural (CAP) direct payments (also known as Pillar I payments) cost the public more than £1.7bn each year in England but are currently failing to secure more sustainable, wildlife-rich and flood-resilient farmed landscapes. In many cases, they underpin fundamentally unsustainable farming practices.
- Defra can and must attach more conditions to Pillar I payments in order to address long standing environmental problems and ensure public investment in farming secures wider public benefits such as flood-risk management.
- This can be achieved by addressing the shortcomings in the requirements attached to Pillar I payments; ensuring new 'greening' requirements help protect against inappropriate grassland conversion and channelling additional Pillar I funds to economically vulnerable but environmentally rich farming areas.
- Pillar II, which funds agri-environment schemes, remains inadequately funded to deliver the government's numerous environmental objectives, another reason why the much larger Pillar I budget must step up to the mark.
- Pillar II payments should be used to where there is clear market failure - the conservation and enhancement of biodiversity is the clearest example.

Background

Inappropriate farm management can contribute to floods by increasing run-off or silting rivers, while healthy farmland habitats can slow and store floodwaters. Between 2014 -2020, over £15bn of public money will be distributed to farmers and land managers via CAP in England. The bulk of this, Pillar I direct payments, currently delivers little for the environment and there is a clear case for it to work harder, including for flood risk mitigation. Rural Development payments (from Pillar II) already play a very important role in rewarding farmers and land managers for environmental delivery but it is critical that these payments are targeted at environmental objectives that have few, if any, alternative means of being secured. Biodiversity is the classic example.

What can Pillar I do to reduce flood risk?

1. Cross compliance

Cross compliance is a suite of requirements that Pillar I claimants must respect. It reflects existing law and 'Good Agricultural and Environmental Conditions' related to land management.

The new cross compliance framework (resulting from the 2013 CAP reform) provides an important opportunity to improve the agriculture sector's contribution to flood risk mitigation, particularly in relation to soil management. When soil is inappropriately managed its capacity to retain water can be much reduced. Compacted soils and inappropriate drainage lead to much faster water flow at times of heavy rain and soil erosion silts up rivers. Management decisions such as growing maize close to water courses, heavily stocking fields or cultivating very steep slopes cause and exacerbate these problems.

One clear example where cross compliance is failing in England is the exemption given to maize in post-harvest soil management, despite it being recognised as a 'high risk' crop for soil

compaction and erosion¹. Research indicates that c50% of the sediment transported over winter by the river Culm in Devon and the river Tone in Somerset could be the result of erosion from maize fields². This perverse situation has also meant that overstretched Pillar II funds are currently offered to farmers, via agri-environment schemes, to manage maize in the way other crops have to be managed as part of cross compliance.

Cross compliance must be significantly improved to ensure appropriate soil management requirements are a basic condition of Pillar I CAP support. These should include:

- Controls on soil cultivation on very steep slopes;
- A requirement to plough *across* the gradient of sloping fields (rather than up and down, which increases water flow speeds);
- Uncultivated buffer strips by watercourses of sufficient width;
- Appropriate stocking densities, particularly in the uplands;
- Robust soil management plans.

2. New 'greening requirements

The 2013 CAP reform introduced new 'greening' requirements attached to a proportion of Pillar I payments. Although greatly watered down during negotiations, the permanent pasture protection measure has potential to contribute to flood risk mitigation.

The UK has the option to designate areas of environmentally sensitive pastures, effectively subject to a 'no-plough' rule. This measure, if targeted at river catchment areas where there is a high risk of conversion from pasture to arable, could be an extremely cost-effective way of contributing to more flood resilient landscapes as well as water quality and potentially climate and biodiversity benefits.

3. Additional Pillar I payments to 'environmentally important' types of farming

Defra should reconsider the use of 'voluntary coupled support' to channel additional direct payments to "*sectors or to those regions ...where specific types of farming or specific agricultural sectors... are particularly important for economic, social and/or environmental reasons*³". This approach would enable Defra to redistribute up to 8% of the Pillar I budget (c £1bn up to 2020) to farms where the continuation of certain practices, particularly extensive livestock grazing, is environmentally important but is becoming increasingly financially untenable due to, for example, regular flood events.

By channelling additional support to such farmers Defra could lever additional, and significant, environmental delivery from Pillar I payments and support farmers in vulnerable areas to continue farming and delivering environmental public goods. The cost of not supporting such farmers could be considerable, for example leading to degradation of protected sites and potential costs of addressing inappropriate land use changes (e.g. conversion to crop production with high erosion risk).

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¹ <http://www.cfeonline.org.uk/news/growing-maize/>

² Mokhtar Bin Jaafar (2010) Soil Erosion, Diffuse Source Pollution and Sediment Problems Associated with Maize Cultivation in England. Submitted in partial fulfilment of the requirement for the Degree of Doctor of Philosophy of the University of Exeter

³ Regulation (EU) no 1307/2013 (Direct Payments) Article 52(3)