

# talkingtilth

a word from the editor



## Who pays for climate change?

**One idea that's gaining a bit of traction at the moment and warrants scrutiny is the proposal to introduce a climate change levy on food.**

We pay one on our energy bills to encourage greener sources.

Why not pay a levy on food to encourage consumers to follow the high standards of environmental protection through their food purchasing that Government enforces on UK food production through regulation?

It's not an original idea — the NFU has been seeking some kind of equivalence payment ever since discussions over Brexit and the Agriculture Bill started. But this shouldn't be some sort of payment to compensate for a perceived handicap UK farmers face that the market fails to address. More an incentive to encourage us to lead the way — and lead the world — towards "net zero" agriculture.

So how would it work? A number of different ways to implement it have been suggested. Perhaps the most plausible one is a levy raised on food wholesalers and retailers as a percentage of their sales.

Importantly, these outlets can reduce the size of their levy through responsible purchasing. The obvious one here is that any food produced to Red Tractor standards would be exempt, although equivalent standards would be considered by an independent body that administers the levy.

It would then be up to supermarkets to decide how they pass the levy on to consumers — they could give them the choice, showing clearly what the mark-up is on non-Red Tractor food, or limit supplies from sources that don't meet the required standard.

This would put the Red Tractor standard under scrutiny, but that's perhaps not such a bad thing. Currently all it does is maintain food safety and environmental standards to the legal minimum. The key is that this puts the burden of proof, through record-keeping and verification, on the producer. If there is a target of achieving "net zero" — i.e. that agriculture's net contribution to climate change is no more than zero — this should be the focus of future changes to the standard and should therefore drive regulatory change.

So maybe the Red Tractor, and thereby regulation, should address ammonia emissions, for example, as a point of priority. But more obsequious policies with questionable net benefits for society, such as removal of neonicotinoids for non-flowering crops, would become a lower priority.

But would a climate change levy on food be seen as a protectionist policy in world trade terms? It's a moot point as the UK takes steps towards striking its own trade arrangements. What's a little worrying is the statement released recently by the Department for International Trade. "Quality and safety is paramount," it says, and "without exception, imports must meet all relevant UK food safety rules and regulations".

That word "relevant" allows a massive margin for interpretation, and thereby flexibility on a trade deal. UK farmers can take no reassurance from this statement that food grown to lower standards than those they're required to follow won't be sold in the UK as equivalent. Such food would incur a levy, however. On the face of it, that's protectionist, but there's nothing stopping overseas farmers adopting the Red Tractor standard — many already do.

So where would the money raised be spent? As direct subsidy drops away, perhaps the levy should come in to take its place. We should draw a distinction here between public goods — the extras farmers provide, such as wildlife provision, public access, preservation of environmental/landscape features — and maintaining the public assets of soil, air and water for future generations.

Public goods should be paid for from the public purse, which is where the proposed Environmental Land Management (ELM) contracts come in. But

Government's already indicated soil management schemes are unlikely to attract an ELM, and expect the same for air and water quality. So schemes introduced that genuinely make a net contribution to preserving or enhancing these assets should receive a payment, funded by the levy. This is where well managed cover crops, reduced tillage and diverse rotations should justifiably reap their rewards.

The big burning issue to my mind is where GM would stand in all this. GM crops are disadvantaged under Red Tractor because of the regulatory standards UK farmers have to follow under the GMO regulations — it's questionable whether it's actually possible to grow GM crops under Red Tractor, wherever in the world you farm. That would put a levy on all imported GM crops, and I can't see Donald Trump taking too kindly to that.

But is it right that GM and also gene-edited crops, that have the potential to help farmers towards net zero, should incur a climate change levy? That would surely make a mockery of the GMO regulations themselves and expose them for the sycophantic anathema they are to Agriculture. Well, there's a thought.

*Tom Allen-Stevens has a 170ha arable farm in Oxon, and "net zero" is what it stands to make financially under Government plans for the Agriculture Bill.*

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